



Environment and Sustainable Communities Committee

31 July 2024

Title:	Climate Programme Delivery
Report of:	Judith Barker, Executive Director, Place and Connectivity
Lead Member:	CLlr Bridget Smith
Public Report:	Yes
Key Decision:	Key Decision KD2024/026
Voting Arrangements:	A simple majority of voting Members

Recommendations:

A	Approve strategic direction of the climate programme and progress towards delivery noting the business case approval will go through Investment Panel and Committee.
B	Within the wider climate programme, support the launch of a bidding round this autumn
C	Recommend to Board the allocation of funding for the Net Zero Villages programme to our constituent councils to enable local delivery according to Table 4.
D	Recommend to Board that the remaining capital funding from the Care Homes Retrofit Programme is redeployed as part of the Climate Programme.
E	To note the progress on the Climate Action Plan review for 2025-30, using funds from the climate programme

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Increased connectivity
x	Enabling resilient communities

1. Purpose

1.1	<p>This paper provides the Committee with the:</p> <ul style="list-style-type: none">• background to the principles for agreeing the allocation of Climate Programme spend• approach taken to shaping the Climate Programme,• alignment with the Combined Authority's Climate Strategy• projected timetable for delivery in 2024/25 against funding and outcomes
-----	---

2. Background

2.1	The Environment and Sustainable Communities (E&SC) Committee is responsible for setting the strategic direction of funding from the MTFP to deliver the Climate Action Programme. As part of the Authority's implementation of its Single Assurance Framework, new project concepts and business cases are considered by the Investment Panel and Investment Committee and to Board, depending on scale of funding for the project.
2.2	The Authority's Medium Term Financial Plan includes a four-year allocation totalling £2.4m revenue (£1.1m over years 1 and 2 and £100k in years 3 and 4) and £9m capital for the Climate Programme (split equally over the 4 years). The existing Climate Action Plan 2022-2025, which was refreshed earlier this year, guides activities for this financial year.
2.3	In addition to the Climate Action Plan 2022-2025, the E&SC Committee set out principles to further direct the allocation of the climate programme spend These principles were discussed and supported by the Climate Partnership Board. When the Climate Action Plan is reviewed, this will update and revise the priorities for the climate programme spend into future years, with the wider strategic framework of CPCA and partners.
2.4	<p>The principles approved in March were to support:</p> <ul style="list-style-type: none">• Collaborative or innovative demonstrator projects that can be replicated or scaled in the area• Establishing or unlocking crucial 'building blocks' to support the key objectives of Climate Action Plan delivery• Significantly cuts carbon emissions with high value for money• Delivers tangible adaptation benefits• Delivers a nature-based solution• Unlocks significant additional funding• Changes market behaviour <p>Projects also need to consider:</p> <ul style="list-style-type: none">• alignment with the Climate Action Plan and/or the Independent Commission's recommendations• whether prioritised in more than one partners climate strategies/action plans• not replacing other mainstream funding or responsibilities• dependencies and avoids unintended climate consequences
2.5	<p>Based on those principles, a balanced climate programme allocation has been developed and tested with Leaders Strategy Meeting in May and July. The programme proposes a mix of specific project concepts and thematic allocations responding to the need to:</p> <ul style="list-style-type: none">• ensure the delivery of the Climate Change action plan priorities• maximise delivery and spend to impactful projects in this financial year• achieve the ambition to bring forward projects in partnership with stakeholders and partners• retain flexibility to respond to new opportunities or challenges.

3. Approach to shaping the Climate Programme

3.1	<p>Recognising the committed allocation by E&SC Committee of £170k to Natural Cambridgeshire and £120k to Fenlands Soil in March 2024, the allocation of the climate programme budget (£9m capital and £2m revenue from 2024/5 to 2027/8) has been approached through 3 key areas all aligned to the delivery of the Climate Change Action Plan as follows:</p> <ul style="list-style-type: none">• Assessment of potential projects to ensure their alignment with the Climate Action Plan• The prioritisation of these projects to maximise the achievement of funding allocation and benefits in 2024/25 whilst considering the need to be broadly equitable across all areas of the Combined Authority.• An assessment of the deliverability of the prioritised projects to maximise the likelihood of delivery <p>This has resulted in the following projects: the ambition is to gain approval in line with the timetable in Table 1 below. The follow-on financial impact of these 2024/25 projects in later years, and the area of impact, are detailed in Table 2 below.</p> <p>Please note that confirmation of the amounts and the budget position will only be clarified as each project moves through the Investment Panel and Committee process where it will be checked and challenged.</p>
-----	--



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Table 1		Description	Investment 24/25 £'000		Investment Panel		
Theme	Project		Rev	Cap	July	August	Sept
Nature	Natural Cambridgeshire	Enabling Resilient Communities by providing capacity funding to our local nature partnership (Natural Cambridgeshire), supporting them to champion the improvement of the area's natural environment	50		Committed		
Soil & Peat	Fenland Soil	Enabling Resilient Communities by providing capacity funding to Fenland Soil, enabling them to bring together farmers and academics to address the impact of climate on our vulnerable Fens soils.	60		Committed		
Public Sector Retrofit	Schools retrofit -Low carbon Heating	Enabling resilient communities providing three local maintained schools with the ability to come completely off fossil fuels for their heating which will contribute to the area achieving Net Zero ambitions.	-	120	Business case Approved		
Strategic	Climate Review	Enabling resilient communities by reviewing the current Climate Action Plan 2022 – 2025 and provision of a plan for 2025-2030 that will enable future CPCA business planning to adapt to climate change and meet Net Zero targets.	220	-	Business case approved		
Energy	Cambridgeshire LAEP (Plan development)	Enabling Resilient Communities through the development of a Local Area Energy Plan for Cambridgeshire which will contribute to the unlocking of an estimated £15bn of early investment in energy infrastructure over the next 20 years to achieve Net Zero	200	-	Business Case proposed		
	Peterborough LAEP (Plan Delivery - Phase 1)	Enabling resilient growth supported by the identification of the optimal delivery partner for the district heating and private wire network. This network will reduce emissions through reduced use of gas fueled heating which will contribute to achieving Net Zero targets.	90		Concept paper	Business case proposed	
	Renewable Generation	Enabling resilient communities by supporting the public sector and community groups to generate renewable energy through solar panels and battery storage therefore increasing their financial and climate resilience	-	250		Concept paper	Business case proposed
Domestic Retrofit	Extending "Retrofitting your Home" Guidance	Enabling resilient communities through the review and extension of the Cambridge City Council's guidance to encompass housing archetypes so that it can be used by all authorities across the area.	60	-		Concept paper	Business case proposed
	Domestic energy efficiency and low carbon heating - Phase 1	Enabling resilient communities by retrofitting low -income homes through the installation of energy efficient measures and low carbon heating. In conjunction with government funding via the home Upgrade Grant (HUG2)	-	500	Concept paper	Business case proposed	
Transport	Hydrotreated Vegetable Oil & Alternative Fuels Research	Improving Connectivity by developing a plan to support alternative fuel use and electric vehicles decarbonising fleet across the Public Sector. Laying the foundations for the decarbonisation of Public Sector vehicles.	60	-		Concept paper	Business case proposed
	Fen roads Trial	Enabling Resilient Communities by trialling innovative solutions to address the continuing maintenance and safety problems related to roads constructed over fenland soil deposits	-	25		Concept paper	Business case proposed
Total committed and proposed climate plan funding 2024/25			740	895			

Table 2		Investment £'000						Area of Impact
Theme	Project	24/25		25/26 – 27/28		Total		
		Rev	Cap	Rev	Cap	Rev	Cap	
Nature	Natural Cambridgeshire	50	-	120		170		Areawide
Soil & Peat	Fenland Soil	60	-	60		120		The Fens
Public Sector Retrofit	Schools retrofit -Low carbon Heating	-	120		343		463	Cambridge, Fenland and Huntingdonshire
Strategic	Climate Review	220	-	230	-	450	-	Areawide
Energy	Cambridgeshire LAEP (Plan development)	200	-	-	-	200	-	Cambridgeshire
	Peterborough LAEP (Plan Delivery - Phase 1)	90		-	-	90	-	Peterborough
	Renewable Generation	-	250		1,600		1,850	Areawide
Domestic Retrofit	Extending "Retrofitting your Home" Guidance	60	-	-	-	60	-	Areawide
	Domestic energy efficiency and low carbon heating - Phase 1	-	500	-	-	-	500	Areawide
Transport	Hydrotreated Vegetable Oil & Alternative Fuels Research	60	-	-	-	60	-	Areawide
	Fen roads Trial	-	25	-	1,475	-	1,500	The Fens
Total committed and proposed climate plan funding 2024/25		740	895	410	3,418	1150	4,313	



<p>3.2</p>	<p>b) Allocation of an Opportunity Fund via a bidding round</p> <p>A bidding round will be launched to attract investment ready schemes thus maximising the funding allocated and Climate Action Plan outcomes achieved in 2024/25. This round would seek to deploy up to a total of £250k revenue and £2250k capital from the allocation. To ensure this opportunity is clear, fair and transparent we are determining a set of parameters for eligibility for the bidding process including:</p> <ul style="list-style-type: none">• Alignment to the Committee’s criteria and Climate Action Plan actions• Acceptable scale of project to maximise the potential for delivery in 2024/25• Type of eligible organisation e.g. not for profit• The deliverability of the proposed projects in 2024/25 <ul style="list-style-type: none">• creating a robust but proportionate assessment and appraisal process• planning the effective communication strategy including advisory sessions, guidance documentation and FAQs <p>Our intent is to launch the bidding round in the autumn. Final timescales will be driven by capacity to manage the process.</p>
<p>3.3</p>	<p>c) Pipeline development support.</p> <p>There will be an allocation of £110k revenue funding for pipeline development. This is to provide assistance where the necessary capability is not available to develop concepts and business cases for later years funding. Criteria for support will include a demonstrable lack of capability that cannot reasonably be met through other means. A simple application process will be put into place.</p>
<p>3.4</p>	<p>Redeployment of Care Homes Retrofit funding.</p> <p>The existing activity also includes the Care Homes Programme. The Committee previously agreed to close the Care Home Retrofit Programme to new entrants and close out the programme on the basis that the scheme was not being accessed and the resources should be redeployed. The final amount will be confirmed once the existing applicants are finalised, but assuming no additional grants this would be circa £1.9m remaining.</p> <p>It is proposed that this £1.9M capital allocation is included within the total Climate programme budget set out in this report. Given the limitations on achieving spend in this financial year it is proposed to split this into 900k this FY and £1m next FY. Flexibility will need to be maintained over the extent of demand and progress in this FY to adjust the split as necessary.</p> <p>As part of the programme closeout a lessons learnt exercise will be undertaken to feed into our future programme delivery.</p> <p>It is proposed that the Committee seek the approval of the Board for funding remaining to transfer to the Climate Programme budget to redeploy on climate action.</p>
<p>3.5</p>	<p>Programme Summary</p> <p>The shape of the Climate Action Plan funding, resulting from the approach set out above, is set out in Table 3 below. Note: Spending all of the capital allocation this year, especially via the opportunity bidding process is likely to be very challenging. Therefore any remaining funding after the bidding round will be carried forward to enable spend next year on projects, including those that have been supported with pipeline development funds.</p>

Table 3	Investment 24/25 £'000	
	Rev	Cap
Programme budget allocation 2024/25	1,100	2,250
Re-deployed Care Homes reallocation (£1M reallocated to future years)	-	900
Total budget	1,100	3,150
Committed Projects	110	-
Approved Business Cases	220	120
Proposed projects	410	775
Total	740	895
Available for opportunity and pipeline development funds	360	2,255

4. Net Zero Villages Funding

4.1 Allocation of Net Zero Villages funding

Within the existing climate activity is the Net Zero Villages programme. Following the decision of the Committee this is proposed to be delivered through constituent councils via the allocation as set out in Table 4.

The Committee requested officers develop a different model of delivery for the £1m Net Zero Villages programme that already has budgetary approval from 2022 and has been carried forward into 2024/25.

This programme had not been previously launched and the Committee request that delivery instead be explored via constituent councils.

After consultation with Councils, via the Place Directors Group, a method has been developed to subdivide the £1m into an appropriate allocation per council (Districts and Unitary).

This takes into account:

- (a) the number of residents living in Rural Areas (as defined by ONS) that meet the fund criteria;
- (b) rural deprivation by weighting the allocation according to the proportion of Rural Fund allocated under the previous government's Sustainable Prosperity Fund.

As the Net Zero Villages Grant programme is primarily a climate programme response a factor of 25% relating to SPF and 75% relating to number of rural residents has been used. Table 4 gives the following allocations (in bold).

Table 4: Allocation of Net Zero Villages Grant by Council area

Local Authority	Rural Areas Population	UKSPF Rural Prosperity Fund	Rural Fund for CPCA area, split by area	Rural Area Pop %	Allocation share based on population (75% weighting)	Allocation share based on SPF Rural (25% weighting)	Combined Allocation (F+G)
Cambridge	-	£0	0%	0%	£0	£0	£0
East Cambridgeshire	57,980	£652,511	20%	16%	£117,000	£50,737	£167,737
Fenland	29,388	£436,714	14%	8%	£59,250	£33,958	£93,208
Huntingdonshire	105,110	£957,778	30%	28%	£211,500	£74,474	£285,974
Peterborough	25,099	£0	0%	7%	£50,250	£0	£50,250
South Cambridgeshire	155,213	£1,168,135	36%	42%	£312,000	£90,831	£402,831
TOTAL		£3,215,138	100%		£750,000	£250,000	£1,000,000

	<p>In the above Table 4, there is no allocation for the Cambridge City Council area. This is due to the lack of residents living in Rural Areas as defined by ONS. Similarly, other allocations are affected by this, such as Peterborough.</p> <p>The programme as agreed by Board was a net Zero Villages programme is targeted at rural villages, so this is as expected.</p> <p>This is not to say that there is not a demand for similar support in the market towns and cities, and the project concept for a renewables generation programme will be available across all areas if approved.</p> <p>As the Net Zero Villages business case approved by Board was for delivery by the Combined Authority, the Committee needs to recommend to the Board in September that it makes a variation to support the proposed delivery distribution at a council level.</p> <p>Deployment to councils will require appropriate grant funding agreements to be entered into. The proposal is to provide 50% allocation up front and 50% at the end of the financial year to allow spend to continue into 25/26 subject to delivery being well advanced.</p>
--	---

5. Climate Action Plan Review

5.1	<p>Review of the Climate Action Plan</p> <p>The current Climate Action Plan is for 2022-25 and needs to be reviewed to provide an updated Climate Action Plan for the CPCA for years 2025-30 with an appropriate evidence base to agree the areas objectives, actions with roles and responsibilities and identify future funding requirements to enable future business planning to mitigate and adapt to climate change and meet net zero targets.</p> <p>Leaders Strategy Meeting discussed how the reality of climate change was very much being felt across the Combined Authority area, and how the Climate Action Plan needed to be revised to focus in on how the Combined Authority and its partners can make the biggest impact on this agenda.</p> <p>The business case for the arrangement for the Review of the Plan was agreed by the Investment Panel in July. This enables the procurement of activity to achieve a revised Plan by Autumn 2025. The Review will be informed by the various pieces of procured evidence including:</p> <ul style="list-style-type: none"> • extending the county work on Locally Determined Contributions already taking place during 2024 and 2025 to Peterborough • commissioning an updated risk assessment. • commissioning updated pathways to reducing emissions. • complementary evidence such as the local area energy plans. <p>The Independent Commission have been asked to reform and provide independent check and challenge to the revised Plan. Subject to agreeing the procurement route, this Review would be commissioned later in 2024 to incorporate updates, engagement and check and challenge of the current plan with a refocus for the next 5 years.</p>
-----	--

6. Appendices

6.1	None.
-----	-------

7. Implications

Financial Implications	
7.1	<p>The MTFP has £1.1m revenue in both FY24/25 and FY25/26 for the climate programme. The allocations to Natural Cambridgeshire and Fenland Soil would total £110k in FY24/25 and £180k in FY25/26 from that budget line. This would leave £990k revenue for FY24/25 and £920K in FY25/26 in the Climate Programme.</p> <p>The MTFP has £9m capital split equally over the four years from 24/25 to 27/28. In addition, there is a c/f of circa £1.9m from the closure to new applicants of the Care Home Programme. Subject to the request to apply this to the Climate Programme in this report, this would provide a total of £4.15m capital available in 24/25 unless spread over a longer period.</p>

Legal Implications	
7.2	Grant Funding Agreements will be required for each Business Case that involves external partners leading on delivery.
Public Health Implications	
7.3	Tackling emissions and impacts of climate change can have significantly positive impacts on public health and future risks to health.
Environmental & Climate Change Implications	
7.4	The Climate Action Plan is a key component of the Combined Authority's response to environmental and climate change impact.
Other Significant Implications	
7.5	None.
Background Papers	
7.6	Item 3.4 - Climate Change Action Plan CA Board Agenda - March 2022 Item 3.2 - Climate and Strategy Business Case CA Board Agenda - June 2022 Item 4.2 - Climate and Strategy Business Case CA Board Agenda - July 2022