



27 June 2024

Title	Update On The Council's Low Carbon Capital Investment Programme
Purpose of the report	To note the report for information
Report status	Public report
Report author	Ben Burfoot (Sustainability Manager)
Lead Councillor	Councillor Ennis, Lead Councillor for Climate Strategy and Transport
Corporate priority	Healthy Environment
Recommendations	That the Committee notes delivery of the Council's low carbon investment programme as summarised pursuant to the recommendations agreed at SEPT Committee in June 2021.

1. Executive Summary

- 1.1. The 2022/23 Budget, approved by Council in February 2022, confirmed the Council's commitment to a c£7.1m programme of low carbon investment (energy efficiency and renewable energy installations) over the 3 years to 2024/25 to help achieve the corporate Carbon Plan target of an 85% reduction in the Council's carbon emissions by the end of the strategy period (Nov) 2025. The 2023/24 budget, approved by the Council in February 2023, included an additional £2.2 million for a new corporate solar energy programme, underlining the Council's commitment to meeting Climate Strategy and Carbon Plan commitments. This report updates the Committee on progress with implementation of the programme.
- 1.2. It is important to note that there are a number of other projects within the Capital Programme which contribute to the Council's climate goals alongside this programme (e.g. in transport, fleet, waste, housing and schools). This programme relates specifically to the decarbonisation of key corporate assets and the installation of renewable energy generation assets.
- 1.3. Approval to spend against the programme was sought and secured at SEPT Committee in June 2021 based on the programme summarised at Appendix 1 of that report, along with delegations to the Executive Director to agree significant variations to the programme and commit sums from the programme as match funding for external funding bids, in consultation with Director of Finance and Lead Member for Climate Strategy and Transport. This report which is provided to SEPT annually updates the programme, reflecting changes and significant variances agreed in the interim.

2. Policy Context

- 2.1 The Reading Climate Emergency Strategy 2020-25, which was endorsed by the Policy Committee in November 2020, reaffirmed the goal of achieving a net zero carbon Reading by 2030 as set out in the Council's climate emergency declaration of February 2019. At the same time as endorsing the Climate Emergency Strategy for the Borough, the Policy Committee also adopted a new corporate Carbon Plan for the organisation covering the period 2020-25. This set an ambitious target of an 85% reduction in the Council's CO2 emissions by 2025, compared to the 2008/09 baseline, on the way to becoming a net zero organisation by 2030.
- 2.2 Key to achievement of these targets is additional investment in the Council's assets to reduce energy use, improve energy efficiency and increase renewable energy generation. While there are a large number of projects within the Capital Programme which contribute to this aim, the 2022/23 Budget and MTFs confirmed specific provision for c£7.1m investment in low carbon investment up to 2024/25. This investment is reflected in three budget lines in the approved Capital Programme as follows: the Salix Re-circulation fund, the Decarbonisation fund and the Renewable Energy fund. Since the budget was set, there have been significant movements of funds in and out of the programme as projects have been taken forward and/or integrated into other programmes. The main changes are shown in table 1 and are summarised below:
- £866,00 was transferred to Leisure programme budgets to enable installation of heat pumps and additional solar panels to Palmer Park and Rivermead Leisure Centres (see [Decision Book report 654 March 2022](#)).
 - £1,518,000 was transferred to the Levelling Up Fund programme budget to enable heat pump and other measures at the Hexagon theatre.
 - £705,000 was transferred to Levelling Up Fund programme budget towards the cost of heat pump installation at the Civic Offices (plus £825,000 Grant from TVB LEP)
- 2.3 In addition to these changes, £2,171,000 was added to the Capital Programme in the 2023 to 2026 budget for a new corporate solar programme (see Budget Book 2023/24) enabling solar PV on corporate buildings and solar canopies in Council car parks.
- 2.4 Of the original c£7.1m programme, almost 90% has now been spent or committed to 'live' projects. Approx. £2.597m has now been spent on low carbon Leisure Centre investments and EV Charging infrastructure at Bennet Road; approx. £3.048m is committed to decarbonisation projects for delivery by March 2026 (heat pump and energy efficiency projects at the Hexagon and Civic Offices) within the LUF programme and the remainder is earmarked for projects in development (Smallmead solar farm, LED lighting and other energy efficiency projects), subject to business case approval. Additionally, over £2m has been secured in external grants to supplement the Council's own investments in this area, compared to a target income from grants of £450k when the budget was set in 2021. The £2.17m corporate solar programme has, however, yet to be mobilised as there are dependencies with asset strategy and car parking reviews which will influence the potential locations for deployment of additional solar capacity.

3. The Proposal

- 3.1 Current Position:** the substantive decisions in relation to the programme were taken by SEPT Committee in June 2021 and subsequent reviews. This report

updates the June 2023 report to give an overview on the status of the programme as follows:

Table 1: status update on key projects

Project	Budget	Spent/ secured (£000)	Committed	CO ₂ Reduction Est. t ^e p.a.	Status
Low carbon leisure centres (heat pumps and solar PV)	866	866*		246	Palmer Park and Rivermead complete; heat pumps and solar panels reducing emissions by 57% and 80% respectively.
Bennet Road 'zero carbon depot' (EV charging infrastructure)	1,660	1731		330	Upgrading of electrical network to high voltage and installation of EV charging for 12 new eRCVs complete. (CO ₂ figure cited is for savings from eRCVs only but further carbon savings will be enabled by the investment made as more of the fleet is electrified.)
Bennet Road 'zero carbon depot' (solar pv)	385		385	59	Installation of solar canopies over parking areas in contract but on hold pending review of depot layout options. Onsite solar will also reduce charging costs for EV fleet. (Paused)
Hexagon Theatre/Hexagon Studio decarbonisation	1,518		1518*	124	Heat pump installation and other energy efficiency measures now an integral part of LUF project for completion by end March 2026. Carbon savings will increase over time as the grid decarbonises. (In progress)
Civic Offices	1,530		1530*	195	Heat pump installation now an integral part of LUF project, supported £825,000 TVB LEP grant. installation completion scheduled Mar 31 st 2025. Carbon savings will increase over time as the grid

					decarbonises. (In progress)
Smallmead solar farm	769	10		90	Solar farm planned to provide 1MWp to the RE3 facility at Island Road on Council land and roof. Pre-application work underway but delayed due to staff shortages/other priorities driven by grant deadlines.
SALIX Recirculation fund	168	45		64	Ring-fenced energy efficiency fund operated since 2008 - programme is coming to an end with planned spend of £282k in final year. Mainly for LED lighting projects for schools and other buildings in the 22/23 year.
Reading Bus Depot	130			15	Working with RTL and Reading Community Energy Society (RCES) to put solar array with batteries on bus depot - planning secured, now scheduled to proceed in 24/25. Budget allocation is a share of final project costs to be shared with RCES.
Crematorium	55			6	Solar panels and energy efficiency measures now programmed for 2024/25. Project delayed.
Total	7081	2652	3433	1129	
Grant Funding	-450	-2054			Grants secured subject to terms.

* denotes movement of budget to other cost centres in Council

4. Contribution to Strategic Aims

The recommendations in this report align with Corporate Plan priorities as follows:

- 4.1. Healthy Environment: the programme will help deliver the Council's ambitions to become a 'net zero carbon' organisation by 2030, as part of the wider ambition set out in the corporate plan of a carbon neutral Reading by 2030.
- 4.2. Thriving Communities: the programme will help deliver the Council's ambitions for Reading's communities to be protected from the worst impacts of a changing climate.

- 4.3. Inclusive Economy: the programme will help deliver the Council's ambitions for development of Reading's 'low carbon economy' by stimulating demand for low carbon goods and services.
- 4.4. These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:
- People first
 - Digital transformation
 - Building self-reliance
 - Getting the best value
 - Collaborating with others
- 4.5. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

5. Environmental and Climate Implications

- 5.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers), endorsed the Reading Climate Emergency Strategy 2020-25 in November 2020 and adopted a new corporate Carbon Plan 2020-25 also in November 2020. The programme is designed to deliver the key aims of the Carbon Plan and will contribute directly towards the Carbon Plan target of an 85% reduction in RBC emissions by 2025, *en route* to becoming a net zero organisation by 2030.
- 5.2 The Council's low carbon investment programme is designed to reduce the Council's energy use and ensure that the energy we do use is from lower carbon sources. As such the climate impact assessment conducted on this report suggests that the programme will have a 'net high positive' impact on the Council's carbon emissions. The contribution of individual projects within the programme is summarised in table 1 above. Additionally, any environmental impacts arising from individual projects within the programme are being addressed via the appropriate mechanisms (e.g. via the development control process where planning permission is required).

6. Community Engagement

- 6.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way". The programme was the subject of public consultation as part of the budget setting process.

7. Equality Implications

- 7.1. An Equality Impact Assessment is not considered necessary for the recommendations in this report as they do not have implications for groups with protected characteristics.

8. Other Relevant Considerations

- Risk management implications will be integrated into project management processes.
- Health and Safety risk assessments will be carried out as part of project delivery and operational protocols thereafter.
- Transparency of information and freedom of information implications through record keeping and public reporting.

9. Legal Implications

- 9.1. There are no legal implications arising from the recommendations in this report.

10. Financial Implications

- 10.1. There are no additional financial implications arising from the recommendations in this report. The capital funds referred to in this report are part of the approved budget and MTFS. Table 2 summarises actual and planned spend against the original programme, noting that these amounts are no longer readily visible in the budget due to the movement of funds in and out of the low carbon capital budget lines as summarised in 2.2 above.

11. Timetable for Implementation

- 11.1. Table 1 above summarises the timetable for implementation of the key projects within the programme and will be refined through the regular capital monitoring process.

12. Background Papers

- 12.1. There are none.