

## Cornwall Council

Committee: **Cabinet**

Date: **10 February 2010**

Title: **Green Cornwall Programme**

Cabinet Member(s) **Cabinet Members for Waste and Environment, Economy and Regeneration and Highways, Transport and Planning**

Divisions Affected **All**

Relevant Overview And Scrutiny Committee:  
**Environment & Economy**

Key Decision: **Y** Checklist Compliant: **Y**

Urgent Decision: **N** Implementation Date: **20 February 2010**

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### **Recommendation:**

Cabinet endorses the overall aspiration, themes, direction and content of the Green Cornwall Programme, and in particular those that contribute to the Council's low carbon improvement priority, namely delivering the Carbon Reduction Commitment programme and the renewable energy programme.

### **Summary:**

1. Cornwall has a rich history of innovation in environmental management delivering work associated with climate change issues area, both through the former County Council and also the District Councils, but the green agenda has moved on rapidly in recent years. Against this rapidly evolving agenda, Cornwall continues to be ambitious but its delivery has slowed, and now needs to move on quickly, in order to continue to lead the field.

To be a leading authority and establish Cornwall's reputation at the highest level, Cornwall Council needs to re affirm its commitment, develop a series of plans to underpin progress towards ambitious targets and identify necessary resources in support.

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The recent Comprehensive Area Assessment noted that *"many of the Council's plans for the environment are ambitious, but it lacks a well-structured approach to address climate change and sustainability issues."* The Green Cornwall Programme is a clearly defined programme of themed initiatives that comprehensively addresses these issues.

A Green Cornwall Executive Board has been established to oversee the governance of the Programme comprising 7 key themes:

i) Low Carbon

Initial focus on Carbon Reduction Programme and Low Carbon Community Challenge. Important links to economic competitiveness.

ii) Renewable Energy

Establishment of Energy Services Company (ESC'os) and creation of possible income streams to support future investment in green practices/infrastructure.

iii) Behavioural Change

Awareness and understanding leading to sustainable changes in behaviour. Opportunities to exercise real community leadership by the Council.

iv) Environmental Resilience

Development of green space infrastructure, biodiversity and habitat management. Key links to economic competitiveness, quality of life and Cornwall's image/reputation.

v) Green Economy

Contribute to the economic vision of a distinctive, high-value, knowledge based "green" Cornwall with opportunity for all. In particular, ensuring a more sustainable approach to the tourism 'offer', reinforcing Cornwall's green character and distinctiveness to maintain its competitive edge.

vi) Reputation

Marketing, communication and awareness that provides strategic links to public satisfaction and

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perceptions about Value for Money of the Council's services. There is a key 'ambassadorial' role for the Council that should link to revised Award Schemes e.g. Green and Blue Flag schemes, Sustainability awards.

### vii) Green Council

Putting our own house in order. Promoting corporate compliance to ensure we reduce the environmental impact of the way the Council and its contractors deliver services. Embedding sustainability into the way we work.

Whilst recommending the endorsement of the Programme's overall aspiration, themes, direction and content, this report provides a specific focus upon the low carbon and renewable energy themes and the urgent improvements required by the changes in the agendas that the Council is currently facing.

## **1. Background:**

### **1.1. The Green Cornwall Programme**

The notion of a Green Cornwall Programme is a strong one, with important connotations. However, what comes under the Programme needs to be identified. The view of the Green Cornwall Programme Executive Board is that a broad definition should be adopted, but with a recognition that a small number of priorities will be focussed on. It is recommended that those priorities should be:

- The low carbon economy;
- The development of capacity to generate energy from renewable sources;
- Working with other bodies in partnership, such as the CSP (working through Environment Kernow) and private sector;

The remainder of areas covered by the Green Cornwall Programme will be developed further over time and reports brought to Cabinet in future building on the opportunities afforded by the move to unitary status.

The Council should adopt a 'business' approach to its project work under the low carbon economy and renewable energy under the Green Cornwall Programme. This means that all such work should be justified with robust business plans and it should be transparent what the financial, as well as environmental, benefits are from each proposal. It is also essential the

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Council accounts for both income generation and savings achieved through this work, to keep a record of the success of the Programme.

In view of the fact that delivery has been low to date, we are starting from a low base and the gains on offer will be significant. This is precisely the right time to be engaging in renewable energy and low carbon work, as there will be 'early mover advantage' in so doing.

### **2. Issues:**

#### **2.1. Low Carbon - Carbon Reduction Commitment (CRC)**

The first of the three priorities primarily involves the Carbon Reduction Commitment, but does go wider than that to include areas such as transport.

The Carbon Reduction Commitment (CRC) is a legal compliance regime that comes into force in spring 2010 and requires the Council to reduce its CO2 emissions. If it does not do so, then the Council will be subject to financial penalties as well as suffering reputation damage as a result of a low position in national CRC league tables that the Government will publish.

#### **2.2. Renewable Energy**

The Council should aspire to be a leading authority on renewable energy generation. It has the very best availability of natural resources nationally and should make the most of them, with plans that are ambitious and of national significance.

The Audit Commission recently urged local authorities to engage in renewable energy generation and lamented the fact that few were doing so. Similar comments were made by local government Minister John Denham.

#### **2.3. Partnership Programme**

The previous priorities will address the Council's requirements against the Low Carbon policy framework. However, in order to achieve a step change in Cornwall's performance against the rapidly evolving environmental agenda the Council will need to work with a broad range of partners on a number of themes in the Green Cornwall Programme as follows:

*Behavioural Change*  
*Environmental Resilience*  
*Green Economy*

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*Reputation  
Green Council*

### **3. Analysis:**

#### **3.1. Low Carbon - Carbon Reduction Commitment (CRC)**

In order to prepare for the CRC, a CRC Strategy Group has been set up, which is working hard to compile data and change processes to comply with the new regime.

The resources required for the CRC are threefold and include *Automatic Meter Reading equipment (AMR)*, data collection and outside assistance.

##### **3.1.1. Automatic Meter Reading equipment (AMR);**

This needs to be installed for gas and electricity supplies into all of the Council's buildings. It will enable 'real time' data on the use of energy to be available and should lead to substantial savings on the energy budget.

Meters can be either purchased for capital monies or rented from a supplier in some form of revenue arrangement. It is recommended that meters be purchased for the schools estate but rental arrangements for the rest of the Council's buildings.

A capital sum of c£210,000 is required for AMR for schools, which has been included in the Green Cornwall programme capital budget for 2010/2011. Rental arrangements will be met from revenue.

The local authority should adopt a policy of 100 % AMR and ensure that AMR is installed as soon as possible with a deadline of April 2010.

##### **3.1.2 Data Collection and professional assistance;**

The CRC is a complicated legal regime and some external assistance will be required to prepare for and deal with it. It is proposed to allocate approximately £20,000 of revenue budget to ensure that the Council meets the required Carbon Trust Standard.

If the preparatory work for CRC can be completed before April 2010, then it will mean that the Council will avoid a financial penalty for the first year and it will also help enhance its national reputation as a leading authority on climate change. As such, this should be a priority.

### **3.2 Renewable Energy**

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The Council should adopt a strategy which utilises all major forms of renewable energy from geothermal energy to marine and wave technology; from solar energy to wind energy; from biomass to renewable heating systems. A phased approach should be adopted, enabling the building of capacity to deliver this infrastructure using in house resources, for the long term benefit of Cornwall.

The two areas where renewable energy is already commercially proven are wind and solar energy. These should form the first projects in the plan. This can be followed by other areas in due course, both mid term (e.g. geothermal) and longer term (such as wave and tidal).

The Council currently consumes up to £10m of energy per annum and could realistically become self sufficient at some point in the future. The benefits to the Authority would include:

- Energy security; which is a necessity in the current economic climate and bearing in mind the fact that the Council is at the end of the line for gas and electricity;
- Cost savings; including reduction in financial waste and achievement of better efficiency in the use of energy resources;
- Economic development; in the creation of jobs and business for Cornwall;
- Demonstration in practical terms of its community leadership role, using the green agenda;
- Flexibility in the Council's own operations i.e. having the benefit of a good carbon performance to enable wider decisions to be taken with a carbon consequence;
- Income generation, directly attributable to its energy generating activities;

As an example, the solar farm, if implemented, could generate a gross income of between £1.5m and £2m pa for the Council. Figures to support the proposals have been prepared.

Under the current arrangements, the vast majority of earnings from energy (98%) flow out of the Council's area. Under these proposals, a growing percentage of the energy supply would be generated locally, with the benefits therefore being retained for the benefit of Cornwall generally.

The renewable energy plans should be bold, ambitious and innovative, but based on what can be delivered on a proper commercial basis. In other words, all proposals should be supported by robust business plans, illustrating clearly what the proposed costs and expenses are in pursuing a particular project, as against the proposed income generation, to show the payback time on a 'whole life cost' basis.

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At present, there are many private sector businesses that are profiting from the development of renewable energy, but very few local authorities are developing the skills or capacity to enter this area.

Six notional projects have been identified that could form the basis of a renewable energy programme. The Council has sought external advice on the costs involved, when the income would come on stream and an assessment of payback periods.

It is recommended that the Council proceeds first with a solar farm, but also undertakes preparatory work for the second range of projects, which will be Council owned wind farms. It is proposed that each of the schemes is assessed individually and an informed decision taken on each as part of the approval process.

To progress a renewable programme the Council will need to establish a separate company or companies (Energy Services Company or ESCO) structure in order to properly manage the arrangements.

In taking a suite of renewable projects forward the Council will also seek to work in partnership with others in order to maximise the potential to increase financial capacity and scale of projects rather than rely solely on Cornwall Council funding.

The specific funding of each project will be considered on the merits and a decision taken as to whether to fund solely using Council resources; using a combination of public sector funding; or whether to seek an investment partner from the private sector.

The initial projects will require some capital investment, but the amount depends on the structure chosen, as indicated above. Resources have been added to the Capital Programme for this purpose.

In relation to the first of the proposed projects, the Council has determined that a Prior Information Notice (PIN) should be issued under EU rules, seeking expressions of interest from those companies that might be interested in delivering the solar park. Some form of open day is proposed and this should help to inform the Council of the best way to proceed with this project. When this process has been completed, formal approval will be sought from Cabinet to proceed in the manner offering the best solution for the Council.

The initial projects will require capital investment of £4 million approved in the Capital Programme.

### **3.3 Partnership Programme**

## **Cornwall Council**

The wider Green Cornwall Programme will address the additional themes as follows with detailed proposals being brought to Cabinet in the future:

### *Behavioural Change*

Awareness and understanding leading to sustainable changes in behaviour. There are opportunities for the Council to exercise real community leadership in this area.

### *Environmental Resilience*

Development of green space infrastructure, biodiversity and habitat management. There are key links to economic competitiveness, quality of life and Cornwall's image and reputation.

### *Green Economy*

Contribute to the economic vision of a distinctive, high-value, knowledge based "green" Cornwall with opportunity for all. In particular, ensuring a more sustainable approach to the tourism 'offer', reinforcing Cornwall's green character and distinctiveness to maintain its competitive edge.

### *Reputation*

Marketing, communication and awareness that provides strategic links to public satisfaction and perceptions about Value for Money of the Council's services. There is a key 'ambassadorial' role for the Council that should link to revised Award Schemes e.g. Green and Blue Flag schemes, Sustainability awards

### *Green Council*

"Putting our own house in order". Promoting corporate compliance to ensure we reduce the environmental impact of the way the Council and its contractors deliver services. Embedding sustainability into the way the Council works across all Services and Directorates.

## **Consultation:**

4. Green Cornwall Executive Board.

Environment Overview and Policy Scrutiny Committee

## **Conclusions:**

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Cornwall Council endorses the overall aspiration, themes, direction and content of the Green Cornwall Programme, and in particular those that contribute to the Council's low carbon improvement priority, namely delivering the Carbon Reduction Commitment programme and the renewable energy programme.

### **Supporting Documentation:**

#### **Appendices:**

1. Green Cornwall Programme Draft Performance Management and Monitoring Proposals

#### **Background Papers**

[under provisions of the Local Government Act 1972]

1. Green Cornwall Directors Report
2. Green Cornwall Executive Board Green Cornwall Programme

#### **Division Member(s) comments**

Not applicable

#### **Implications and Impacts**

- a) Cornwall Council Priorities:

The new Cornwall Council Priorities in the draft Council Business Plan include:

#### ***Environment (low carbon)***

*The green agenda has moved on rapidly in recent years, and Cornwall has high ambition but low on delivery. Cornwall can be a leading authority in this area but we need to reaffirm our commitment to a Green Cornwall and make this a priority for the next four years. To deliver on this agenda we will:*

- *develop a low carbon economy supporting our commitment to reduce CO2 emissions*
- *develop renewable energy to maximise the natural resources available within Cornwall*
- *work with our partners (public and private) to maximise our impact on carbon reduction*

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The Green Cornwall Programme will significantly contribute to meeting this Priority.

### b) Resource Implications:

This report accords with Cornwall Council's Budget.

#### (i) Financial and Value for Money:

There are financial implications arising from this report as set out below:

The provisional capital programme for 2010-14 includes a sum of £7.5m for Green Cornwall over the four years (£1.5m 2010-11, £2m p.a. for 2011-12, 2012-13 and 2013-14) . In addition a sum of £4m has also been allocated for 2010-11 for the Environment service and Green Cornwall, the specific allocation of this £4m between Environmental Services and Green Cornwall has yet to be decided by the Portfolio holder.

The capital costs of £210,000 required for the AMR school equipment will be first call on the provisional 2010/11 capital allocation of £1.5m.

The specific individual schemes within the capital programme will need to have robust business cases and option appraisals as set out in the capital strategy.

£20,000 revenue funding has been identified in the 2009/10 revenue budgets (Transformation Budget).

This report has been cleared by Russell Ashman, Assistant Head of Finance

#### (ii) Staffing

The Green Cornwall Programme will be delivered by existing staff in all Directorates

#### (iii) Risk(s)

|                          |        |                           |
|--------------------------|--------|---------------------------|
| Risk Register Reference: | N/A    |                           |
| Overall Risk Register    | Green/ | 1-8 Low/Moderate (Green); |

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|         |               |  |
|---------|---------------|--|
| Rating: | Amber/<br>Red | 9-15 High Risk (Amber);<br>16-25 Extreme (Red) |
|---------|---------------|--|

### (iv) Opportunity / Opportunities

The Green Cornwall Programme builds on existing and increases partnership working that will directly contribute to CAA issues for the Council.

The Programme will:

- enable access to external funding sources
- contribute to enhanced reputation of the Council
- directly contribute to significant local community engagement through several of the programme themes.

### (v) Legal

Delivery of the Carbon Reduction Commitment is a legal requirement under the Climate Change Act 2009

Energy Service Companies can be established by the Council under the "power of well-being" established by the Local Government and Communities Act 2000

This report has been cleared by Julian Kitto

### (vi) Property

Automated Meter Reading (AMR) will be installed in all Council buildings

### c) Equality and Diversity:

None

### d) Children and Young People:

None

### e) Crime and Disorder:

None

### f) Partnerships:

A significant part of the Green Cornwall Programme will be delivered in partnership with the Cornwall Strategic Partnership, the

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thematic partnerships such as Environment Kernow and other individual partners such as Cornwall Sustainable Tourism Project (CoaST), Natural England, Environment Agency Carbon Standards Trust, Energy Saving Trust and local communities.

**APPENDIX 1**

**Draft Performance Management and Monitoring Proposals**

| TARGET                         | TASKS/INPUTS   | ACCOUNT-ABILITY/<br>DIRECTORATE   | EVIDENCE/AUDIT   | IMPACT  | TIME SCALE   |
|--------------------------------|--|---|--|---|--|
| 3.1 Behaviour Change programme | <p>Include:</p> <ul style="list-style-type: none"> <li>• Deliver Green Co<sup>2</sup> rwall Project</li> <li>• LAA NI 186 Outcome programme</li> <li>• EN reps established in CC Directorates</li> <li>• LAA Resilience</li> </ul> | <p>EP&amp;E</p> <p>EK/Partners/Co Ast</p> <p>Environment Service (SO's)</p> <p>EK/EPE</p> | <ul style="list-style-type: none"> <li>• Reduction in food waste going to landfill</li> <li>• Reduction in CO2 emissions</li> <li>• Reduced water consumption</li> <li>• Reduction in NI186</li> <li>• Energy Monitoring of CC Offices</li> <li>• LAA Outcome</li> </ul> | <ul style="list-style-type: none"> <li>• Increase in NI 192</li> <li>• New LAA Outcome delivered</li> <li>• LAA NI 186 Outcome delivered</li> <li>• 5% Year on year CC energy reduction</li> <li>• Increased</li> </ul> | <p>LAA Programmes delivered by 31/3/2013</p> <p>and</p> <p>Ongoing</p> |

|  |                                       |  |            |                             |  |
|--|---------------------------------------|--|------------|-----------------------------|--|
|  | Outcome – Natural<br>Change Programme |  | Monitoring | awareness/<br>understanding |  |
|--|---------------------------------------|--|------------|-----------------------------|--|

|                                     |  |                                     |  |   |  |
|-------------------------------------|--|-------------------------------------|--|---|--|
| <b>3.2 Environmental Resilience</b> | Include: <ul style="list-style-type: none"> <li>Green Infrastructure Strategy developed and adopted.</li> </ul>                | Environment Service/ EPE            | <ul style="list-style-type: none"> <li>NI 188, NI 189,</li> <li>Increased quality/range of Green Space</li> <li>Community Infrastructure Levy's incorporate green infrastructure measures</li> </ul> | <ul style="list-style-type: none"> <li>Positive CAA impact</li> <li>LAA Outcome Sustain 6 achieved Improved public satisfaction (Place Survey)</li> <li>Improved visitor satisfaction (Visitor Survey)</li> </ul> | Green Infrastructure Strategy adopted by 31/3/2011 |
|                                     | <ul style="list-style-type: none"> <li>Cornwall Local Sites Partnership Delivery of County Wildlife Site management</li> </ul> | CC and Partners<br><br>EPE/Partners | <ul style="list-style-type: none"> <li>NI 197 (Biodiversity) at 70%</li> </ul>   | <ul style="list-style-type: none"> <li>Increased area of habitat positively managed</li> <li></li> </ul>  | LAA Outcomes achieved by 31/3/2012<br><br>Projects |

|  |   |              |  |   |   |
|--|---|--------------|--|---|---|
|  | <ul style="list-style-type: none"> <li>• Deliver 2 Landscape scale habitat projects</li> <li>• Community greenspace/allotments</li> </ul> | EPE/Partners |  | <ul style="list-style-type: none"> <li>• Increased local food production</li> </ul> | implemented by 31/3/2012<br>Allotment Plans in adopted by 31/3/12 |
|--|---|--------------|--|---|---|

|   |  |  |   |   |   |
|---|--|--|---|---|---|
| <p><b>3.3 Green Council</b></p> <p>Design and deliver programme of improved environmental performance across the Authority's activities</p> | <p>Include:</p> <ul style="list-style-type: none"> <li>• Restructure Council travel framework, e.g. higher rates for low emissions, lower rates for high emissions etc</li> <li>• Incorporate "green" targets into all Service plans, e.g. annual energy reduction target, and manage performance</li> <li>• Incorporate NI 188 risk assessment and management into all relevant Service areas and manage performance</li> <li>• Climate change "proof" all Council strategies/plans</li> <li>• Compliance programme for contractors/delivery partners</li> <li>• Deliver Electricity reduction</li> </ul> | <p>Environment Service/<br/>Corporate Policy/ All Directorates</p> | <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>• Reduced travel related CO2 emissions</li> <li>• Reduced buildings related CO2 emissions</li> <li>• Improved climate change adaptation responses</li> </ul> | <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>• Improved NI 185 performance</li> <li>• Position in CRC League table</li> <li>• NI 188 level 4 by 2012/13</li> <li>• Improved staff satisfaction</li> </ul> | <p>ASAP and continuing</p> <p>Delivered by 2013</p> |
|---|--|--|---|---|---|

|  |          |  |  |  |  |
|--|----------|--|--|--|--|
|  | strategy |  |  |  |  |
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