



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT

TOPIC – ROUTE MAP FOR A LOW CARBON ECONOMY

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Chief Operating Officer, the Chief Executive and the Chief Finance Officer are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Democratic Services Officer by 5.00pm on Tuesday 4 February 2014.

Contact Officers:

Case Officer: Eloise Appleby ext 2181, eappleby@winchester.gov.uk

Democratic Services Officer: Nancy Graham, ext 2235, ngraham@winchester.gov.uk

SUMMARY

- In January 2012, Council approved the Change Plans for 2012/13 ([CL74](#) - Adoption of Change Plans 2012/13, refers). These included the commissioning of "a detailed and costed road map for delivery of the District's 30% carbon reduction objective and associated creation of a green economy".
- During the course of the last financial year, a commission was advertised and awarded through a competitive process to consultancy CAG in association with Roger Tym and Partners. The specification required them to:

"provide a blueprint for the future development of a vibrant low carbon economy within the district, with the aim of creating additional employment and inward investment, and delivering the Council's target of a 30%

reduction in greenhouse gas emissions between 2004 and the end of the financial year 2015/2016.”

- Following a thorough programme of research, dialogue with stakeholder organisations and debate within the District’s Climate Change Programme Board, the consultants delivered a final document which included a recommended delivery programme.
- The actions in the programme were specifically intended for the Council, rather than for stakeholder organisations. They took into account the current climate of constrained public spending, but also reviewed some of the financing opportunities now available for low carbon developments.
- Topics covered include low carbon leadership, skills, enterprise development, renewables and procurement. The scope of the commission deliberately excluded transport, as largely outside the control of the City Council. It also excluded general carbon reduction measures such as behaviour change, which does not have a direct bearing on the local economy.
- CAG concluded that their proposed Route Map (“an ambitious but achievable agenda”) could generate 400-450 additional jobs, an increase of 10-20% in employment in the green business sector. Half these jobs would be in domestic energy efficiency, involving the roll-out of new technologies for energy efficiency such as solid wall insulation.
- The Route Map proposals are estimated to save about 150 kilo-tonnes (kt) of CO₂ per year by about 2020, equivalent to about half of the 30% reduction target. These figures are based on annual reports produced by the research group of Winchester Action on Climate Change. (The most recent version can be found [here.](#))
- CAG suggests that energy efficiency, in both the domestic and commercial/industrial sectors, is the most effective way to create jobs and cut carbon emissions within the scope of the study. Other major contributors to employment in the district would be solar photovoltaics, renewable heat technologies, biomass and anaerobic digestion/biomass.
- The Route Map is a comprehensive document. Individual chapters have benefited from knowledgeable stakeholders in each field. However, in order to ensure that it forms the basis of pragmatic and affordable actions in Council plans, a summarised version has been produced. The summary Route Map is attached to this Decision Notice.
- The action plan has three clear objectives as follows:
 - i) To provide low carbon leadership and support the growth of the green business sector;

- ii) To increase external investment in renewable energy and energy-saving measures;
 - iii) To invest Council resources in the creation of a low carbon economy
- The Route Map is intended to provide a mechanism to grow the low carbon economy, which directly supports the Economic Prosperity outcome of the Winchester District Community Strategy. By its nature, it also supports the delivery of a High Quality Environment.
 - It is therefore proposed that Portfolio Holders draw on the Route Map during the corporate planning cycle each year, where actions can be delivered from within existing resources.
 - A separate plan to address transport emissions is currently being drawn up. A behavioural change commission is already in hand, and this will sit alongside the successful Carbon Smart Winchester initiative which has seen low carbon accreditation achieved by 100 businesses across the District over the past year.

PROPOSED DECISION

- a) That Members support the three objectives of the Route Map set out above, and endorse the summarised Route Map attached at Appendix 1;
- b) That the objective of investing Council resources in the creation of a low carbon economy is taken into account in allocating budgets as part of the corporate planning cycle;
- c) That Portfolio Holders refer to the action plan in developing their own annual Plans with Heads of Team each year to ensure that - where they can be resourced - the relevant actions are implemented in support of the delivery of the Community Strategy outcomes.

REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

Feedback from stakeholder organisations indicated that they would like to see greater leadership from the Council in this area. There are increasing numbers of willing partners, ranging from the Local Enterprise Partnerships and Sparsholt College to Hampshire County Council.

A Member Briefing on the Low Carbon Economy earlier this year also showed that Councillors are increasingly keen to see action in support of carbon reduction, particularly where there are economic benefits to the community. There was a keen wish to see exemplar developments led by the Council that would inspire others.

At a time when economic prosperity is high on the Council's priorities, it is logical to combine these significant opportunities for economic development with a public wish to address climate change.

The process of compiling the Route Map has been an iterative one, and various options have been considered and rejected – or included. The consultants were asked to evaluate options based on return on investment (or effort), along with the relevance for action at a District level.

RESOURCE IMPLICATIONS:

A number of the actions in the Route Map can be taken forward using existing Council resources, subject to any further budget reductions over coming years. These include work around leadership, branding, information sharing and the refocusing of existing work (such as the Carbon Smart accreditation programme).

The bigger projects – such as energy efficiency investments in Council housing stock – would require greater capital investment. Any such projects would therefore be brought to Cabinet for consideration on a case by case basis in the usual way. However, it is likely that a number of these could be integrated into asset management work already identified in Council plans, to be funded the General Fund and/or Housing Revenue Account.

However, stakeholders advised that there was significant capital investment which could come from the private sector, given appropriate opportunities. Such opportunities would be identified in consultation with colleagues from the Development Management, to ensure they were likely to be supported in planning policy terms. Officers are currently exploring the potential for raising awareness of investment opportunities, which could bring positive carbon reduction initiatives in exchange simply for the Council's support, facilitation and leadership. Again, any such individual proposals would come to Members for further consideration on their own merits.

CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION

At the outset of the project in October 2012, Members attending a briefing session on building a low carbon economy expressed support for the Council's role in facilitating – or indeed leading on – 'exemplar' projects in the Winchester District.

As part of the commission, the consultants engaged with 37 representatives of stakeholder organisations. A workshop for around 20 of these consultees was held to refine the CAG delivery plan.

The Route Map has benefited from further consultation with a number of representatives from Winchester Action on Climate Change who have been able to provide baseline information, challenge and contacts for the consultants.

**FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION
NOTICE**

n/a

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR
OFFICER CONSULTED**

None.

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

None.

Approved by: (signature)

Date of Decision

Councillor Robert Humby – Portfolio Holder for Economic Development



A Low Carbon Route Map for Winchester District

A report for Winchester District Council from CAG
Consultants in association with Roger Tym & Partners

Authors: Bill Kirkup and Mary Anderson

April 2013

Executive Summary

Background and scope of study

The Low Carbon Route Map was commissioned by Winchester City Council with the aim that it should:

“provide a blueprint for the future development of a vibrant low carbon economy within the district, with the aim of creating additional employment and inward investment, and delivering the Council’s target of a 30% reduction in greenhouse gas emissions between 2004 and the end of the financial year 2015/2016.”

There is broad recognition of the need for the UK to move towards a low carbon economy. Whilst mitigating climate change is the primary agenda for some, others believe that the need to ensure stable, affordable, future energy sources is essential to the UK’s long-term prosperity. The evidence suggests that both views are correct.

Action on this agenda also brings the promise of economic opportunity and jobs. The growth of the green economy has been one of the few sources of optimism amidst the economic gloom of recent years.

The route map was commissioned to assist Winchester City Council to achieve against its twin ambitions of reducing greenhouse gas emissions and generating new economic activity within the district. It is important to note the scope of the study was restricted to the identification of opportunities to secure reductions in CO₂ emissions only; so other greenhouse gas emissions were not considered. Also, consideration of transport (responsible for 46% of the district’s CO₂ emissions) was excluded from the brief.

Overview of findings

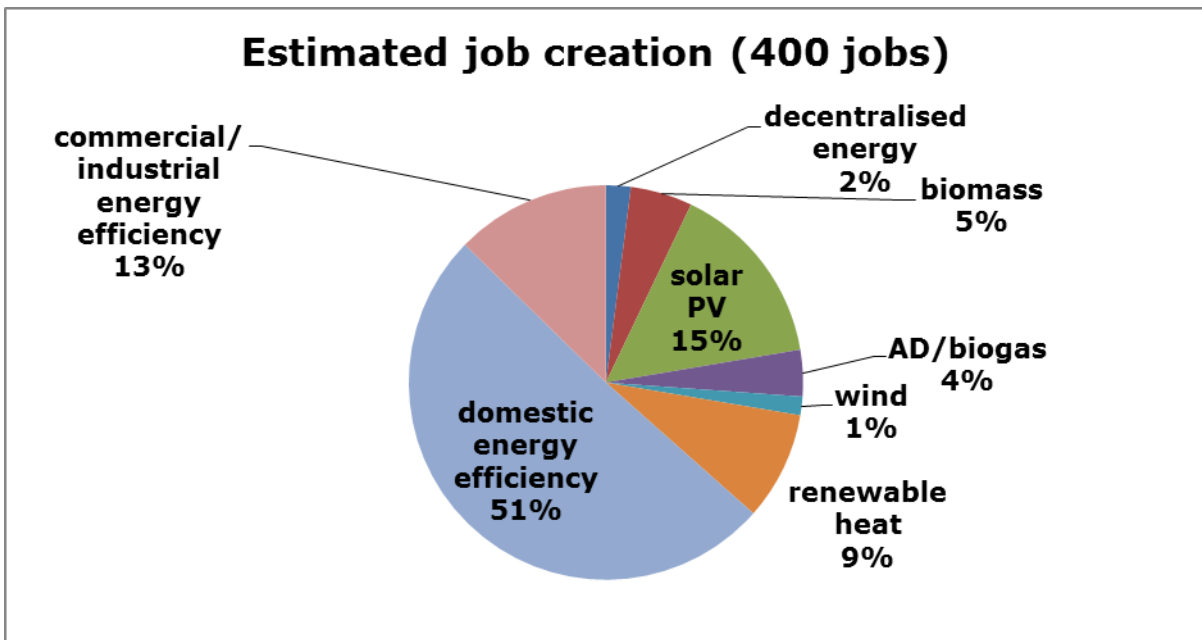
We estimate that the current scale of the Low Carbon and Environmental Goods and Services (LCEGS) sector in Winchester is 1.6% - 3.2% of current employment, representing 2,400 – 4,700 jobs. The higher figure is based on the definition of LCEGS employment adopted by the Department of Business, Industry and Skills, comprising jobs in the Environment, Renewable Energy and Low Carbon sectors. We think this would be an upper estimate as not all those sectors would be wholly engaged in the LCEGS sector. At a minimum we would estimate 50% of activity in these sectors would be primarily LCEGS, so we have given the range as 2,400-4,700 jobs.

The route map presents opportunities for growth in a range of low carbon and environmental sectors. Specific actions are recommended, by Winchester City Council and its partners, across twelve opportunity areas:

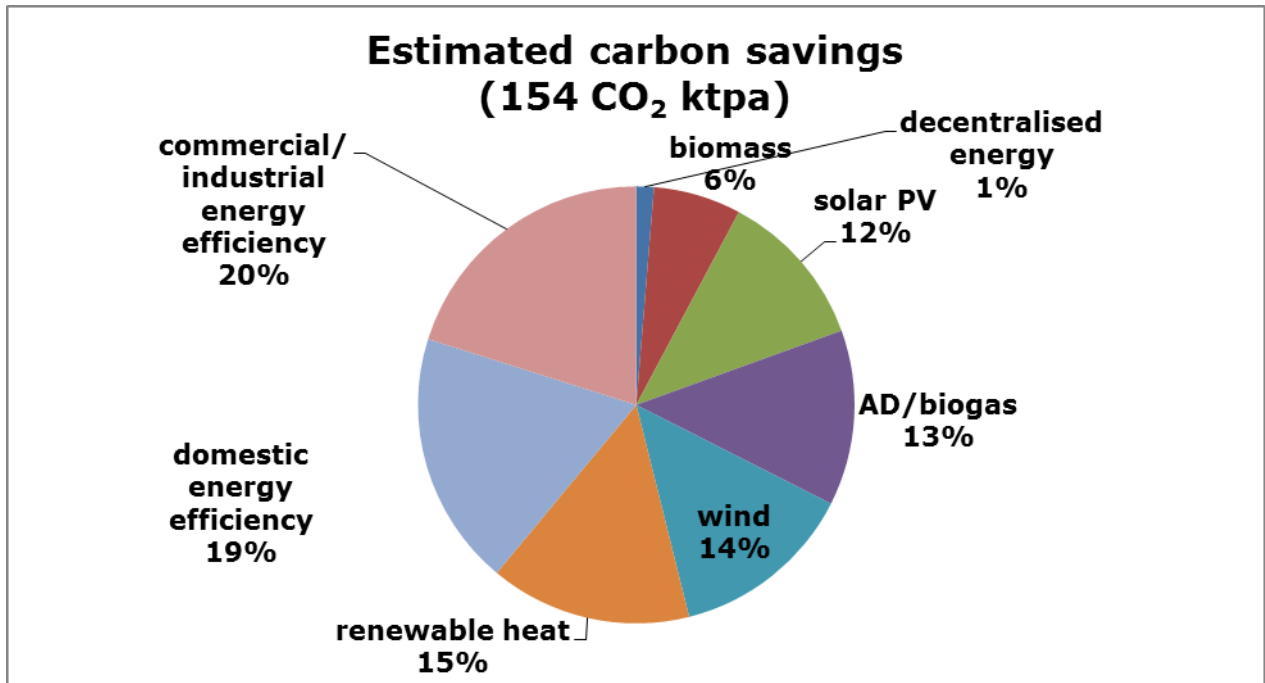
- Public sector carbon management
- Green procurement

- Business engagement
- Low carbon and green skills
- Low carbon economic development
- Domestic energy efficiency
- Decentralised energy
- Biomass
- Biogas (including Anaerobic Digestion – AD)
- Solar photovoltaics
- Windpower
- Renewable heat (heat pumps and solar thermal)

If fully implemented, we estimate that the route map proposals could generate 400-450 additional jobs, representing an increase of between 10-20% in LCEGS employment. As shown in the pie chart below, around half of these jobs are predicted to be in domestic energy efficiency, involving the roll-out of new technologies for energy efficiency such as solid wall insulation.



The route map proposals are estimated to save about 150 kilo-tonnes (kt) of CO₂ per year by about 2020. While there would be greater scope for savings on technical grounds, our estimates are based on an ambitious but achievable agenda. This is lower than Winchester City Council's target of reducing CO₂ emissions to 30% below 2004 levels by 2015, which requires a saving of 208kt per year district-wide. But, as noted above, the route map savings do not include the transport sector which is a major source of emissions in the district. If action to reduce transport emissions were included, we estimate that Winchester's carbon saving's target would be broadly achievable by 2020, but not by 2015.



Key messages

Successful realisation of the economic and carbon saving opportunities presented in the route map will require several key issues to be grasped:

- **The challenge of change:** this is a recurring theme in the route map, whether it is persuading home owners to take up the Green Deal, securing business engagement in energy efficiency, getting local communities to accept change in the landscape or convincing business managers of the value of innovative financial and performance mechanisms. The route map will not be realised unless due recognition is given to identifying, and addressing, the barriers to change.
- **Leadership is critical:** there is a clear need for leadership on this agenda. This should be demonstrated both by public advocacy, and through the development of practical action, and should be complemented by clear and consistent messaging.
- **Building strategic partnerships:** delivering the route map will require the Council to develop closer relationships with the district's most significant economic actors, with neighbouring authorities, with the two Local Economic Partnerships (the Solent and Enterprise M3 LEPs), and other strategic stakeholders such as the Hampshire Chamber of Commerce and the Forestry Commission.
- **Rapid action on energy efficiency:** if future greenhouse gas emission targets are to be achieved, and energy security assured, rapid action needs to be taken to improve energy efficiency in the commercial and domestic sectors. This is the most

cost effective option, offering the most opportunity for creating jobs and, in general, lower adverse impacts than alternative low carbon measures.

- **Winchester as a rural low carbon hub?** Exploiting the district's potential for wood energy and anaerobic digestion provides a clear opportunity to secure jobs, inward investment and low carbon sources of energy, and heat. But more substantial benefits could accrue through the development of the district as a rural low carbon skills and technology hub. The presence of Sparsholt College, and the district's strong links with the wider rural economy, taken together with the low carbon aspirations of the Solent LEP provide Winchester with an almost unique opportunity to position itself as a key player in the development of the low carbon economy in the south- east.

Early actions

Examples of early actions recommended in the route map are that Winchester City Council should:

- Expand the Climate Change programme board to include representation from the business and higher education community;
- Develop a district brand for low carbon activity;
- Refine the targeting of existing support (eg Carbon Smart)
- Examine the feasibility of using biomass or other low carbon technologies in current planned developments;
- Work with strategic partners to develop a co-ordinated approach to funding opportunities (eg Intelligent Energy Europe).

Action Plan

1. To provide low carbon leadership and support the growth of the green business sector

Actions	Cost (est.)	Timing
1. Commit the City Council to low carbon leadership.	Within current resources	Q3 2013/14
2. Identify and target the organisations, both public and private sector, which have the largest CO ₂ emissions in the District and encourage them to work collaboratively with the Council.	Within current resources	Ongoing
3. Advertise, opportunities for green business to make proposals for growth that will reduce emissions or create renewable energy.	Within current resources	Ongoing
4. Publicise Winchester as a good home for new green businesses, and provide appropriately for green businesses in any the new enterprise centre/development areas.	Within current resources	Ongoing
5. Promote trustworthy suppliers and installers of energy efficiency measures and renewables.	Within current resources	Q4 2013/14
6. Bring interested parties together to support the development of a reliable supply / user chain for local wood fuel, working with to match supply and demand to enable the market to take off.	£1,000-£5,000 pa (tailor to match resources)	2014/15
7. Investigate opportunities to use wood fuel for refurbishment or new build of Council property (domestic and non-domestic) wherever practicable.	Within current resources	Q4 2013/14
8. Work with Sparsholt College to develop a centre of expertise in low carbon technologies.	Within current resources	Q4 & 2014

2. To increase external investment in renewable energy and energy-saving measures

Actions	Cost (est.)	Timing
<p>9. Adopt a positive approach to planning proposals where consistent with policy, and encourage inward investment, whether commercial, community or domestic, including:</p> <ul style="list-style-type: none"> a) publicising the Local Plan position on renewable energy b) ensuring that Local Plan Part 2 continues to reflect in principle support for all forms of renewable energy c) clarifying permitted development rights in relation to solar PV d) identifying and considering how to remove unintended barriers that make it more difficult for others to invest in energy-saving initiatives e) encouraging developers to install district heating and combined heat and power schemes with the potential to be powered by renewable energy / heat, including <ul style="list-style-type: none"> • raising the awareness among developers/potential purchasers of the benefits of district heating benefits as a cost-effective way to reach Code for Sustainable Homes level 5 and above • promoting a connection to a district heating network where a viable option exists • requiring consideration and/or future proofing of district heating in new developments, making use of Building Reg. 25(a) • educate council tenants about the benefits of district heating e.g. inviting them to visit to other developments f) working with HCC to support delivery of their planning policy on waste and minerals facilitates the development of anaerobic digesters. 	<p>Within current resources</p>	<p>Q4 2013/14</p>
<p>10. Facilitate and encourage community investment in renewable energy generation by:</p> <ul style="list-style-type: none"> a) supporting communities to create their own collective renewable energy 	<p>Within current resources</p>	<p>Ongoing</p>

Actions	Cost (est.)	Timing
<ul style="list-style-type: none"> b) supporting proposals for community-ownership and community-benefit options for commercial developments c) supporting funding applications d) helping communities to access reliable sources of professional advice and trustworthy suppliers and installers 		
<p>11. Facilitate and encourage commercial investment in renewable energy such as solar and wind farms by:</p> <ul style="list-style-type: none"> a) promoting a better understanding of the costs and benefits of wind and other renewables to residents and Members b) publicising the Council's positive attitude towards renewable energy, particularly on land not suitable for other uses (eg contaminated land, landfill sites, mineral sites) c) advertising opportunities for investment, encouraging investors to out their ideas forward, and bringing together investors, developers and landowners for key opportunity brownfield sites d) working with developers and local communities to ensure fair and efficient handling of planning applications for renewable developments, following best practice on community engagement 	Within current resources	Ongoing from Q3/4
<p>12. Encourage commercial capture of methane from landfill for use as fuel to end the emission of methane from landfill into the atmosphere</p>	Depends – possibly within current resources	2014/15
<p>13. Set up a system to spot and exploit all opportunities for financial support for energy-saving measures working with other authorities to maximise value for money on low carbon projects and agreeing a collective approach with local green businesses to benefit from external funding opportunities.</p>	£1,000-£5,000 pa commission (can be tailored to match resources)	2014/2015

Actions	Cost (est.)	Timing
<p>14. Increase investment by home-owners in energy efficiency in private housing by using the results of the Council's Private Sector House Conditions Survey to shape a successor to the 'Green Deal Winchester Pioneer Places' project to encourage home-owners to retrofit their dwellings and generate renewable heat and power. This could include working in partnerships such as Solent Green Deal to:</p> <ul style="list-style-type: none"> • Provide information and, where external funding permits, free tailor-made advice • Publicise sources of funding (eg ECO, Green Deal, Renewable Heat Incentive and Feed-in Tariffs) • Prioritise those in most need because of fuel poverty or housing type • Facilitate home-owners to access trustworth suppliers and installers or energy efficiency measures/renewables 	<p>£25,000 pa (can be tailored to match resources)</p>	<p>2014/2015</p>

3. To invest Council resources in the creation of a low carbon economy

Action	Cost (est.)	Timing
<p>14. Explore mechanisms to fund energy efficiency retrofit programmes and investment in renewable electricity and heat in both Council and other buildings, such as:</p> <ul style="list-style-type: none"> a) through the Council's own investment strategy (see also 15 below) b) a fund from which to invest in more energy efficiency measures c) investment of income from Feed-in Tariff, Renewable Heat Incentive and equivalents d) Community Infrastructure Levy e) Allowable Solutions f) mechanisms for people to invest in energy efficiency secured by Winchester City Council g) a Carbon Offset Fund 	<p>Exploratory activity within current resources</p>	<p>2014/15</p>
<p>15. Invest Council funds in projects that save tax-payer money and gain publicity for the Council's green commitments. (Possibilities for further exploration include district heating networks, further CHP and solar hot water at the leisure centre, solar panels on car park roofs / Council offices and other non-domestic properties, water power from Durngate and Abbey mills etc.)</p>	<p>Significant, to be considered/justified on case by case basis</p>	<p>2014/2015</p>
<p>16. Include energy efficiency in Council housing stock survey, then (taking account of the results), update the Council's Housing Business Plan to reflect:</p> <ul style="list-style-type: none"> a) a timetable to bring each type of Council housing up to a SAP rating appropriate 	<p>Funded through Stock Survey already underway.</p>	<p>Q4 2013/14</p>

<p>to its expected life</p> <p>b) A clear and timetabled programme for offering tenants the option to replace heat sources for all properties that rely on oil or electric heating, whether by linking them to mains gas or installing renewable heat.</p> <p>c) A timetabled programme of investment for installation of solar power (PV or thermal) on roofs with sufficient sun, including where appropriate as part of roof refurbishment,</p> <p>d) A timetabled programme for the redevelopment/refurbishment of homes of non traditional construction, prioritising the least energy-efficient Council housing.</p>	<p>To be determined within existing 30 year maintenance programmes.</p>	<p>2014/15</p>
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