

REPORT TITLE: CARBON NEUTRALITY PROGRAMME – ENERGY  
POLICIES/ACTIONS

7 DECEMBER 2021

REPORT OF PORTFOLIO HOLDER: Councillor Lynda Murphy, Cabinet Member for  
Climate Emergency

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WARD(S): ALL

PURPOSE

This paper considers progress towards reducing carbon emissions in relation to energy and the challenges in achieving the council's carbon neutrality ambitions.

RECOMMENDATIONS:

1. That the committee notes:
  - a. The progress made to date as set out in paragraphs 2.1 – 2.6;
  - b. The successful bid by HCC for £210,000 to engage communities on household and community energy scheme development in areas across Hampshire, including Winchester district; and
  - c. The intention to bring a report to Cabinet in January for the council to pledge its support for the Local Electricity Bill.
2. That the committee considers and provides comment on:
  - a. The principle of using council-owned land for renewable energy generation;
  - b. The opportunity for the Local Plan to promote and encourage increased renewable energy generation across Winchester district; and
  - c. The potential for community energy schemes to succeed in Winchester district.

## 1 RESOURCE IMPLICATIONS

- 1.1 A revenue budget of £850,000 was made available for delivery of the Council's Carbon Neutrality Action Plan (CNAP) in 2019, of which £77,000 was spent by 2020/21 and a further £324,000 forecasted for 2021/22. This would leave £449,000 for future years but, with a programme of work required through to 2030 to achieve the ambition of a carbon neutral district by that date, the use of resources will need to be carefully considered to ensure maximum benefit is gained.
- 1.2 Some of the initiatives will need to be financed in full or in part by prudential borrowing. It will be important therefore to identify projects which, as well as meeting the council's carbon reduction goals, will also provide an income or savings that offset the cost of borrowing. Some projects will generate a surplus for the council and it may be possible to use the surplus to fund other projects where the cost of borrowing isn't fully offset. It will also be important to identify any potential grant funding available that can be used to strengthen the financial business case, such as that which was secured towards the cost of solar panels at Marwell Zoo and the Biffa depot (see section 2.4).
- 1.3 The council has undertaken low-level works in relation to energy generation, such as the retrospective installation of solar PV panels on the roofs of council property. However, any move into larger energy generation schemes would require a level of expertise and experience that doesn't exist within the current council workforce so would require us to either recruit or commission additional support.

## 2 SUPPORTING INFORMATION:

### CNAP priorities

- 2.1 The council's Carbon Neutrality Action Plan (CNAP) was approved by Cabinet on 23 December 2019 and identified four main priority areas of work, one of which was energy. The CNAP proposes the following priority actions for reducing energy consumption and generating more renewable energy:

- a) *Source 100% of all electricity purchased by the council from renewable sources by 2021.*

In April 2020, well ahead of the target date, the council signed up to purchase its electricity through the Hampshire County Council contract with LASER. Energy is supplied by Npower Business Renewable product, which meets the quality criteria of the GHG Protocol (2015) for reporting zero carbon emissions and has been independently assured by Carbon Clear. This means that all electricity used across the council's operational estate comes from renewable sources and the council receives regular certificates from the Ofgem Renewable Energy Guarantees of Origin (REGO) scheme that certify the supply is a-rated (100% renewable) – see appendix 1.

- b) *Build or invest in large scale renewable generation project(s), e.g. solar farms, heat pumps, solar-battery car ports, anaerobic digester, wind farm.*

In order for the Winchester district to achieve its carbon neutral target by 2030, a significant increase in local renewable provision will be required in addition to reducing the overall level of energy consumed. The council is currently reviewing the potential for large-scale renewable generation projects on its own land.

A particular focus has been given to solar farms, due to the significant planning constraints associated with the development of new onshore wind turbines. In terms of ground mounted solar, there is significant potential to address most of the council's residual carbon emissions as well as potentially target some of those emissions across the wider district. There is the potential for long-term revenue generation, as well as complementary activities alongside solar installations such as the growth of wildflowers, tree planting, grazing of sheep, nitrate mitigation and biodiversity net gain.

The council will continue undertaking feasibility studies of its land and assets with the aim of developing a viable business case next year for investment in renewable energy generation on council land.

- 2.2 It is important to note that energy consumed within domestic homes is addressed as part of the housing/property section of the CNAP so is not directly addressed as part of this report.
- 2.3 It is also important to recognise that a move to 100% renewable energy tariff is not sufficient in itself and it is important to continue efforts to reduce energy consumption.

#### Other progress to date

- 2.4 The council has been working with Marwell Zoo and Biffa to install solar PV panels on the roofs of their buildings. The council will lease the roof space, install panels and sell the energy generated to the business at a rate below the current market rate. The council secured grants totalling a combined £81k from the EM3 LEP towards the cost of these projects. The panels are expected to save 19t CO<sub>2</sub>e each year at Marwell and 11t CO<sub>2</sub>e at the Biffa depot through the reduced demand for electricity from the national grid and both organisations and the council should benefit financially from the arrangement.
- 2.5 Solar PV on council buildings:
- (i) City Offices: 48.60kWp PV installation has generated 129MWh during the period from 01/04/19 - 21/11/21.

- (ii) Cipher House: 7.26kWp PV installation has generated 13.5MWh during the period from 20/12/19 - 21/11/21.
- (iii) Winchester sport and leisure park: PV installation is expected to generate 156.3MWh per year – equating to a reduction in emissions of 150tco2e.
- (iv) Bishops Waltham depot: 47.5kWp PV included in construction will provide an estimated 21.9MWh/year - around 41% of the 54MWh/year anticipated annual electricity consumption.

2.6 As a Local Planning Authority, the council is responsible for renewable and low carbon energy development of 50 megawatts or less installed capacity (under the Town and County Planning Act 1990). The majority of recent planning proposals have been for small and large-scale solar installations. Appendix 2 includes a list of recent large scale solar farm applications that have been processed, with planning reference numbers included.

#### The Local Plan – raising the ambition

- 2.7 Climate change and carbon neutrality is vitally important and one of the defining issues for the council's new Local Plan.
- 2.8 There is a statutory duty to address climate change in the National Planning Policy Framework, but it is important to acknowledge that the planning system is just one of number of tools that will need to be used to address climate change. Officers from the Local Plans team will work closely with a range of partners and other departments in order to ensure that there is a cross over with other strategies and initiatives that are being prepared in the council.
- 2.9 The COVID-19 pandemic has highlighted some valuable lessons and planning has an important role to future proof the district against the impact of climate change.
- 2.10 The council's new Local Plan can be used in a really positive way to influence:
- Where we plan and allocate land for future development;
  - The criteria or a set of principles that specify the process that we want developers/applicants to follow in order to ensure that council's climate emergency is at the forefront of everyone's minds;
  - Any decisions that are made through the development management process; and
  - A wide range of behavioural changes such as creating 15 minutes settlements and encouraging people to use public transport and use active travel rather than the private motor car.

- 2.11 As a local planning authority, the council must take into account relevant legislation, national policy, and guidance and existing and any forthcoming changes to the Building Regulations. The Local Plan team is not starting with a blank piece of paper, as the existing adopted Local Plan was very supportive in principle and a number of renewable energy schemes have been permitted and built (mainly solar farms). Appendix 3 includes all of the existing Local Plan policies on climate change and renewable energy proposals. These policies will need to be reviewed, updated and added to as part of the Local Plan process.

***Consultation on the Strategic Issues and Priorities document***

- 2.12 Public consultation on the council's Strategic Issues and Priorities (SIP) concluded in April 2021. Throughout the document it was made very clear that the new Local Plan is being prepared through the lens of climate change and adaptation. Whilst climate change and adaptation crosses over a number of topics in the SIP, there were two specific topics focused on this really important issue – Carbon Neutrality and Low Carbon Infrastructure and Local Plan Viability. Prior to drafting the SIP, collaborative discussions took place between the council's Sustainability Officer, officers from the Local Plans team and WinACC). As a direct result of this early and very constructive engagement, the Carbon Neutrality topic included and sought feedback as part of the consultation on a number of detailed suggestions on how climate change and adaptation measures could be taken forward in the new Local Plan. For further details please refer to SIP [https://res.cloudinary.com/studio-republic/images/v1613144166/wdip/YPYP\\_Consultation\\_Doc\\_V4/YPYP\\_Consultation\\_Doc\\_V4.pdf](https://res.cloudinary.com/studio-republic/images/v1613144166/wdip/YPYP_Consultation_Doc_V4/YPYP_Consultation_Doc_V4.pdf).
- 2.13 As part of the consultation on the SIP, a specialised Carbon Neutrality event was attended by expert guest speakers and over 80 people, receiving extremely positive feedback. The analysis of all of the representations on Carbon Neutrality and Low Carbon Infrastructure and Local Plan Viability have only just been completed and is due to be reported and discussed at the Local Plan Advisory Group on the 24th November and 13th December 2021.
- 2.14 The key headlines from the consultation on the SIP were that:
- There was general support that carbon neutrality should be at the heart of the new Local Plan;
  - There should be a strategic overarching policy on climate change and adaptation;
  - There was a mixture of different views whether the Local Plan policy approaches that were put forward in the consultation were ambitious enough; and

- There were different views on whether the council should introduce a Local Plan policy that aims higher than the current Building Regulations that were in force at the time.

2.15 Alongside the consultation on the SIP, there was a call for housing and employment sites. There was also a call for 'green sites' (sites for biodiversity net gain and offsetting, green Infrastructure, carbon offsetting, nitrogen offsetting, renewable energy generation and for brownfield land). This additional call for sites was new initiative that we are not aware had been done before. A total of 9 'green sites' were put forward as a result of this call for sites. Only two of these sites were for renewable energy generation (solar and hydro). The 'Green sites register' is due to be discussed at Cabinet on the 8<sup>th</sup> December 2021. Further work needs to be undertaken to assess the suitability and deliverability of the green sites.

### ***Local Plan Viability Assessment***

2.16 A key part of producing a 'sound' Local Plan is the need to prepare and submit to the Local Plan Examination a Local Plan Viability Assessment. Dixon Searle have been recently appointed by the Local Plans team to undertake a Local Plan viability assessment which needs to be able to demonstrate that the cost of delivering policies (that have a financial implication) do not cumulatively undermine the delivery of the Local Plan as a whole.

### ***Strategic overarching Local Plan policy***

2.17 There are now a number of examples from other Local Planning Authorities who have adopted Local Plan policies on climate change mitigation/adaptation and measures to support sustainable design and construction. The key message appears to be that, in order to be successful, these objectives (or a set of principles for how development needs to address and adapt to climate change) need to be:

Embedded throughout the Local Plan;

- Clearly based on an energy hierarchy approach; and
- Transparent as to how developers are expected to demonstrate the approach that they have taken towards the design and layout of any new development in order to address climate change and adaptation.

2.18 The Town and County Planning Association and the Royal Town Planning Institute have just updated a document called 'The Climate Crisis – A guide for Local Planning Authorities on planning for climate change' which includes some useful examples of strategic overarching policies that a number of Local Planning Authorities have included in their Local Plans – see 'Background documents'.

### ***Building Regulations***

- 2.19 The council's adopted Core Strategy has policy CP11 (Sustainable Low and zero carbon built development). However, since the Code for Sustainable Homes was withdrawn by the Government there has been a clear message from the Government that energy performance standards should be dealt with by the Building Regulations rather than Local Plan policies. The Building Regulations has new national technical standards which comprise new additional optional Building Regulations regarding water and access as well as a new national space standard (this is in addition to the existing mandatory Building Regulations).
- 2.20 The Government has indicated that there will be a number of proposed changes to the Building Regulations that will mean that from 2025, new homes built to the Future Homes Standard will have carbon dioxide emissions at least 75% lower than those built to current Building Regulations standards.
- 2.21 The consultation on the SIP specifically asked people whether the council should introduce a Local Plan policy that was higher than the requirements in the current Building Regulations. Unsurprisingly, there were a number of comments on this in terms of being able to demonstrate through the Local Plan Viability Assessment that these policies do not undermine the delivery of the allocations and the Local Plan. Further work needs to be done on this issue.

### ***Next steps***

- 2.22 The timetable for the adoption of the new Local Plan is currently the middle of 2024 <https://www.winchester.gov.uk/planning-policy/winchester-district-local-plan-2018-2038-emerging/local-development-scheme>. The adoption date of the Local Plan is important in relation to the proposed changes to the Building Regulations and the approach that the council takes towards climate change in the emerging Local Plan.
- 2.23 Over the coming months, officers will be starting work on the draft policies for the new Local Plan (Regulation 18 document) and it will be important to continue to work in a collaborative way that worked extremely well when Officers were drafting the SIP. As work on analysing the representations has only just concluded it is too early at this stage to identify what other key issues, beyond the initial ideas that were included in the SIP, that should be included in the Regulation 18 Local Plan for consultation next year but Officers are very keen to ensure that the climate change remains and is a defining issue for the new Local Plan. Officers are also very keen to explore how this information could be included in the new Local Plan in a more visual engaging and in a digital format.

### **Community energy generation**

- 2.24 'Community energy' refers to the delivery of demand reduction and energy supply projects that are either wholly owned and/or controlled by communities or through partnership with commercial or public sector partners. The

Community Energy State of the Sector Report 2021 identified 424 active community energy organisations across the UK with the majority focusing on renewable electricity generation and energy efficiency projects - see 'Background documents'. Community energy organisations are already at the forefront of energy system innovation and could play an increasingly vital role in supporting both the UK and the Winchester district to achieve its carbon neutrality targets. By placing people at the heart of the energy system, community energy also helps to increase community resilience and include communities that are often excluded from the current centralised energy system.

2.25 However, the current policy landscape presents a significant barrier to the growth and success of community energy. The sector has suffered in recent years as a result of the removal of the Urban Community Energy Fund in 2016, social investment tax relief in 2017, the feed-in-tariff in 2019, and the Non-Domestic Renewable Heat Incentive in 2021. Further support is required to remove current barriers to the development of community energy and provide additional funding to harness its potential.

2.26 In collaboration with Community Energy South, Hampshire County Council is providing support to establish new community energy groups and projects throughout the county <https://www.communityenergysouth.org/hampshire>. The package of support measures includes:

- Engaging with groups and individuals to establish the level of interest in community-led energy projects and to find out what plans, ideas and skills are already in place;
- Developing guidance and training to provide support for new groups and projects;
- Identifying groups for 'first-steps' business development support from Community Energy South and identifying funding opportunities to get them off the ground; and
- Identifying a group that could benefit from in-depth support to become incorporated, produce a business plan and submit a funding bid for a medium-to-large scale project.

2.27 On 3 November 2021, the Department for Levelling Up, Housing and Communities announced the successful bids for the £220 million UK Community Renewal Fund (UKCRF). Hampshire County Council was successful in a bid for over £205,000 to support community engagement for household and community energy scheme development across Hampshire. The purpose of this bid is as follows:

*“Developing capacity and engagement at grassroots within communities, building on an existing programme of work, using proven methodologies, already being implemented in Hampshire to encourage actions to reduce carbon emissions and increase resilience from*



*household to community. The project has further potential for transferable learning and scale up. Covering East Hants, Rushmoor, Basingstoke, Gosport, New Forest, and Winchester.”*

- 2.28 To date there has been little interest shown in community energy in Winchester district, but it is hoped that the UKCRF funding can ignite interest.

### ***Local Electricity Bill***

- 2.29 The Local Electricity Bill is a private members bill currently at the stage of second reading in the House of Commons and aims to encourage and enable the local supply of electricity – see ‘Background documents’ for more detail. The Local Electricity Bill could, if passed, enable local energy organisations to sell their electricity directly to local businesses and homes, alleviating pressure on the grid and reducing network access costs. Retaining more of the revenue locally would also likely result in more investment in local services, more energy security, and more local skilled jobs within local areas.
- 2.30 To see the Local Electricity Bill made law, support of around 400 MPs is required. As of November 2021, the Bill has so far gained the support of a cross-party group of 278 MPs (including Steve Brine, MP for Winchester). To date, 79 local authorities have also resolved to support the campaign for the Local Electricity Bill, including New Forest District Council.
- 2.31 Winchester City Council has been approached by the organisers of the Local Electricity Bill campaign to offer support for the bill and to help attain the engagement from the Government needed for this legislative change. This would be a decision for Full Council, so officers are considering the implications of supporting the bill and will bring a further report presenting recommendations to Cabinet in January 2022, for final approval at Full Council in February 2022.

## **3 OTHER OPTIONS CONSIDERED AND REJECTED**

- 3.1 No other options have been considered and formally rejected. The current work programme is influenced by a number of factors including officer capacity, advancements in technology and risk appetite. A further factor is opportunity – on occasion there is other work or projects that the council is involved with that brings about an opportunity to create additional energy benefit.

### **BACKGROUND DOCUMENTS:-**

#### **Previous Committee Reports:-**

None.

#### **Other Background Documents:-**

WCC Carbon Neutrality Action Plan - <https://www.winchester.gov.uk/no-listing/carbon-neutrality-action-plan>

Greenhouse gas emissions in Winchester District: Part X - Estimates and trends (2005-2018); WinACC; 2020 - <https://www.winacc.org.uk/wp-content/uploads/2020/09/greenhouse-gas-emissions-in-winchester-district-2020-final-v2-1.pdf>

Your Place Your Plan: Winchester district Local Plan strategic issues and priorities consultation; WCC 2021 - [https://res.cloudinary.com/studio-republic/images/v1613144166/wdlp/YPYP\\_Consultation\\_Doc\\_V4/YPYP\\_Consultation\\_Doc\\_V4.pdf](https://res.cloudinary.com/studio-republic/images/v1613144166/wdlp/YPYP_Consultation_Doc_V4/YPYP_Consultation_Doc_V4.pdf)

The Climate Crisis – A Guide for Local Authorities on Planning for Climate Change; TCPA, October 2021 - [https://www.rtpi.org.uk/media/9379/tcpa-rtpi-climate-guide\\_oct-2021\\_final.pdf](https://www.rtpi.org.uk/media/9379/tcpa-rtpi-climate-guide_oct-2021_final.pdf)

Community Energy State of the Sector 2021 Report - <https://www.communityenergyengland.org/pages/state-of-the-sector>

The Local Electricity Bill - <https://powerforpeople.org.uk/read-the-local-electricity-bill>

#### APPENDICES:

- Appendix 1: Ofgem Renewable Energy Guarantees of Origin (REGO) scheme certificate (attached separately)
- Appendix 2: Recent large-scale solar planning applications in the Winchester district
- Appendix 3: Existing Local Plan policies on climate change and renewable energy proposals.

## Appendix 2

### Recent large-scale solar planning applications in the Winchester district

Case	Address	Proposal	Notes
13/01805/FUL	Proposed PhotoVoltaic Park Whitehill Lane Alresford Hampshire	Solar farm with an installed maximum capacity of approximately 12 MW on land near the village of Bishop's Sutton, Hampshire (THIS APPLICATION MAY AFFECT THE SETTING OF A PUBLIC RIGHT OF WAY)	Built
13/02304/FUL	Proposed Solar Park Southwick Estate Belney Lane Southwick Hampshire	Construction of an 82 hectare Solar park, to include the installation of solar panels to generate electricity with associated plant buildings, perimeter fencing, cameras, landscape and other associated works (THIS APPLICATION MAY AFFECT THE SETTING OF A PUBLIC RIGHT OF WAY)	Built
15/00082/FUL	Forest Farm Winchester Road Waltham Chase Southampton Hampshire SO32 2LL	The installation of ground mounted photovoltaic solar panels, central inverter housings and perimeter fencing to create a 3 MWp solar park	Built
15/00786/FUL	Proposed Solar Farm Site Winchester Road Bishops Waltham Hampshire	Development of ground mounted solar photovoltaic panels and associated equipment including inverter / transformer buildings, DNO / substation building, control / storage building, customer switchgear buildings, security fencing, camera equipment, access tracks and associated landscaping (THIS APPLICATION MAY AFFECT THE SETTING OF A PUBLIC RIGHT OF WAY)	Built
20/02311/FUL	Land To The East Of The A272 And West Of	Construction of a solar farm and battery storage facility together with all associated works, equipment	Approved May 2021 – works to begin shortly

Case	Address	Proposal	Notes
	The A34 Christmas Hill Worthy Down	and necessary infrastructure	
20/02832/FUL	Land Adjacent Godsfield Copse Godsfield Lane Old Alresford Hampshire	Full planning permission for the construction of a temporary 11.77MW Solar Farm with transformers, a substation, security fence and gate (incorporating infra-red beam system) and other associated infrastructure including vehicular access and proposed landscaping scheme (MAY AFFECT THE SETTING OF A PUBLIC RIGHT OF WAY)	Currently under consideration and awaiting amended documents
21/01391/FUL	Land At Locks Farm Botley Road Bishops Waltham	Solar farm and associated development (MAY AFFECT THE SETTING OF A PUBLIC RIGHT OF WAY)	Currently under consideration, awaiting amended documents.
20/02494/SCREEN	Wallers Ash Farm Alresford Drove South Wonston Hampshire	EIA Screening Opinion in relation to the proposed development of solar farm and associated development	Screening opinion provided, no application submitted yet
21/02206/SCOPE	Land South Of Lovedean Electricity Sub Station Broadway Lane Lovedean Waterlooville	EIA Scoping Opinion Request related to the proposed 'solar farm and battery storage facility with associated infrastructure' at Denmead Farm.	Scoping opinion currently under review, applicant holding consultation with local community (mostly in Lovedean, East Hants)

**Appendix 3****Winchester District Local Plan Part 1 - Core Strategy (Adopted March 2013)****Policy CP11 - Sustainable Low and Zero Carbon Built Development**

Developments should achieve the lowest level of carbon emissions and water consumption which is practical and viable. Specifically, the Local Planning Authority will expect:

- New residential developments to achieve Level 5 for the Energy aspect of the Code for Sustainable Homes (CSH) and Level 4 for the water aspect of the CSH from adoption of this Plan. If this is shown not to be feasible or viable the Council will accept an on-site carbon reduction of not less than the relevant Carbon Compliance levels stipulated by the Zero Carbon Homes policy, with the remaining reduction of regulated emissions<sup>46</sup> to be provided by means of Allowable Solutions;
- Non-residential development that requires an Energy Performance Certificate to meet 'BREEAM Excellent' standard from adoption of this Plan and 'BREEAM Outstanding' standards from 2016.

In meeting these requirements developments should follow the hierarchy below, except where it can be demonstrated that it would be more practical and achieve greater carbon reductions, to utilise measures further down the hierarchy:

- Be designed to maximise energy efficiency and design out the need for energy use by means of the scheme layout and the orientation and design of individual buildings, making full use of passive heating and cooling systems as far as is practical;
- Connect to existing combined heat and power (CHP) and District Heating/Cooling networks, or contribute to their future development;
- Use renewable energy technologies to produce required energy on-site;
- Make use of Allowable Solutions to deal with any remaining CO<sub>2</sub> emissions up to the relevant Code for Sustainable Homes/Zero Carbon Homes level.

**CP12 – Renewable and Decentralised Energy**

The Local Planning Authority is supportive of the generation of renewable and decentralised energy in the District. It will support the creation of CHP/district heating/cooling systems and the development of larger-scale renewable energy developments, especially where there is a strong degree of community benefit

and/or community ownership. When assessing proposals for large-scale renewable energy and decentralised energy schemes, account will be taken of:

- Impact on areas designated for their local, national or international importance, such as Gaps and the South Downs National Park, conservation areas and heritage assets, including their setting;
- Contribution to national, regional & sub-regional renewable energy targets and CO2 savings;
- Potential to integrate with new or existing development, whilst avoiding harm to existing development and communities;
- Benefits to host communities and opportunities for environmental enhancement;
- Proximity to biomass plants, fuel sources and transport links;
- Connection to the electricity network;
- Effect on the landscape and surrounding location.