

## CCAP OSC Update – March 2023

### Climate Change Budget and Funding Strategy Update

#### Introduction

The Council has agreed a Climate Change Budget of £500,000 for 2022/23 to support the delivery of the Climate Change Action Programme. An update on spending against that budget is set out in Section 1 below.

Further, the Climate Change Action Programme agreed at Cabinet in November 2021 was accompanied by a Funding Strategy. The Funding Strategy acknowledged that “direct Council funding cannot support all the areas of work required to deliver the CCAP. There will therefore inevitably be significant projects that we cannot demonstrably fund from the start.” The Strategy set out how future alternative funding streams could be utilised and considered 10 potential sources of funding that could support the delivery of the strategy. Section 2 below provides an update on these potential funding streams.

#### Section 1: 2022/23 Climate Change Budget

Description	Spend/Commitment	Purpose	Comments
Salary Costs WDC	59,674.38	PDCC Costs plus other WDC Staff costs	WDC have continued to provide support on reports for the CCAP, plus a range of (joint) projects such as LCE; EV charging; eCargo; bikes; trees call to action etc.
Health and Safety Expenses	10.29	PDCC	
Conferences/Courses/Seminars	20.00	WALC conference	
Consultants Costs	17,725.00	SDC share of Cenex EV Charging Study	
Consultant costs	13,000	Leisure Centre Solar Canopies Study – Kingscote Enterprises	
Equipment General	2,775.00	Pashley Holdings – Trackers and data	

		monitoring for eCargo bikes	
Insurance	14.79		
Fees	12,000	Pashley Holdings – Maintenance of eCargo Bikes	
Other Hired Services	180	Pashley Holdings – Van for Roadshow	
Contribution expenditure	60,972	eCargo bikes	
Grants due	-60,972	eCargo bikes grant	
Trees Call to Action Apprenticeship	12,880	Match funding for Trees Call to Action (agreed May 2022)	
<b>Total 2022/23</b>	<b>118,279.46</b>		
c/f to 2023/24	381,720.54		
<b>Commitments for 2023/24</b>			
Climate Change Officer Salary	50,000	Estimate	New dedicated SDC post
Trees for farmers project	25,000		
Trees Call to Action Apprenticeship	22,963		
eCargo Bike Maintenance	12,000		
<b>Total 2023/24</b>	<b>109,963</b>		

## Section 2: Update on Funding Streams

Sources of Funding	Proposed Focus November 2021	Comments November 2021	Update March 2023	Potential Opportunities for 2023/24 onwards
<b>1 Direct Council Funding</b> <ul style="list-style-type: none"> <li>SDC Climate Change Budget</li> </ul>	<ul style="list-style-type: none"> <li>Investment in Council building assets</li> </ul>	Prioritising and utilising existing climate change budgets.	£500,000 budget has been agreed for 2022/23 with a further £500,000 proposed for 2023/24. See spending set out in Section 1 above.	It is expected that the £500,000 revenue budget will continue for 2023/24. Updates to the CCAP will set out how this budget will be used in relation to priorities

<ul style="list-style-type: none"> <li>• Using established Service budgets in a way that addresses climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in Council fleet vehicles</li> <li>• Staff resources to manage and deliver CCAP</li> <li>• Evidence and feasibility studies to develop projects and approaches</li> <li>• Project set up costs and match funding for grants</li> <li>• Community engagement and communications</li> </ul>	<p>Redirecting existing service spending will be explored.</p> <p>This also involves utilising and refocusing established service budgets to support climate change activities.</p>	<p>In addition, service budgets and reserves have also support climate change related work including:</p> <ul style="list-style-type: none"> <li>• SWLP budget used to pay for study in to carbon emissions scenarios and context</li> <li>• Tree planting</li> <li>• Small scale asset decarbonisation measures.</li> </ul>	<p>for the new administration. Taking account of the potential to utilise a significant carry forward from 2022/23 there are opportunities to utilise the budget to deliver significant carbon reduction projects such as EV Charging; assets decarbonisation or a community carbon reduction grant scheme.</p> <p>Service budgets will continue to deliver climate change related work. A particular opportunity relates to procurement – as new contracts are procured higher standards relating to carbon emissions will be expected which will ensure service budgets are brought to greater effect</p>
<p><b>2 Government Grants</b></p> <p>Examples include PSDF; LADs; Active Travel Grants; Regeneration/Levelling-Up and Town Centres; Innovation</p>	<ul style="list-style-type: none"> <li>• Investment in Council building assets</li> <li>• Evidence and feasibility studies to develop projects and approaches</li> <li>• Project set up costs</li> <li>• Project delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure we keep abreast of government priorities and initiatives</li> <li>• Many schemes need technical expertise for successful bid and all need staff time</li> <li>• Grants schemes are usually short deadlines so ensure</li> </ul>	<ul style="list-style-type: none"> <li>• As set out in the CCAP update, the Council has been successful in securing significant green homes grants under a range of schemes (LAD1B; LAD2; Sustainable Warmth Fund)</li> <li>• The Council has been a partner in a successful Trees Call to Action Fund</li> </ul>	<p>Potential for further housing retrofit money from Green Homes Grants.</p> <p>Funding to support EV charging rollout will be sought from LEVI and/or ORCS.</p>

	<ul style="list-style-type: none"> <li>• Various initiatives relating to ambitions 2 and 3</li> </ul>	<p>we have pipeline of projects</p> <ul style="list-style-type: none"> <li>• Match funding may be required</li> </ul>	<p>bid worth £500k and this is now being delivered</p>	
<p><b>3 Other grant schemes</b></p> <p>WMCA CWLEP Charitable trusts Business Sponsored grants</p>	<ul style="list-style-type: none"> <li>• Tree planting</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown opportunities</li> <li>• May be important for some projects but they are an unreliable source</li> <li>• Often have specific scope which may not tie in with SDC priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Successful bid to UK100 for resources to support Local Climate Engagement</li> </ul>	<p>We will keep abreast of opportunities and take advantage of these where they align with Council priorities.</p>
<p><b>4 Private Sector Investments</b></p> <p>Examples</p> <ul style="list-style-type: none"> <li>• Sponsorship</li> <li>• Private investments</li> <li>• Contractors</li> </ul>	<ul style="list-style-type: none"> <li>• Sponsorship for high profile public projects and good causes (eg ebikes; tree planting)</li> <li>• Private investment for income generating projects (renewable energy; hydrogen hub; eBike schemes; EV charging)</li> <li>• Contractor contributions where consistent with Social Value requirements of</li> </ul>	<ul style="list-style-type: none"> <li>• If private investment is used, the Councils should consider whether it (also) wants to invest to deliver a longer-term income.</li> </ul>	<ul style="list-style-type: none"> <li>• Consideration of procurement options for private sector involvement in EV charging roll out.</li> <li>• Working with Act on Energy to improve retrofit advice to homeowners who are able to pay for works.</li> </ul>	<ul style="list-style-type: none"> <li>• EV charging roll out.</li> </ul>

	contracts and/or where consistent with the company's corporate commitments			
<b>5 Borrowing</b> <ul style="list-style-type: none"> <li>PWLB</li> </ul>	<ul style="list-style-type: none"> <li>Upfront funding for major capital investments.</li> <li>Where an income can be achieved (over and above borrowing costs) which delivers Councils' aims, this may be a way of securing an income.</li> <li>Examples: District heating; Hydrogen Hub; Solar farm investment.</li> </ul>		N/A	No plans.
<b>6 Community Municipal Investment Bonds</b>	<ul style="list-style-type: none"> <li>Upfront funding for major capital investments.</li> <li>Where an income can be achieved (over and above borrowing costs) which delivers Councils' aims, this may be a way of securing an income.</li> </ul>	Regulated by FCA. In effect this is another form of borrowing but with two significant differences to PWLB: <ul style="list-style-type: none"> <li>a) The cost of borrowing may be cheaper;</li> <li>b) The method of raising money</li> </ul>	No active examples.	Could be used for solar generation if a business case was able to demonstrate a potential financial return.

	<ul style="list-style-type: none"> <li>• Examples: District heating; Hydrogen Hub; Solar farm investment.</li> </ul>	allows local stakeholders/residents to invest in local green schemes (community engagement).		
<p><b>7 Maximising impact by aligning our spending with public sector organisations</b></p> <p>For example, working with WCC and Town and Parish Councils to lever their funding for mutually beneficial projects.</p>	<ul style="list-style-type: none"> <li>• Transport projects</li> <li>• Public sector retrofit and heating schemes</li> <li>• Local tree planting and biodiversity schemes</li> <li>• Local community energy efficiency projects</li> <li>• Local renewable energy generation projects</li> </ul>	<p>Mutual benefit for the whole public sector.</p> <p>Will require some resource to communicate and coordinate efforts so that we are all aware of the opportunities.</p>	<ul style="list-style-type: none"> <li>• Local Climate Engagement scheme will explore opportunities in further detail.</li> <li>• EV Charging infrastructure rollout will explore potential for Town and Parish Council's to contribute.</li> <li>• Trees Call to Action project will encourage local tree planting potentially funded by Town and Parish Councils.</li> </ul>	Potential for collaboration with WDC on decarbonisation of waste fleet vehicles.
<p><b>8 Community Infrastructure Levy</b></p>	<p>Can be used for low carbon infrastructure. Examples could include:</p> <ul style="list-style-type: none"> <li>• Green space and biodiversity</li> <li>• Cycle and walking infrastructure</li> <li>• Low carbon public transport</li> </ul>	<p>There are many competing demands for CIL.</p> <p>Carbon reduction should be a key criterion for the assessment of CIL scheme and give this significant weighting in decisions.</p>	<p>Contribution to climate change is a key consideration for all schemes.</p> <p>Potential schemes being considered which contribute directly to climate change include:</p> <ul style="list-style-type: none"> <li>• Natural flood management schemes (e.g. Alne and Arrow)</li> </ul>	Future CIL receipts could support climate adaptation initiatives, for example in relation to flood prevention.

	<ul style="list-style-type: none"> <li>• Renewable energy supply infrastructure</li> <li>• Improvement to local service (carbon reduction criteria)</li> </ul>		<ul style="list-style-type: none"> <li>• Cycle route and pedestrian enhancements (e.g Alcester Road)</li> </ul>	
<b>9 Section 106</b>	<p>Can be used for low carbon infrastructure directly associated with new development: Examples could include:</p> <ul style="list-style-type: none"> <li>• Green space and biodiversity</li> <li>• Cycle and walking infrastructure</li> <li>• Low carbon public transport</li> <li>• Renewable energy supply infrastructure</li> <li>• Improvement to local service (carbon reduction criteria)</li> </ul>	<p>Needs to be backed by clear evidence and policies that shows the direct link between new development and the infrastructure requirement.</p>	<p>Section 106 agreements are already funding</p> <ol style="list-style-type: none"> <li>a) Air Quality mitigation strategy and active travel capacity</li> <li>b) Green space provision and enhancement and tree planting</li> <li>c) Biodiversity offsetting</li> <li>d) Public Transport</li> </ol>	<p>Local Transport Plan revisions (LPT4) indicates a shift towards cycling and walking infrastructure which may help justify further expenditure on this infrastructure.</p> <p>Local Plan evidence base being developed to demonstrate carbon impacts and opportunities associated with new development. This may help justify future S106 on carbon reduction schemes.</p>

**10 Carbon  
Offsetting Fund**

This fund could be resourced in two ways.

- a) by requiring developers who fail to comply with Net Zero Carbon building standards (as required by Planning Policy) to pay into a fund.
- b) Secondly by offering a local carbon offset market to local organisations who are seeking to demonstrate net zero carbon.

- Tree planting and other carbon sequestration
- Retrofitting of existing homes and buildings

Need to develop a local natural carbon offsetting market (with WCC).

Need to prepare evidence to demonstrate how funds could support retrofitting of homes and other buildings (NB this may take several years to develop).

N/A

The SWLP is likely to include a carbon offsetting policy where new developments fail to achieve Zero Carbon in line with policy requirements.