

## **Committee: Sustainable Communities Overview and Scrutiny Committee**

**Date: 2 September 2015**

Wards: all

Agenda Item: 8

### **Subject: Executive Response and Action Plan - Climate Change and Green Deal Task Group**

Lead officer: Director for Environment and Regeneration, Chris Lee

Lead member: Councillor Andrew Judge, Cabinet Member for Environmental Sustainability and Regeneration,

Contact officer: Damian Hemmings (Future Merton)

---

#### **Recommendations:**

- A. Members consider the Executive Response and accompanying action plan detailing progress on the implementation of the agreed recommendations of the Climate Change and Green Deal Task Group.
- 

#### **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to set out the Executive Response and Action Plan to the Sustainable Communities Overview and Scrutiny Panel to demonstrate how the agreed recommendations of the Climate Change and Green Deal Task Group will be implemented.

#### **2 DETAILS**

- 2.1. At their meeting on 30 June 2014, Cabinet considered the final report and recommendations resulting from the task group review of Climate Change and the Green Deal. Officers have since been tasked with delivering the agreed recommendations.
- 2.2. Members received an update on progress at their meeting in September 2014. This paper presents a summary of progress made since the last meeting.

#### *Progress on agreed recommendations*

- 2.3. Appendix A to this report sets out the Task Group's recommendations, status and progress on each issue. This includes how any agreed recommendations yet to be delivered will be implemented in the future.
- 2.4. It should be noted that some of the recommendations must take place sequentially. Actions have been reordered to reflect their sequential progress.
- 2.5. A summary of the progress since the Task Group reported their 11 recommendations to Cabinet in June 2014 is detailed below:

- One recommendation has been completed (Recommendation 3: adoption of Merton's Climate Change Strategy at full council on 09 July 2014).
- Progress has been made on seven out of the eleven recommendations (see Appendix A).
- The scope of one recommendation (Recommendation 6: Feasibility of delivering a local Merton Green Deal) has been severely impacted by changes in national policy, including the removal of the Green Deal energy efficiency scheme.
- Two recommendations have not made significant progress Recommendation 6 (Build consideration of the adoption/installation of energy efficiency measures in appropriate council contracts being established or renewed by procurement) and Recommendation 10 (Developing a marketing and awareness campaign for residents, staff and businesses on energy efficiency measures).

### **3 ALTERNATIVE OPTIONS**

- 3.1. None for the purposes of this report.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. In carrying out its review, the task group engaged a range of stakeholders, council officers and Cabinet Members. In addition, two members of local sustainability charitable organisation Sustainable Merton acted as co-opted members of the scrutiny panel..
- 4.2. Internal engagement is undertaken via the council's Climate Change Steering Group, chaired by the Director of Environment and Regeneration. The quarterly meetings are organised thematically in accordance with the sustainability themes outlined in the Climate Change Strategy (2014-2017).
- 4.3. Wider engagement with community stakeholders and partners is undertaken through Merton's Environmental Sub-Group of the Merton Partnership, coordinated by Sustainable Merton.

### **5 TIMETABLE**

- 5.1. The action plan for the Climate Change Strategy 2014-17 and the final report of the Climate Change and Green Deal Scrutiny task group review (Appendix A) set out the timescales for delivery of the recommendations.

### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. The Council faces considerable financial pressure in current and future years. This strategy and the delivery of its recommendations have the potential to contribute ongoing savings.
- 6.2. As actions are developed they will be underpinned by robust business cases; where practical external funding will be secured, bids for Merton's resources may be secured on a match funding basis or by demonstrating the invest to save potential of the scheme.

**7 LEGAL AND STATUTORY IMPLICATIONS**

7.1. None for the purposes of this report.

**8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1. None for the purposes of this report.

**9 CRIME AND DISORDER IMPLICATIONS**

9.1. None for the purposes of this report.

**10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. None for the purposes of this report.

**11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Appendix A: Action Plan and progress to date on the agreed recommendations resulting from the Task Group review of Climate Change and the Green Deal.

**12 BACKGROUND PAPERS**

Report of the Climate Change and Green Deal Task Group (June 2014);  
Minutes of the meeting of Cabinet held on 30 June 2014

## Appendix A: Executive response to the 11 recommendations of Merton’s Climate Change and Green Deal Scrutiny Task Group

It should be noted that many of the Task Group’s eleven recommendations must take place sequentially. The Task Group’s recommendations have been reordered to reflect this.

Recommendations	Stakeholder	Action / Progress	Timeline	Status
<p><b>Recommendation 9</b> – That Future Merton obtain specialist legal advice on the Council’s scope and legal limitations in generating, distributing and selling energy and advise on the development of an ESCO (paragraph 8.40)</p>	Cabinet	<p>Future Merton released a request for quote for legal services in August 2015. The law firm Bevan Brittan has been appointed to deliver a report on the legal and statutory implications of the generation, supply, distribution and sale of energy for Merton. The deadline for completion of the report is: 05 October 2015.</p>	Oct 2015	G
<p><b>Recommendation 7</b> – That Cabinet commission a feasibility study to look at establishing an Energy Services Company (ESCO) for Merton, with a view to producing a business case for the ESCO which should include a risk assessment of the proposals. A further detailed investigation into the potential for a Merton ESCO should include:</p> <ul style="list-style-type: none"> <li>• Feasibility investigations into the potential for district heating at Morden Town Centre and Colliers Wood / South Wimbledon</li> <li>• Further scoping of energy efficiency retrofit potential in Merton</li> <li>• Identification of where existing regeneration proposals/programmes may take forward energy efficiency improvements, alone or in partnership without the need for an ESCO to be in place. (paragraph 8.40)</li> </ul>	Cabinet	<p><b>Progress on this action will follow once Recommendation 9 (above) has been completed.</b></p> <p>The report on legal implications (Recommendation 9) will help to further inform decisions on the development of a Merton ESCO.</p> <p>A tender for technical support in developing the council’s district heating plans will be released in October 2015 utilising the funding secured from the Heat Network Delivery Unit (HNDU). This will be used to define heat network opportunities in Morden Town Centre and the High Path estate regeneration site in Colliers Wood and South Wimbledon.</p> <p>Future Merton are continuing to engage with Merton Priory Homes on their estate regeneration programme. The CC team are advising MPH and their appointed consultants (HTA) on sustainability</p>	<p>2015-16</p> <p>Started July 2014 (on-going)</p>	G

<p><b>*Note that this recommendation being implemented will be subject to the outcomes of recommendation 9.</b></p>		<p>and the energy strategy for all three estates.</p>	<p>until 2016)</p>	
<p><b>Recommendation 8</b> – That Cabinet receives a report on progress on rolling out the expansion of the Merton solar PV portfolio, and on the scope for making further investment, subject to the results of a scoping exercise and a viable business case. This business case should include an appraisal of whether this should be undertaken via an ESCO or not (paragraph 8.40).</p> <p><b>*Note that part of this recommendation is dependent upon recommendation 9 being achieved.</b></p>	<p>Cabinet</p>	<p><b><i>Appraisal of solar PV expansion via an ESCO will be subject to the outcome of Recommendation 9 (above).</i></b></p> <p>Phase 4b of Merton’s solar PV installation programme will be completed in September 2015. LBM current PV portfolio is as follows:</p> <ul style="list-style-type: none"> <li>• Total number of systems: 35 across 28 sites</li> <li>• Total installed capacity: 1.46MWp (mega-watt peak).</li> <li>• Total generated electricity 2014/15: 601MWh (mega-watt hours)</li> </ul> <p>A scoping study identifying the installed potential across the remaining council operational sites will be completed in September 2015.</p>	<p>Sept 2015</p> <p>Sept 2015</p>	<p>G</p>
<p><b>Recommendation 1</b> - That Cabinet, further to maximising the potential of its own sites, work with other public and private sector landowners, such as Registered Providers, private homeowners, businesses and community organisations installing solar PV (photovoltaics) on their buildings where this is supported by a business case (paragraph 4.17).</p> <p><b>*Note that this recommendation being implemented is dependent upon recommendations 8 and 9 being achieved.</b></p>	<p>Cabinet</p>	<p><b><i>Progress on ESCO subject to outcome of Recommendations 8 &amp; 9 (above).</i></b></p> <p>The report on legal implications (Recommendation 9) will help to further inform decisions on the development of a Merton ESCO.</p> <p>Early stage discussions with registered providers in Merton (MPH; Moat; Wandle) regarding opportunities for utilisation of solar photovoltaics was undertaken in 2014. No further discussions have been held at this time.</p> <p>Merton has also been invited to tender to supply</p>	<p>Oct 2015</p> <p>Aug 2014 (on-going)</p>	<p>G</p>

		exported electricity to the GLA under their License Lite scheme. This could provide a potential route for the council to act as a generator of electricity under the GLA's license to supply electricity.		
<p><b>Recommendation 2</b> - That Cabinet explore how solar PV could be made available to residents to access at cheaper rates/costs and how the council may promote or support this scheme to enable communities to purchase their own renewable technology. This may be achieved through external capital investment or the ESCO (paragraph 4.17).</p> <p><b>*Note that this recommendation being implemented is dependent upon recommendations 8 and 9 being achieved.</b></p>	Cabinet	<p><b><i>Progress on ESCO subject to outcome of Recommendations 8 &amp; 9 (above).</i></b></p> <p>An initial meeting will be held with the London Boroughs of Sutton and Croydon and the Royal Borough of Kingston on 27 August 2015 to explore the scope for developing a collective solar PV purchasing model for residents in south-west London. This is based on the 'Solar Together' programme developed by the Collective Energy Switching Company iChoosr and trialled in Norfolk during 2014. Further updates will follow subject to the outcomes of this meeting.</p> <p>FutureMerton have been exploring the potential scope for utilising the Spacehive online crowd-funding platform to support civic projects within Merton. This potentially has the scope to include crowd-funding for community owned renewable energy schemes, including solar PV..</p> <p>Merton will continue to explore wider opportunities of delivering solar PV via the ESCO subject to the completion of Recommendations 8 and 9.</p>		G
<p><b>Recommendation 3</b> - That the council adopt Merton's Climate Change Strategy 2014-2017, which has been reviewed by the Task group and revised to take account of its recommendations (paragraph 5.6).</p>	Cabinet	CC Strategy 2014-2017 adopted at full council	9 Jul 2014	<b>Complete</b>

<p><b>Recommendation 4</b> - That Cabinet agree to build consideration of the adoption/installation of energy efficiency measures in appropriate council contracts being established or renewed by procurement, where feasible (paragraph 5.6).</p>	Cabinet / Partners	<p>LBM Procurement was in the process of drafting a revised Pre-Qualification Questionnaire (PQQ) to be used for contract values in excess of £100k in September 2014. The PQQ was being reviewed by Legal. No further updates on the progress of this action have been received from Procurement team for this reporting period.</p>	Sept 2014	A
<p><b>Recommendation 5</b> - That representatives from each council Directorate participate in the Climate Change Steering Group, as appropriate, to consider cross cutting issues and projects relating to tackling climate change to ensure a strategic focus and leadership on climate change priorities (paragraph 5.6)</p>	Cabinet	<p>Climate Change Steering Group meetings are structured thematically in line with the key topics detailed in the CC Strategy and the actions incorporated therein. Representatives from relevant directorates are invited to attend meetings accordingly.</p> <p>A review of progress of actions within the Climate Change Strategy is currently underway via the Steering Group and will be completed in November 2015.</p>	<p>On-going</p> <p>Nov 2015</p>	G
<p><b>Recommendation 6</b> - That Cabinet commission a proposal on the feasibility of whether Merton might roll out a local Green Deal that addresses some of the issues associated with the national Green Deal scheme, as reported by residents, which has resulted in low take up (paragraph 6.16).</p> <p><b>*Note that this recommendation being implemented is dependent upon recommendation 8 being delivered.</b></p>	Cabinet	<p><b><i>Progress on ESCO subject to outcome of Recommendations 8 (above).</i></b></p> <p>Since April 2015 there have been significant changes in national policy with regard to energy efficiency. This includes:</p> <ul style="list-style-type: none"> <li>• Closure of the Green Deal energy efficiency scheme and Green Deal Finance Company</li> <li>• Removal of the Code for Sustainable Homes process for new domestic development from the planning system</li> <li>• Removal of the Zero Carbon Homes planning policy (2016)</li> <li>• Removal of the Allowable Solutions mechanism planning policy (2016)</li> </ul>		A

		<p>The council will therefore no longer be able to utilise the Green Deal process or Green Deal Finance to support energy efficiency retrofit activities. Furthermore, the scope for funding energy efficiency retrofit measures through carbon offset funding secured through the planning system has been significantly reduced with the removal of the Allowable Solutions mechanism.</p> <p>There have not currently been any Government announcements on the replacement for the Green Deal.</p> <p>FutureMerton is delivering a non-domestic energy efficiency retrofit project for local small businesses having secured £175k of funding from the London Enterprise Panel (LEP). The Brighter Business project is a two year project that will aim to increase business resilience through energy efficiency. The project will:</p> <ul style="list-style-type: none"> <li>• Engage with 1,000 local small businesses on issues of energy efficiency</li> <li>• Deliver fully funded energy efficiency surveys to at least 100 small businesses</li> <li>• Provide grant funding to help install identified energy efficiency measures in at least 20 local small businesses.</li> </ul>	<p>Oct 2015</p> <p>Mar 2017</p>	
<p><b>Recommendation 10</b> - That the council develop a marketing and engagement strategy to ensure the widest promotion and awareness raising of energy efficiency measures and improvements that staff, residents and local businesses can access (paragraph 9.6)</p> <p><b>*Note that this recommendation being</b></p>	Cabinet	<p>Communication and engagement plans are developed on a project-by-project basis, in accordance with Merton's approach to projects. Defined strategies have been developed for the following projects:</p> <ul style="list-style-type: none"> <li>• Brighter Business energy efficiency project (see details in Recommendation 6, above)</li> <li>• Big London Energy Switch (Collective Energy</li> </ul>	2016	A



<p><b>implemented is partially dependent upon recommendation 8 being delivered.</b></p>		<p>Switching) scheme</p> <p>Where cross-over exists with other departments (e.g. Public Health), joint communication and engagement activities are undertaken.</p>		
<p><b>Recommendation 11</b> – To be added to comment on relationship with MPH/Circle Housing. This will be finalised further to consideration of the response from MPH/Circle to the task group’s recommendations which will be tabled at the SC Panel meeting on 26<sup>th</sup> March).</p>	<p>Cabinet / Circle Housing</p>	<p><b><i>Progress subject to confirmation of recommendation</i></b></p> <p>Active engagement with MPH via housing regeneration programme (see progress on Recommendation 7)</p>	<p>On-going</p>	<p>G</p>

This page is intentionally left blank