Cheshire East Council

Economy and Growth Committee
Agenda

Date:	**Tuesday 14th March 2023**
Time:	**1.00 pm**
Venue:	**Committee Suite 1,2 & 3, Westfields, Middlewich Road, Sandbach CW11 1HZ**

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the top of each report.

It should be noted that Part 1 items of Cheshire East Council decision making are audio recorded and the recordings will be uploaded to the Council's website

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

   To note any apologies for absence from Members.

2. **Declarations of Interest**

   To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

3. **Minutes of Previous Meeting** (Pages 5 - 8)

   To approve as a correct record the minutes of the meeting held on 10 February 2023.

For requests for further information
Contact: Rachel Graves
E-Mail: rachel.graves@cheshireeast.gov.uk

4. **Public Speaking/Open Session**

   In accordance with the Council's Committee Procedure Rules and Appendix on Public Speaking, as set out in the [Constitution](), a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

   Members of the public wishing to speak are required to provide notice of this at least three clear working days' in advance of the meeting.

5. **Cultural Framework 2023-2028** (Pages 9 - 28)

   To consider the report seeking approval for Cheshire East Council Cultural Framework to operate from 2023 to 2028.

6. **Archives Project - Delivery Phase** (Pages 29 - 50)

   To consider the update to the 'Cheshire's Archives – A Story Shared' project.

7. **Notice of Motion: The Development of Council Housing** (Pages 51 - 60)

   To consider the report on the Notice of Motion.

8. **Digital Investment Plan 2023-2025** (Pages 61 - 102)

   To consider the report on the Connecting Cheshire Digital Investment Plan.

9. **Crewe Technical & Digital Innovation Centre** (Pages 103 - 112)

   To consider the progress made to date on the proposal for a Technical & Digital Innovation Centre.

10. **Public Sector Decarbonisation Scheme - 3B** (Pages 113 - 120)

    To note the acceptance, under urgency powers, of a Public Sector Decarbonisation Fund Grant of up to £7.8m, in three lots, and to approve the undertaking of associated works.

11. **2022/23 Financial Update** (Pages 121 - 150)

    To receive an update on the financial position for 2022/23. To note or approve virements and supplementary estimates as required.

12. **Work Programme** (Pages 151 - 152)

    To consider the Work Programme.

13.   **Carbon Neutral Update** (Pages 153 - 302)

To consider the update on the progress the Council has made to being a carbon neutral council by 2025 and a carbon neutral borough by 2045.

14.   **Exclusion of the Press and Public**

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

PART 2 - MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT

15.   **Carbon Neutral Update** (Pages 303 - 376)

To consider the confidential appendix to the report.

16.   **Update on Royal Arcade Progress**

To receive a verbal update on the progress of the Royal Arcade project.

Membership: Councillors S Brookfield, D Brown, J Clowes, M Goldsmith (Vice-Chair), P Groves, S Hogben, M Houston, D Jefferay, A Kolker, N Mannion (Chair), R Moreton, D Stockton and P Williams

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Economy and Growth Committee**
held on Friday, 10th February, 2023 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor N Mannion (Chair)
Councillor M Goldsmith (Vice-Chair)

Councillors J Clowes, S Hogben, M Houston, D Jefferay, A Kolker, R Moreton and L Wardlaw

OFFICERS IN ATTENDANCE
Peter Skates, Director of Growth and Enterprise
Charles Jarvis, Head of Economic Development
Phil Riddings, Programme Manager
Wendy Broadhurst, Lead Finance Partner Place
Adrian Leslie, Lawyer
Rachel Graves, Democratic Services Officer

53 APOLOGIES FOR ABSENCE

Apologies were received from Councillors S Brookfield, P Groves, D Stockton and P Williams. Councillor L Wardlaw substituted for Councillor Stockton.

54 DECLARATIONS OF INTEREST

In the interests of openness, Councillors S Hogben and D Jefferies declared that they had been member of the Strategic Planning Board on 13 January 2023 which had approved the planning application for Handforth Garden Village.

55 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 17 January 2023 be approved as a correct record.

56 PUBLIC SPEAKING/OPEN SESSION

There were no members of the public in attendance.

57 HANDFORTH GARDEN VILLAGE - DELIVERY STRATEGY

The Committee considered the report which provided an update on the progress of the Handforth Garden Village scheme.

The Council was the majority landowner and would therefore have a leading role in progressing the scheme. The site was as allocated strategic site in the Local Plan and the proposals would create a new sustainable settlement with approximately 1,500 new dwellings, a new village centre and high street, a through school, sports facilities, sustainable transport routes.

The Garden Village was a major long term project for the Council which had the capacity to generate capital receipts and presented an exemplar opportunity to promote sustainable development and placemaking. A gateway review, final business case and delivery strategy was required in order to undertake Due Diligence to appropriately balance risk and reward and to use capital resources as efficiently as possible whilst maximising and accelerating capital receipts. It was intended that this would be reported for decision to the September 2023 meeting of the Committee.

During consideration of the report, clarification was sought on the status of Engine of the North and it was confirmed whilst the Engine of the North still existed it was not operational.   It was asked about member involvement in the development of the project, the gateway review and preparation of the business case.

An additional recommendation was proposed and seconded "*that the Committee identified representatives for an advisory group to engage with the project team and report back to the Committee*".   The proposal was put to the vote and declared carried.

RESOLVED: That the Committee

1	note the progress that has been made to deliver the Garden Village scheme and towards securing planning permission.

2	note that there are strategic project risks. Which include legal, planning, construction costs, housing market volatility, external grant funding, capacity, and site constraints, which will require appropriate oversight and legal advice.

3	approve the undertaking of a gateway review, preparation of a final business case and production of a delivery strategy, to identify the most commercially appropriate and effective means of delivering the primary infrastructure and the wider garden village project whilst controlling costs and maximising capital receipts, including addressing governance structures going forward.

4   note that a detailed report on the outcomes of the gateway review and delivery strategy and key decisions required will be presented to the Committee in the new municipal year with a target date of September 2023.

5   identifies representatives for an advisory group to engage with the project team and report back to the Committee.

58 WORK PROGRAMME

The Committee considered its work programme for 2022/23.

It was proposed that the March meeting commence at 1 pm due to the number of items on the agenda.

RESOLVED:

That the Work Programme for 2022/23 be noted.

The meeting commenced at 10.30 am and concluded at 11.53 am

Councillor N Mannion (Chair)

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Cheshire East
Council

Working for a brighter future together

Economy and Growth Committee

Date of Meeting: 14 March 2023

Report Title: Cultural Framework 2023-2028

Report of: Jayne Traverse

Report Reference No: EG/26/22-23

Ward(s) Affected: All

1.   Purpose of Report

1.1. The Cheshire East Council Cultural Framework sets out the priorities and mechanisms for commissioning of cultural activity across the Council and with external partners.

1.2. This report seeks approval for Cheshire East Council Cultural Framework to operate from 2023 to 2028, following on from the successful delivery of the Cultural Framework 2012 -2022.

1.3. The Cultural Framework contributes to all the Council's Corporate Priorities in particular Fair and Green. The framework sets out an approach to growing and supporting the cultural economy in line with the strategic aims and objectives in the Council's Corporate Plan 2021-25

- **Open** – Through its contribution to the economy of Cheshire East, the cultural framework supports a sustainable financial future for the council.

- **Fair** – Culture supports the wellbeing of our communities.

- **Green** – Cultural activity helps to create and sustain a great place for people to live, work and visit, contributing to thriving urban and rural economies, the environment, and our quality of place as well as thriving and active communities.

1.4 The report also addresses the commissioning of public art and seeks approval of the process in order that it can be adopted as part of the Framework and

addresses the Notice of Motion – Public Art Consultations, which was presented to Full Council on 19th October 2022 (Appendix C).

2. Executive Summary

2.1 The report explains the background to the requirement for an updated framework and goes on to describe the changes being made both to the Council's Cultural Priorities and to the mechanisms for commissioning to be operational from April 2023.

3. Recommendations

3.1. That Members approve the revised Cultural Framework April 2023 – 2028 (appendix A).

3.2. That Members approve the process set out for the commissioning of public art in order that it be incorporated into the Cultural Framework (Appendix B).

4. Reasons for Recommendations

4.1. The current Cultural Framework runs until 2022 and an updated version is required to operate from April 2023.

4.2 Adoption of the updated Framework will allow for:

1. A set of clearly articulated Council priorities for Culture. This will enable major funding bodies such as the Heritage Lottery Fund and Arts Council England to understand our strategic priorities and how they match with their own.
2. Efficient and effective commissioning and contracted cultural activity leading to improved delivery of the Council's outcomes.
3. The ability to take a flexible approach to supporting the development and sustainability of the Cultural Economy in Cheshire East.
4. The Cultural Economy Team to communicate the Framework to the Cultural Sector and work towards implementation from April 2023.

4.3 Culture has a significant contribution to make to improve outcomes for individuals, communities, for children and young people, older and vulnerable adults. Culture supports the delivery of outcomes across Quality of Place, Regeneration, Visitor Economy, Health and Wellbeing, Children, Families, Skills, and Community Development.

4.4 A Notice of motion on public art was received in November 2022 (Appendix C). This was reported to the Economy and Growth Committee on 17th January 2023, and it was agreed that consideration of the issues raised would be addressed as part of the Committee decision on the Cultural framework.

5.   Other Options Considered

5.1. To do nothing is discounted as an option as the current framework runs until 2022. Should an updated Cultural Framework not be approved by the Council this would prevent its ability to delivery Cultural strategies and related objectives.

Option	Impact	Risk
Do nothing	**Inability to deliver cultural strategies and cultural aspects of other strategies including Town Centre Regeneration, Town Vitality Plans and Council's objectives**	**High**

6.   Background

6.1 The original Cultural Framework was developed in 2016 through consultation both internally and externally with partners and stakeholders. It was approved by Cabinet in February 2017 and covered the period until 2022. This has been updated to take account of changes to strategy and policy and the updated version will run until 2028.

6.2 The purpose of the Framework is to provide clear mechanisms and priorities for commissioning of cultural activity by the Council.

6.3 Cheshire East Council's goal for Culture is to **transform lives and places through access to great culture**. Our role is to enable the economy, communities, and places of Cheshire East to benefit from engagement with culture.

6.4 The Cultural Framework is designed to help achieve this and to be widely used by Cheshire East Council, the Council's partners, national agencies and stakeholders, the voluntary sector, commissioners of public services, cultural organisations, and individuals in the cultural sector. For the purpose of the Cultural Framework, culture is defined as: arts, heritage, festivals & events, creative media, creative and digital industries. (It should be noted that Museums' may avail themselves of opportunities under the framework this does not impact on their annual, core funding).

6.5 The framework describes delivery mechanisms for commissioning of cultural activity by the Council and has the additional benefits of:

- A set of clearly articulated Council priorities for Culture. This will enable major funding bodies such as the Heritage Lottery Fund and Arts Council England to understand our strategic priorities and how they match with their own.

- Efficient and effective commissioning and contracted cultural activity leading to improved delivery of the Council's outcomes.
- The ability to take a more flexible approach to supporting the development and sustainability of the Cultural Economy in Cheshire East.
- Better value for money through commissioned and contracted cultural activity leading to improved delivery of Council outcomes.
- Ability to take a more flexible approach to supporting the development and sustainability of the Cultural Economy in the Borough.

6.6 Since 2017 the framework has enabled a wide range of cultural activities to take place across the Borough and has supported cultural organisations to become more sustainable and further reaching. It has also supported the development of new organisations allowing them to lever in further funding from bodies such as Arts Council England.

6.7 The framework has achieved:

- Almost £1.5 million of additional external funding to be levered into the Borough's cultural economy over the 5-year period. (This excludes investment in museums and Archives which do not currently come under the remit of the framework.)

- 26 cultural organisations and events in Cheshire East have been supported. Examples have included community outreach activity through Barnaby Festival in Macclesfield, to supporting business development for Clonter Music Trust in Swettenham, Dance programmes for dementia patients at Leighton Hospital, bringing world class art installations to Town Centres, supporting the development of Electric Picture House in Congleton and Nantwich Words and Music Festival.

6.8 Creation of two Cultural Forums in the Borough related to the regeneration priorities of Crewe and Macclesfield. This has also led to the development of a cultural strategy for Crewe with a further strategy in development for Macclesfield. These forums are very active in developing, advocating for, and promoting further cultural programmes and capital schemes.

6.9 The updated framework will cover the period 2023 – 2028. It takes into account changes to the Corporate Plan, development of town centre regeneration plans and town centre vitality plans, a post COVID world, in addition to updated strategies and policies of external partners and stakeholders such as Arts Council England.

7. Drivers for Change

7.1 In addition to the fact that the current framework runs only until 2022, there are other drivers for change that have been taken into account in the revision of the Council's Cultural Priorities and Cultural Framework 2023-2028.

7.2 Corporate Plan – the Council's current Corporate Plan has set out the Council's vision and priorities for 2021 - 2025

7.3 Regeneration Strategies – Macclesfield and Crewe remain the Council's significant geographical regeneration areas and the Cultural Framework has supported this through commissioning of public art and events, in addition to the creation of cultural forums in these towns. In addition, the Council has worked with 9 key service areas to develop Vitality Town Plans. All but one of these plans have identified aspirations which could be met by cultural interventions including heritage trails and an increase in events.

7.4 Local Cultural Strategies – the Cultural Economy Team have worked closely with cultural forums and organisations to identify local, cultural priorities. Crewe now has a cultural strategy, and one is in development for Macclesfield. The revised priorities of the framework take these into account.

7.5 Changes to Social Environments (COVID / Cost of Living) – the COVID pandemic had a significant, negative impact on communities across the Borough and also on the cultural and events sector. The Cultural Framework can be helpful in helping communities, town centres and organisations to recover.

7.6 External Strategies – key external partners have also updated their strategies which have been reflected in the refreshed Cultural Priorities. This includes Arts Council England who launched their strategy 'Let's Create' in 2020.

8.   Delivering the Cultural Priorities

The Framework sets out three main mechanisms for delivery of the Council's Cultural Priorities.

These are through:

8.1 **Commissioning of Cultural Organisations -** The Cultural Economy service is keen to support development of a vibrant and sustainable cultural economy in the Borough. To this end, and in line with the Cultural Priorities, the Council will invest in a number of Cultural organisations delivering a range of services or programmes of work. These arrangements will be formalised by a legal contract and may last between 1 and 4 years. These will be strategic in nature and part of a wider cultural economy investment, supported by additional funding from bodies such as Arts Council England or Heritage Lottery and will form part of an ongoing strategic conversation between these bodies and the Council. Opportunities to submit proposals for funding will be on an annual basis, open to cultural organisations based in and delivering activity in Cheshire East. Organisations may only have one restricted funding contract operating at any given time.

8.2 **Direct Commissioning -** The service will, from time to time, as appropriate to need and available budgets, issue invitations for tenders for specific interventions or programmes of work. These will be in response to an identified strategic need, again, in line with service and Council priorities. Invitations to submit tenders for these contracts will be issued on the basis of need and will follow council procurement rules.

8.3 **Co-commissioning -** From time to time there may be opportunities for the Cultural Economy team to partner with other commissioning services or organisations, either within the Council or externally, in order to maximise

available budgets and meet a wider identified need. We will actively seek out these opportunities and will publish as and when they are available.

8.4 Operational decisions are required in a timely manner, sometimes at short notice to meet with external funding deadlines and opportunities. These decisions will be made at the appropriate level under the delegations contained within the Council's financial scheme of delegation to do this. Impact of delivery will be reported on in the Council's annual performance reports.

8.5 **Commissioning of Public Art**

8.5.1 In response to the Notice of Motion a revised process for commissioning public art has been developed with the intention that it be incorporated into the updated cultural framework as an appendix to it. If approved, the process will be applied to any new Council-commissioned public art from April 1st 2023. The process recognises that not all proposals for public art are the same, that their origin and funding arrangements will vary, and that delivery timescales will similarly vary with scale, complexity and funding arrangements. The process outlined therefore offers a different, deliverable solution to that proposed in the Notice of Motion that still addresses the need for engagement, recognises the variety of what could be considered under public art commissioning and remains in line with the constitutional arrangements for decision-making.

8.5.2 From time-to-time opportunities may arise or be sought, to commission art for the public realm. Public Art involves the commissioning of artists and craftspeople to make new site-specific work that can be permanent, temporary, internal, or external. It can involve artists' unique creative abilities in the development and design of the fabric of public spaces.

8.5.3 Public art includes work that is integrated into a development scheme, this could range from bespoke street furniture, lighting, boundaries, and landscaping through to internal details of a building - its furniture, flooring, ceramics, and textiles. Public art need not be within public spaces but has to be accessible to the public realm or available in the semi-public areas of completed developments.

8.5.3 Public art could be delivered by any of the commissioning mechanisms described above. It may be commissioned directly by the Council or may come from other organisations including developers or Town / Parish Councils. Due to the nature of artworks being in the public realm, additional processes are put into place to ensure artworks are appropriate and meet the needs of communities, commissioners, and funders. A commissioning process map is attached at Appendix B. This sets out the proposed process to be followed for all public art commissioned by the council for new artworks from April 2023.

8.5.4 The commissioning process for public art will always include public engagement. The extent to which this happens has to be proportionate to the scale, prominence, and impact of the artwork.

8.5.5 Once a commissioning opportunity has been identified, a stakeholder panel will be established, to which local Members from related wards will

be invited to join. This panel will be involved in all stages of the commissioning process including agreeing the artist brief, artist selection, agreeing the engagement strategy and agreeing the final design for the artwork.

8.5.6 In circumstances where the Council is not the commissioner, this process will be advocated to the commissioning body as best practice.

9. Consultation and Engagement

9.1 Consultation has taken place on the revision of the Council's Cultural Priorities. This has included cultural organisations, cultural forums, and all Councillors, who were invited to provide feedback. The priorities contained within the proposed framework take account of the comments received.

9.2 Consultative meetings have been held with representatives of other Council services to ensure compatibility with current policy and strategies.

10. Implications

10.1. Legal

10.1.1. All decisions on commissioning will be made in accordance with the Councils scheme of delegation as set out in the constitution.

10.1.2. All commissions resulting from the delivery of the framework will be subject to contractual agreements between the Council and the supplier.

10.2. Finance

10.2.1. All commissioning through the Cultural Framework will be in line with available budgets. Where a multiple year agreement is being considered this will only be in principle until annual Council budgets have been set.

10.3. Policy

10.3.1. This report sets out the priorities and mechanisms for commissioning of cultural activity between 2023 – 2028 to be followed during this period.

10.4. Equality

10.4.1. The cultural priorities set out the intention of the Council to ensure that cultural activity is fully inclusive and representative of minority groups.

10.4.2. An Equality Impact Assessment has been completed and is attached at Appendix D.

10.5. Human Resources

10.5.1. There are no human resource implications of this report.

10.6. Risk Management

10.6.1. Risks will be different according to each instance of commissioning and will be assessed as part of the commissioning process.

10.7. Rural Communities

10.7.1. The Cultural priorities provide for both urban and rural communities. Some provision, such as Rural Touring Arts, is specific to rural areas.

10.8. Children and Young People/Cared for Children

10.8.1. The cultural priorities specifically target skills development opportunities for young people.

10.9. Public Health

10.9.1 The cultural priorities specifically recognise the impact of cultural activity on health and wellbeing.

10.10 Climate Change

10.10.1 The Cultural priorities include activities which promote sustainability and activities which demonstrate environmental responsibility.

Access to Information	
Contact Officer:	Helen Paton, Cultural Economy Manager Helen.paton@cheshireeast.gov.uk 01270 686089
Appendices:	Appendix A – Cheshire East Cultural Framework 2023 – 2028 Appendix B – CEC Public Art Commissioning Map Appendix C – Notice of Motion, Public Art, November 2022 Appendix D – Equality impact assessment
Background Papers:	None

Appendix A

Cheshire East Cultural Framework 2023 - 2028

Cheshire East Council Cultural Framework 2023 – 2028

Cheshire East Council Cultural Framework 2023 - 2028

1. Who is the Cultural Framework for?

Cheshire East Council's goal for Culture is to **transform lives and places through access to great culture**. The Council can enable the economy, communities, and places of Cheshire East to benefit from engagement with culture, contributing to regeneration, quality of place, wellbeing, creative skills, and prosperity. This is achieved through the commissioning of arts, heritage, museums, creative media, festivals, and events in line with the Council's priorities. (CEC's Strategic Priorities for Culture 2023 - 2028 - See appendix A).

The Cultural Framework is designed to be widely used in Cheshire East by Cheshire East Council, and as a guide for the Council's partners, national agencies and stakeholders, the voluntary sector, faith sector, commissioners of public services for the people of Cheshire East, and cultural organisations and individuals in the cultural sector.
Culture can empower and influence in various ways that help to shape:
- Relationships between individuals and groups
- Shared memories, experience, and identity
- Diverse cultural, faith and historic backgrounds
- Social standards, values, and norms
- What we consider valuable to pass on to our children

These effects have individual, economic and social dimensions that can be fleeting, life-changing or affect successive generations. Culture has a significant role to play in bringing these benefits to the people of Cheshire East.

2. What We Mean by Culture

For the purpose of the Cultural Framework, culture will address arts, public art, heritage, museums, festivals & events, creative media, creative and digital industries. This relates to activity delivered by or though the Council, and the activity delivered by or through other individuals or organisations including arts, heritage and museum

bodies, businesses, charities, community organisations and faith groups to name a few.

While not an exclusive definition, this is intended to closely align with the functions covered nationally by bodies such as the Department for Culture Media and Sport DCMS (excluding sport), Arts Council England and National Lottery Heritage Fund.

3. Strategic Context

Culture can have positive impacts on many different agendas. It can promote civic pride and change perceptions about a place, contributing to improvements in wider social and economic outcomes. It can support inclusive economic recovery, particularly in relation to the growth of the wider commercial creative economy and in levelling-up economic inequalities between regions. It can help to address educational and skills inequalities, and it can challenge health inequalities and the impact of loneliness exacerbated by the COVID-19 pandemic.

'Quality of Place' brings these together as a concept (see diagram)

The cultural offer, quality of our natural & built environment, vitality of our towns and reputation for business, creativity, educational standards, lifestyle, and wellbeing all contribute to Quality of Place. Distinctiveness of identity influences perceptions and supports place marketing opportunities. As well as supporting the prosperity of its residents and businesses, 'quality of place' can help create and communicate the 'identity' of a place.

Culture has a pivotal role in contributing to or achieving each of these elements of Quality of Place as demonstrated in the diagram below.

Achieving Quality of Place

4. The Framework

4.1 Purpose
The purpose of the Framework is to:

   a) Inform a cohesive approach across the Council to engage with the cultural sector to ensure delivery of its objectives and high-quality outcomes for specific programmes of work.

   b) Develop a comprehensive understanding of the benefits of engaging with the Cultural sector across public sector commissioners and Council services.

   c) Support the Cultural sector to engage with the Council.

   d) Facilitate closer relationships with the Cultural sector, including funding bodies, to maximise opportunities for investment in cultural activity in Cheshire East.

4.2 How it will be Used
This framework is intended as a guide for Council services in delivering positive outcomes through Cultural interventions and the Council's priorities for Culture. It is designed to inform how the Cultural sector can be engaged by different service areas, to deliver specific objectives and in particular to inform the work of the Council's Cultural Economy Service in delivery of the Council's outcomes.

4.3 Council Priorities for Culture

The Council has adopted a set of priorities to inform the commissioning of cultural provision and services. These are set out at appendix A. These priorities are intended to inform all instances where the Council will commission or directly provide cultural activity.

4.4 The Approach

To help achieve its goal for Culture, '**to transform lives and places through access to great culture'**, the Council can enable engagement with culture that contributes to regeneration, wellbeing, quality of place, creative skills, and prosperity. Cultural activity, engagement and interventions should:

- **Help to achieve the Council's stated goal and priorities for culture**
- **Be delivered by appropriate, quality providers in an efficient, effective way that delivers for our residents.**
- **Seek opportunities to add value, capacity, or resource.**
- **Maintain and conserve quality and standards, seeking betterment where possible.**
- **Be outcome focused, supporting the Council's objectives**

This can be achieved in a number of ways through direct engagement by the Council, through partnerships or through commissioning and other delivery mechanisms. In order to maintain quality and ensure the Council is best advised on appropriate mechanisms and providers, the Cultural Economy Service will commission services in line with this framework and will support other services in their delivery.

5. Delivering the Framework

5.1 Role of the Cultural Economy Service

This describes how the Cultural Economy Service will use core budget to commission cultural services in line with the Council's priorities for Cultural provision. In addition, the Cultural Economy Team should be involved in the design of all tenders that potentially involve cultural activity, and in the ensuing processes of selection, appointment, and evaluation.

The responsibilities of the Cultural Economy Team as sponsors of the Framework are threefold; to monitor, evaluate and report on progress towards the Framework objectives; to work collaboratively with commissioners and commissioning bodies to develop the capacity of the cultural sector to take up the additional opportunities for funding with the Framework.

5.2 What We Mean by Commissioning

Bringing about development and change in communities is often a slow process and it may involve testing different approaches and evaluating their impact. The outcome we want to achieve may only come about as the result of a number of initiatives being commissioned over quite a long period of time. When we talk about 'commissioning for outcomes' we are drawing attention to the impact of the activity on those it is intended to benefit. Commissioning therefore always involves those who are receiving the service, or engaging in the activity, helping to shape it. Within the context of the

cultural framework, we define commissioning as, **the provision of a quality service/s, for and with individuals and communities to address needs and inequalities, within the resources available.**

Having decided the best way to achieve outcomes, the council will then contract with an individual or organisation to provide the service. Contracts for cultural activity may be issued by any of the Council's service areas. The Cultural Economy Team should be involved in the design of all specifications that potentially involve cultural activity, in order to ensure quality as part of the selection, appointment and evaluation processes.

5.3 Delivery of the Cultural Priorities

a) Through Cultural Organisations

The Cultural Economy service is keen to support development of a vibrant and sustainable cultural economy in the Borough. To this end, and in line with the Cultural Priorities, the Council will invest in a number of Cultural organisations delivering a range of services or programmes of work. These arrangements will be formalised by a legal contract and may last between 1 and 4 years. These will be strategic in nature and part of a wider cultural economy investment, supported by additional funding from bodies such as Arts Council England or Heritage Lottery and will form part of an ongoing strategic conversation between these bodies and the Council. Opportunities to submit proposals for funding will be on an annual basis, open to cultural organisations based in and delivering activity in Cheshire East. Organisations may only have one restricted funding contract operating at any given time.

Process

Each year, cultural organisations in Cheshire East will be made aware of the opportunity to discuss investment with the Council, in order to deliver the Council's Cultural Priorities. Should an organisation be interested in discussing this further, detailed guidance will be offered, including an initial conversation with a member of the Cultural Economy Team. This will cover the extent to which the priorities are met, level of investment against available budgets, match funding being applied for and aspirations of the organisation.

Following discussion with the Cultural Economy Team, a written proposal will be received from the organisation. It is unlikely that this proposal will contain any information which has not already been discussed.
Approval of the investment request will be via an Officer Decision Record (ODR), approved by the Head of Rural and Cultural Economy.
Organisations receiving investment will be issued with a contract for services.
The length of investment may be between 1 and 4 years.

b) Through Direct Commissioning

The service will, from time to time, as appropriate to need and available budgets, issue invitations for tenders for specific interventions or programmes of work. These will be in response to an identified strategic need, again, in line with service and Council priorities. Invitations to submit tenders for these contracts will be issued on the basis of need and will follow council procurement rules.

Process
From time to time, opportunities or issues may arise which could be addressed via a cultural intervention. In these circumstances the Cultural Economy Team will seek to commission artists or organisations to deliver specified outcomes. An invitation to tender will be issued in line with Council procurement regulations. Approval of the commission will be via an Officer Decision Record (ODR), approved by the Head of Rural and Cultural Economy.

c) Co-commissioning
From time to time there may be opportunities for the Cultural Economy team to partner with other commissioning services or organisations, either within the Council or externally, in order to maximise available budgets and meet a wider identified need. We will actively seek out these opportunities and will publish as and when they are available.

5.4 Use of the Framework by Other Services
Any council service intending to commission or contract cultural provision should refer to the Council's priorities for Culture (Appendix A) to use as a guide to what should be prioritised. The framework and its priorities may also be of value as a guide for other commissioning bodies. The Council's Cultural Economy Service is able to support engagement with the Cultural sector and to provide help and assistance to ensure that appropriate specifications, tender documents, selection, and evaluation criteria are in place.

5.5 Monitoring and Measuring Success
Depending on its complexity, the evaluation of the resulting contract should take account of the outcome, the benefit that is conferred on residents, visitors, businesses, and other target groups. When asking how successful a commission has been we may, for instance, not just want to know about the number of people taking part, but how they or their community were affected as a result. This will enable the services that are provided to be placed in the wider strategic context of Cheshire East.

Striving for the highest quality in everything we commission, or provide, is of the utmost importance in achieving outcomes. The Quality Benchmark we will use draws on Arts Council England's guidance on the subject. They offer areas to consider throughout the life of projects, from planning to evaluation, and ensure that the voice of communities remains firmly at the heart of activities.
When evaluating bids, we will expect applicants to explain how they address the following aspects of quality where they are relevant to the nature and size of the commissioned service or project.
- Striving for excellence
- Emphasising authenticity
- Being inspiring, and engaging
- Ensuring a positive audience experience
- Actively involving people
- Providing a sense of personal progression
- Developing a sense of ownership and belonging

Detailed evaluation criteria will be made available along with tenders or funding opportunities and requirement will be scaled appropriately according to size of investment.

Reports on the impact of the Cultural Framework will be provided as part of the Councils annual performance reporting.

6. Resources
The Council's resources are determined by the Medium-Term Financial Strategy.
The Framework is designed to encourage flexible and adaptable use of available resources in order to support the council's objectives and meet its cultural priorities. Wherever possible, opportunities to lever in additional funding from external sources will be pursued. Partnership working and collaborative commissioning will also be explored fully and put into place wherever possible in order to maximise available resources. In this way the Framework will seek to ensure value for money.

Appendices

Appendix A – Cheshire East Council Cultural Priorities 2023 – 2028

Purpose:
To transform lives and places through access to great culture [1].

Enabling the economy, communities, and places of Cheshire East to benefit from engagement with culture, contributing to lifestyle, wellbeing, high-quality places, creative skills, sustainability, and prosperity.

Achieved by: *Championing and supporting cultural activities* **that;**

- Promote Cheshire East as a high-quality place to live, work, visit and invest.
- Support a sustainable and inclusive cultural ecology
- Contribute to local and regional, urban, and rural economies.
- Ensure stimulating and aspirational experiences for residents and visitors.
- Enhance the quality of life and wellbeing of local people.
- contribute to environmental sustainability.
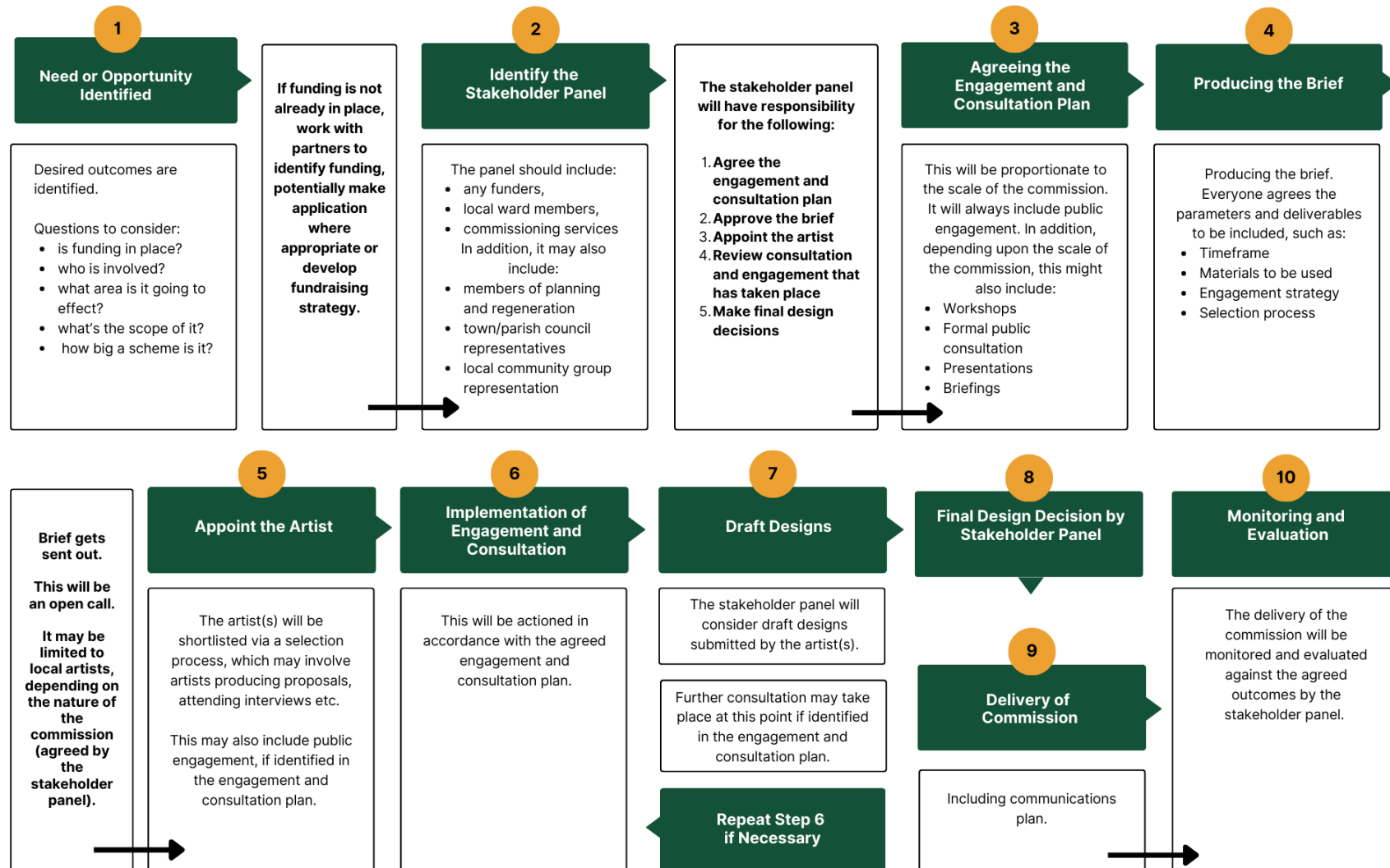
We Will Prioritise cultural activities which:

- support priority regeneration areas of Crewe and Macclesfield
- support cultural aspirations identified in Town Centre Vitality Plans
- provide pathways into work and skills development for young people
- promote sustainability

- activities which demonstrate environmental responsibility
- are innovative or ground-breaking and of high quality
- promote physical and mental health, and wellbeing, including older people, young people, and people with additional needs.
- strengthen and support inclusive, creative communities

Nb   [1] Culture: arts, heritage, museums, festivals & events, New media, Creative and Digital industries

Commissioning of Public Artworks Process

Each of these stages will be followed, but will be proportionate to the scale and the impact of each commission.

1

Need or Opportunity Identified

Desired outcomes are identified.

Questions to consider:
- is funding in place?
- who is involved?
- what area is it going to effect?
- what's the scope of it?
- how big a scheme is it?

If funding is not already in place, work with partners to identify funding, potentially make application where appropriate or develop fundraising strategy.

2

Identify the Stakeholder Panel

The panel should include:
- any funders,
- local ward members,
- commissioning services

In addition, it may also include:
- members of planning and regeneration
- town/parish council representatives
- local community group representation

The stakeholder panel will have responsibility for the following:

1. Agree the engagement and consultation plan
2. Approve the brief
3. Appoint the artist
4. Review consultation and engagement that has taken place
5. Make final design decisions

3

Agreeing the Engagement and Consultation Plan

This will be proportionate to the scale of the commission. It will always include public engagement. In addition, depending upon the scale of the commission, this might also include:
- Workshops
- Formal public consultation
- Presentations
- Briefings

4

Producing the Brief

Producing the brief. Everyone agrees the parameters and deliverables to be included, such as:
- Timeframe
- Materials to be used
- Engagement strategy
- Selection process

Brief gets sent out.

This will be an open call.

It may be limited to local artists, depending on the nature of the commission (agreed by the stakeholder panel).

5

Appoint the Artist

The artist(s) will be shortlisted via a selection process, which may involve artists producing proposals, attending interviews etc.

This may also include public engagement, if identified in the engagement and consultation plan.

6

Implementation of Engagement and Consultation

This will be actioned in accordance with the agreed engagement and consultation plan.

7

Draft Designs

The stakeholder panel will consider draft designs submitted by the artist(s).

Further consultation may take place at this point if identified in the engagement and consultation plan.

Repeat Step 6 if Necessary

8

Final Design Decision by Stakeholder Panel

9

Delivery of Commission

Including communications plan.

10

Monitoring and Evaluation

The delivery of the commission will be monitored and evaluated against the agreed outcomes by the stakeholder panel.

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Appendix C – Notice of Motion Public Art Consultations

A Notice of Motion – Public Art Consultations, was presented to Full Council on 19th October 2022 and deferred to the Economy and Growth Committee for consideration.

The Notice of Motion reads as follows:

This Council resolves that all works of public art undertaken by the council or works of public art to be undertaken by third parties on council owned land or assets should be subject to a public consultation of residents within the affected settlement area.

Where singular or multiple artwork option(s) are proposed the consultation should provide the consultees with the option to oppose the proposed artwork.

The consultation should last no less than 21 days and all results should be made readily available to the Cheshire East public before a final decision is made. The consultation will act in an informatory and advisory capacity with all final decisions on the commissioning of public art to be decided by the relevant body of democratically elected members as defined by the council's constitution.

Appendix D – Equality Impact Assessment *TBC*

Agenda Item 6

Economy and Growth Committee

Date of Meeting: 14/03/2023

Report Title: Archives Project – Delivery Phase

Report of: Jayne Traverse – Executive Director - Place

Report Reference No: EG/26/22-23

Ward(s) Affected: All

1. Purpose of Report

1.1. This report provides an update to the 'Cheshire's Archives – A Story Shared' project and provides the context for the delivery phase of the project, which includes the building of a new History Centre in Crewe. The report sets out the governance and decision processes which are required in order to deliver the build phase of the project in a timely manner to prevent delays to the project timetable.

1.2. The service identifies, collects, and cares for archives that are the evidence of Cheshire's communities, delivering access to our shared collections. The project will develop the service and the necessary replacements for the current building. This will deliver two new buildings (History centres) in Chester and Crewe, which will be fit for purpose, accessible to visitors, provide storage and access to collections and using technology to bring the collections closer to people across both Cheshire West and Cheshire East.

2. Executive Summary

2.1 The report sets out the current status of the 'Cheshire's Archives – A Story Shared' project, explaining that the project is now moving into the delivery phase, having been successful in a bid to the National Lottery Heritage Fund. The report further sets out the arrangements in place for Governance of the delivery phase and the necessary delegations and permissions.

3.   Recommendations

3.1. Delegate authority to the Executive Director Place to take all necessary actions to enable the delivery stage of the 'Cheshire Archives – A Story Shared' project.

3.2. Delegate authority to the Executive Director Place in consultation with the Director of Governance and Compliance to enter into or approve any contracts or agreements (including professional consultants and building contracts etc) required for the delivery phase.

3.3. To enter into a Memorandum of Understanding (MOU) to address all relevant terms for collaborative delivery of the project with CWAC.

3.4. To participate as required in the acceptance of the offer of grant aid from the Heritage Fund by CWAC by the exercise of the delegated authority to proceed with this project

4.   Reasons for Recommendations

4.1. In April 2021 Members provided all necessary approvals and delegations required to ensure delivery of the project development phase up to and including the submission of grant applications and endorsement of the approach to project delivery. As the project has been successful in its grant application to National Lottery Heritage Fund (NLHF) and will be entering its delivery phase, further delegations will now be required to enable delivery of the project for which Cheshire West and Chester is the accountable body.

4.2. A Memorandum of Understanding (MoU) will outline the joint approach across the two authorities to delivering the project and will build on the existing project Terms of Reference. Its main focus is the approach to procurement and contracting in line with the project's procurement strategy.

4.3 This strategy states that Cheshire West and Chester, as the host authority of the shared service, will lead the procurement process and act as the accountable body for the project with the National Lottery Heritage Fund (NLHF), although as this is a joint project, both authorities will be required by NLHF to sign the grant terms and conditions. This remains in line with the April 2021 Cabinet endorsement of the approach to project delivery and the delegated powers sought in this report to enable the project to proceed.

4.4. The procurement strategy will result in the appointment of a single construction contractor. The procurement of the contractor(s) will be undertaken by Cheshire West and Chester, in liaison with Cheshire East in line with the project governance for the Shared Service project. While Cheshire West and Chester will procure the contractors and will manage the contracts, a separate contract with the successful bidder(s) will be in place for each council. This will primarily relate to the building contracts for the History Centres.

4.5 Corporate Plan

This project meets the Councils Corporate Plan in particular, Fair and Green. The project also supports the Crewe Cultural Strategy and the Council's Cultural Framework and the Crewe Town centre Regeneration Plan.

5. Other Options Considered

5.1. There is no realistic alternative to the course of action recommended therefore this section is not applicable.

6. Background

6.1 The requirement to relocate the Archives and Local Studies Service has been recognised by both authorities and a new future service delivery model agreed. This model sees two new history centres being established in Chester and Crewe, alongside improved service delivery in libraries, extended online services and a more extensive activity and event programme.

6.2 The History Centre in Crewe is a flagship development for the Town Centre. It is a core part of Cheshire East Council's town centre regeneration programme, along with the Civic Space Transformation project that will both clear the site ready for this development and create new public realm and carparking. This will provide a new focal point for residents and visitors to spend more time and money in the town centre, and a critical piece of new infrastructure that will enhance connectivity and the overall quality of the physical environment at the heart of the town.

6.3 In 2020 a development phase grant was received from National Lottery Heritage Fund (NLHF) to further develop the project. A report was presented to Cheshire East Cabinet in April 2021 which endorsed the approach regarding the development and delivery of this project; provided the authority to submit a second stage funding application to NLHF and provided the relevant delegations to enable the project to be developed to the current stage.

6.4 The development phase of the project has now been completed and a delivery phase grant application for £4.5 million was submitted to the NLHF in Summer of 2022. This application was successful, and the full finance package is now in place to move to the delivery phase of the project. The project is funded equally by both CWAC and CEC. This phase will see the construction of the centres (subject to planning permission) and delivery of the activity programme.

6.5 Cheshire West and Chester will accept the grant on behalf of the Shared Service, in liaison with Cheshire East Council. Confirmation from NLHF for the start date of the delivery phase is currently anticipated by the end of March 2023, which means that expenditure against the grant can then begin.

6.6 Project staff will then be appointed from Summer 2023 to support the delivery of the project, learning, volunteer, and community engagement programmes, which will run until March 2027. Capital works are expected to run from September 2023 to Winter 2024/25. The centre is scheduled to open in Spring 2025.

6.7 The procurement of the main contractor is underway via a framework. In line with the Terms of Reference for the project, this is being undertaken by Cheshire West and Chester (CWAC), in liaison with Cheshire East. Each Council will then enter into a contract with the successful bidder, with the contracts being managed by CWAC on behalf of both Councils. CWAC Cabinet have already provided the necessary authorisations for CWAC to do this, and the recommendations contained in this report will enable the programme to proceed on that basis. The tender documents make it clear that the scheme will only proceed if full approvals and planning permission are obtained.

6.8 The MoU will ensure that all relevant resolutions, delegations and decisions required to implement the project (in accordance with the constitution and all relevant legislation) are matched by Cheshire West and Chester Council, so that in the spirit of collaboration both parties move in step.

6.9 This a joint project, managed through an approved governance arrangement that includes an officer project board to oversee the project. A member 'portfolio board' with the lead members from both Councils, receives briefings on progress every couple of months as part of the project governance. The Shared Services Committee also receive regular update reports on the project.

6.10 The existing Shared Services Agreement will continue to be used as a basis for future arrangements for the service. This will also form the basis of the principles for this project. As host authority, CWAC will act as the accountable body for the project in that regard. Terms of reference (ToR) already exist for the project. However, as the project has progressed and new stages are entered into, a Memorandum of Understanding (MoU) has been prepared to address those elements not covered in the original ToR. This will provide a joint approach for both authorities in delivery of the project, including matters such as procurement and contract management. The most recent draft of the MoU is attached for information at Appendix A. The final version will be completed in agreement with the Executive Director for Place and the Head of Legal services, to be approved under the delegation at 3.1.

6.11 Planning status: In November 2022 planning applications were submitted for the proposed history centres. These are currently expected to be determined in March 2023.

7. Consultation and Engagement

7.1. Member engagement and consultation. Members have been engaged with the development of the project since its inception through workshops and regular briefings. In addition, lead Members for both CEC and CWAC a provide a 'Portfolio Board' for the project and receive regular updates. Updates are also

provided to local ward members through Crewe Member Briefings and to the Shared Services Committee.

7.2. Public Consultation and Engagement. Both service users and non-users have been engaged in the project's development, including the location of the new facilities and the design of the project's Activity Plan.

7.3 Planning process consultation. Formal public consultation has taken place as part of the planning process.

8. Implications

8.1. Legal

8.1.1 Central to the relationship between the councils will be the MOU which (for the avoidance of doubt) includes both non-binding and binding provisions.

8.1.2 It is of the essence that paragraphs 2.29 to 2.33 (Joint or Partnering Arrangement) of Chapter 3 Part 5 of the CEC constitution be observed, as advised by CEC Legal team.

8.2 Finance

8.2.1 The project's Quantity Surveyors' latest cost estimate for the delivery phase of the project is £25.7 million. Each council will provide £10 million, while the Heritage Fund grant is £4.5 million. In addition, Cheshire West and Chester Council's Climate Emergency Fund will provide £0.6 million to enable the centre in Chester to achieve the BREEAM Excellent sustainability standard, while Cheshire East Council's Towns Fund grant will fund £0.4 million of related public realm enhancements in Crewe. The balance of £0.2 million will be sought through a range of trusts and foundations over the lifetime of the project and will fund some of the project's community engagement activities as detailed in its activity plan

8.2.2 Funding to support the delivery stage is within both Councils' capital programmes with £10,250 million currently within CEC's main capital programme. There is also a £380,000 contribution that is in the block allocation for the Crewe Town's Fund. Future revenue implications are included in the council's medium term financial strategy.

8.3 Policy

8.3.1 There are no direct policy implications of this report

8.4 Equality

8.4.1 An important aim of the project is to diversify the audience for archives and ensure the new service is built around the needs of its target audiences. An Equality Analysis has been written and submitted with the

business cases. It is being reviewed and updated in consultation with Council Access Officers as the project evolves.

8.5 Human Resources

8.5.1 Temporary project staff will be appointed and funded through the project budget. Staffing requirements for the new service will be reviewed over the course of the first two years of the project. The project business cases have identified the likely staffing budget required to deliver the service from 2025 onwards.

8.6 Risk Management

8.6.1 The project manager maintains a detailed risk register and risks and issues are reported to the Project Board and Portfolio Holders on a regular basis. Risks are managed by the Project Board in consultation with officers in both Councils.

8.6.2 Inflationary pressures on all capital projects are significant and contingencies therefore need to be sufficient to address these. There is a significant inflation allowance within the project cost estimate which will continue to be subject to close scrutiny as the project progresses. Should such additional pressures become evident then they will need to be addressed as part of the Councils' capital review processes.

8.7 Rural Communities

8.7.1 The project activity and interpretation programme reach communities across both boroughs, through events and a new digital programme.

8.8 Children and Young People/Cared for Children

8.8.1 Target audiences for the project include children and young people, including a new schools programme and actively involving young people in the design and delivery of aspects of the project.

8.9 Public Health

8.9.1 Project activities are designed to support public health priorities around wellbeing, including an expanded volunteer programme.

8.10 Climate Change

8.10.1 The proposed new centres have been designed to a high sustainable building standard, to be as energy efficient as possible, in order to assist the Council in meeting its carbon neutral target. Detailed modelling has taken place to understand the impact of running the new centres.

Access to Information	
Contact Officer:	Brendan Flanagan / Helen Paton Head of Rural and Cultural Economy / Cultural Economy Manager
Appendices:	Appendix A – Draft Memorandum of Understanding – version 5
Background Papers:	None

DATED

AS AT THE LATEST E- SIGNATURE APPEARING BELOW

DEED OF MEMORANDUM OF UNDERSTANDING

CHESHIRE EAST BOROUGH COUNCIL (1)

-AND-

CHESHIRE WEST AND CHESTER BOROUGH COUNCIL (2)

Version control	
MOU V. (0)	Initial draft as prepared by P Cassidy
MOU V.(1)	Initial draft as revised by P Rudall
MOU (2) v (2a)	Incorporating revisions agreed between P Rudall and P Cassidy
MOU (2) v (2b)	Incorporating comments made by B Flanagan on V 09 02 23 and P Newman
MOU (3)	Provided by Paul Cassidy on 22nd February 2023
MOU (4)	Updated version produced by Project Team meeting on 22nd February 2023 based on V.3
MOU (5)	Proposed language by PR on the o/s points in V.4

THIS DEED OF MEMORANDUM OF UNDERSTANDING IS DATED AS AT THE LATEST E- SIGNATURE APPEARING BELOW

PARTIES

(1)   **CHESHIRE EAST BOROUGH COUNCIL** of Westfields, Middlewich Road, Sandbach, CW11 1HZ **(CEC)**.

(2)   **CHESTER WEST AND CHESTER BOROUGH COUNCIL** of The Portal, Wellington Road, Ellesmere Port, CH65 0BA **(CWAC)**.

together the "Parties", and each a "Party".

1.   Definitions

In this MOU the following terms shall have the meanings ascribed to them herein;

'*Administrative Agreement*' shall mean the Administrative Agreement dated 1ˢᵗ April 2016 and made between the Parties as amended by the Parties acting jointly from time to time.

'*Appropriate Planning Consent*' shall mean a planning approval which is permissive of the development of either of the Sites for the purpose of the Project without adverse conditions which substantially affects the ability of either of the Parties to achieve their intended purpose in terms of build.

'*Grant Funding*' shall mean grant aid provided as aid for the Project and issued on the terms and conditions thereof.

'*Initial Services*' means:

- a Cheshire-wide community engagement programme;

- a volunteer programme contributing to making the archives more accessible to more people;

- a new learning programme for schools and community group; and

- the creation of new digital forms of engagement which will transform access to people's heritage,

and to be undertaken during the Initial Services Period.

'*Initial Services Period*' means the period commencing [tbc] and ending [tbc].

'*Key Objectives*' shall mean those aims and objectives set out in section 4.

'*ODN*' shall mean a CWAC officer decision made pursuant to an appropriate delegation.

'*ODR*' shall mean a CEC officer decision made pursuant to an appropriate delegation.

'*the General Authorities*' shall mean the coming into force of all lawfully and constitutionally passed resolutions approving the Project and enabling all aspects of the Project to be completed.

'*the Project*' shall (without prejudice to the generality of the Key Objectives) include the construction of one history centre in each of the Sites and all related matters and actions required to deliver their construction, together with the Initial Services;

'*the Service Agreement*' shall mean the agreement dated 1st April 2009 comprising schedule 10 to the Administrative Agreement as amended by the Parties acting jointly from time to time.

'*the Sites*' means the CEC and CWAC sites respectively at Crewe Library, Prince Albert Street, Crewe and the Enterprise Centre, Chester.

'*Terms of Reference*' shall mean the terms of reference set out in the Schedule hereto being version 5 thereof.

2. Interpretation

For the avoidance of doubt, it is hereby agreed that in this MOU;

(a) references to legislation engaged in and by this MOU expressly or by reference shall include subsequent amendments and revisions thereto by the passage of future legislation or regulation.

(b) the Administrative Agreement shall apply to this MOU insofar as it is relevant in the context and or as specifically stated herein; any conflict between the provisions thereof and the provisions of this MOU stated to be contractually binding on the Parties, shall be resolved so that the provisions of this MOU shall prevail.

(c) the Service Agreement shall apply to this MOU insofar as it is relevant in the context and or as specifically stated herein; any conflict between the provisions thereof and the provisions of this MOU stated to be contractually binding on the Parties, shall be resolved so that the provisions of this MOU shall prevail.

(d) the Terms of Reference shall apply to the interpretation and effect of this MOU save where difference between such terms and the provisions of this MOU appear in which case the provisions of the body of this MOU shall prevail.

(e) notwithstanding that this MOU is expressed to be a non-binding statement of principles, paragraphs 4.2 (c), 5.1, 6.3, 7, 8 and 11, are intended to have, and do have, contractual force. .

3. BACKGROUND TO THIS MOU

3.1 Each of the Parties declare and affirm to the other that as at the date hereof they;

(a) have acted so as to allow the General Authorities to come into force;

(b) have made financial and budgeting provision to achieve completion of the Project;

(c) will (subject to the provisions of clause 4 hereof undertake all future actions lawfully and reasonably required to bring the Project to fruition to include (but not exhaustively) the passing of all ODRs and ODNs or other relevant decisions and agreements required for the implementation of the Project.

3.2   The Parties agree that:

    (a)   the statutory enabling basis for undertaking the Project is set out in the Administrative Agreement; and

    (b)   the scope of the Project comes within the authority of the Service Agreement.

3.3   The Parties have agreed roles and responsibilities in respect of the Project as set out in the Terms of Reference contained within the Schedule hereto as varied hereby.

3.4   The Project is to be conducted between the Parties in good faith and in collaboration with each other but with CWAC assuming the role of *Discharging Council* (as such term is defined under each of the Administrative Agreement and the Service Agreement). The Parties wish to record the basis in principle on which such Project collaboration will take place by means of this MOU.

3.5   Nothing herein amounts to any variation of the Administrative Agreement and/or the Service Agreement, nor creates any binding or contractual provisions in contradiction with or beyond the scope of such agreement unless specifically stated herein.

3.6   In particular the relationship between the Parties remains as set out in clause 18.1 of the Administrative Agreement so that neither Party can bind the other without that other's express prior written consent.

4.   KEY OBJECTIVES

4.1   The Parties shall collaborate so as to achieve the key objectives to the extent that;

    (a)   in its role as *Discharging Council,* CWAC shall be primarily responsible for leading on all activities required to complete the Project, including:

        (i)   making grant funding applications;

        •   administering such grant aid in accordance with the terms of any such terms and conditions governing the same;

        (ii)   arranging all contractor and consultant appointments and engagements by following traditional procurement processes, and agreeing the relevant contractual documents;

        •   making the necessary payments to all contractors and consultants as and when they fall due;

        (iii)   arranging for the employment of the agreed resource to undertake the Initial Services such anticipated resource currently (but subject to any change agreed between the Parties) full time personnel as agreed between the parties . For the avoidance of doubt, and to reflect the agreed equal contribution of funds across the Project by both Parties, any employment and employment related (including redundancy) costs shall be met by the Parties in equal contribution.

(b)   the Parties shall cooperate with each other such that they:

  (i)   will participate in all activities reasonably and properly required for the purposes of the Project;

  (ii)   will provide any requested documentation, information, pre-approved and agreed funding or consent in a timely fashion so as to allow the other Party to comply with that Party's own obligations and such that the Project does not suffer any undue delay;

  (iii) will provide the other Party with such documentation and calculations in a timely fashion to allow for end of period accounts to be drawn, and for the consequent agreed amount contributions to be made; and

(c)   in its role as *Arranging Council* (as such term is defined under the Administrative Agreement and the Service Agreement) CEC will be primarily responsible for:

  (i)   meeting its obligations under any funding agreements, and not to act or omit to act so as to cause(in whole or in part) CWAC to breach its obligations under any funding agreements;

  (ii)   make agreed funding available to CWAC to deliver the project in a timely fashion, and so not to cause (in whole or in part) CWAC to breach its obligations under any Project related agreement;

  (iii) assist and support CWAC in the delivery of its responsibilities as *Discharging Council* for the purpose of delivery of the Project.

4.2   The Parties shall act in accordance with their respective constitutions and by following general principles as relevant in the context and in accordance with each Party's obligations by:

(a)   adhering to all statutory requirements and best practice;

(b)   complying with applicable laws and standards including data protection and freedom of information legislation;

▪   deploying appropriate resources through to completion of the Project, with such resource to reflect:

  (i) the resource anticipated in the attached Terms of Reference,

  (ii) a fair and reasonable resource and time contribution made by each Party Parties, with the Parties using their best endeavours to deploy an equal contribution to Project resource and time; and

(c) acting in good faith to support achievement of the Key Objectives and compliance with these principles in a timely manner.

5. **ESCALATION**

5.1 If either Party has any issues, concerns or complaints about the Project, or any matter in this MOU, that Party shall notify the other Party and the Parties shall then seek to resolve the issue by a process of consultation.

5.2 If either Party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, requests for information made under the Freedom of Information Act 2000) in relation to the subject matter of this MOU, the matter shall be promptly referred to the Parties' representatives.

5.3 No action shall be taken in response to any such inquiry, complaint, claim or action without the agreement of the Parties acting jointly.

5.4 The contact points for each of the Parties shall be;

For CEC

Name: Head of Service

E-mail Address: Currently;
Brendan.flanagan]@cheshireeast.gov.uk

For CWAC

Name: [tbc]

E-mail Address: Currently:
@cheshirewestandchester.gov.uk

6. **TERM AND TERMINATION**

6.1 This MOU shall commence on the latest date of e-signature and (subject as below) shall expire on achievement of the completion of the Project.

6.3 This MOU may only be varied by written agreement of the Parties.

7. **FORCE MAJEURE**

7.1 Neither Party shall be in breach of this agreement or otherwise liable for any failure or delay in the performance of its obligations if such delay or failure results from events, circumstances or causes beyond its reasonable control.

The time for performance of such obligations shall be extended accordingly. If the period of delay or non-performance continues for six months, the Party not affected may terminate this agreement by giving thirty days' written notice to the affected Party.

7.2 For the purpose of this paragraph 7 the following are also considered as being events of force majeure;

a. the failure by either party to obtain planning consent after appeal;

b. by the application of the principles of the public interest in local authority budgetary matters, the failure by either party to secure funding for its contribution towards the Project

8. LIABILITIES AND CONTINGENCIES

8.1 Except as otherwise provided, the Parties shall each bear their own costs and expenses incurred in complying with their obligations under this MOU and shall remain liable for any losses or liabilities incurred due to their own or their employee's actions on the terms of this clause 8.

8.2 In the event that a Party shall not secure appropriate planning consent for the Sites that Party shall be obliged to submit an appeal against such refusal and use its best endeavours to obtain such permission so as permit the Project to proceed. Any costs incurred in such appeal shall be borne equally by the Parties.

8.3 In the event that one Party shall either

a. fail to appeal; and/or,

b. choose not to comply with its resolutions to provide funding to the Project; and/or

c. elects not to proceed with the Project for any reason which does not amount to force majeure ;

(each in this context an act of default) the Party in default shall be liable to the other for losses reasonably foreseeable as being consequent on such default..

8.4 For the purpose of this clause 8 the liability of one party ('the indemnifying party') to recompense the other party ('the indemnified party') for reasonably foreseeable losses consequent on the action or inaction of the indemnifying party shall;

a. be confined to such amount as shall represent the direct loss (excluding consequential losses) attributable to the relevant act of default; and,

b. in relation to the obligation to repay any Grant Funding, not exceed any actual liability for such repayment.

8.5 Each party shall bear its own costs and expenses should the Project fail to come to fruition for reasons which amount to an event of force majeure suffered by either or both of the Parties.

9. STATUS

This MOU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MOU unless specifically stated herein. The Parties enter this MoU intending to honour all their obligations and as a statement of principles.

10. THIRD PARTY RIGHTS

No person who is not a party to this Agreement will have any right to enforce it pursuant to the Contract (Rights of Third Parties) Act 1999.

11. GOVERNING LAW AND JURISDICTION

This MOU shall be governed by and construed in accordance with English law and, without affecting the escalation procedure set out in clause 0, each Party agrees to submit to the exclusive jurisdiction of the courts of England and Wales

EXECUTED AND DELIVERED BY THE PARTIES AS A DEED ON THE LATEST OF THE E SIGNATURES APPEARING BELOW.

THE SCHEDULE

The Archives Project - Terms of Reference

Senior Responsible Officer	Brendan Flanagan
Author	Paul Newman
Version	5
Date last updated	09/02/2023
Distribution	Brendan Flanagan, Helen Paton, Rachel Foster, Paul Newman, Magnus Theobald, Paul Cassidy, Philip Rudall

This document outlines project organisation and operation.

The Archives and Local Studies Services is a joint service provided by Cheshire West and Chester Council, (as the *Discharging Council*), on behalf of Cheshire East Council, (as the *Arranging Council*), in accordance with an Administrative Agreement made between the two Councils on 1st April 2016:

Joint Committee: This group agrees the strategy for the Shared Service in accordance with the existing Administrative Agreement and currently consists of three Members from each authority, appointed to the Committee by their respective Cabinet.

Joint Officer Board: All reports to Joint Committee regarding Shared Service provision will be presented to this group for review. The Joint Officer Board delegates the day-to-day responsibility for the Project to the Project Board within the framework set out by both councils.

Project governance:

The Archives project is jointly run between Cheshire West and Chester (CWaC) and Cheshire East (CEC) by a Project Board.

The Project Board will operate to the following principles:

1. This project will be run as a single project
2. There will be a single Senior Responsible Owner (SRO) across the project
3. Project resources will be shared between both authorities and there will be no 'lead' authority except where required for administrative or contractual purposes acting on behalf of both parties.
4. The project will be documented using Cheshire East Council's standard project documentation
5. The existing Administrative Agreement for the Archives Service will continue to be used as a basis for future arrangements for the service as it outlines how the services recharges costs to CEC and CWaC and legal agreements currently in place. This will also form the basis of the principles for this project.
6. As host authority, Cheshire West and Chester will submit the external funding bids and act as the accountable body for the project where relevant.
7. There will be a Memorandum of Understanding (MoU) to cover elements not covered in the Terms of Reference (ToR).

Project Board

The Project Board consists of the SRO, the Senior User, the Senior Supplier and Project Manager. Only one person can be the SRO while both the Senior User and Senior Supplier's roles may be assigned to one or more persons.

The SRO owns the business case and is responsible for ensuring that the project delivers the benefits set out in the business case. The SRO is therefore the accountable decision maker subject to these terms of reference and the Project Board:

The Project Board has the following duties:

- To be accountable for the success or failure of the project
- To provide direction to the project and Project Manager
- To provide the resources and authorise funds for the project within the financial constraints as outlined within the project budget
- To ensure effective communication within the project team and with external stakeholders
- To approve major communications with the Heritage Fund e.g., new developments
- To endorse the actions of the SRO

Our project board will consist of the following:

Position (or equivalent at the time)	Role	Responsibility
Brendan Flanagan (Head of Service)	SRO	Single point of accountability for the project. The SRO is responsible for developing the Business Case and ensuring value for money during the project
Helen Paton	Senior User (Cheshire East Council)	• To specify the needs (requirements) of the Users that will use the project products • To liaise between the Project Board and the Users

		• To make sure the solution will meet the needs of the Users. • Represent CEC interests • Stakeholder management for CEC
Paul Newman	Senior User (Archives Shared Service)	• To specify the needs (requirements) of the Users that will use the project products • To liaise between the Project Board and the Users • To make sure the solution will meet the needs of the Users. • Represent Archives Shared Service interests • Stakeholder management for Archives Shared service. • Staff engagement
Rachel Foster	Senior User (Cheshire West and Chester Council)	• To specify the needs (requirements) of the Users that will use the project products • To liaise between the Project Board and the Users • To make sure the solution will meet the needs of the Users. • Represent CWaC interests • Stakeholder management for CWaC
~~Sahar Kojidi~~ TBC	Project Manager	Project management
Magnus Theobald	Project Manager (Capital works)	Project management (all capital works)

Note - every effort will be taken to ensure that the Project Board Named Persons will remain consistent for the duration of the project but may be changed in which case an equivalent person will be allocated..

Project Board meeting arrangements:

- The Project Board will meet, normally monthly to discuss project progress, resolve/escalate risks and issues.
- The SRO and at least one Senior User must attend for the meeting to go ahead.
- Each quarter the Project Board meetings will be extended to wider services i.e., Communications; Legal; Procurement; Property and ICT as required.

- Agendas will be agreed by the SRO and will be released either by Project Manager or Project Support 5 days in advance of the meeting.

Financial approvals

CWaC will manage the finances. This means that all expenses will be paid via CWaC's systems and processes. As the SRO is CEC, all expenses that cannot be adequately addressed at another level of delegation or which are fundamental to the success of the project, must first be approved by the SRO before being actioned by CWaC authorised officer. This ensures the SRO can remain accountable and that the finances are visible to project board members.

Portfolio Board

The relevant portfolio holder for Cheshire West and Chester and a member of the Shared Services Joint Committee for Cheshire East Council will attend this Board, which includes Project Board members. Currently these councillors are:

- Cllr Jill Rhodes
- Cllr Louise Gittins

(individuals will be subject to Council appointments at the time)

The role of this group is as follows:

- Work within framework set out by the councils
- Discuss risks and issues which require strategic decisions
- To provide updates to Joint Committee
- The elected members will keep respective administrations aware of progress and key decisions to ensure these are progressed in a timely manner and the risk of delays to the project are avoided
- Involvement of cross-party liaison as required for major decisions

Portfolio board meeting arrangements:

- To meet quarterly or as required
- Discuss and escalate strategic issues and risks
- The Portfolio board will only be cancelled in the event that both councillors and the SRO cannot attend
- Agendas will be agreed by the SRO and will be released either by Project Manager or Project Support 5 days in advance of the meeting.

EXECUTED AS A DEED for and 					....
on behalf of Cheshire East Borough 			[name and title]
Council

EXECUTED AS A DEED for and
on behalf of Chester West and
Chester Borough Council

....
[name and title]

Working for a brighter future together

Economy and Growth Committee

Date of Meeting:	14th March 2023
Report Title:	Notice of Motion: The Development of Council Housing
Report of:	Jayne Traverse – Executive Director - Place
Report Reference No:	EG/32/22-23
Ward(s) Affected:	All Wards

1. Purpose of Report

1.1. At the full Council Meeting of 14th December 2022, a notice of motion was proposed in relation to creating a Cheshire East Council housing revenue account and the development of a long-term strategy for the construction of high-quality, genuinely affordable council housing across the borough, underpinned by long-term secure tenancy agreements, with rents relative to the average wage of the geographical area. Thus, providing residents the security, health, education & social mobility opportunity that they deserve.

1.2. This report responds to that notice of motion.

2. Executive Summary

2.1 A Notice of Motion relating to the establishment of a Housing Revenue account and the development of a long-term strategy for the construction of council houses was proposed to Council at its meeting on 14th December 2022. The motion was proposed by Councillor C Naismith and seconded by Councillor A Critchley.

2.2 The motion proposed that the Council commits to**:**

1) Creating a Cheshire East Council housing revenue account.

2) The development of a long-term strategy for the construction of high-quality, genuinely affordable council housing across the borough, underpinned by long-term secure tenancy agreements, with rents relative to the average wage of the

geographical area. Thus, providing residents the security, health, education & social mobility opportunity that they deserve.

2.3 Council referred the motion, outlined in full at 6.1 to the Economy and Growth Committee.

2.4 Cheshire East Council is a non-stock holding Council. All Council housing were transferred by the former borough councils prior to the establishment of Cheshire East in 2009. Congleton Borough Council was the first transferring their housing stock in 1998 to Dane Housing (now the Plus Dane Group). Crewe and Nantwich followed in 2004, transferring their stock to Wulvern Housing (now part of the Guinness Partnership) and finally Macclesfield in 2006 to Peaks and Plains Housing.

2.5 Not only was the stock transferred, but so were all the associated services including housing management and repairs services. In addition, a lot of the support staff who dealt with the legal and financial services also took up employment with the new stock transfer organisations.

2.6 The proposal would require significant financial commitment and outlay in establishing and developing the housing required to form the Housing Revenue Account. The properties would require the Council to be responsible for the on-going management of all the properties, thus requiring internal staff, and potentially external support at a revenue cost.

2.7 The proposal does not form part of the Corporate Plan and is not within the current MTFS proposal and would therefore require additional capital and revenue funds outside of the MTFS programme.

3. Recommendations

3.1. Members are recommended to:

3.1.1. Note the Notice of Motion

3.1.2. That the Committee decide what action, if any, they wish to take in response to the Notice of Motion, taking into consideration the financial requirements to firstly develop a long-term strategy and then to construct and manage a portfolio of Council housing, both of which are not within the current MTFS and would place the Council under considerable financial pressure.

4. Reasons for Recommendations

4.1. The Cheshire East Council Constitution sets out the procedure for Notices of Motion submitted to Council. A motion referred to the relevant decision-making body must be considered within two meeting cycles. At the meeting to which the motion has been referred for consideration, the proposer of the motion if present shall be invited to speak first, followed by the seconder. The matter will then be opened up to wider discussion.

5. Other Options Considered

5.1. In May 2020 the former Cabinet received a report which outlined all the options to increase the supply of affordable housing and the rationale for why the Council should intervene, but also outlining the advantages and disadvantages for each option.

The options outlined included:

- Direct disposal to the market
- The individual procurement of assets
- The development of a Local Housing Company
- The establishment of a Joint Venture
- Establishment of a Cheshire East Council Housing Development Framework
- Direct development through a Housing Revenue account or General Fund

5.2. After considering all the options, the decision was taken to establish a Housing Development Framework, which provides an opportunity for the Council to utilise some of its land assets for the development of mixed tenure housing sites, increasing the level of affordable housing over the 30% planning requirement and having the ability to stipulate the type of housing to be developed on the site.

5.3. The land is transferred to a Framework partner, who funds the development of the site. The Housing Services have commenced with mini competitions, having identified a small number of sites which have the potential to deliver housing. Feasibility work is being carried out to prepare the sites for the Framework.

6. Background

6.1. The full Notice of Motion proposed to Council was as follows:

We are in a cost-of-living crisis on top of a housing crisis. Thousands of people within Cheshire East are struggling with above inflation rent increases in the private sector, which hampers their ability to contribute to the local economy or to save to get on the housing ladder themselves.

Indeed, the Cheshire Homechoice waiting list is growing daily, with families in need having to wait years for an offer of accommodation, and the council having to resort to bed & breakfast accommodation to fulfil its legal duty to help homeless families.

The council recognises that access to high quality, genuinely affordable and decent housing is intrinsically linked to positive health, education and social mobility outcomes. Put simply: if you provide people with a safe, warm and

stable place to live they will be healthier and have more opportunity to get on in life.

While the council recognises that "affordable housing" is currently delivered within Cheshire East this is largely by private developers and registered housing providers.

The Government definition of "affordable" is limited because it is linked to market rent rather than local incomes. As such, often housing which meets the definition of "affordable" is not affordable to local people.

The Council notes the success of councils such as Salford, Trafford, Wandsworth and nearby Stoke-on-Trent currently delivering high quality council housing at council rents, below market levels and the positive impact this has had on the living standards of residents in those areas.

The council notes that it does not currently operate a Housing Revenue Account: a requirement of Authorities who wish to build-to-let their own housing stock.

Motion

This Council commits to:

1)   Creating a Cheshire East Council housing revenue account.

2)   The development of a long-term strategy for the construction of high-quality, genuinely affordable council housing across the borough, underpinned by long-term secure tenancy agreements, with rents relative to the average wage of the geographical area. Thus, providing residents the security, health, education & social mobility opportunity that they deserve.

6.2.   The Council could reconsider developing Council Housing for all the reasons set out within the Notice of Motion. A Council can hold up to 199 homes outside of a Housing Revenue Account under Direction, so Councils that have previously transferred their stock to a housing association can borrow through the general fund to develop.

6.3.   If the Council developed and acquired over 200 units then they would need to set up a Housing Revenue Account. This is separate to the Council's other budgets and operations (e.g., the General Fund) and income cannot be spent on other Council activities but is used to maintain existing housing stock and develop new provision. Councils do not need to have permission granted by the Secretary of State to open an HRA, however the Ministry of Housing,

Communities and Local Government requests a letter to the Secretary of State declaring the intention to open an HRA.

6.4. If a Council already has stock held within an HRA, they have the ability to borrow in line with the Prudential code to fund the development of more homes, but they have to be able to cover the costs.

6.5. There is a lot of financial regulation and requirements to establish a HRA including the development of a HRA Business Plan and the expertise within the Council is no longer available; therefore, staff would need to be employed to undertake these functions.

6.6. Whilst there is a social and economic case for the development of Council houses as outlined in the Notice of Motion, Cheshire East Council would be starting from scratch, where we have no Housing Development staff, no Housing Management functions, and limited specialist services (legal/finance). There are other considerations to take into account before pursuing this further.

6.7. **Other considerations:**

6.7.1. **Land availability** – when we previously commissioned independent advice when considering options to bring forward affordable housing, we were advised that in order for certain options (Joint Venture, Housing Company) to be a viable option, a volume of land to enable the delivery of between 300 to 500 units would be required. It advised that it would also require the development of mixed tenure sites as the development of affordable rented provision in isolation would not provide the yields in order to make it financially viable to the market.

6.7.2. Cheshire East is not the owner of significant land holdings. Our Strategic Land holdings form part of a wider investment strategy which is required to provide funding for improved infrastructure requirements and to supplement the Council's capital budget. Therefore, we only have smaller land holdings, which could be taken forward for the provision of affordable housing and these are currently identified for the Housing Development Framework (6 sites) Land acquisition may be required to achieve this ambition which would need financial investment to acquire it.

6.7.3. **Financial requirements** - To fund the development or the purchase of homes will require significant investment.

6.7.4. **Direct Development** – The preliminary works would have to be funded upfront including, feasibility, survey, design and planning. Consultants would have to be commissioned to undertake this activity as there are not the expertise within the Council to undertake all the requirements. If the Council failed to secure planning consent, then all costs would be abortive costs.

6.7.5.   **Development costs** – Whilst the Council could apply to become a Registered Housing Provider with Homes England and apply for grant funding, not all costs are grant eligible and the grant will not cover 100% of all eligible development costs, so there will be a requirement to borrow funding to undertake any development. Development can take up to 2 years, before any rental income can be secured and therefore the Council would have to find the revenue to cover the borrowing costs.

6.7.6.   **Purchase of properties** – The Council could acquire S106 units secured on development sites located across the local authority area. Homes England grant funding however cannot be applied for to purchase these, as they are a planning requirement and already subsidised. Therefore, the Council would have to borrow to fund the purchase costs.

6.7.7.   Homes England grant funding could be applied for, in order to acquire properties off the open market, which are suitable for the use of providing affordable housing, subject to certain criteria, but again this would not cover the whole cost and borrowing would still be required.

6.7.8.   By way of example to show the scale of capital investment, 50 properties in Crewe (at a 2022 average house price of £181,000) would cost £9.05M to acquire, and 50 properties in Macclesfield (at a 2022 average house price of £396,000) would cost £19.8M. If an average grant rate of £30,000 per unit could be secured there would still be a borrowing requirement of £25.85M to acquire 100 properties. At a borrowing rate of 4.74% there would be an annual revenue requirement of £1.671m to fund this level of borrowing, this includes a repayment towards the principal capital sum borrowed of £1.034m and an interest payment of £0.637m over a 25-year repayment period. Rental income would need to cover this as well as all other associated costs.

6.7.9.   **Rent levels** – Rental levels would need to be set at a level which would provide enough revenue to cover all associated costs, including borrowing, maintenance and repairs, voids and housing management services or they would place considerable pressure on the Council's revenue budgets. Whilst Councils can determine their own rent levels, they must take account of Government guidance and the Rent Standard as set by the regulator of social housing when setting rents. Financial viability would need to be established before any decision is taken forward.

6.7.10.   **Requirement to employ staff** – As outlined previously, to undertake any development activity would require specialist staff and the commissioning of studies. There would also be the requirement for legal and finance resources. Once the properties are developed there is the housing management functions and repairs and maintenance. Whilst these services could be externally commissioned there is a cost.

6.7.11.   **Right to buy** - A secure tenant in the majority of cases has the right to buy their council house at a discounted price and any housing developed or purchase by Cheshire East Council would be subject to Right to Buy.

A tenant who has had a public sector landlord for 3 years (does not have to be consecutive years) has the ability to apply for the right to buy. The current Right to Buy (RTB) rules mean that proceeds and the use of them are governed by Government.

6.7.12.   **Changes in regulations** – There is always the possibility that there could be further regulation or changes and any changes could have a positive or negative impact on the Council. There have been many changes over the years, some of which contributed to Council's taking the decision to transfer their housing stock, changes in right to buy and the lifting of the borrowing cap.

7. Implications

7.1.   Legal

7.1.1.   A Council can develop up to 199 homes without opening up a Housing Revenue Account (HRA) using the General Fund but must write to the Secretary of State for a direction to allow the Council to build homes outside the HRA.

7.1.2.   A Housing Revenue Account is required to be opened by a Council if they own over 200 or more dwellings. A HRA is a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities (under the powers and duties conferred on them in Part II of the Housing Act 1985 and certain provisions of earlier legislation)

7.1.3   A Council does not need to have permission granted by the Secretary of State to open an HRA, however the Ministry of Housing, Communities and Local Government requests a letter to the Secretary of State declaring the intention to open an HRA. On receipt of the direction, the Council can borrow prudentially to fund the development of further homes.

7.1.4   A Council has a responsibility to manage the properties it owns; however, it can elect to agree that another organisation can carry out this function under a Management Agreement. However, the primary responsibility for liability for repairs and ensuring houses are fit for human habitation remains with the Council regardless of any indemnity a Management Agreement contains. It follows that damages arising from a failure to repair or ensure fitness for human habitation will rest with the Council and be subject to any indemnity under the Management Agreement.

7.1.5   A tenant who has a secure tenancy has the ability to apply for the Right to buy their home at a discount, which is determined by the type of property (house or flat) and their length of residency, up to a maximum of 70% or £87,200. The scheme is governed by the Housing Act 1985. Councils are expected to support their tenants through this process.

7.2.   Finance

7.2.1.   Cheshire East Council do not currently operate a HRA and the establishment of one would require additional resources to ensure that it is managed in accordance with the legislation. It is not a separate fund but a ring-fenced account of certain defined transactions, relating to local authority housing, within the General Fund. Expenditure and income relating to property listed in section 74 of the Local Government and Housing Act 1989 ("the 1989 Act") must be accounted for in the HRA. This comprises mostly housing and other property provided by authorities under Part II of the Housing Act 1985 ("the 1985 Act").

7.2.2.   Schedule 4 to the 1989 Act (as amended by section 127 of the Leasehold Reform, Housing and Urban Development Act 1993) specifies the debit and credit items to be recorded in the HRA. The Housing (Welfare Services) Order 1994 specifies the welfare services which must be accounted for outside the HRA.

7.2.3.   A Council can borrow prudentially within the General Fund to develop up to 199 homes and once this number is exceeded then a HRA must be opened and all further borrowing must be under the HRA and in line with the Prudential Code.

7.2.4.   In order to determine the financial liability, the Council would be placed under then there would be a need to commission a robust feasibility/viability study. A study into the feasibility of a Housing Company was commissioned in 2016 at a cost of £21,000 and therefore it is estimated that a revenue budget in the region of £30,000 to £40,000 would need to be identified. A cost which is not currently accounted for within the MTFS and cannot be covered within existing Housing budgets.

7.2.5.   Whilst there are grants available for the development of new homes, these do not cover 100% of the cost and therefore there would be considerable borrowing required to develop new homes, which would place pressure on the Council's revenue budget in order to cover the borrowing costs. Until the properties were developed and receiving an income then this borrowing cost would have to be covered by the Council, placing further financial pressure on the Council.

7.3.   Policy

7.3.1.   The establishment of a HRA or the development of Council has not been specifically identified within the Corporate Plan and MTFS.

7.4.   Equality

7.4.1.   The development of Council houses, provides residents with another route to social housing, as determined by the Cheshire East Common Allocations Policy, which sets out the criteria for the allocation of social housing.   An Equality Impact Assessment has been completed for the existing Cheshire East Common Allocations Policy and will be required for any subsequent versions.

7.5.   Human Resources

7.5.1.   As articulated through this report, there would be a significant requirement for additional staff to develop and manage a portfolio of Council owned and managed properties.   The level of staff would need to be established through the feasibility/viability study.

7.6.   Risk Management

7.6.1.   The main risk to the establishment of Council houses is the cost, none of which has been accounted for within the current MTFS and it would place the Council under considerable financial pressure. The commissioning of a feasibility/viability study would provide further clarification, but again would place a financial pressure of up to £40,000 on the Council which has not been accounted for.

7.7.   Rural Communities

7.7.1.   There are no direct implications for rural areas, the need for social housing is borough wide, however previous experience has demonstrated that development in rural areas can be difficult due to planning restrictions.

7.8.   Children and Young People/Cared for Children

7.8.1.   Poor housing can have a negative impact on our children's wellbeing. Increasing affordable housing provision, through the development of new houses can ensure that families have access to appropriate housing options and reduces the risk of having to reside in temporary accommodation.

7.9.   Public Health

7.9.1.   Health is determined by a complex interaction between individual characteristics, lifestyle and the physical, social and economic environment. Access to a decent, safe home is key to physical and mental health and wellbeing.

7.9.2.   The lack of appropriate, affordable housing can contribute to increased levels of homelessness, which is strongly associated with poor health and wellbeing. People experiencing homelessness are significantly more likely to experience mental and physical health problems, compounded by the fact that homelessness makes it more difficult to access health services.

The impacts of homelessness on children can be particularly traumatic and long-lasting and can severely affect life chances through adverse effects on their development, education and health. Any policy that prevents homelessness wherever possible is a valuable public health intervention.

7.9.3.   The Notice of Motion referenced the development of a long-term strategy for the construction of high-quality, genuinely affordable housing, and referred to ensuring long-term secure tenancy agreements with rents based on prices relative to the average wages of geographical areas. In the current Cost of Living Crisis, the need for affordable housing is even more pressing.

7.10.   Climate Change

7.10.1.   The Council has committed to becoming carbon neutral by 2025 and to encourage all businesses, residents, and organisations in Cheshire East to reduce their carbon footprint.

7.10.2.   Building sustainability would have to be a requirement within the specification and design of any future homes in order to keep the energy costs to a minimum for tenants.

Access to Information	
Contact Officer:	Karen Carsberg – Head of Housing Karen.carsberg@cheshireeast.gov.uk 07710975438
Appendices:	N/A
Background Papers:	N/A

Cheshire East
Council

Working for a brighter future together

Economy & Growth Committee

Date of Meeting: 14 March 2023

Report Title: DIGITAL INVESTMENT PLAN 2023-2025

Report of: Jayne Traverse – Executive Director - Place

Report Reference No: EG/34/22-23

Ward(s) Affected: ALL

1.   Purpose of Report

1.1. The purpose of the report is:

To update members on progress within digital connectivity in the Cheshire sub-region and seek necessary approval of the Connecting Cheshire Digital Investment Plan. This plan is important as it shapes the future Digital Support and take-up activities, responds to changes in the wider market and identifies the strategic areas of delivery for the broader sub-regional level Cheshire environment.

While Cheshire East Council is the accountable body for the Connecting Cheshire Partnership, this plan and decision impacts all partnership members and covers the sub-regional development and delivery of digital. The membership of this partnership consists of Cheshire East, Cheshire West and Chester Council, Warrington and Halton Councils.

Historically the Connecting Cheshire Partnership has secured funding to contract with individual suppliers on large scale interventions such as the "Superfast" programme. However, the technological landscape and demand is changing: suppliers are moving away from the traditional gap funded model towards commercial and demand led schemes that require much greater levels of local stakeholder management. In addition, central government are seeking to reengage with the biggest suppliers to contract on scales that not been seen before but which to be successful rely upon local authorities providing close support and local intelligence.

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There are close linkages between this investment plans and the Council's 21-25 Corporate Plan and its Digital Strategy which has led to the following opportunities being identified:

Digital revolution – new and emerging technologies are bringing opportunities to rethink how services can be provided. We therefore aim to improve connectivity for all our communities and help residents and business to benefit from the convenience and flexibility it can bring.

Business investment – attracting businesses to continue to invest in the area, to provide more and better paid local jobs, and promote sustainable growth in sectors such as the green economy, food and drink and the visitor economy.

Partnerships – we have strong relationships with our partners across the public, private and third sectors, as such there are potential opportunities to work collaboratively to deliver our priorities.

Furthermore, several key high-level priorities that could be supported have been identified:

• Work together with our residents and partners to support people and communities to be strong and resilient
• A great place for people to live, work and visit
• Thriving urban and rural economies with opportunities for all

The Digital Investment Plan will form a key pillar in meeting the thriving economies priority which refers to the ongoing digital connectivity programme.

2. Executive Summary

2.1 This report covers the approval of a new Digital Investment Plan for the Connecting Cheshire Partnership. The partnership covers four local authority areas, Cheshire East, Cheshire West and Chester, Warrington, and Halton. The plan will shape the activities and priorities relating to the outward digital investment and the broader digital agenda for these areas.

The plan itself is a joint plan that has been developed in collaboration with the other partner authorities and their respective Growth Directors. The partnership is chaired by the Head of Economic Development at Cheshire East Council and the Council is also the accountable body for the projects and funding used to deliver the partnership's activity. Therefore, it is important that the plan is formally approved by the Authority in the first instance whilst noting that other partners will be responsible for local approval required in their respective authorities.

Beyond obligations as the responsible authority, the plan itself will be key to shaping many future (outward) digital investments in Cheshire East in alignment with the wider corporate digital strategy. The funds held as part of Connecting Cheshire Partnership are a sub-regional shared fund that is largely derived from returns on previous interventions. This funding is legally ring fenced for the

'furtherance of digital connectivity' and we seek approval from the Committee, as the accountable body, for the strategy in order to utilise the funds and target areas/issues that will derive maximum benefit to Cheshire East and the wider sub-region.

The plan seeks to properly align staffing provision (currently due to end in 2023) with the current committed delivery projects which are due to end in 2026. In the absence of this there is a real risk that delivery would cease or become sub optimal and Cheshire would not be able to derive maximum benefit from the wider digital investment that is taking place.

3.   **Recommendations**

It is recommended that approval be given to:

- Adopt the Digital Investment Plan as the guiding strategy and plan to shape future outward facing Digital Investments and outward Digital Support activities of the Authority, utilising the ring-fenced Digital Funds.

- Note the current misalignment between project delivery up to and beyond 2026 and the staffing which is currently in place until 2023.

- Provide delegated authority to the Executive Director Place to ensure that the staffing required to support delivery and implementation of the interventions currently being undertaken as outlined in the Digital Investment Plan.

- Approve the establishment of a £500,000 "Alt Tech" grant scheme to support the hardest to reach premises across the Cheshire sub-region and delegate to the Executive Director Place the authority to determine the terms on which it operates, noting that it may be delivered by a partner authority.

- Approve a £300,000 business support package to ensure that businesses across the Cheshire sub-region have the skills necessary to harness the benefits of digital growth.

- Approve a £120,000 package of measures to stimulate local demand led digital upgrades and provide for stakeholder engagement to ensure that local communities are supported as they strive to upgrade digital services

- Provide delegated authority to the Executive Director of Place to enable the above projects, initiatives, and activities that support the plan to be implemented Funds.

4.   Reasons for Recommendations

4.1. Digital support to residents, local businesses and other stakeholders is an ongoing requirement and is increasing in areas and localities with a lack of current commercial or other provision as more services and opportunities for development move online into the Digital arena. The lack of adequate access, or the skills to access digital technologies is creating an increasing 'digital divide' and increasing what is often termed 'digital exclusion'.

Historically projects and activities undertaken via the Connecting Cheshire Partnership have successfully delivered large scale capital infrastructure connectivity and support activities that have led to broad benefits, uptake of digital services and alleviated many issues. However, our model of delivery is shifting to demand-led, community centred schemes which are smaller scale and have greater need for direct local community involvement, commitment and the increased complexity of having to access grants or vouchers to enhance connectivity. This is in parallel to continuation of delivery with the government's national agency for digital investment, BDUK, so requires careful planning and implementation to ensure that funding does not overlap or conflict and is targeted at the areas that have the greatest need, will reap the greatest benefit and do not have commercial or other means of support available.

There is an experienced team in place to ensure ongoing delivery, however this team has uncertain funding which will cease in September 2023 without approval to continue and deliver both the new activities and complete already committed and underway Digital projects. The approval of the Digital Investment Plan will provide certainty, continuity and ensure that projects are delivered successfully.

The approval and adoption of the plan itself will be key to shaping many future (outward) digital investments in Cheshire East. Currently there are many areas of digital need and many opportunities to provide positive support, the adoption of a digital plan will provide clarity on key areas of support and direction.

Many local authorities nationally have developed Digital Strategy plans for their local area, our plan will help secure the long-term economic viability of the area with many services or products sourced and consumed digitally, in addition to the major shift to remote working. It will also help to ensure that Cheshire & Warrington are, and continue to be an area that people wish to work, live and invest in.

It is envisaged that the plan will improve local resilience by facilitating greater use of enabling and communication technologies that are increasingly vital and were heavily relied on by many during the COVID crisis. Despite the lifting of restrictions many of the tools and technologies used have become the standard and continue in use, those residents and businesses that are not able to access these technologies are significant disadvantaged, often termed 'digital exclusion'.

The plan not only addresses issues, but also looks to harness the opportunities presented by digital and will support locally based SME businesses to improve and/or expand their digital capabilities for both economic security and growth.

5. Other Options Considered

5.1. Other options include:

Do nothing / Reject the Digital Investment Plan

This is not recommended as a clear plan is required and expected by several stakeholders. It would also likely create the perception that the Authority is unable to make decisions and raise questions on its ability to meet Digital Fund obligations and manage these funds on behalf of partner Authorities, there would also be a number of negative issues:

o   Residents in poor connectivity areas will continue to suffer from inadequate provision and face digital inequalities.

o   Reputational damage to the authority, members and stakeholders who have an expectation that support will be provided and received.

o   Government bodies who oversee the funding and re-investment obligations may require the funds to be returned so they will either return to the EU or invest nationally.

o   It would lead to the disbandment of the Connecting Cheshire Partnership as individual partner Authorities will have to develop their own strategies and implementation plans.

o   There would be a loss of a specialist and experienced team that have managed the cross-border projects and complex environment of funded projects and State Aid/Subsidy Control compliance requirements.

o   With no local support or involvement there will be no control over national interventions such as Project gigabit and less befits will be derived from the schemes and projects.

o   Lack of connectivity, especially for rural businesses will impact economic growth and investment and may lead to either a migration or closure of local businesses.

o   Would not support the National commitment to ensure digital connectivity provision for all.

5.2. An options appraisal is covered in the following table:

Option	Impact	Risk
Do nothing / Reject the Digital Investment Plan (outright)	Uncertainty would be created on future Digital Investment and issues created on already committed projects.	Loss of the Digital Investment Fund. Loss of experienced and skilled delivery staff. Damage to local economic prospects and in some instances business viability. Reputational damage with partner authorities. Reputational damage with funders. Reputational damage with local residents and other stakeholders.

6. Background

Members will recall that the Economy and Growth Committee received a briefing paper 'Digital Connectivity – Update' at its meeting on the 30th November 2021. This paper provided the Committee with a detail explanation of the projects the Connecting Cheshire Partnership is responsible for and for information is attached as Appendix 2.

Connecting Cheshire is a public partnership leading the delivery of improved broadband over the Cheshire region. Since 2012 it has managed the investment of over £40m into fibre-based broadband, connecting over 100,000 premises and assisted hundreds of local businesses.

The success of previous projects and high levels of business and residential take up of services, has generated gainshare and the return of funding that constitutes the Digital Investment Fund. This has enabled further support to be provided at minimal or no cost to Authority taxpayers and places the partnership members in a good position to continue support, which is not the case in all Authorities nationally.

The partnership comprises the four local authorities of Cheshire East (CEC), Cheshire West & Chester (CWAC), Halton and Warrington Borough Councils and works with stakeholders to deliver Digital projects, support businesses and residents and provide enhanced connectivity across Cheshire.

As highlighted in the introduction there has been a shift in both the underlying Digital needs, delivery and funding mechanisms of digital support with smaller scale interventions and projects required to continue to address issues.

Therefore, there is a need to adopt a new digital plan that will shape and direct digital investments over the next few years. It will not just provide direction to those involved in digital delivery but will also be beneficial in outlining the areas of support that are planned or considered to the broader audience. This report is intended to explain the surrounding issues to the plan (as opposed to details within the plan) and it is intended that the digital plan itself be studied and understood alongside this report.

7. Consultation and Engagement

Consultation on the Digital Investment Plan has taken place with the Connecting Cheshire partner members during 2022. Partners were asked to raise their local requirements, strategies and targets in order to inform the plan and ensure that the plan did not just meet local requirements, but included agreed priorities that were agreed as joint priorities and targets for intervention or support.

As part of the on-going demand stimulation, communications and stakeholder engagement, the team consult with MP's and stakeholders regularly to understand the level of intervention required in parish, town, ward and constituency areas relating to the furtherance of digital connectivity.

The requirements have also been shaped and informed by general liaison and discussion with many stakeholders including members, officers, the LEP and public views derived from local engagements and enquiries.

For additional information the Digital Investment Plan was considered and approved at the Growth Directors meeting held on 26/01/23.

8. Implications

8.1. Legal

Legal has no comment to make on the report. Legal may have a role to play in advising in the context of any investments that spring from the plan if adopted; but other than that sees no need to comment further at this stage.

8.2. Finance

The proposed work being undertaken through the Digital investment plan will be funded through a ring fenced investment fund derived through a gainshare mechanism in the legacy superfast contracts. These were "gap funded" contracts that ensured the benefits of high take up would be shared with funders at the expiry of the contract. The first superfast contract has reached the point of expiry and is currently being closed. Gainshare has been received by Cheshire East as accountable body for Connecting Cheshire and contract signatory with BT Openreach.

The return of gainshare has been reflected in the Council budget and a corresponding capital programme has been established. It should be stressed that the beneficiaries of the fund include partner authorities in Halton, Warrington and Cheshire West. There is a clear need for the authority to recognise the needs and wishes of those partners as well as BDUK who were a primary funder of the early schemes. Consequently, the Digital Investment Plan has been developed alongside those partners.

Previous Council decisions to enter into the Digital Cheshire project and the Voucher top up scheme have accounted for a proportion of the available funding. A further BDUK funded extension to Digital Cheshire has created a misalignment between the funding of the existing project management function and the planned delivery end dates for the interventions. Approximately £3.6m of the gainshare funding remains to be allocated through the Digital Investment Plan.

The main financial implication of the decision is that it will align the management of the delivery of existing digital interventions (Digital Cheshire and Gigabit Broadband Voucher Scheme) to their respective end dates. Due to the way projects were originally funded and the time limits on their funding there was a significant risk that all project management and delivery staff would have ceased being funded in 2023 whilst the project activity was funded up to 2026.

Approximately £1.9m of the available £3.6m has been identified for staffing to 2026. This should be subjected to a robust business case approval and working with sub regional partners to examine potential efficiencies and synergies.

The decision also provides funding for a sub-regional Alt Tech Grant scheme to provide support to those premises and localities where gigabit broadband is not a feasible option. Such a scheme will need to be designed and approved under the Authority's grant policy before it is established if it is to be delivered by Cheshire East. The potential for other partners leading on the delivery but being funded from the Digital Investment Fund exists if this provides a more optimal solution.

Business support has been a component part of all previous superfast contracts and the Digital Investment Plan seeks to build upon the work coming to an end under Digital Cheshire in 2023 to provide a seamless link. External procurements will need to be undertaken for this element. In addition, it is recognised that if Cheshire is maximise the benefits accruing from government funded digital schemes then there is a need to support these efforts with an active demand stimulation and stakeholder management program. It should be recognised that the market is moving away from the Council procuring direct market interventions in favour of facilitating and supporting local communities with demand led schemes and government procured infrastructure delivery contracts.

Not all of the projected funds have been accounted for leaving the potential for further activity in the future subject to the necessary approvals being obtained.

8.3. Policy

The plan supports opportunities identified within the current corporate plan including Digital revolution, Business investment and Partnerships.

It also supports several key high-level priorities including work[ing] together with our residents and partners to support people and communities to be strong and resilient, also to make Cheshire East a great place for people to live, work and visit.

It also supports published targets to ensure rural premises in the area are able to access Superfast connectivity speeds as a minimum.

8.4. Equality

The plan itself, and projects or activities encompassed are based on addressing evidenced need and in many cases, such as infrastructure relate to premises as opposed to individuals and business support that relates to business entities.

8.5. Human Resources

Staff involved in existing delivery are a mix of fixed term and permanent staff. Some fixed term staff have contracts that expire as early as June 2023 and there is uncertainty on future staffing plans. The approval of the plan would not just address uncertainties on an individual level but would provide a longer-term staffing plan that would aid delivery and ensure that the necessary skills and experience are retained.

Note that as a Connecting Cheshire Partnership and sub-regional plan the HR implications impact other Authority partners.

8.6. Risk Management

Key risks relating to this report are financial and reputational.

Financial risks surround the fact that the Digital Fund, due to arising from returns on previous projects that were linked both to ERDF funding and BDUK funding. This funding must be re-invested in Digital Projects to adhere to legal, compliance and contractual obligations, if this funding is not invested it is required to be returned to the funder for either National use or return to the EU and would be lost to the local area.

Partner risks surround the fact that the Digital Investment Fund is a shared fund that is held by Cheshire East on behalf of CEC itself and also the Connecting Cheshire partners. If it was perceived that CEC were preventing partners from investing funding in their own Authority areas, or the fund was being put at risk due to no clear investment plan then this could lead relationship difficulties which could lead to reputational damage (and legal complexity) if partner wished to withdraw from the partnership and requested a proportional share of the funds transferred to their own control

Other reputational risks surround not achieving published targets such as rural connectivity, in particular not achieving targets against a background where funding was available but no plan to meet these was agreed or actioned and this was perceived to be the prime reason for failure.

Currently high-level risks are flagged via the Digital Strategy Programme Board. While not a recommendation an area that would benefit from clarification is the reporting and escalation route that should be applied to key and any significant risks impacting the Digital Investment Plan, or projects or activities which are part of this plan. Should such risks only be reported and escalated via this route or would additional reporting route(s) be beneficial for risk management and response.

8.7. Rural Communities

The Cheshire region contains a high proportion of rural or remotely located areas that have in many cases suffered from poor digital connectivity. This poor connectivity is not just a problem in terms of residents unable to access digital services but has also impacted the economic development of these communities, as businesses that increasingly rely on digital communications or routes to market do not wish to be located in areas where they would be disadvantaged by poor connectivity, so many establish themselves elsewhere. Established businesses suffer a disadvantage and are unable to access the productivity or other benefits of digital connectivity and are constrained in their economic growth.

Rural and semi-rural areas with already pre-existing issues of lack of employment opportunities and other exclusion issues could experience further adversity if digital support is not provided. The plan contains a blend of infrastructure connectivity and business support aspects that address many issues and will enable business growth, help generate the wider economic benefits and improve local employment opportunities.

The Gigabit Voucher Top scheme, proposed Alt Tech and some other activities referenced within the Digital Plan are specifically targeted at rural areas and premises. It is anticipated that these will greatly assist in driving rural take up, engagement and addressing specific rural issues with Digital connectivity and uptake.

8.8. Children and Young People/Cared for Children

The plan does not specifically target children and young people, however the provision of infrastructure enabling remote learning and also access to support services may be an indirect beneficial impact.

The Digital Investment Plan will include a dedicated individual who will be responsible for representing the interest and requirements of each Authority within the partnership. This will ensure that local requirements are considered and addressed, and that local needs of Children and Young people are not overlooked in broader schemes and interventions.

8.9. Public Health

There is no direct impact on the public health of residents in Cheshire East, however provision of infrastructure enabling access to online health services and support may be an indirect beneficial impact.

The Digital Investment Plan will include a dedicated individual who will be responsible for representing the interest and requirements of each Authority within the partnership. This will ensure that local requirements are considered and addressed and that local Public Health needs are not overlooked in broader schemes and interventions. Additionally, there has been an historic low take up of NHS Digital Services, the plan will therefore look to develop a pilot scheme with the NHS to help address their current needs.

8.10. Climate Change

There is no direct impact on climate change or carbon emissions, however provision of infrastructure enabling remote working (and other online services) could reduce business and employment related transport journeys and emissions.

Access to Information	
Contact Officer:	Alex Buckley, Digital Programme Manager alex.buckley@cheshireeast.gov.uk
Appendices:	The Digital Investment Plan accompanies this report and is Titled as "CONNECTING CHESHIRE - DIGITAL INVESTMENT PLAN"
Background Papers:	The Economy & Growth Committee Paper referenced is titled as "Economy Growth Committee - Digital Connectivity Update 13_11_2021"

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DIGITAL INVESTMENT PLAN 2023-2026

CONNECTING CHESHIRE

"Striving for Cheshire wide digital connectivity for all and ensure that significant digital economic growth benefits are realised."

Contents

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1. Purpose of the Plan

This "Digital Investment Plan" has been developed to set out how the Connecting Cheshire Partnership will deliver digital connectivity, growth and address digital related issues across the region until 2026

2. Background

What is Connecting Cheshire

Connecting Cheshire is a public partnership leading the delivery of improved broadband over the Cheshire region. Since 2012 it has managed the investment of over £40m into fibre-based broadband, has connected over 100,000 premises and assisted hundreds of local businesses.

The partnership comprises the four local authorities of **Cheshire East (CEC), Cheshire West & Chester (CWAC), Halton** and **Warrington Borough Councils** and works with stakeholders to deliver Digital projects, support businesses and residents and provide enhanced connectivity across Cheshire.

What is Digital Cheshire

The ERDF funded Digital Cheshire project comprises two key complementary areas that enable SMEs to adopt these digital technologies and improve both their competitiveness and productivity. Firstly, is a broadband infrastructure deployment component that seeks to address the issues faced by SMEs, that due to their physical location do not have access connectivity at the speeds required for the successful use of many of these digital technologies (measured as sub 30Mbs maximum access speeds), this addresses a fundamental issue preventing adoption.

Secondly there is a business support component that consists of providing SMEs with the knowledge, awareness, and guidance in understanding the technologies that are both available – and appropriate to their individual circumstances, this addresses the key issue of non-adoption of technologies and processes that are vital in improving productivity and competitiveness in both national and international markets.

Vision

Our vision is to strive for Cheshire wide Gigabit connectivity for all residents and to also ensure that significant economic and growth benefits are realised by local business through digital connectivity, engagement and providing a partner wide specialist digital team with an array of initiatives to improve the level of digital activity taking place across the sub region.

The partnership intends to best achieve this vision with a focus on the following key activities:

a)   To ensure that all areas with less than 30mbps broadband (sub-Superfast) have the option to access superfast broadband speeds as a minimum, where possible providing a major step change by proving gigabit capable speeds.

b)   To increase the availability of high-speed fibre connectivity to other areas where realistically possible and explore alternatives for the remainder.

c)   To provide support to businesses and residents aimed at increasing the usage, uptake and realising the significant economic benefits that new Digital processes and opportunities can create.

d)   To actively seek digital opportunities which will enhance the sub regions digital footprint i.e. smart initiatives, mobile connectivity, digital inclusion etc.

e)   To provide a responsive, specialist team to be both reactive to opportunities and proactive to approaching new projects, trials and funding, whilst continuing to deliver successfully on contracted projects.

The Connecting Cheshire Partnership also realise that strong and collaborative working within and outside the partnership is essential to enable successful delivery. The Digital Investment Plan will enable the evolution of Connecting Cheshire, providing a combined partner wide specialist team.

Connectivity

While the partnership has achieved great success in addressing many problems of poor connectivity in the region, there remains pockets of very poor connectivity across all partner Authority areas. Additionally, Cheshire lags other regions in the provision of high-speed gigabit service availability.

Digital Growth

Beyond physical connectivity it is equally important to ensure that the growth opportunities presented by digital are realised. In order to help achieve this the partnership seeks to undertake further digital business support activities. This support calls upon local experience of delivering targeted business support and direct engagement with businesses to capitalise on the 'digital by default' agenda.

By providing a *'supply chain'* of business support activities the assistance provided will help facilitate the development and create high growth/high tech businesses through enhanced digital knowledge.

Authority Ambitions & Targets

All partner Authorities have their own specific targets and ambitions relating to Digital; these can be specific objectives or broad strategy objectives. Despite the differences in detail all these objectives and issues which need addressing are common and the partnership can assist in delivering against or addressing these issues directly.

Outline Connecting Cheshire targets: Ultimately achieve 100% superfast and/or ultrafast coverage for residents and businesses across the sub region.

- Securing interest to extend mobile coverage across the sub region.
- Provide a specialist digital team for the partners to access for knowledge, insight and delivery of successful project management.

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- To secure future investment from Project Gigabit in excess of £80m to support the roll-out of gigabit broadband.
- Provide a 'Digital Cheshire' brand and platform for all to access to find the latest developments on digital activities i.e. broadband, mobile, vouchers, business support and digital inclusion.
- Continue to enhance relationships and work positively with BDUK on their funding projects.
- Provide businesses with an opportunity to access support relating to improving their digital footprint.
- Ensure that any completed contracts deliver the correct levels of funding returns at final closure (Gainshare)

CONNECTING CHESHIRE

By 2026, the centralised Connecting Cheshire team aim to:

Successfully deliver the Digital Cheshire contract. (10,000 premise connections to be expected by Airband, both in and out of contract)

Deliver business support interventions to over 250 businesses across the sub region.

Increased take-up of Airband contracted delivery to 40%.

Enabled over 100 active community fibre partnership schemes utilising the top-up voucher fund, supporting them to completion across Cheshire.

Established a new project aligning to the smart cities and towns opportunities available.

Encouraged, established and provide access to a broadband trial for the hardest to reach areas utilising alt-net solutions and vouchers.

Provide residents with access to Digital Inclusion initiatives across the sub region, whilst directly delivering a CCP inclusion programme (subject to funding and need).

Identified additional sources of funding to enable further delivery.

Increase the profile of the Digital Cheshire brand to residents, businesses and stakeholders.

| **Cheshire East** | **Cheshire West** | **Halton** | **Warrington** |

Partnership

The Connecting Cheshire Partnership has been established since 2012 to provide a strategic and operational oversight for the delivery of major and collaborative broadband investment projects in the partnership area, it comprises members from:

- Cheshire East Council (CEC)
- Cheshire West and Chester Council (CWAC)
- Halton Borough Council
- Warrington Borough Council

The aim of the partnership approach is to enable shared resources to deliver and actively facilitate projects and activities effectively. Key intended benefits are:

- Enable shared resources between partners
- Provide technical and professional staff on a shared benefit basis
- Deliver cross boundary projects
- Create a more powerful voice and level of influence with stakeholders and funders
- Share and minimise individual partner risk

3. Finance Background

Finance for current Digital activities has been derived from a number of sources: a regional shared pool of funding derived from previous superfast contracts; ERDF funding; and direct BDUK funding into a "live" contract.. New direct investment by partner Authorities has not taken place since 2017.

Current Digital Funds

'Gainshare' is a mechanism in publicly funded supplier contracts that requires telecoms providers building superfast broadband networks to return excess profits to the public sector, if adoption of their services is greater than originally expected. The first two Superfast deployments undertaken by the partnership and delivered by Openreach have generated a significant level of Gainshare and it is this funding source which currently forms the basis of the Digital funding pool available to the partnership.

	Local Bodies	ERDF	BDUK	Total
Total Funding Available by Source	£9,844,000	£2,154,597	£2,000,000	£ 13,998,597
Allocated Funding (Up to)				
Digital Cheshire (Q4 24/25)	£2,154,597	£2,154,597	£2,000,000	£ 6,309,194
Mapping Analysis (Q4 22/23)	£ 70,000	£ -	£ -	£ 70,000
Voucher Top Up Scheme (Q4 25/26)	£4,000,000	£ -	£ -	£ 4,000,000
	£6,224,597	£2,154,597	£2,000,000	£ 10,379,194
Unallocated Funding	£3,619,403	£ -	£ -	£ 3,619,403

Commitments

Details of committed projects and activities are covered elsewhere (ref. 'Committed Partnership Projects' section within the document)

Additional Sources

The partnership will always seek additional external funding (and other forms of support) from external sources, in particular public funding sources that may become available from governmental bodies. While the ideal may be to seek funding that fully covers any activity or project, it may be that funding requires match and the partnership's own Digital funds could be used for this purpose.

As part of BDUK's Project Gigabit a further investment of more than £80m is expected to be delivered in Cheshire. However, this will be contracted directly from BDUK to the supplier,

therefore the need for further local authority intervention for the delivery of fibre potentially reduces.

4. Delivery & Staffing

The delivery team will be responsible for the delivery of the Digital Investment Plan which includes both current and new projects, the team will also be responsible for administering the programme and reporting to Connecting Cheshire Partnership and local authority members directly.

The team will have to possess considerable experience and skillsets in various areas – including local authority, telecoms, procurement, contract management, data analysis, communications, and effective stakeholder engagement. The team will also work with finance, procurement, legal, highways, planning and other key areas in and out of the authority.

Roles & Responsibilities

Digital deployment and support projects are often very technical in nature, rely on fast changing external data and can often include complex delivery mechanisms, legal compliance restrictions and State Aid components. These factors require a delivery team to consist of a mixture of technical and specialist roles to both support projects directly and to support the operations, planning and function of the partnership.

The vision of the team is to be a resource that supports delivery on a partnership wide basis, regardless of whichever Authority is based contractually or physically. It will be funded via the shared digital funding available and therefore not negatively impacted by staffing constraints or issues that may arise in any individual Authority.

Although there is a great deal of crossover in activities, particular roles will often focus on one of three areas. These are 'Connectivity' roles that have a focus on the deployment of the physical connectivity infrastructure to all residents and businesses, 'Business Support' roles that focus on the needs of businesses, which may include connectivity but also cover digital utilisation, growth, and other related support areas. Finally, there are roles that are programme wide in nature, this support both connectivity and business but also often support the broader activities of the partnership and its programmes. In general, the current staffing roles will fall broadly into the following groups:
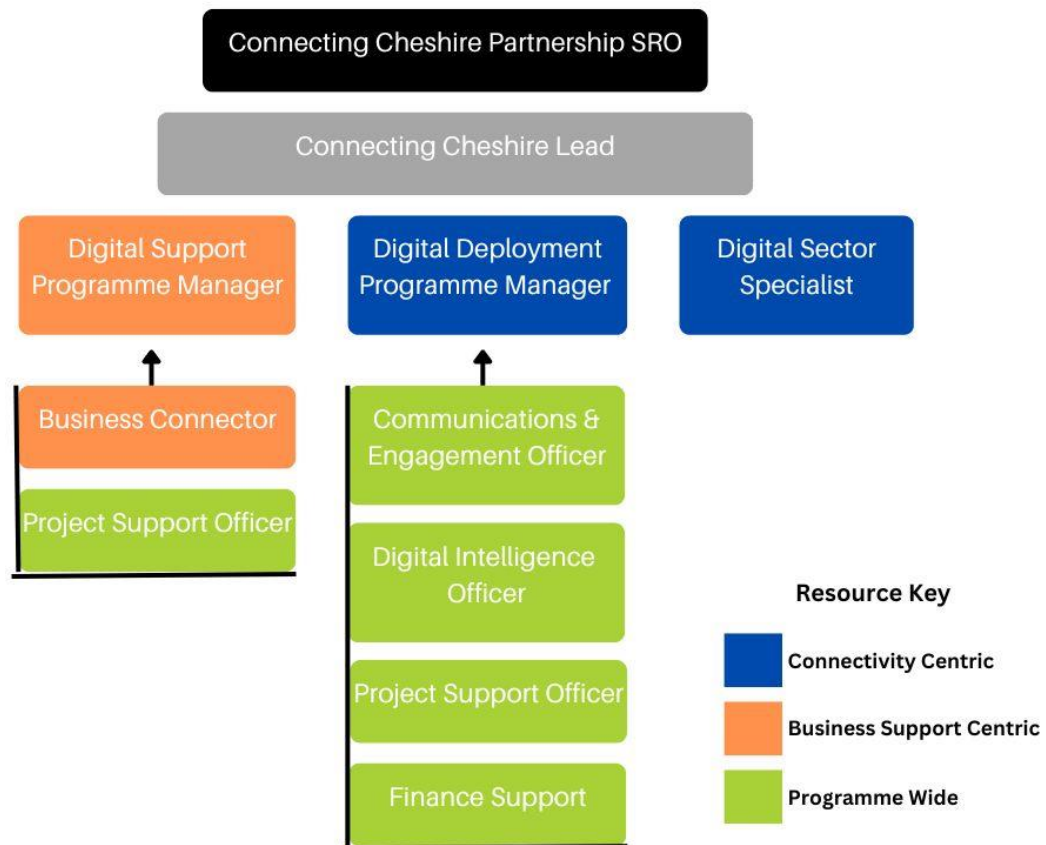
The four senior roles as part of the Connecting Cheshire team would each become a named Digital Champion for one of the four local authorities. These roles in the first instance will be used to map activities across the patch on digital inclusion and then start to develop local area plans for each local authority area, identifying gaps and opportunities for future intervention.

This process will focus on digital as a whole spectrum including infrastructure, demand stimulation, digital inclusion and more to be defined.

Each representative for the partner authority will act as a named point of contact and lead to enable integration from each partner directly into the team, creating a transparent and open working environment for all partnering authorities' contributions to be seen, heard and actioned.

Additional/External Support

In addition to the roles dedicated to Digital there are additional duties and functions that are required, but not at the level that would require a full time or dedicated individual to undertake. Areas such as Financial and Legal Support will be required and if significant time allocations are required then internal 'cross charging' may be required.

Intelligence

To address issues of digital connectivity it is essential to understand and identify where and what the extent of the problems are. This requires ongoing data collection and analysis to underpin all mapping and planning activities.

The programme works with address level data and has carried out analysis to create dataset of all premises in the region. This will enable connectivity data to be overlaid seamlessly and allow detailed planning and analysis down to individual premise level. The programme will continue to develop the master dataset for the region.

Connectivity data (download and upload speeds) collection is an ongoing requirement. Data held by Connecting Cheshire requires renewal as it was collected over two years ago so is outdated with a risk of misdirecting activity to areas that may not have the greatest issues. The partnership will consider and deliver on commissions to source external surveys or sources of data and integrate these into internally held datasets.

A priority area is to focus on poor served areas and/or market failure. The vision identifies areas with sub 30Mbps speeds. Part of this workstream is to identify premises that are below 30Mbps which will support investment decisions such as the Top Up voucher scheme.

5. Communication & Engagement

The programme will continue to deliver on communication and engagement activities, and this will remain a priority to ensure external relations are active, positive, and viewed as being beneficial.

Business Engagement

The delivery team will openly engage with businesses across Cheshire and Warrington to support them with their digital transformation, providing direct access and assistance in addition to signposting to relevant information or partner services where required.

Communication and engagement methods will be delivered both digitally and virtually as part of the business engagement, from facilitating and attending networking opportunities, providing an inbound service via email and through the attendance of virtual and psychical meetings to ensure the businesses broadband/support needs are delivered on.

Residential Engagement

The team will be open and accessible for individual residential or community support to provide information or solutions. This will typically be achieved via the responses to email enquiries, attending meetings or community briefings or by utilising other public platforms available.

At the community level the team will work with communities where solutions are being installed or opportunities/ problems arise to seek and encourage the adoption of community champions to work with the Connecting Cheshire team.

Stakeholder Engagement

The programme will continue to work with many stakeholders such as other Local Authorities, Local Councillors, Members of Parliament, Parish Councils and representatives from Cheshire and Warrington LEP - all of which have a level of influence or involvement in supporting the delivery of the Digital Investment Plan. Engagement will also continue with Government bodies, in particular with those heavily involved in Digital or those who could provide external funding support such as BDUK and DLUHC.

The partners and the project team will continue and strengthen stakeholder engagement and build on the current relationships which have been developed to support the delivery of the Digital Investment Plan. Stakeholder briefings will remain available upon request or where necessary need is required. However, pro-active forward coming communications such as quarterly newsletters will ensure stakeholders remain briefed on the project throughout its entirety. In addition, all partners will be informed of the status, issues and risks during the regular Connecting Cheshire Partnership meeting.

Access to officers, intelligence, and opportunities to meet will remain the offer to stakeholders if it directly supports or influences the Digital Investment Plan and supports the success of it.

There are a number of network operators investing in connectivity networks in the Cheshire area. It is important to engage with these providers to understand where they plan to build and also where they can make changes to existing infrastructure to increase the number of premises that a network can connect.

The project team will seek to further establish and maintain good relations and communications with operators and support deployment by unblocking issues where possible. This could not only attract further investment but will also provide valuable data on the latest deployment activities and planned build in the region.

Demand Stimulation

Demand Stimulation is the method of which demand is stimulated in areas of installation or investment to ensure services and offerings are subscribed too. Historically, Connecting Cheshire has always gained positive take up of services due to the demand stimulation work carried out, resulting in Gainshare funding mechanisms allowing money back into the partnership.

In areas where Connecting Cheshire are rolling out fibre broadband, demand stimulation will be a key focus to ensure residents and businesses take up the service. In relation to business support, demand stimulation will be utilised to support the level of interest from businesses into the programme, creating a pool of leads available for the project.

Demand stimulation activities will be delivered through a combination of traditional print and online marketing, utilising social media platforms to gain greater visibility on a consistent level. Whilst working with a procured design agency to ensure adequate marketing materials are commissioned and accessible to the project.

6. Communications Approach

Building on the investment to date in brand, artwork and web/online assets, the public facing brand for the delivery of the Digital Investment Plan will remain as 'Digital Cheshire' utilising and building on this brand's digital platforms to expand the level of offering as new projects arise.

Digital Cheshire brand is recognised publicly in relation to the Airband contractual delivery and voucher/ top up schemes available, therefore we will continue to build on this.

The Connecting Cheshire brand will remain as the strategic partnership between the four local authorities and represents the collective council's vision and objectives. This brand can also be used as a lead in relation to historic BT contracts.

Digital Cheshire will utilise the Connecting Cheshire brand through affiliation due to its legacy and impact in the region to date.

7. Governance & Management

Alongside the introduction of this new Digital Investment Plan there is now a need to update governance arrangement to support delivery of plans and reflect the changing nature of digital. Since 2012 the nature of the projects and activities that have either been delivered, or form part of the of Connecting Cheshire has changed considerably. Instead of one large project there are now numerous smaller projects and schemes within the likely pipeline of activities.

The breadth of the Digital agenda has also increased, what was once primarily a goal of basic superfast has now not just extended to Gigabit, but also includes other forms of connectivity such as 4G & 5G. There is also a much greater emphasis beyond connectivity to the actual utilisation of the connectivity itself.

Additionally, the model of delivery itself has changed completely, with activities undertaken within Authorities as opposed to the used of an 'arms-length' company, nominally an independent delivery agent. There is also now a much more 'hands on' delivery of services and project outputs, as opposed to the initial model of 'contracting out' and 'management via KPIs.

Historically CEC has been the lead Authority in the partnership and has also undertaken most support activities such as employment, procurement, and legal services, in addition to being the 'contracts holder'. This however has largely continued for legacy reasons and the partnership is looking to develop and enable any partner to take responsibilities and ownership of support activities which will increase flexibility and reduce bottlenecks on delivery.

The combination of all these factors require that governance needs to be reviewed, refreshed and agreed to provide an updated and fit for purpose model.

Strategic Governance Aims

The new structure will aim at a strategic level to achieve the following:

- Have a clear and agreed Terms of Reference in place

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- Be the 'default' lead for Digital Projects in the region
- It should support both connectivity, infrastructure, and other forms of Digital Support to both residents and businesses
- It should be strategic, and outcome based in approach
- Be responsible for ensuring that the necessary planning, implementing and delivery of projects or activities it is leading takes place and is adequate
- Should ensure that projects or activities either don't, or have minimal possible conflicts between each other or unnecessary overlap
- While looking to align or carry out Cheshire wide projects where possible, it should not prevent and should actively support any partner from carrying out their own local project or activities
- Co-ordinate and lead in funding applications as a default
- It should be responsible for overall comms activity to residents in Digital
- It should operate to obtain the explicit and clear support from within senior level LA partners where required
- It should move away from the model as CEC as the Lead Authority as default
- It should have its own internal structure and processes that enable and support both delivery and decision making and not be subject to adverse issues impacting any member authority
- It should, as far as is possible, seek the prior mandate or approval from individual partner Authorities to be the responsible decision takers for activities and investment of the Gainshare funds in the future
- Where it still necessary to obtain approvals from a partner member, such as 'gateway checks' that may be a compliance requirement tied to funding, the board will take responsibility for ensuring these are passed and secured

Operational Governance Aims

The new structure should also operate with Connecting Cheshire team members to achieve the following operational aims

- To shift delivery from a project and ad hoc basis, to a 'business as usual' model of delivery with a planned and agreed pipeline of parallel project and scheme delivery
- To act as a point of contact and or advice to LA staff in any of the participating authorities
- To act as the lead contact for other stakeholders, suppliers etc.
- To have required levels of resources, built on permanent staff in positions with specialties
- Should be able to include, and directly fund members employed under any member Authority
- To have staff employed by any Authority able to directly assist any other Authority member and/or activity
- Although staff based, it should have the ability to directly fund specialist contractor support if required, compliantly procured under any member Authority
- Should report its activities to Stakeholders and to the Local Authority members to promote and raise profile of activities and also to flag issues
- Should seek much greater inclusion and involvement of other LA groups/functions in all member Authorities and in particular functions such as housing, highways & planning etc.
- Should be supplier/partner neutral in approach

8. Committed Partnership Projects

The partnership has several projects or activities either underway or approved for delivery, a summary of these is as follows:

Digital Cheshire Airband ERDF Funded Build (to August 2023)

The Airband ERDF funded build is the infrastructure component of the Digital Cheshire Project. It receives ERDF funding from The Department for Levelling Up, Housing and Communities (DLUHC – formerly MHCLG) and will run deployment activities until 2023.

The original deployment cost was approximately £4.5 Million and under the funding terms must meet grant 'output' requirements set by DLUHC/MHCLG. In addition to targeting premises connections the focus of the outputs is delivery to defined SMEs, although it would benefit surrounding residential properties located in the sub superfast speed locations.

The roll-out had an original 'contracted' target of just over 4,100 problem locations and the deployed infrastructure is a Gigabit speed fibre solution. The project is also the last of the national projects to adhere to the BDUK "Superfast" delivery and compliance model

Due to late delivery issues, it is not expected that that target outputs will be achieved within the ERDF timeframe and therefore a significant proportion of funding will not be claimed. However, a mechanism is being put in place that will ensure those residents who were expecting delivery will be transferred to the BDUK phase of delivery.

Digital Cheshire Business Support Programme (to August 2023)

The Business support delivery is provided primarily via a series of 'demand led' themed digital masterclasses. By offering a demand led support service, businesses which have the greatest capability to reap productivity benefits are offered the expertise, advice and support required. In doing so, the opportunity to increase take-up associated with the infrastructure element of the project is enhanced.

Since April 2021 approx. 400 businesses across various sectors and throughout the Cheshire and Warrington sub-region have engaged with the Digital Cheshire project with regards to accessing Digitally focused support via a suite of meaningful masterclasses. The subject area varies from digital marketing, cloud computing, cyber security, etc and emphasises the need for innovation and competitive advantage within the region.

In addition to the masterclass detailed above, there is a sub element of 20 business participants who receive 'Intensive support' which involved a greater level of both one-to-one assistance and time. These businesses are specially selected on the basis that they are embarking on the introduction of new technologies and processes, and these have the potential for transformational change and growth.

Built on prior experience of project outcomes these intensive interventions, while more costly, are a particularly effective method of ensuring significant changes and productivity enhancements can be both introduced and importantly embedded into their day-to-day business processes.

Digital Cheshire Airband BDUK Funded Build (September 2023 to December 2025)

Under BDUK Superfast contracts there are mechanisms in place to enable additional funding to be secured during the lifetime of the project. In early 2022 BDUK provided an additional £2m of funding that could be utilised within the existing Airband contract. This essential created an additional follow BDUK phase of Airband delivery.

The funding must be fully utilised by the end of March 2025 as that is the funding window of availability and increased contracted coverage to an additional circa 2,600 premises in both Cheshire East and Cheshire West.

This extension however has been impacted by the issues and late delivery of the ERDF phase and the need to prioritise completion of ERDF areas before commencement of new areas. The deployment will still plan to deliver 2,600 targeted connections; however, a significant proportion will shift to what were ERDF areas and some areas planned for future delivery will have to be descoped. A key area of build in the CWAC area is already in the process of descoping and voucher solutions for deployment in that area are in development.

Gigabit Top-up Voucher Scheme (to December 2025)

There is a National Voucher Scheme in place for rural premises which initially provided funding of up to £1,500 for residential homes and £3,500 for businesses help to cover the costs of installing gigabit broadband – this value will from January 2023 be increased to £4,500 for both residential and business premises. Businesses or residents that are eligible for gigabit vouchers can access the scheme through a supplier registered on the scheme and as an important condition, as part of a community project rather than individually.

The Voucher Top Up Scheme is intended to address a key issue where the vouchers do not cover the full cost of a deployment. The top up enables local bodies to "Top Up" the maximum values of the individual vouchers and aggregate value available to projects.

The Connecting Cheshire Voucher top-up model is targeting support to the lowest speed areas first, those with speeds lower that 30Mbs (those above 30 but below 100Mbs will remain eligible for the national scheme). As per requirements of the overall voucher scheme, the vouchers will only be eligible to rural premises and those that are not flagged for any future commercial or other coverage plan as identified by BDUK themselves.

The Connecting Cheshire Top Values were set under the original scheme values and are up to £2,500 for homes and £3,500 for SMEs. Combined this would mean, prior to Jan 2023 an individual Cheshire premise could access:

Premises	BDUK Contribution	Cheshire top-up available	Total funding available
Residential	Up to £1,500	Up to £2,500	Up to £4,000
SMEs	Up to £3,500	Up to £3,500	Up to £7,000

Alongside the change in values BDUK have asked scheme funders to consider their local top up values in view of the announcement. As any change to our own top up levels would require

approval, we are currently maintaining them at the existing levels, this means from Jan 2023 premises could access:

Premises	BDUK Contribution	Cheshire top-up available	Total funding available
Residential	Up to £4,500	Up to £2,500	Up to £7,000
SMEs	Up to £4,500	Up to £3,500	Up to £8,000

It is the intention, given the increase in value to align both our residential and SME contributions to the same level, lowering the SME level to match the residential level at £2,500 – so either SMEs or residential would be able to access up to £7,000.

Although this would in principle enable the funds to cover more premises, this would not be expected to significantly increase coverage scope. The key reason is that this alignment would simplify both the management and messaging of the scheme.

DCMS Lot 17 Project Gigabit for Cheshire (BDUK procurement)

Project Gigabit is a £5 billion government infrastructure project and is planned as the successor to the previous Superfast model. Gigabit is a national scheme that is being deployed in phases, the Cheshire region falling into the 3rd and final phase and is designated "Lot 17". The scheme itself is intended to improve all connections to Gigabit speed and does not specifically target the lowest Sub 30 speed premises, rather any sub-Gigabit premise.

BDUK have stated they would be looking to invest over £80m into gigabit broadband in Cheshire as part of the Lot 17 procurement. BDUK will provide two levels of contract management, however, would seek the local authorities support it's delivery through other necessary means.

The Connecting Cheshire partnership's delivery staff will work with BDUK to ensure smooth delivery of project gigabit whilst facilitating local issues such as; publicity, marketing, stakeholder engagement, highway and planning assistance, in addition to accessing local data and intelligence. Therefore, the partnership needs to be prepared for this intensive level of intervention.

The Cheshire procurement phase is due to commence between April to June 2023, however preparations are already underway, and this has had an impact in terms of a 'pause' on Voucher Scheme applications. The procurement is expected to reach the award stage January to March 2024 - this mean that on the ground delivery would likely commence in the Autumn of 2024.

The number of Cheshire premises included in the tender is circa 74,300 and BDUK have stated that the available funding is £84 to 144 million.

Project Gigabit has the potential to make a substantial impact on high-speed connectivity in the area, however it is known that the procurement process has been problematic in some areas leading to delays and consolidation of some lots into larger procurements. Also, it is a concern that it does not specifically target the worse connectivity in the area.

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Mobile and Connectivity Intelligence with FarrPoint (to March 2023)

A supplier named Farrpoint has been procured via CWAC to undertake a 4G Coverage and Infrastructure (Broadband) Mapping project.

FarrPoint is an established specialist supplier who have undertaken similar activities in other area using their in-house mapping capabilities to gather data and insights and also supply tools to help visualise the levels of connectivity.

The service will provide Connecting Cheshire with two related services: firstly, an online mapping portal of connectivity availability; and secondly an independent 4G coverage survey solution with associated mapping.

This will provide significant benefits to the Councils in updating our own now aging datasets and aid in the planning and also communicating the development of connectivity in the region.

Once intelligence is gathered, the team will utilise this data to facilitate market engagement, explore opportunities and where appropriate, enable resident and supplier participation.

9. Business Support Programme (to March 2026)

The current digital business support programme is scheduled to end August 2023. Following this there will be no further assistance available for SMEs within the region to access. Therefore, there is an immediate ask for a continuation of the business support programme. Over the last three projects the business support element has been consistent throughout and symbiotic in complimenting the furtherance of connectivity, enabling businesses to grow digitally and avoiding digital exclusion.

During previous programme design a particular area of market failure and barrier faced by SMEs within the Cheshire and Warrington sub-region was a supply-side shortage of digital capability amongst the business population and employee skills in this area. This ultimately prevented businesses from maximising the potential that digital technologies offer.

Whilst the current committed projects are aimed at addressing the physical infrastructure market failures, the niche of addressing skills shortages are ever more so evident now as a result of the COVID-19 pandemic. It is key that this need can be met by continuing the business support to provide upskilling of staff to be able to effectively utilise digital technologies and is a vital complimentary component of broad investment in physical infrastructure.

Following a summative assessment of the Digital 2020/Digital+ (carried out by ERS Research & Consultancy), it was highlighted that the project compared well against national, as well as local, innovation programmes in terms of progress towards targets, overall expenditure and GVA. When comparing against the mean values across national projects, it was seen that unit cost per output achieved for Digital 2020/Digital+ are similar or below, thereby granting confidence in the efficiency of the programme. The return-on-investment figure highlighted that net additional benefits of the programme exceeded the total investment, representing effectiveness. Overall, a positive **Benefit Cost Ration (BCR) of 1.20:1** the programme represented total additional benefits which outweighed the input costs.

Under the previous Digital 2020/Digital+ project, out of the beneficiaries surveyed 95 per cent indicated that the support was effective or very effective. Similarly, 90 per cent of respondents suggested the business support was effective in responding to the needs of their business. Beneficiaries felt that the support provided had helped them achieve and gave them a greater understanding of the opportunities associated with adopting digital technologies and skills to effectively harness these opportunities.

The economic impact assessment of the Digital 2020/Digital+ project revealed that it had created over **£1.0 million net additional GVA** and **11 FTE**.

The Summative Assessment also highlighted that there is confirmed demand for the support and that the programme team's experience and knowledge were widely considered a key success factor in delivering the programme. The content of delivery activity was deemed to be appropriate; participants praised the team for informative and engaging workshops which were suitable to their skill level.

Beneficiaries surveyed agreed that Digital 2020/Digital+ has been effective in helping them to develop their understanding and ability to effectively adopt digital technologies and strategies into their businesses, ultimately supporting growth and productivity. Overwhelmingly businesses supported felt as though they had increased digital literacy and presence on digital applications which would help business growth in an ever-changing digital environment.

Positive economic outcomes will be at the heart of any support provided and it is envisaged that that a new support project will be created that target in the following outcomes:

- Improving the local economy by supporting businesses and greater commercialisation of ICT processes and digital competitiveness.
- Development and creation of high growth/tech businesses through enhanced digital knowledge resulting in the creation of new products/services and permanent jobs.
- Work with businesses to create new flexible and digitally enabled working practices that will enable them to be more agile and robust.
- Support businesses to access to new markets, business expansion opportunities and also provide a number of other beneficial outcomes.

Building on the successes and momentum of the predecessor programmes and direct feedback from project beneficiaries has informed us of the demand and need for the continuation of masterclass and intensive assistance activity, which will enable businesses to properly utilise and take advantage of digital opportunities and technologies. To date the assistance provided has been extremely well received resulting in the creation of new products/services to market, new jobs created with demand for masterclasses at times outstripping supply.

10.   Alt-Tech Grants

The Alt-Tech grant is a proposal based on the successful Welsh Government Access Broadband Cymru (ABC) Grant. That can provide a connectivity solution for more isolated or problematic premises with poor connectivity and where other solutions such as Vouchers may not be viable. Support is provided in the form of a grant that covers costs up to £800 per household to be used toward one of several 'alternative' connectivity routes, these include:

- 4G solutions (Antenna & Router)
- Satellite Internet e.g Starlink
- Line of Sight/ Point to Point
- FTTP connections where Gigabit Vouchers are not applicable

It is estimated that a total of £500,000 could be used as a pilot that would allow connections for 625 properties and there would be two bands of support:

- Maximum of £800 grant towards solutions where 30Mpbs or above are achievable
- Propose that £400 be made available for those where 15Mbps is achievable and where a "step up" in connectivity speeds 2x greater than that currently available whilst maintaining a minimum of 10Mbps

11.   Other Potential & Exploratory Initiatives

There are several other potential activities and or projects that the partnership will discuss, explore and consider activities or project designed to support desired initiatives, the following provides an overview of some of these, although in the fast changing digital landscape new opportunities, issues to address and development ideas will be added.

It may be proposed that some of the activities will be requested to fund through Gainshare, whereas others the delivery team will actively seek new funding to carry out the activity.

Smart towns/cities

Recently across the UK there have been numerous "smart city" projects delivered, with Local Authorities looking to improve services and create new opportunities by taking on smart technologies.

A smart town uses information and communication technology (ICT) to improve operational efficiency, share information with the public and provide a better quality of government service and citizen welfare.

The main goal of a smart city is to optimise city functions and promote economic growth while also improving the quality of life for residents by using smart technologies and data analysis. The value lies in how this technology is used rather than simply how much technology is available.

A city's smartness is determined using a set of characteristics, including:

- An infrastructure based around technology
- Environmental initiatives
- Effective and highly functional public transportation
- Confident and progressive city plans
- People able to live and work within the city, using its resources

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Aside from the technology used by a smart city, there is also the need for data analysts to assess the information provided by the smart city systems so that any problems can be addressed, and improvements made.

The CCP will co-ordinate and facilitate collaborative work which aims to improve regeneration outcomes. Specifically, the work carried out by the CCP will lead on the development of a regional Smart Towns Strategy to support and inform the identification, capture management and analysis of data that will improve the planning and monitoring of physical regeneration activities and new ways of working both within and between the 4 Local Authorities that make up the CCP. With support from the LEP, CCP will aim to create a Smart Towns Strategy within a 6-month period, detailing and creating a menu of technologies available to each LA whereby, working with Council Departments, each LA will be able to choose which technologies they wish to implement within their chosen Towns/Cities.

The CCP have enough staff available to work towards a Regional Smart Town Strategy, however a post may be considered once the strategy has been created to enable an officer (Grade 9) to work solely on Smart Town Projects across the Cheshire Region. This could be funded through Gainshare or through UKSPF. UK Gov continuously make money available for such posts to increase Smart Town outputs across the UK.

The key objectives/activities needed are:

- Initiate, develop and deliver programmes/projects necessary to deliver a Regional Smart Towns Strategy and achieve the service goals, including securing appropriate resources.
- Working with Regeneration teams to monitor and evaluate funding opportunities, develop bids for relevant competitive funding calls and secure external funding to further the development and delivery of the Regional Smart Towns Strategy.
- Give specialist professional and technical advice on smart city technologies, data and social innovation and other related areas to Councillors, Council Management and officers, Team Manager and colleagues, customers, partners and members of the public.
- To be responsible for the establishment and maintenance of cross-departmental project management/ steering groups and delivery groups to oversee the implementation of funded activity in line with the need, expectations of both internal and external partners and stakeholders. This will include ensuring that funder requirements are carried through any public communications.

Next step

The immediate action for the delivery team on this specific initiative is to develop a strategy and approach which can be agreed, before seeking an active project.

Giga-hub trials

A potential activity that would build on previous work will be to support DCMS to enable more public sites to be connected with gigabit capable networks. Already there have been 18

primary schools connected via the DCMS scheme in the region. Potential activity would focus on supporting DCMS and promoting sites for inclusion in the 'GigaHubs' project to get more public sites connected.

Next step

The immediate action for the delivery team will be to develop a business case for this project based on the trial opportunity progressing in conversation, later to be presented to the partnership and Growth Directors.

4G/5G Mobile access and development

4G Mobile wireless connectivity is now an established technology, however coverage nationally is far from universal and can become 'patchy' in particularly rural locations. While a rural centric issue there are also issue in some urban areas, while the extent of these are not known there is some evidence, such as a 2019 Which survey that identified Macclesfield as one of the worst locations in the UK for both poor 4G and fixed line connectivity, that the issue is widespread.

Initiatives such as the Farrpoint Mapping project will be able to provide a better picture and indication of the extent of the problem. Once problem areas are known and understood the partnership will look to do what it can to extend 4G coverage, which may involve supporting and communicating with network providers. We are expecting the results of the FarrPoint data exercise in Jan/Feb 2023.

5G is still an emerging technology in the UK. DCMS have in the last few years run several "Testbeds and Trials" as part of its programme. The objective to harness areas where the UK has a competitive advantage such as in scientific research, engineering talent and the rich variety of technology businesses. Typical projects have sought to:

- Accelerate the deployment of 5G networks and ensure the UK can take early advantage of the applications those networks can enable.
- Maximise the productivity and efficiency benefits to the UK from 5G.
- Create new opportunities for UK businesses and encourage inward investment.

While such testbed trials may continue there has also been the move to initial deployment of the technology more widely. It is known that there are pockets of 5G coverage in the region that seems to be centred on urban areas. As a region with a high proportion of rural areas the future rollout may be challenging across Cheshire.

Connecting Cheshire would work to assist and encourage commercial coverage of 5G as a matter of course but will look to identify opportunities for further support and potential 5G projects that could be developed, particularly if these can access national funding sources.

The delivery team will also openly explore opportunities to improve mobile access to rural parts of the region. Through the engagement of commercial providers, the partnership has an opportunity to put several cases forward for additional commercial mobile build whilst proactively exploring funding opportunities or 5G network trails.

Demand Stimulation

While enabling connectivity is a key driver of activity there is also the important component of ensuring widespread uptake of this new connectivity. This has two major beneficial outcomes, firstly for the individual residence or business it enables opportunities for access or growth, secondly that high levels of uptake in an area act as an incentive for further investment by operators who see high conversion to customer rates.

The Connecting Cheshire marketing and comms function can make a significant contribution to "Demand Stimulation", making both residents and local businesses not just aware of upcoming connectivity improvements, but also communicate the benefits of taking up these connections via tailored communication strategies. It can also contribute to building 'critical mass' voucher schemes – that is, ensuring enough resident wish to participate in a scheme to make it commercially viable for a supplier.

Within the proposal for the investment plan, it will include a budget for this activity from 2023-2026.

Sharing success

As part of the interventions which take place from the Connecting Cheshire Partnership a series of case studies and success stories will be captured. In addition of capturing positive stories, we want to encourage residents or businesses to act as 'Digital Champions' for their community.

This process enables the delivery team to engage with influencers and ambassadors of the project in individual communities to help problem solve, signpost and share a piece of communication to a wider audience. Whilst recognising the important role they play in supporting the delivery of our schemes.

The case studies and digital champions will derive from the following interventions:

- Voucher scheme community leads
- Local volunteers assisting with digital inclusion
- Business support programme
- Connected residents via Airband contract
- Parish/ Town council broadband lead

12.   Further Opportunities & Recommendations – to be explored further

Alongside both committed and exploratory initiatives there are other digital issue areas that the partnership is aware of, but have not received specific attention or interventions from the partnership (although individual partners may have some support in place for their local areas).

Specific issues have been raised and would require the Connecting Cheshire Partnership to investigate further prior to identifying any potential intervention:

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Digital Inclusion & NHS Support

Digital Inclusion is about ensuring that people and organisations have the right access, ability, and motivation to trust and use the internet and other digital services in order to take full advantage of the benefits that being online can bring. Digital Exclusion is the converse of Digital Inclusion and is the term given to those that cannot, or are not, accessing digital services that is having a detrimental impact.

The Connecting Cheshire Partnership recognises that Digital Inclusion impacts both residents and businesses and organisations and will work towards ensuring there are equal opportunities in accessing the benefits of digital technology. This will help to support and develop digital skills and opportunities for residents and businesses providing a positive impact for the Local Economy. The Good things foundation have calculated that there is a £9.48 return on every £1 invested in Digital Inclusion activities.

Through the Digital Investment Plan the Connecting Cheshire Partnership will look to support the Digital Inclusion Agenda through:

- Improving Connectivity in Rural areas through the continued delivery of committed funded projects including Digital Cheshire, Project Gigabit and Alt Tech Grants. For businesses and residents accessing high speed broadband is essential in improving productivity, digital skills and increasing growth and opportunities for all.

- Utilise the intelligence from the FarrPoint procurement exercise to measure and assess the impacted areas of lack of mobile coverage (4G/5G) across the region. This will look to improve mobile access and WIFI in rural areas allowing residents and businesses to access connections. NFU survey results from 2021 highlight that 38% have the broadband speeds needed, 30% have access speeds of less than 2mbps and 24% have super-fast broadband speeds but reported prohibitive costs. [i]

- Delivering a Business Support Programme to businesses aimed at increasing the usage, uptake and realising the significant economic benefits that new Digital processes and opportunities can create. This will look to build on the success of the previous 5 years which has engaged circa 400 businesses. There is a need to offer support and Digital skills initiatives to farmers and rural business owners as many do not have the knowledge to make best use of increasing speeds and new technologies, the skills gaps leave huge areas of opportunity for productivity increases as highlighted by the NFU.

- Collaborating with Stakeholders and sub regional Digital Inclusion groups/initiatives and communicating relating to Digital Inclusion. Utilising the legacy branding of the Connecting Cheshire Partnership to widen reach and audience assisting with take up inclusion programmes across LEP area.

- Develop an ecosystem framework of support in the region and agree a common framework to measure the impact that Digital Support has on residents, communities, and organisations.

The Connecting Cheshire Partnership will strengthen its working relationships with NHS and care requirements by implementing and supporting solutions which focus on the

furtherance of digital infrastructure including the take-up of services. A proportion of budget can be allocated to delivering a meaningful intervention, for example facilitation of online classes to enable more people to use NHS online services.

A pilot project will be initially developed to support with the intervention of transitioning vulnerable residents to utilising online NHS services and driving take-up. (To be defined)

By closer integrating the working relationships from digital to health/care much more can be achieved. The initial activity will be to develop an understanding of each local authority's community offering in relation to digital inclusion and up-skilling residents to feel confident in using NHS and GP applications online. Often a lot of activity is taking place with very little signposting and a central point to host the information to ensure residents who require this support can find the right information. The current Digital Cheshire website could potentially be used as an information central source.

Next steps

The delivery team have started engaging which each authority to understand what the current Digital Inclusion landscape looks like. This exercise will identify where the gaps are, in addition to seeking a way of signposting residents to pre-existing schemes local to them. In the meantime CCP will engage with NHS contacts to explore intervention areas.

Farming & Agriculture

Cheshire is a predominantly rural area with a relatively high number of farming and agricultural businesses, the physical location of these businesses often makes them particularly susceptible to connectivity issues.

Levels of access to broadband and mobile have failed to grow meaningfully in the past few years with 4G access being the same as last year at 82%, and 49% of respondents having download speeds of less than 10 Mbps

When looking at estimated download speeds the numbers are largely the same as the previous year for those getting 2 Mbps or below at 30% of respondents. The number of NFU members getting superfast broadband of 24 Mbps has increased year on year by only 4%, largely in line with the increase of take-up of superfast broadband reported by members.

While speeds are increasing slowly, the overall picture is far below national averages, 96% of the UK has superfast broadband coverage, yet only 24% of NFU members report using superfast speeds.

There are solutions that are rural-proofed including mobile broadband or fixed wireless broadband which can offer decent broadband speeds and are not as cost intensive to install as fibre. This will also help the government achieve the goal of 100% gigabit capable coverage by 2030 without rural areas being the last to be upgraded.

With many farmers and business owners not having the knowledge to make best use of increasing speeds and new technologies, the skills gaps leave huge areas of opportunity for productivity increases.

Policy Shaping

Connecting Cheshire Partnership could help to develop and support Local Authority policies that enable delivery of positive digital outcomes. Policies can be digital specific and/or linked to other areas which have direct or indirect impact on digital infrastructure deployment or addressing digital needs.

This activity could typically involve the support of policies in planning, such as ensuring fibre is deployed by building developers; highways policy for duct sharing or dig once approach; also, asset colocation policy so to enable easier deployment of digital infrastructure.

13.   Proposal

Proposed financial breakdown to continue delivery

Cheshire East Council as the managing authority for the Connecting Cheshire Partnership have active projects running until March 2025 (and project closure commitment running beyond this date), additionally there are a number of project and activities that will be required in order to both meet obligations attached to Digital funds and the need to meet Authority targets and stated goals. Given this there is a need for continuation in delivery, planning and other activity relating to staffing capacity and retain experienced staff who are current on fixed term contracts until September 2023.

There are a number of existing approvals in place for many elements of the plan, however many of these are increasingly historic - and there are a number of new areas for which approval is less clear. With the significant value of the Digital investment fund and the need to refresh existing approvals, in addition the potential impact of these proposed activities and targets on the local areas, this is a significant decision that requires formalised approval.

The financial breakdown is the proposed cost and budget summary utilising the existing Gainshare funding available to the Connecting Cheshire Partnership, on this we seek a decision of acceptance to continue delivery. Note that in many instances these costs can be capitalised, and all costs relate to the Digital investment fund which requires re-investment in Digital activities or risks return to central government bodies. As such these costs, in particular staffing, should be considered separately to any wider issues or revenue concerns as funding is separate, ring fenced and would not impact on broader revenue control concerns.

	Local Bodies	ERDF	BDUK	Total
Total Funding Available by Source	£ 9,844,000	£ 2,154,597	£ 2,000,000	£ 13,998,597
Funding Allocated to Existing Interventions	£ 6,224,597	£ 2,154,597	£ 2,000,000	£ 10,379,194
Unallocated Funding	£ 3,619,403	£ -	£ -	£ 3,619,403
Confirmation Sought				
Programme Management & Delivery of the Allocated projects (Q4 25/26	£ 1,292,649	£ -	£ -	£ 1,292,649
Business Support Internal Management & Delivery (Q4 25/26)	£ 366,504	£ -	£ -	£ 366,504
Programme Overhead & Contingency (% of staff costs up to Q4 25/26)	£ 248,872	£ -	£ -	£ 248,872
Staffing Costs	£ 1,908,025	£ -	£ -	£ 1,908,025
Business Support External Delivery (Q4 25/26)	£ 300,000	£ -	£ -	£ 300,000
Demand Stimulation/Marketing (Q4 25/26)	£ 120,000	£ -	£ -	£ 120,000
Alt Tech Grant Scheme (Q4 25/26)	£ 500,000	£ -	£ -	£ 500,000
	£ 920,000	£ -	£ -	£ 920,000
Reserved for Future Requirements	£ 791,378	£ -	£ -	£ 791,378

Assumptions

Local Body gainshare composed of £7.944m (Contract 1) and £1.8m (Contract 2)

Reduction in expected C2 gainshare a prudent step to reflect current position on C2 closure and overall Openreach spend on contract

Both ERDF and BDUK funding is presented as a "use it or lose it" opportunity - if not used within the existing contract by deadline it will be lost

Digital Cheshire costs represent hypothetical maximum based on latest contractual position - if ERDF funding not fully utilised then could free up some local body allocation

Voucher Top up scheme is "up to" £4m - not all may be consumed

Programme management staffing required from Q2 23/24 to end of current delivery contracts - there will be a requirement for some staffing beyond this but have included flexibility

Assumed to be a future Business Support component to run in parallel with other schemes

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Staffing costs for Business Support assumed to run until 2025/26
Overhead on staffing costs of 15% to cover indirect costs of employment and enabler/support costs
Amount of £120K set aside to support demand stimulation (to affect take up)
Amount of £500K set aside to support creation of alt tech grants if they align with wider strategy
Requirement for staffing beyond 2026 to monitor and close down (at the appropriate time) the Digital Cheshire infrastructure contract (2030) and support Project Gigabit across Cheshire

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Glossary of Terms

4G / 5G	*4th Generation & 5th Generation mobile data connectivity technologies*
BDUK	*Building Digital UK, part of DCMS and responsible for national connectivity targets and public sector delivery oversight*
CEC	*Cheshire East Borough Council*
Cheshire & Warrington LEP	*LEP covering majority of the partnership area (exc. Halton)*
Connecting Cheshire	*Name of the Local Authority partnership*
Connectivity	*Physical connection(s) enabling internet access*
Contract 1 & 2	*Contracts 1 & 2 refer to the initial Connecting Cheshire Superfast deployment projects with Openreach*
CWAC	*Cheshire West & Chester Borough Council*
DCMS	*Department of Culture, Media & Sport*
Digital	*Broad term to describe digital usage and all digital based services*
Digital Exclusion	*Term applied to any individual, group or organisation that has difficulty in accessing or utilising digital based services*
Digital Inclusion	*Ensuring that any individual, group or organisations can access or use digital based services*
DLUHC	*Department for Levelling Up, Housing & Communities (formerly MHCLG)*
ERDF	*European Regional Development Fund (EU)*
Fibre	*Fibre optic based hi speed connection*
Gigabit	*Hi speed connections, any technology delivering speeds of 1000Mbs or higher*
Gainshare	*A contractual mechanism whereby public funding is returned if customer take up (usage) of supported deployment is above a set limit*
Halton (Council)	*Halton Borough Council*
LEP	*Local Enterprise Partnership*
MBs	*Megabytes per second, metric used to measure connectivity speeds*
Partners	*Usually referring to the Local Authority members of the Connecting Cheshire Partnership*
Sub-superfast	*Any connection speed that falls below the Superfast metric of 30MBs, this term is generally used to identify premises with the lowest speeds*
Superfast	*A connection achieving 30MBs or higher, generally superseded metric nationally but still used to class lower speeds*
Warrington (Council)	*Warrington Borough Council*
Wireless	*Any connectivity technology utilising signal-based transmission (requiring no direct cable connection)*

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Cheshire East
Council

Working for a brighter future together

Economy & Growth Committee

Date of Meeting: 14th March 2023

Report Title: Crewe Technical & Digital Innovation Centre (TADIC)

Report of: Charles Jarvis, Head of Economic Development

Report Reference No: EG/34/22-23

Ward(s) Affected: Crewe Central

1. Purpose of Report

1.1.   The report outlines the progress made to date on the proposal for a Technical & Digital Innovation Centre (TADIC) in Crewe Town Centre and proposes that the Committee agrees the appropriation of the Municipal Offices extension to deliver the project and delegates authority to the Executive Director Place.

2. Executive Summary

2.1.   The Technology & Digital Innovation Campus (TADIC) is part of the Future High Streets Fund (FHSF) programme to revitalise Crewe funded in full by the Department for Levelling Up, Housing and Communities (DLUHC). It aims to provide a flexible workspace and co-working offer in Crewe focussed on supporting start-up and growing companies especially in the fast growing digital and creative sectors, and improvements to the heritage assets at Christ Church, a Closed Church which is no longer operational.

2.2   The project has undergone feasibility work and although the original concept considered the potential of using both the Chancel at Christ Church and the Municipal Buildings Extension for the project, detailed viability assessments have determined that the only financially and operationally viable approach is to use the Municipal Buildings Extension only. However, the project could still deliver heritage improvements to Christ Church alongside repurposing of the Municipal Offices Extension to a TADIC model.

2.3 The work to improve Christ Church is progressing, to be delivered by April 2024.

2.4 Financial modelling of the benefit of repurposing the Municipal Buildings Extension into a shared workspace has demonstrated that this would provide a better return to the Council than either disposal for a capital receipt or letting an unimproved building directly and provide more flexibility in future use.

2.5 The Council's return from TADIC is expected to be higher over 10 years compared to a counterfactual sale from reduced operational costs, rental income, and profit share once the centre becomes profitable. This is also more than renting the space ourselves, once assumed refurbishment costs have been included.

2.6 These benefits would be delivered from year 3 of the project, and allow for a rent-free period whilst occupancy increases, compared to a capital receipt which could happen more quickly.

2.7 In order to deliver to the Future High Streets deadline of March 2024, it is proposed that refurbishment work to the Municipal Offices starts as soon as possible, to the standard required to deliver a new commercial shared workspace and discharge the outputs of the funding.

2.8 This proposal will require careful coordination to ensure that the refurbishment can happen by the Future High Streets Fund grant expenditure deadline of March 2024, bearing in mind the relocation of services, the time to refurbish, and the practicalities of splitting the municipal buildings. The securing of an operator will be undertaken at an early stage to inform the refurbishment and ensure the benefits can be realised.

2.9 The proposal is subject to any approvals required with the Department for Levelling Up, Housing and Communities ('DLUHC Agreement') given that they are the sole funder of the project, and it is based upon the achievement of the agreed outputs.

3. Recommendations

That the Committee:

3.1. Subject to DLUHC Agreement, approve the appropriation of the Municipal Buildings extension for the delivery of the TADIC project, by appropriation we mean the lease or procurement of the building to a third party operator, cease occupation of the building by the Council, and carry out a refurbishment of the building to meet FHSF outputs.

3.2. Delegate authority to the Executive Director Place in consultation with the Chair of Economic & Growth Committee, Section 151 Officer, and Director of Governance and Compliance, to secure the DLUHC Agreement and,

subject to DLUHC Agreement, take all necessary actions to deliver the TADIC project, including and without limitation:

- Commencing staff engagement and consultation as necessary on the proposals, and relocation of the affected staff;
- Submission of necessary applications for planning, building regulations, etc and implement consent as appropriate;
- Procurement, contract award and/or execution of all necessary leases, agreements and documentation for both the refurbishment or modifications required at the Municipal Offices and other Council assets affected as consequence of relocated functions, and for the operational delivery of the project, including negotiation commercial terms with the operator/tenant including Council contributions to the fit-out of the premises; and
- To amend or stop the project in the event that any issues or risks emerge that would fundamentally affect the deliverability of the project, or impact on the Council's financial position.

3.3. Members to note that the historic Municipal Buildings fronting Earle Street is not part of this proposal and will be retained for civic use, including the Registrar function.

3.4. Members to also note that the Christ Church Chancel building will not be used for the project, but that heritage improvements to Christ Church are planned to be delivered as part of this project.

4. Reasons for Recommendations

4.1. The proposal supports the regeneration of Crewe and aligns to the Corporate Plan's Aim of 'Creating a thriving and sustainable place' and the associated key priorities of creating:
- A great place for people to live, work and visit; and
- Thriving urban and rural economies with opportunities for all.

4.2. In order to discharge the timescale of the Future High Streets Funding the Municipal Buildings element will need to be progressed as a matter of urgency due to the funding expenditure deadline of 31st March 2024.

4.3. The delivery of the proposal provides better medium-term value for money for the Council's assets compared to operating a flexible workspace ourselves or disposal.

5. Other Options Considered

5.1. The Municipal Offices extension could be sold. This would deliver facilities management savings and a capital receipt. Utilising the same facilities savings identified in the Estates and IT Review, TADIC contracted on a Full Repairing and Insuring (FRI) basis would deliver additionality through rent and profit share. The model however relies upon a rent free period to enable

occupancy to increase so that the operator is financially sustainable. The sale of the Municipal Offices extension could therefore deliver non-facilities management savings more quickly, but over the medium term the project provides better value for money.

5.2. Contracting the Municipal Offices extension through TADIC also provides for greater flexibility for the Council in the long-term if the space is later required for civic use.

5.3. An option for the Council to rent the Municipal Offices Extension itself has also been modelled. If the Council ran a similar serviced office solution at the site, we could gain a higher rental value. However, this would result in increased facilities management costs through requiring dedicated management staff. On the basis that we would need to also invest to improve the space to make it desirable, then this would still provide a benefit over 10 years compared to a sale. However, this would not be as beneficial as a TADIC model and would increase the risk to the Council.

5.4. A further option for a non-serviced rental option would result in immediate facilities management savings, if an occupier at 80% is found. However, the lower rental value of this option, and the refurbishment costs needed, means that it would only a similar benefit to a serviced offer over 10 years.

5.5. An option also exists to refurbish the Municipal Offices extension and then sell. This could not use FHSF funding so would require additional borrowing and time to deliver. Given that this is unlikely to increase the value of the building substantially above the borrowing needed, this option has been discarded.

5.6. From a TADIC project delivery perspective, not appropriating the Municipal Offices extension to the TADIC project will likely result in a significant proportion of the project funding being returned. It should be noted that the options analysis for the project has concluded that only the Municipal Offices is the only Council asset that can deliver the economic benefits of a co-working innovation centre within Crewe Town Centre.

6. Background

6.1. The Council has secured full funding for the Technology & Digital Innovation Campus (TADIC) project from central government. It is one of the ten Crewe town centre regeneration projects that are being progressed following the council's successful £14.1m bid for funding from the Government's Future High Streets Fund through the Department for Levelling Up, Housing & Communities (DLUHC), approved in the Medium Term Financial Strategy.

6.2. The project aims to provide a new flexible workspace offer in Crewe, enabling tailored business support for new/early-stage businesses that will bring new types of growing businesses into in an area that is being regenerated with investment in high quality public realm and new cultural

and entertainment assets. This will create good quality employment in the town centre, increasing footfall and expenditure for other retail and hospitality businesses. It will be operated by a specialist workspace operator to manage the space and services provided to create a highly visible focal point for innovative SME growth (and support provision) in the town centre.

6.3. A demand assessment has been completed which suggests that there is a lack of provision of this type of office space in Crewe and evidence of demand locally. The market assessment suggests that this type of space (when brought forward) has been filled quickly, especially when it offers an attractive proposition to local businesses.

6.4. In addition to provision of co-working space, the project was designed to improve the heritage assets within the civic quarter of Crewe town centre, through renovating Christ Church.

6.5. The initial concept was to refurbish both the Municipal Buildings extension and Christ Church's Chancel to provide the space required for the TADIC project. However, through initial feasibility and market testing it became apparent that both were unaffordable and that the space required for a sustainable project is only available in the Municipal Buildings.

6.6. The project has therefore focussed on delivering;
- The heritage outputs through targeted support to Christ Church to restore and renovate the site, enabling potential for future uses.
- Re-purposing the Municipal Buildings extension into the TADIC co-working and innovation space.

6.7. The work to improve Christ Church is progressing at pace, with surveys undertaken and a scope of works to be agreed with partners.

6.8. The proposal would achieve most of the outputs required to discharge the funding agreement with DLUHC, so the changes would be subject to 'DLUHC Agreement'. It would achieve:
- 1,877m2 of Office Space Renovated (originally 1,848m2)
- 1 Heritage Building renovated/restored (achieved through Christ Church repairs as originally proposed)

However, it would not achieve the following
- 1 Derelict building refurbished (originally the Chancel, although there will be some improvement to the Tower and Baptistry)
- 195m2 of new office space (originally the Chancel)

6.9. There are a number of practicalities which will need to carefully managed through the project delivery to March 2024. The services currently located

at the Municipal Offices Extension will require relocating to another suitable Council asset, including the post-room and IT. The utilities will also need to be split, and disabled access assured for the Municipal Buildings. This will be done in careful coordination with the facilities management team and IT, and budgeted from the TADIC funding.

6.10. The proposal relies upon securing an operator and their financial sustainability. The previous Prior Information Notice has assured us that there would be market interest, with a two-year rent-free period to overcome initial cashflow challenges as occupancy increases. However, the market may have changed, so the procurement of, or competitive lease to, an operator is a priority to ensure that the benefits can be realised and to inform the refurbishment process.

7. Financial Position

7.1. The overall investment into TADIC will be a maximum of £3.1m from the Future High Streets Fund. This will include investment to refurbish the Municipal Buildings Extension, full fit-out of the TADIC Centre, and repairs to Christ Church. This includes contingency for cost inflation and it likely to be reduced to reflect the reduction in outputs to ensure that the original value-for-money assessment (BCR) remains the same.

7.2. The delivery of TADIC at the Municipal Office extension would provide a financial benefit to the authority. An estimated cashflow forecast has been developed, with key points being;
- Saving from year one on facilities management of the building.
- Deriving an additional income in rent.
- An increasing profit share anticipated from year 4.

7.3. These benefits do not factor in the wider economic benefits of the TADIC project to the town centre and in business creation and expansion. This forecast is based upon realistic projections on cost, charges and uptake of the space. It also factors in a reasonable assumption on access to other grant funds to run events and business support within the centre, which will help financial sustainability.

7.4. The timescale for delivery would require an operator to be secured and exit strategy for the building finalised by mid-2023, if an operator is not secured at the anticipated benefit or funding timescales cannot be met, then the project will cease.

8. Consultation and Engagement

8.1. The project has consulted all relevant stakeholders through the development of the project. In addition, staff will be consulted as part of the development of the exit strategy.

9. Implications

9.1. Legal

9.1.1. Contracts & Procurement Implications. As set out in the body of the report, the grant funder, DLUHC, will need to approve the proposed changes to the TADIC project (and its outputs) in order for the project to progress and authority to be delegated to the Executive Director Place to take all necessary actions to deliver the TADIC project (as set out in the Recommendations). The project and delegated authority to the Executive Director Place to deliver it are therefore both conditional on DLUHC's agreement which may not be forthcoming or differ from the proposals set out in this report. If the proposed changes are agreed by DLUHC, the main funding risk will be the funding being withheld, suspended, repaid or recovered in the event of non-compliance or a failure to achieve the specific outputs. It is therefore recommended that monitoring of compliance is undertaken to minimise this risk and that adequate management and reporting mechanisms are put in place and adhered to. Any procurement required as part of the proposed TADIC project will need to be compliant with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. Ongoing support from Procurement and Legal will be therefore be required throughout the project's commissioning phase.

9.1.2. Employment implications. A review of the contract and any work base terms for affected staff will be required to assess consultation requirements regarding any proposed change in work base. It is assumed for these purposes that any potential relocation of work base would be within the Crewe area and within a short distance of the existing office base. Subject to contract terms, it is usual for employers to have some flexibility to move staff between office bases within the same area. Such flexibility would need to be exercised reasonably and take into consideration any personal circumstances. The Council's relocation procedure may also apply to any change in work base and requires a minimum consultation period of between 4 and 8 weeks with staff and unions to allow individual concerns to be raised.

9.1.3. Property Implications. The Council always has a fiduciary duty to the taxpayers and must fulfil this duty in a way that is accountable to the local people. In accordance with section 123 of the Local Government Act 1972 the Council is under an obligation to obtain the best consideration reasonably obtainable upon the disposal of its Property. There will be requirement to review the terms of the lease when it is prepared to ensure

that any issues regarding best value, procurement and / or subsidy control are resolved. Currently it is unknown if the property is subject to any restrictive covenants, rights, wayleaves, or easements that may prevent the proposed use. This will need to be investigated. Work is currently underway to investigate if the property is subject to any restrictive covenants, rights, wayleaves, or easements that may prevent the proposed use, and this will inform our approach. The building currently houses IT equipment required by the Council, this will need to be removed or appropriate reservations made for it to remain in the documentation.

9.2. Finance

9.2.1. TADIC is a key component of the successful Future High Streets Fund bid for Crewe. The funding and outputs need to be delivered by March 2024. Failure to deliver TADIC will lead to funds being returned to government.

9.2.2. The budget for the works to deliver TADIC are currently within the approved Capital Programme in the MTFS. Prior approval would be required from DLUHC in the form of a Project Change Request.

9.2.3. The Business Case for TADIC was based upon the findings of a Prior Information Notice (PIN) and whilst they were deemed reasonable at the time market conditions and the flexible use of office space may have changed somewhat. Therefore, Finance would not be able to comment on the likely benefits that may accrue to the Authority until an operator has been secured and contracted to meet facility costs and pay a rental for the building.

9.3. Policy

9.3.1. The project is consistent with the Corporate Plan in delivering our economic development objectives.

9.4. Equality

9.4.1. The project has not carried out an assessment to date, due to the equality impact revolving around the relocation of staff from the Municipal Offices. The exact nature of the relocation is not currently known and there the EIA will be done as part of the exit strategy for the building.

9.5. Human Resources

9.5.1. Following an approval of the recommendations, there will need to be a formal period of consultation with the identified affected staff group in relation to the proposals to change their work location from the Municipal buildings to another location. This will need to be undertaken with CEC's recognised trade unions, the staff groups in terms of the rationale and overview of the proposals as well as individual consultation (undertaken at service/team level) in respect of the impact on individuals of the change of proposed work base.

9.5.2. The Council's relocation procedure may also apply to any change in work base and requires a minimum consultation period of between 4 and 8 weeks with staff and unions to allow individual concerns to be raised. The length of this consultation may need to be extended if its timing and potential phasing coincided with the wider Estates and ICT review.

9.5.3. The detail of the consultation plan will be developed setting out the key stages of the consultation. It will be important to provide a clarity of in terms of the proposed location of staff, numbers and capacity to inform any framework / level of detail around expectations for the use of office space for the consultation process.

9.5.4. The relocation and excess mileage policy will enable staff to be supported with excess travel allowances where their base is changed because of organisational change and where the distance between their new base is greater than the distance between home and their old base. This is for a maximum of two years.

9.6. Risk Management

9.6.1. The project utilises the Council's approach to risk management and risk logs are maintained in line with best practice from the Programme Management Office. The project will be overseen by a specific working group and the Future High Streets Programme Board.

9.7. Rural Communities

9.7.1. The project will not make a significant direct impact on rural communities.

9.8. Children and Young People/Cared for Children

9.8.1. The project will not make a significant direct impact on future generations.

9.9. Public Health

9.9.1. The Council's public health team have been consulted and the project could have a positive benefit on public health through increasing access to employment opportunities in Crewe (including the most deprived wards in Cheshire East) and through the promotion of active travel by occupants. Efforts should be made to maximise health gains through access to healthy food and drink options and by attracting businesses that do not have a negative impact on population health. The project should seek to minimise any health and carbon impacts in the relocation of staff.

9.10. Climate Change

9.10.1. The project will not make a significant direct impact on wider climate change. Any changes in the direct carbon emissions of the Council through reduced energy use in buildings are to be factored into the wider Estates Review and not double counted here.

Access to Information	
Contact Officer:	Dan Griffiths, Programme Manager dan.griffiths@cheshireeast.gov.uk 07971 603093
Appendices:	None
Background Papers:	Technical information is available on demand.

Cheshire East Council

Working for a brighter future together

Economy and Growth Committee

Date of Meeting:	14 March 2023
Report Title:	Public Sector Decarbonisation Scheme – 3B
Report of:	Peter Skates – Director of Growth and Enterprise
Report Reference No:	EG/35/22-23
Ward(s) Affected:	All

1. Purpose of Report

1.1. To inform the Committee of the acceptance, under urgency powers, of a Public Sector Decarbonisation Fund Grant of up to £7.8m, in three lots, and to secure a resolution of the Committee in respect of undertaking associated works.

2. Executive Summary

2.1 At the full Council meeting on 22 May 2019, members approved a Notice of Motion relating to Climate Change, and committed to "work with all businesses, residents and organisations in Cheshire East to reduce their carbon footprint by reducing energy consumption and promoting healthy lifestyles". The Carbon Neutral Action Plan sets out actions to reduce carbon emissions from the Corporate Assets, including encouraging and enabling retrofit of a wider borough properties.

2.2 The Council's Corporate Plan 2021-25 sets out our vision for a more open, fairer, greener Cheshire East. The Plan sets our priorities under the three broad aims including "a thriving and sustainable place" which includes the aim to be a carbon neutral council by 2025, which this initiative will contribute towards.

2.3 Following the announcement of the Public Sector Decarbonisation Fund in August 2022, Cheshire East officers engaged with different services across the Cheshire East area to establish interest in a bid to improve the energy performance of their building stock.

2.4 Council officers, alongside the Council's appointed Service Provider, Equans, put forward proposals which were consolidated into three bids submitted to

BEIS by the Council on 11 October 2021. The bid had to contain a commitment by the Council to contribute co-funding of at least 12% of the total project cost. Therefore there is a requirement for the Council to contribute match funding, and as the accountable body we are expected to enter into a Grant Offer and administer the grant, reporting progress to BEIS on a monthly basis.

2.5 BEIS recently notified Cheshire East that we have been successful in our bid for £2,014,929 for the Lot 1 properties. This award will enable us to significantly decarbonise our properties and enable decarbonisation at schools and Tatton Park, to name a few.

2.6 The Council has been advised that Lot 3 (schools) has passed technical assessment and an offer letter should be sent to the Council in the coming weeks.

2.7 The final lot is still undertaking technical assessment; it is hoped that the results of this will be favourable

2.8 Match funding is required, which will be met from existing budgets with no additional funding required.

2.9 BEIS imposed a strict requirement upon the Council to formally accept the grant offer by 16th March. In order to do so, authority from Full Council would normally have been needed. Given that there was no scheduled meeting of Full Council in between the grant offer being made, and the BEIS deadline, there was no option other than to utilise urgency powers set out in the Council's Constitution, to secure the necessary authority. At the time of writing this report, the urgency process had not been concluded but, of necessity, the recommendations set out below assume that this urgent authority will have been given by the time of the Committee meeting. If, for any reason, such urgent authority is not given, the Committee will be fully briefed.

3. Recommendations

3.1. Committee is recommended:

3.2. To note the acceptance, under urgency powers, of the grants awarded up to £7,800,000 from BEIS for the purpose of decarbonising our own estate and enable the low carbon transition across selected schools, museum, leisure centres and Tatton Park

3.3. To note the approval, under urgency powers, of a fully funded Supplementary Capital Estimate up to the value of the grant offer(s).

3.4. To note that the match-funding required from the Council to finance the schemes will be identified from existing budgets, and that approvals for virement will be obtained, in that regard, in accordance with the Finance Procedure Rules in the Constitution

3.5. To authorise the Director of Growth and Enterprise and Section 151 Officer to enter into the Grant Offer Agreement on behalf of the Council and to take all necessary measures to administer, spend and distribute the grant.

3.6. To authorise the Director of Growth and Enterprise to approve the delivery of the programme of work, in line with the conditions of grant, and the identification of local match-funding resources, and to obtain further approvals as required by the Council's financial procedure and procurement rules.

4. Reasons for Recommendations

4.1. The Council's Constitution states that where services wish to undertake an activity not originally identified in the budget, approval must be sought for a supplementary estimate.

4.2. Expenditure of over £1,000,000 must be approved by full Council, or through urgency powers on behalf of Council, should this be required in exceptional circumstances.

5. Other Options Considered

5.1. Whilst, in theory, the Council could adopt a "do-nothing" approach, this would not deliver any decarbonisation works and would not be in line with the Council's climate emergency commitment.

6. Background

6.1. On 11 October 2022 the Department for Business, Energy and Industrial Strategy (BEIS) announced the Public Sector Decarbonisation Fund Round 3B, which presented an opportunity for Local Authorities to apply for funding to be used to improve the energy performance of public sector buildings.

6.2. On the same day Cheshire East Borough Council submitted three bids to seek decarbonisation grants for three separate lots.

6.3. Acceptance of the grants would normally require approval by Full Council in accordance with Financial Procedures Rules, Chapter 3, Part 3, paragraph 18. Under urgency powers, set out in the Constitution, the decisions associated with this matter, and which would normally be made by Council, are in the process of being sought from the Chief Executive. Under these powers, authority is proposed to be delegated to the Economy and Growth Committee to take all other steps required in respect of allocation of the grant monies (see attached draft urgency decision notice).

6.4. The Council has successfully secured previous rounds of the Public Sector Decarbonisation Scheme, in detail Round 1, 2 and currently being delivered Round 3A.

6.5. PSDS3b is based on the three key eligibility criteria:

6.6. **Low carbon heating.** The scheme must include installations with full gas displacement

6.7. **Worst first.** Boilers selected for a replacement must be more than 10 years old

6.8. **Client contribution.** A minimum match funding of 12% must be provided by the beneficiary in order to qualify for the grant.

6.9. The worse first principle for the scheme meant that the number of properties eligible for the grant allocation was limited to those with older boilers.

6.10. The grant will be spend during a multi-year programme with FY 2023/24 being a Planning Year. All capital works must be complete by 31st March 2025.

6.11. The three separate bids have been submitted on the 11th of October. The breakdown of the funding is as follows:

Lot 1- Grant available up to **£2,100,000** **(Awarded)**	Air Source Heat Pumps Cost £	Solar PV Cost (£)	Other measures (£)	Match required £
Crewe Crematorium	£2,238,910			£1,152,816
Lyceum Theatre	£362,666			£102,649
West Park Museum	£162,047			£86,851
Tatton Park (Orangery& Bothy)	£514,710			£61,765
LOT 1 TOTAL	**£3,278,333**	n/a	n/a	**£1,404,081**
Lot 2 – Grant allocation up to **£1,100,000** **(application made - to be determined)**	Air Source Heat Pumps Cost £	Solar PV Cost (£)	Other measures (£)	Match required £
Alsager Library	375,390		36,200	
Knutsford Leisure Centre	347,574		6,400	
Nantwich Library	274,794	43,697	163,935	
LOT 2 TOTAL	997,758	43,697	206,535	149,759
LOT 3 – Grant Allocation up to **£4,600,00**	Air Source Heat Pumps Cost £	Solar PV Cost (£)	Other measures (£)	Match required £

(application made – to be determined)				
7 Schools	**4,490,467**	**574,350**	**130,325**	**624,286**

7. Consultation and Engagement

N/A

8. Implications

8.1. Legal

8.1.1.   The grant funding is specific to applications made in each of the grants funding application phases, the Council should only use the monies for the purposes authorised by the grant offer.

8.1.2.   The decision making process for the approval should follow that set out in section of the Finance Procedure Rules set out in Chapter 3 Part 4 of the Constitution. In order to formally accept the grant the Council will be required to enter into a grant funding agreement, this will need to be reviewed by Legal Services once it has been received. .

8.1.3.   If any grant funding is to be provided to third parties, the Council will need to ensure that it is compliant with the UK's subsidy Control regime and if appropriate to the Public Contracts Regulations 2015.

8.1.4.   Approval of a Supplementary Estimate will require adherence to the provisions of the Budget Policy Framework Procedure Rules contained within the Constitution at Chapter 3 Part 3. In addition, where a grant is in excess of £1 million or if any match funding will be required then the Corporate Leadership Team must be consulted in advance and that grants may require spending within a restricted timescale and may therefore require the use of urgency powers to approve the spending in line with the conditions of the grant.

8.2. Finance

8.2.1.   The Supplementary Capital Estimate of £7.8m is fully funded by the external grant and once approved will become a named scheme within the Council's capital programme and will be monitored accordingly in line with the conditions of the grant.

8.2.2.   As indicated in paragraph 6.11 the total proposed cost of the programme is £9.9m, with Cheshire East Council and the respective schools contributing match funding of £2.1m.

8.2.3.   The specific budgets from which the matched funding is be transferred for each Lot has yet to be identified but the budgets will need to be vired from existing capital or revenue budget allocations. There is no additional

funding available from Cheshire East Resources to cover any shortfall in funding.

8.2.4. If for some reason not all of the match funding is available then the grant associated to that particular Lot should not be spent until such time as an agreement has been sought from the Department for Business, Energy and Industrial Strategy (BEIS) as to whether the Council can reduce their level of match funding or in the event that none of the match funding can be found return the grant.

8.2.5. The additional virements once agreed will be approved as per Constitution and the Finance Procedure rules to increase the total budget available to £9.9m.

8.3. Policy

8.3.1. The Corporate Plan 2021-25 includes the vision for an Open, Fair and Green Cheshire East. The corporate plan includes delivery of the actions in the carbon action plan, including reducing corporate emissions and providing support to a wider borough to reduce their carbon use.

8.4. Equality

8.4.1. No implications. Grant is only awarded to the public sector for energy efficiency improvements in their building stock.

8.5. Human Resources

8.5.1. There is no provision for the grant to contribute towards PM cost.

8.6. Risk Management

8.6.1. Grant must be spend on eligible schemes and within the deadline.

8.7. Rural Communities

8.7.1. No direct implications

8.8. Children and Young People/Cared for Children

8.8.1. Subject to Lot 3 – Schools bid being successful, the schemes would improve thermal comfort within the educational premises.

8.9. Public Health

8.9.1. Improving energy efficiency of public sector buildings has a direct impact on the physical and mental wellbeing of occupants by improving thermal comfort of their office space/leisure centre/schools.

8.10. Climate Change

8.10.1. The Council has committed to becoming carbon neutral by 2025 and to encourage all businesses, residents and organisations in Cheshire East to reduce their carbon footprint. The public sector low carbon

upgrades and energy efficiency retrofit works will directly contribute to tackling climate change.

Access to Information	
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Appendices:	n/a
Background Papers:	n/a

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Cheshire East
Council

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Economy and Growth Committee

Date of Meeting:	14 March 2023
Report Title:	2022/23 Financial Update
Report of:	Alex Thompson, Director of Finance and Customer Services (Section 151 Officer)
Report Reference No:	EG/09/22-23
Ward(s) Affected:	Not Applicable

1. Recommendations

That Economy and Growth Committee:

1.1. Notes the report of the Finance Sub-Committee (Agenda for Finance Sub-Committee on Wednesday, 8th March, 2023, 2.00 pm | Cheshire East Council), specifically the recommendations of that committee.

1.1.1. Finance Sub-Committee recommend Service Committees to:

1.1.1.1. note the financial update and forecast outturn relevant to their terms of reference.

1.1.1.2. note the delegated decisions relating to supplementary revenue estimates for specific grants coded directly to services in accordance with Financial Procedure Rules as detailed in **Appendix 4, Section 2, Table 2** and **Table 3**.

1.2. Notes Appendix 4 and the following sections specific to this Committee:

- Changes to Revenue budget 2022/23
- Corporate Grants Register
- Debt Management
- Capital Strategy
- Reserve Strategy

2. Reasons for Recommendations

2.1.   Committees are responsible for discharging the Council's functions within the Budget and Policy Framework provided by Council. The Budget will be aligned with Committee and Head of Service responsibilities as far as possible.

2.2.   Budget holders are expected to manage within the budgets provided by full Council. Committee and Sub-Committees are responsible for monitoring financial control and making decisions as required by these rules.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) alex.thompson@cheshireeast.gov.uk
Appendices:	**Finance Sub Committee 2022-23 Financial Update** which includes: **Covering Report** **Annex 1: Appendix 4** Economy and Growth Committee.
Background Papers:	Medium-Term Financial Strategy 2022-26 First Financial Review, Item No.14 Financial Review 2022/23, Item No. 5 Financial Review Update 2022/23, Item No. 52 Medium-Term Financial Strategy 2023-27

Cheshire East
Council

Working for a brighter future together

Finance Sub-Committee

Date of Meeting:	8 March 2022
Report Title:	2022/23 Financial Update
Report of:	Alex Thompson: Director of Finance and Customer Services
Report Reference No:	FSC/14/22-23
Ward(s) Affected:	Not applicable

1. Purpose of Report

1.1. The report provides Members with an update on financial management for the year 2022/23.

1.2. The in-year forecasts remain the same as reported to the Finance Sub-Committee on 19 January 2023 as part of the draft Medium-Term Financial Strategy 2023-27, which was subsequently presented to Corporate Policy Committee on 9 February, and Council on 22 February 2023.

1.3. This report includes requests for formal approvals of various matters, including fully funded supplementary budgets, as required in line with the Constitution.

1.4. Members are being asked to note the on-going serious financial challenges being experienced by the Council, due to global/ national economic circumstances which are raising prices and demand for services, and where local needs are becoming increasingly complex.

1.5. Mitigating activity continues, to minimise the impact on services and the outturn position.

1.6. Reporting the financial forecast outturn supports the Council's vision to be an open Council, as set out in the Corporate Plan 2021 to 2025 - in particular, the priorities for being an open and enabling organisation, and ensuring that there is transparency in all aspects of Council decision making.

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2. Executive Summary

2.1. The Council aims to operate a financial cycle of planning, monitoring and reporting. This update is part of the monitoring cycle providing the forecast outturn position and any impacts on planning for next year's budget. The issues raised in this report are also seriously impacting on the planning cycle of the Council.

2.2. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of Council decision making.

2.3. The Council set its 2022/23 annual budget in February 2022. The budget was balanced, as required, and included important planning assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2022 to 2026.

2.4. The provisional financial outturn for 2021/22 was reported in July 2022 and recognised emerging pressure within the final quarter of the year up to 31 March 2022. This was particularly linked to rising inflation and complexity of demand for care. It was also acknowledged specific risks remained unmitigated in respect of the Council's Private Finance Initiative and High Needs within the Dedicated Schools Grant.

2.5. National increasing inflation during 2022/23 is having a significant impact on the cost of Council services as well as on the cost of living for local residents.

2.6. The Council's Medium Term Financial Strategy recognises that the Council has relatively low levels of reserves as funding is instead utilised to manage ongoing service demand. This means mitigation of spending pressures must come from a combination of activities, such as:

2.6.1. Additional use of grants and balances: Covid-19 grants to be fully utilised alongside appropriate application of Public Health Grants; integrated use of grants with Health Partners; drawing down from MTFS Reserve, General Reserves and specific service and company reserves where practical. Flexible use of capital receipts has also been reviewed, allowing eligible one-off revenue transformation expenditure by services to be funded from the proceeds of asset sales, in accordance with regulations.

2.6.2. Further efficiencies and income generation: Services are limiting all non-essential spending requirements; efficiencies will be sought beyond the current MTFS; project spending will be delayed where this is cost effective; charging will be reviewed to ensure discretionary services are properly funded.

2.7. The report sets out details of the latest Financial Review of the Council's forecast financial performance for 2022/23:

Annex 1: 2022/23 Financial Update

- **Financial Stability:** Provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

- **Appendices:**

  Appendix 1 Adults and Health Committee.
  Appendix 2 Children and Families Committee.
  Appendix 3 Corporate Policy Committee.
  Appendix 4 Economy and Growth Committee.
  Appendix 5 Environment and Communities Committee.
  Appendix 6 Finance Sub-Committee.
  Appendix 7 Highways and Transport Committee.

3. Recommendations

Finance Sub-Committee is asked to:

3.1. Note the forecast adverse Net Revenue financial pressure of £7.7m against a revised budget of £328.3m, as previously reported to Finance Sub-Committee on 19 January 2023

3.2. Note the forecast Capital Spending of £125.2m against an approved MTFS budget £185.2m.

3.3. Note the contents of Annex 1 and each of the appendices.

3.4. Approve supplementary revenue estimates for specific grants coded directly to services up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6 Finance Sub-Committee, Section 3 Corporate Grants Register, Table 3**.

3.5. Approve the drawdown from MTFS reserve for transport detailed in **Appendix 6, Section 5**.

3.6. Note that Council will be asked to approve:

3.6.1. Fully funded supplementary revenue estimates for specific grants coded directly to services over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 1, Section 2 Corporate Grants Register, Table 2, Appendix 2, Section 2 Corporate Grants Register, Table 2** and **Appendix 3, Section 2 Corporate Grants Register, Table 2**.

3.7. Recommend to Service Committees to:

3.7.1. Note the financial update and forecast outturn relevant to their terms of reference.

3.7.2.   Note the delegated decisions relating to supplementary revenue estimates for specific grants coded directly to services in accordance with Financial Procedure Rules as detailed in **Section 2 of each Committee Appendix**.

4. Reasons for Recommendations

4.1.   The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy.

4.2.   The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the constitution any changes to the budgets agreed by Council in the MTFS require approval in-line with the financial limits within the Finance Procedure Rules.

4.3.   This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.

4.4.   In approving the Cheshire East Council Medium-Term Financial Strategy members of the Council had regard to the robustness of estimates and adequacy of reserves as reported by the s.151 Officer. The s.151 Officer's report highlighted the importance of each element of the MTFS and the requirement to achieve all the proposals within it. The recommendations of this report highlight the need for ongoing activity to manage the financial pressure being experienced by the Council.

4.5.   Financial plans are predicated on robust estimates and supported by adequate reserves. The issues raised in this report present significant challenges to this assessment due to ongoing uncertainty about costs, achievement of actions and use of reserves. It is therefore important for ongoing effort to be put into achievement of the Action Plans and associated financial targets.

5. Other Options Considered

5.1.   None. This report is important to ensure members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue. Activity is required to ensure the Council balances its expenditure and income without serious impact on essential Council services.

6. Background

6.1.   Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest Local Authority in the Northwest of England, responsible for

approximately 500 services, supporting over 398,000 local people. Gross annual spending is over £700m, with a revised net revenue budget for 2022/23 of £328.4m.

6.2. The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan.

6.3. The political structure of the Council is organised into six committees, with a single sub-committee, all with financial responsibilities acutely aligned to the management structure. Performance against the 2022/23 Budget within each Committee, and the sub-committee, is outlined in Table 1 below.

6.4. **Table 1 – Revenue Outturn Forecast split by the Six Service Committees and the Finance Sub-Committee**

2022/23 (GROSS Revenue Budget £474.2m)	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m	Change since Second Review £m
Service Committee				
Adults and Health	121.1	130.0	8.9	0.0
Children and Families	74.2	77.7	3.5	(0.5)
Corporate Policy	40.6	41.0	0.4	(0.0)
Economy and Growth	23.6	22.8	(0.8)	(1.0)
Environment and Communities	44.4	47.3	2.9	1.2
Highways and Transport	13.8	13.6	(0.2)	(0.7)
Sub-Committee				
Finance Sub	(317.7)	(324.7)	(7.0)	-
TOTAL	**-**	**7.7**	**7.7**	**(1.0)**

6.5. The Council set a balanced net revenue budget of £327.7m at its meeting in February 2022. Current forecasts against the revised budget of £328.3m, shows a potential net expenditure of £336.0m. This position is despite significant and challenging mitigation work by staff. All staff were issued with information on spending controls, with ongoing communication planned on this topic.

6.6. In December a forecast outturn of £8.7m net overspend was reported at the Corporate Policy Committee. The make-up of the changes in the forecast position to £7.7m is outlined in the following paragraphs:

6.6.1. Increased care commitments within Adults, Health and Integration are being offset by further income, for example, from direct payment reimbursements and external grants (no change).

6.6.2.   Children and Families Directorate (-£0.5m) - Additional costs of home to school transport from increasing SEND demand, fuel costs and contract costs offset by charging additional amounts to transformation costs to capital receipts and additional underspending in Strong Start from holding vacancies. This forecast assumes that £1.6m of resettlement funding can be applied to costs incurred in 2022/23 and that piece of work is ongoing. Pressure remains on the DSG high needs block as a result of the growth in the number of pupils with an education, health and care plan. The Council holds an unusable reserve to manage DSG balances without impacting on the Council's General Reserves. The balance on the DSG reserve is forecast to be £45.6m deficit at 31 March 2023. That position is under review and may be under additional pressure.

6.6.3.   Environment and Neighbourhood Services (£1.1m) - Company pay pressures of £1.4m are partially offset by a number of vacancies within the Planning service which will not be filled before the year end -£0.2m and lower waste tonnage and premises costs.

6.6.4.   Growth and Enterprise (-£0.9m) - Cost reduction in Estates of £0.3m due to deferral of some non-essential maintenance work. £0.4m due to release of reserve for the ELENA project and £0.2m grant received relating to Reopening High Streets Safely.

6.6.5.   Highways and Infrastructure (-£0.7m) - Improved position due to continuing high levels of income which is contributing a further £0.5m in 2022/23, costs of the RJ contract are predicted to be £0.2m lower than budget.

6.6.6.   Increase in the forecast overspend within the Transactional Service Centre due to additional temporary staff in recruitment and pay, external consultants costs (Agylisis), and additional Governance & Support staff costs. Fall in the underspend being forecast by Customer Services due to test & trace final grant income no longer being received, and back pay costs for staff regrades in the newly formed continuous improvements team (£0.4m).

6.6.7.   Confirmation of new burdens funding within the Elections Service and lower than previously forecast electoral registrations costs (-£0.2m).

6.6.8.   Improvement within ICT due to the use of capital reserve for laptop replacement and an improved revenue contracts forecast decreasing the ICT Strategy overspend (-£0.2m).

6.6.9.   No change in forecast for Central Budgets.

6.7.   General Reserve balances are risk assessed and it was highlighted in the MTFS that emerging risks such as inflation and particularly the DSG deficit, have no alternative funding. To address the issue of emerging financial pressure senior officers set up Action Plans, which continued to be

developed to identify activities required to bring spending back in line with the MTFS. Actions may be required in-year to provide financial stability for future years. Such decisions will be appropriately governed and communicated ensuring relevant consultation and impact assessments are addressed.

6.8. There is a clear ambition for each Committee to achieve spending in-line with the approved MTFS for all years. However, in some cases, given the seriousness of the financial pressure being put on the Council, Committee Members should consider options to exceed financial performance targets to retain an overall balanced position.

6.9. Whilst some inflation factors may be temporary, the Action Plans must also consider the medium-term resilience of mitigation activity. For example, the use of one-off balances, to mitigate in-year spend, may be effective in the short term, but would not be effective if spending is likely to recur in later years.

7. Consultation and Engagement

7.1. As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

8. Implications

8.1. Legal

8.1.1. The legal implications surrounding the process of setting the 2022 to 2026 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report for 2022/23.

8.1.2. Other implications arising directly from this report relate to the internal processes of approving supplementary estimates and virements referred to above which are governed by the Finance Procedure Rules.

8.1.3. Legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt with in the individual reports to Members or Officer Decision Records that relate.

8.2. Finance

8.2.1. The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance help to ensure that resources are

used effectively, and that business planning and financial decision making are made in the right context.

8.2.2.   Financial plans are predicated on robust estimates and supported by adequate reserves. The issues raised in this report present significant challenges to this assessment due to ongoing uncertainty about costs, achievement of actions and use of reserves. It is therefore important for ongoing effort to be put into the achievement of the Action Plans and associated financial targets.

8.2.3.   Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.

8.2.4.   The unplanned use of financial reserves could require the Council to deliver a greater level of future savings to replenish reserve balances and / or revise the level of risks associated with the development of the Reserves Strategy in future.

8.2.5.   As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.

8.2.6.   Forecasts contained within this update provided important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year identified whether such performance is likely to continue, and this enables more robust estimates to be established.

8.3.   Policy

8.3.1.   This report is a backward look at Council activities and predicts the year-end position.

8.3.2.   The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2023 to 2027 Medium-Term Financial Strategy.

8.4.   Equality

8.4.1.   In setting the 2022/23 budget, an Equality Impact Assessment was prepared to show that proposals included positive and negative impacts in headline terms. Any equality implications that arise from activities funded by the budgets will be dealt within the individual reports to Members or Officer Decision Records to which they relate. These will be reviewed, as appropriate in the light of the mitigation actions referred to in this report.

8.5. Human Resources

8.5.1. This report is a backward look at Council activities and states the forecast year-end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

8.6. Risk Management

8.6.1. Performance and risk management are part of the management processes of the Authority. Risks are captured at Strategic and Operational levels, both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders.

8.6.2. Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2021/22 budget and the level of general reserves were factored into the 2022/23 financial scenario, budget and reserves strategy.

8.7. Rural Communities

8.7.1. The report provides details of service provision across the borough.

8.8. Children and Young People/Cared for Children

8.8.1. The report provides details of service provision across the borough.

8.9. Public Health

8.9.1. Public health implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

8.10. Climate Change

8.10.1. Climate change implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) alex.thompson@cheshireeast.gov.uk 01270 685876
Appendices:	**Annex 1 including:** **Section 1** provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices. **Appendix 1** Adults and Health Committee. **Appendix 2** Children and Families Committee. **Appendix 3** Corporate Policy Committee. **Appendix 4** Economy and Growth Committee. **Appendix 5** Environment and Communities Committee. **Appendix 6** Finance Sub-Committee. **Appendix 7** Highways and Transport Committee.
Background Papers:	The following are links to key background documents: Medium-Term Financial Strategy 2022-26 First Financial Review, Item No.14 Financial Review 2022/23, Item No. 5 Financial Review Update 2022/23, Item No. 52 Medium-Term Financial Strategy 2023-27

2022/23 Financial Update

March 2022

This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, the Council welcomes feedback to the information contained here.

Anyone wanting to comment is invited to contact the Council at:

RandC@cheshireeast.gov.uk

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £470m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in forecast outturn of £336.0m against a net revenue budget of £328.3m, with the most significant impact within the rising complexity of needs in Adult Social Care.

When the 2022/23 budget was set, in February 2022, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. Early in the year forecasts highlighted pressures due to demand, inflation and pay negotiations. The pressures affecting the medium term finances of the Council have been addressed as part of the MTFS process for 2023 to 2027.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then seven supporting appendices with detailed information about allocation and management of public money during 2022/23:

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

- **Appendix 1** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Finance Sub-Committee.
- **Appendix 7** Highways and Transport Committee.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

Contents

2022/23 Outturn Forecast - Financial Position

2022/23 (GROSS Revenue Budget £474.2m)	Revised Budget (NET) £m
SERVICE DIRECTORATES	
Adults, Health and Integration	121.1
Children's Services	74.2
Place	81.8
Corporate Services	40.6
CENTRAL BUDGETS	
Capital Financing	19.0
Transfer to/(from) Earmarked Reserves	(3.2)
Transfer from MTFS Earmarked Reserve	-
Corporate Contributions / Central Budgets	(5.2)
TOTAL NET EXPENDITURE	**328.3**
Business Rates Retention Scheme	(49.1)
Specific Grants	(24.5)
Council Tax	(254.7)
Net Funding	(328.3)
NET (SURPLUS) / DEFICIT	**-**

Financial Stability

Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of rapid inflation, the legacy impact of the Coronavirus pandemic and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.

2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. Rising inflation in fuel, utilities and wage levels are affecting costs across all services.

3. In December a forecast outturn of £8.7m net overspend was reported at the Corporate Policy Committee (The full report can be found [Agenda for Corporate Policy Committee on Monday, 1 December, 2022, 10.00 am, Item 10 | Cheshire East Council](#)).

4. The outturn position is now forecast to be an overspend of £7.7m due to the following changes since the second review:

   - Increased care commitments, within Adults, Health and Integration, are being offset by income, for example, from direct payment reimbursements and external grants. This results in no net change to the forecast.

   - The Children and Families Directorate forecast has improved by -£0.5m. Additional costs of home to school transport from increasing SEND demand, fuel costs and contract costs is being offset by charging additional

amounts to transformation costs to capital receipts and additional underspending in Strong Start from holding vacancies. This forecast assumes that £1.6m of resettlement funding will be applied to costs incurred in 2022/23. Pressure remains on the DSG high needs block as a result of the growth in the number of pupils with an education, health and care plan. The Council holds an unusable reserve to manage DSG balances without impacting on the Council's General Reserves. The balance on the DSG reserve is forecast to be at least £45.6m deficit as at 31 March 2023.

   - Environment and Neighbourhood Services forecast pressures have changed by £1.2m. Environmental services operational costs of £1.3m are partially offset by lower premises costs, and vacancies within the Planning service which will not be filled before the year end.

   - Growth and Enterprise forecast has improved by -£1.0m. Cost reduction in Estates of £0.3m due to deferral of some non-essential maintenance work. £0.5m due to release of reserve for the ELENA project and £0.2m grant received relating to Reopening High Streets Safely.

   - Highways and Infrastructure forecast has improved by -£0.7m. Continuing high levels of income is contributing a further £0.5m in 2022/23, costs of the Ringway Jacobs contract are predicted to be £0.2m lower than budget.

   - Increase in the forecast overspend within the Transactional Service Centre due to additional temporary staff in recruitment and pay, external consultants costs (Agylisis), and additional Governance and Support staff

costs. Fall in the underspend being forecast by Customer Services due to test and trace final grant income no longer being received, and back pay costs for staff regrades in the newly formed Continuous Improvements team (£0.4m).

- Confirmation of new burdens funding within the Elections Service and lower than previously forecast electoral registrations costs (-£0.2m).

- Improvement within ICT due to the use of capital reserve for laptop replacement and an improved revenue contracts forecast decreasing the ICT Strategy overspend (-£0.2m).

- No change in forecast for Central Budgets.

5. This forecast may be subject to variation in the final quarter, as budget managers will continue to take robust actions to control costs and reduce non-essential expenditure to improve this position further.

6. Individual pressures identified above are reflected in the MTFS for 2023/24 to 2026/27. Any betterment to the forecast outturn position should be utilised to replenish reserves in line with the priority of the Corporate Plan.

Table 1 - Service Revenue Outturn Forecasts

2022/23 (GROSS Revenue Budget £474.2m)	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m
SERVICE DIRECTORATES			
Adult Social Care - Operations	117.5	126.1	8.6
Commissioning	3.6	3.9	0.3
Public Health	-	-	-
Adults and Health Committee	121.1	130.0	8.9
Directorate	1.0	0.6	(0.4)
Children's Social Care	47.0	49.5	2.5
Strong Start, Family Help and Integration	7.7	6.0	(1.7)
Education & 14-19 Skills	18.5	21.6	3.1
Children and Families Committee	74.2	77.7	3.5
Directorate	0.8	0.7	(0.1)
Growth & Enterprise	22.8	22.1	(0.7)
Economy and Growth Committee	23.6	22.8	(0.8)
Environment & Neighbourhood Services	44.4	47.3	2.9
Environment and Communities Committee	44.4	47.3	2.9
Highways & Infrastructure	13.8	13.6	(0.2)
Highways and Transport Committee	13.8	13.6	(0.2)
Directorate	1.4	1.3	(0.1)
Finance & Customer Services	12.5	13.1	0.6
Governance & Compliance Services	11.9	11.3	(0.6)
Communications	0.7	0.7	-
HR	2.4	2.2	(0.2)
ICT	9.8	10.5	0.7
Policy & Change	1.9	1.9	-
Corporate Policy Committee	40.6	41.0	0.4
TOTAL SERVICES NET EXPENDITURE	317.7	332.4	14.7
CENTRAL BUDGETS			
Capital Financing	19.0	19.0	-
Transfer to/(from) Earmarked Reserves	(3.2)	(9.2)	(6.0)
Corporate Contributions / Central Budgets	(5.2)	(6.2)	(1.0)
Finance Sub-Committee - Central Budgets	10.6	3.6	(7.0)
TOTAL NET EXPENDITURE	328.3	336.0	7.7
Business Rates Retention Scheme	(49.1)	(49.1)	-
Specific Grants	(24.5)	(24.5)	-
Council Tax	(254.7)	(254.7)	-
Finance Sub-Committee - Net Funding	(328.3)	(328.3)	-
NET (SURPLUS) / DEFICIT	-	7.7	7.7

Outturn Impact

7. It is planned that £5.2m will be used from the MTFS reserve to mitigate the overspend. The residual impact on General Reserves would be a reduction of £2.5m, decreasing the forecast closing balance of £14.9m to a potential closing balance of £12.4m, which is aligned to the risk assessed level of reserves for the 2023/24 Budget.

8. The Council will continue to manage and review the financial forecasts in response to emerging pressures and how this affects the Council's revenue budget.

Collecting Local Taxes for Local Expenditure

9. Cheshire East Council collects Council Tax and Non Domestic Rates for use locally and nationally.

Council Tax

10. Council tax is set locally and retained for spending locally. Council tax was set for 2022/23 at £1,626.24 for a Band D property. This is applied to the taxbase.

11. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect council tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2022/23 was agreed at 156,607.48 which, when multiplied by the Band D charge, means that the expected income for the year is £254.7m.

12. In addition to this, Cheshire East Council collects council tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £313.8m.

13. This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the amount billed will therefore exceed the budget.

14. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £315.6m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	254.7
Cheshire Police and Crime Commissioner	36.9
Cheshire Fire Authority	12.9
Town and Parish Councils	9.3
Total	**313.8**

15. **Table 4** shows collection rates within three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – 99% of Council Tax is collected in three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.2	97.9	97.4	97.8
After 2 years	99.0	98.8	98.3	**
After 3 years	99.2	98.9	**	**

**data not yet available

16. The council tax in-year collection rate for the period up to the end of December 2022 is 82.9%. This is a small decrease of 0.5% on the previous year, indicating current cost of living pressures. Facilities are in place for residents to extend payments where needed and staff are engaging with residents who need additional support.

17. Council tax support payments were budgeted at £18.4m for 2022/23 and at the end of December the total council tax support awarded was £18.7m.

18. During 2021/22 there was a consultation and review of the Council Tax Support scheme resulting in some amendments being made. The revised scheme was confirmed by full Council in December 2021.

19. Council tax discounts awarded are £29m which is a slight increase in comparison to the same period in 2021/22. A small increase is attributable to work related to raising awareness of the discounts available to residents.

20. Council tax exemptions awarded is £7.7m which although broadly in line with previous years shows a slight increase due to reasons shown at 19.

    Non-Domestic Rates (NDR)

21. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.

22. The small business multiplier applied to businesses which qualify for the small business relief was set at 49.9p in

2022/23. The non-domestic multiplier was set at 51.2p in the pound for 2022/23.

23. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

24. The business rates in-year collection rate for the period up to the end of December 2022 is 80.8%. This is a significant increase on last year and begins to revert collection rates back to pre-pandemic figures. A return to standard collection processes and government support through additional reliefs has assisted the recovery in collection.

Table 5 – Over 99% of Business Rates are collected within three years

| Financial Year | CEC Cumulative | | | |
| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
	%	%	%	%
After 1 year	98.5	98.2	92.4	95.6
After 2 years	99.4	98.4	97.4	**
After 3 years	99.4	99.2	**	**

**data not yet available

Appendices to the 2022/23 Financial Update

March 2022

Appendix 4 : Economy and Growth Committee

Contents

Economy and Growth Committee Extracts

Appendix 4

Economy and Growth Committee

1. Changes to Revenue Budget 2022/23 since Financial Review Update

	Second review Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Economy and Growth				
Directorate	834	-	(2)	832
Growth & Enterprise	22,773	-	49	22,822
	23,607	-	47	23,654

2. Corporate Grants Register

Table 1 – Corporate Grants Register

Corporate Grants Register	National Allocation 2022/23 £m	Revised Forecast 2022/23 £000
SPECIFIC USE (Held within Services)		
Economy and Growth Committee		
Rough Sleeping Initiative	not available	231
Homelessness Prevention Grant	315.800	582
Housing Winter Grant	not available	90
Shared Prosperity Fund	2,600.000	1,226
Local Enterprise Partnership (LEP): Core Funding	not available	375
Local Enterprise Partnership (LEP): Growth Hub Funding	not available	231
Local Enterprise Partnership (LEP): NP (Northern Powerhouse) 11	not available	520
Local Enterprise Partnership (LEP): Skills Advisory Panel	not available	56
Local Enterprise Partnership (LEP): Local Digital Skills Partnership Catalyst grant	not available	56
Local Enterprise Partnership (LEP): Skills Bootcamp	not available	1,037
Innovate UK / Adapt - brought forward	not available	102
First Trenitalia West Coast Rail Limited	not available	50
COVID-19 Welcome Back Fund (Opening High Streets) - brought forward	not available	162
Total		**4,718**
Total Economy and Growth Committee		**4,718**

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.3 **Table 2** shows additional grant allocations that have been received over £1m. Council approved that authority be delegated to the Executive Director Place to accept the core

UK Shared Prosperity Fund allocation for Cheshire East and approve a Supplementary Revenue/Capital Estimate of up to £11,585,762, (split to be confirmed on approval of the Investment Plan) and to allocate the funding as set out within the Local Investment Plan over the years 2022-23 to 2024-25 (Council, 20 July: UK Shared Prosperity Fund – Cheshire East Allocation report).

3.4 **Table 3** shows additional grant allocations that have been received which are £500,000 or less and are for noting only.

Table 2 – Note Delegated Decision - Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m

Committee	Type of Grant	£000	Details
Economy and Growth	Shared Prosperity Fund (UKSPF) 2022/23 allocation	1,226	UKSPF funding is allocated to each local authority area based on an Investment Plan submitted to the Department of Levelling Up, Housing and Communities. The grant covers three investment priorities: Communities and Place; Supporting Local Business; and People and Skills. UK Shared Prosperity Fund: prospectus - GOV.UK (www.gov.uk)
Total Specific Purpose Allocation for Council Approval		**1,226**	

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Economy and Growth	Vulnerable Renters / Exceptional Winter Top-up	90	Additional funding to support people who are struggling this winter and protect vulnerable families at risk of homelessness. Homelessness Prevention Grant 2022 to 2023 exceptional winter top-up allocations: technical note - GOV.UK (www.gov.uk)
Total Specific Purpose Allocations less than £500,000		**90**	

3. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Economy and Growth Committee		
Growth and Enterprise	625	237
	625	**237**

4. Capital Strategy

Economy and Growth													CAPITAL

CAPITAL PROGRAMME 2023/24- 2026/27

| | Forecast Expenditure | | | | | | Total | Forecast Funding | | | | | |
Scheme Description	Prior Years £000	Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2022/27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
Culture & Tourism													
Archive Option Development	293	103	0	0	0	0	103	0	0	0	0	103	103
Countryside Capital Projects	601	4	0	0	0	0	4	4	0	0	0	0	4
Countryside Vehicles	0	132	455	193	219	0	999	0	0	47	0	952	999
Public Rights of Way - CMM A6 MARR	2	5	0	0	0	0	5	5	0	0	0	0	5
Public Rights of Way - Flood Damage Investment	15	48	0	0	0	0	48	0	0	0	0	48	48
Public Rights of Way - Capital Works	770	91	93	0	0	0	183	183	0	0	0	0	183
Rural & Green Section 106 Schemes	16	5	28	0	0	0	34	0	34	0	0	0	34
Tatton Park Investment Phase 2	0	264	1205	500	0	0	1,969	0	0	0	0	1,969	1,969
Total Culture & Tourism Committed Schemes	**1,697**	**652**	**1,781**	**693**	**219**	**0**	**3,345**	**193**	**34**	**47**	**0**	**3,072**	**3,345**
Economic Development													
Connecting Cheshire 2020	0	1,500	2,500	2,238	1,000	0	7,238	7,238	0	0	0	0	7,238
Connecting Cheshire Phase 2	0	0	0	0	883	0	883	0	313	0	0	570	883
Connecting Cheshire	0	0	0	0	595	0	595	0	48	0	0	547	595
Crewe Town Centre Regeneration	11,940	2,966	15,595	0	0	1,517	20,078	0	0	0	850	19,228	20,078
Demolition of Crewe Library Site	13	305	1,077	1,370	0	0	2,752	1,229	0	0	0	1,523	2,752
Future High Street Funding - CEC Innovation Centre	58	0	1,111	0	0	0	1,111	1,111	0	0	0	0	1,111
Future High Street Funding - Christ Church Innovation Centre	71	0	1,863	0	0	0	1,863	1,863	0	0	0	0	1,863
Leighton Green	1,455	10	331	300	0	0	641	0	0	0	0	641	641
Macclesfield Town Centre	1,767	102	349	0	0	0	451	0	0	0	0	451	451
North Cheshire Garden Village	5,491	600	12,300	9,000	37,317	0	59,217	21,700	0	0	21,700	15,817	59,217
South Macclesfield Development Area	3,089	250	1,291	10,000	20,000	0	31,541	10,000	10,000	0	11,541	0	31,541
Total Economic Development Committed Schemes	**23,884**	**5,733**	**36,418**	**22,907**	**59,794**	**1,517**	**126,370**	**43,141**	**10,361**	**0**	**34,091**	**38,778**	**126,370**
Estates													
Corporate Landlord - Land Acquisitions	963	65	0	0	0	0	65	0	0	0	0	65	65
Farms Strategy	0	8	306	306	1,090	0	1,710	0	0	0	306	1,404	1,710
Malkins Bank Landfill Site	511	200	649	0	0	0	849	0	0	0	0	849	849
Premises Capital (FM)	0	3712	4,982	3,500	2,469	0	14,663	0	0	0	0	14,663	14,663
Public Sector Decarbonisation Fund - FM 1	1,759	96	0	0	0	0	96	96	0	0	0	0	96
Public Sector Decarbonisation Fund - FM 2	389	216	0	0	0	0	216	216	0	0	0	0	216
Red Roofs Hole Farm Alderley Edge - Acquisition	12	3	0	0	0	0	3	0	0	0	0	3	3
Schools Capital Maintenance	0	932	1,650	0	0	0	2,582	2,291	0	0	0	291	2,582
Septic Tanks	250	50	337	0	0	0	387	0	0	0	0	387	387
Total Estates Committed Schemes	**3,882**	**5,282**	**7,924**	**3,806**	**3,559**	**0**	**20,571**	**2,603**	**0**	**0**	**306**	**17,663**	**20,571**

Economy and Growth   CAPITAL

	CAPITAL PROGRAMME 2023/24- 2026/27												
	Forecast Expenditure							Forecast Funding					
Scheme Description	Prior Years £000	Forecast Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2022/27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
Housing													
Astbury Marsh Caravan Park	143	68	0	0	0	0	**68**	0	0	0	0	68	**68**
Disabled Facilities Grant	0	3,845	2,342	2,342	2,342	2,342	**13,213**	12,285	0	0	0	928	**13,213**
Future High Street Funding - Chester Street	3	0	5	1,370	0	0	**1,375**	1,375	0	0	0	0	**1,375**
Future High Street Funding - Delamere Street	4	3	5	1,447	0	0	**1,455**	1,455	0	0	0	0	**1,455**
Green Homes Grants	769	3121	0	0	0	0	**3,121**	1,452	1,669	0	0	0	**3,121**
Gypsy and Traveller Sites	1,246	449	2,006	0	0	0	**2,455**	700	0	0	0	1,755	**2,455**
Home Repairs for Vulnerable People	0	246	200	200	200	0	**846**	0	0	0	0	846	**846**
Social Housing Decarbonisation Fund	0	1565	0	0	0	0	**1,565**	1,565	0	0	0	0	**1,565**
Sustainable Warmth - Home Upgrade Grant	4	2806	0	0	0	0	**2,806**	2,806	0	0	0	0	**2,806**
Temporary Accommodation	300	658	0	0	0	0	**658**	0	318	340	0	0	**658**
Warm Homes Fund	173	66	0	0	0	0	**66**	66	0	0	0	0	**66**
Total Housing Committed Schemes	**2,642**	**12,826**	**4,558**	**5,359**	**2,542**	**2,342**	**27,627**	**21,703**	**1,987**	**340**	**0**	**3,597**	**27,627**
Total Committed Schemes	**32,106**	**24,493**	**50,682**	**32,765**	**66,114**	**3,859**	**177,913**	**67,640**	**12,381**	**387**	**34,397**	**63,109**	**177,914**
New Schemes													
Culture & Tourism													
Crewe Towns Fund - History Centre Public Realm	0	10	0	0	0	0	**10**	10	0	0	0	0	**10**
Crewe Towns Fund - Lyceum Powerhouse	0	260	0	0	0	0	**260**	260	0	0	0	0	**260**
New Archive Premises	0	0	4,100	5,699	451	0	**10,250**	0	0	0	0	10,250	**10,250**
Rural & Green Section 106 Schemes	0	0	24	0	0	0	**24**	0	24	0	0	0	**24**
Economic Development													
Connecting Cheshire Phase 3	0	100	1,500	2,400	4,000	0	**8,000**	0	8,000	0	0	0	**8,000**
Handforth Heat Network	0	0	9,910	2,000	1,800	0	**13,710**	5,420	4,890	0	0	3,400	**13,710**
Crewe Towns Fund - Mill Street Corridor	3	137	0	0	0	0	**137**	137	0	0	0	0	**137**
Crewe Towns Fund	0	1457	3,893	9,000	5,810	0	**20,160**	20,160	0	0	0	0	**20,160**
Macclesfield Indoor Market Toilet Refurbishment	0	80	80	0	0	0	**160**	150	0	10	0	0	**160**
Estates													
Corporate Landlord - Land Acquisitions	0	0	1,336	0	0	0	**1,336**	0	0	0	0	1,336	**1,336**
Public Sector Decarbonisation - 3	0	3714	0	0	0	0	**3,714**	3,714	0	0	0	0	**3,714**
Housing													
Crewe Towns Fund - Warm and Healthy Homes	0	26	74	0	0	0	**100**	100	0	0	0	0	**100**
Total New Schemes	**3**	**5,784**	**20,917**	**19,099**	**12,061**	**0**	**57,861**	**29,951**	**12,914**	**10**	**0**	**14,986**	**57,861**
Total Economy and Growth Schemes	**32,110**	**30,277**	**71,598**	**51,864**	**78,175**	**3,859**	**235,774**	**97,591**	**25,295**	**397**	**34,397**	**78,096**	**235,774**

5. Reserves Strategy

Economy and Growth Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Directorate				
Place Directorate	1,684	(1,539)	145	To support a number of widespread projects within the Place Directorate. A significant number of these projects are expected to be fully utilised in year, with the remaining reserve to be fully used in 2023/24.
Investment (Sustainability)	680	(126)	554	To support investment that can increase longer term financial independence and stability of the Council. Forecasts based on timelines for individual projects making up the reserve.
Growth and Enterprise				
Legal Proceedings	285	(50)	235	To enable legal proceedings on land and property matters. Hard to gauge the pace of cases but this is the anticipated amount based on current costs.
Investment Portfolio	155	174	329	Total rent, fee costs and the amount the service are allowed to keep (£250k) all stay the same so anticipating a similar contribution to the reserve. Looked at the investment summary to determine 2022/23 MRP and interest costs. Reserve being built up to be used in the future if the site is vacated. Current lease extends beyond 2026.
Homelessness & Housing Options - Revenue Grants	130	(130)	0	To cover costs of purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families.
Tatton Park Trading Reserve	111	(111)	0	Service anticipating utilising some of the funds for furniture purchased for the Catering Facility at TPE Ltd costing £16k. Full drawdown of the reserve necessary to cover the adverse position for Tatton anticipated at the end of 2022/23
Royal Arcade Crewe	99	(99)	0	Original purpose was to fund vacant possession related costs for the Royal Arcade until demolition. The balance will now be used to pay for ongoing maintenance costs for Crewe Bus station. FM pressures will mean that the reserve will be fully utilised in 2022/23.
ECONOMY AND GROWTH TOTAL	**3,144**	**(1,881)**	**1,263**	

Work Programme – Economy and Growth Committee – 2022/23

A Report title in Bold indicates that this is a significant decision

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
EG/26/22-23	14 Mar 2023	Cultural Framework 2023 - 2028	To approve a refreshed CEC Cultural Framework for 2023 - 2028.	Director of Growth and Enterprise		yes	yes	Fair; Green; Open	
EG/09/22-23	14 Mar 2023	2022/23 Financial Update	To receive an update on the financial position for 2022/23. To note or approve virements and supplementary estimates as required.	Director of Finance and Customer Services (s151 Officer)		No	Yes	Open	No
EG/24/22-23	14 Mar 2023	Carbon Update	To provide an update on the progress of the carbon programme and to seek from the committee such decisions as shall be necessary in order to further the programme to its agreed conclusion.	Director of Growth and Enterprise		Yes	Yes	Green	
EG/31/22-23	14 Mar 2023	**Cheshire Archives Delivery Phase**	To seek authority to accept a grant from NLHF and seek confirmation of delivery mechanisms and governance for the delivery phase of Cheshire Archives - A Story Shared project.	Director of Growth and Enterprise		No	Yes	Fair; Green; Open	
EG/34/22-23	14 Mar 2023	**Digital Investment Plan 2023-2025**	To consider and approve the Digital Investment Plan, which will shape activity and priorities relating to the broader digital agenda.	Director of Growth and Enterprise		No	Yes	Fair; Green	
EG/32/22-23	14 Mar 2023	**Notice of Motion: The Development of Council Housing**	To consider the Notice of Motion, referred to the Committee by Council on 14 December 2022.	Director of Growth and Enterprise		No	No	Fair; Green	

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
EG/34/22-23	14 Mar 2023	Crewe Technical and Digital Innovation Centre	To receive an update on the progress made to date on the proposal for a Technical & Digital Innovation Centre (TADIC) in Crewe Town Centre.	Director of Growth and Enterprise		Yes	Yes	Fair	
EG/27/22-23		Housing Strategy 2023-2026	Approval is sought to go out to consultation on the draft Housing Strategy 2023-2026.	Director of Growth and Enterprise		Yes	No	Green	No
EG/01/23-24	June 2023	Notice of Motion: Leasehold Reform	To consider the Notice of Motion referred by Council on 22 February 2023.	Director of Growth and Enterprise		No	No	Fair	No
EG/04/22-23		Supported Employment Strategy	This report sets out the recommendations for a strategic approach to supported employment relating to adult social care customers with complex needs and support into work.	Executive Director Adults, Health and Integration		Yes	Yes	Fair; Green	No

Cheshire East
Council

Working for a brighter future together

Economy and Growth Committee

Date of Meeting: 14 March 2023

Report Title: Carbon Neutral Update

Report of: Jayne Traverse, Executive Director for Place

Report Reference No: EG/24/22-23

Ward(s) Affected: All

1.   Purpose of Report

1.1. The Council has committed to being a carbon neutral council by 2025 and a carbon neutral borough by 2045. This report provides an update to committee of the progress the Council has made.

2.   Executive Summary

2.1. In May 2019 Cheshire East Council committed to being a carbon neutral council by 2025 and to influence carbon reduction across the borough. In May 2020 we adopted our Carbon Action Plan which set out how we will achieve this. Following this the council adopted the UK100 pledge committing to the borough of Cheshire East being carbon neutral by 2045. This paper provides an update to Committee of the progress the council has made.

2.2. Carbon Neutral Council by 2025

2.3. The Council is on track to deliver carbon neutrality by 2025, however, there remain risks of time to deliver our second solar insetting scheme together with ongoing risk due to external factors of increase gas usage from covid ventilation measures and lack of availability of affordable electric vehicles.

2.4. Our action plan set a carbon reduction target of 46% and an insetting target of 60% by 2025 from 2019 baseline levels. To date the Council has achieved carbon reduction of 11% and delivered 30% of its insetting target. However, there

are a series of projects in development that are forecasting total carbon reduction of 37% and total insetting to net the residual carbon.

2.5. Wider Borough Progress

2.6. Following a full Council Notice of Motion in January 2022 the Environment and Communities Committee adopted the UK100 target for the borough to be carbon neutral by 2045.

2.7. In response to this the council has undertaken detailed study of the borough's current carbon footprint and sourced case studies of best practice to influence carbon reduction by comparable authorities to influence the reduction of carbon across different sector areas. (Appendix 1)

2.8. The report details the scale of the challenge to reduce carbon across the borough which would not be deliverable by any one organisation such as the Council. A high degree of partnership approach utilising existing and new regional and local sector groups will be required. The report concludes even with a high ambition pathway only 75% of reduction would be possible by 2045 without further insetting measures.

2.9. The paper seeks to authorise the production of prioritised proposals for the 2045 target based on best practice within the report. Proposals to influence carbon reduction by 2045 are not currently costed as part of the MTFS and once developed would be brought forward as part of a costed action plan for further approval.

3. Recommendations

3.1. That the Committee:

3.2. Note the progress made towards the Council's target to be carbon neutral for its own emissions by 2025 and the contents of the borough wide baseline report 2045 (Appendix 1).

3.3. That the Committee delegates the authority to the Executive Director for Place to take all necessary actions including without limitation contract award and the execution of all necessary agreements and ancillary documentation to implement solar projects on the land referenced in Appendix 2.

3.4. That the Committee delegates the authority to the Head of Environmental Services in conjunction with relevant council teams to investigate emerging opportunities for domestic retrofit options for the residents of Cheshire East and proceed to procurement of a suitable solution.

4.   Reasons for Recommendations

4.1. At the meeting of the 17th March 2022 this committee previously considered a comprehensive Land Use Assessment which gave recommendations of areas of council owned land that were able to be used for energy insetting or biodiversity net gain projects.   The land listed in Appendix 2 is consistent with that assessment.

4.2. Domestic retrofit is recognised as an area of need to achieve borough wide net zero targets. Among the challenges in this field are access to reputable suppliers and the costs involved. By procuring an option the council will provide a signpost to a provider which will give assurance to residents, additionally collective purchasing should provide pricing advantages.

4.3. Cheshire East Housing has provided and administered grant regimes to support low income households with energy efficiency retrofit measures. However these grants are not accessible for those households who do not fulfil the criteria so an alternative solution needs to be provided.

5.   Other Options Considered

5.1. There is an option not to provide additional solar generation. This would make it almost impossible for the council to achieve carbon neutrality for its own operations by 2025.

5.2. There is an option to purchase land for solar generation instead of using council owned land. This option would involve a significant time delay and additional costs, potentially rendering the project unviable.

5.3. There is an option not to provide a domestic retrofit option for residents of Cheshire East. This is likely to impact negatively the speed of homeowners retrofitting their homes.

Option	Impact	Risk
Do nothing	**Solar –** unable to build solar scheme	Risk to achieving carbon neutrality target.
	Retrofit Solution – unable to procure a solution	Risk that the market may not provide a solution for residents
Purchase land for solar	Impact to timescales for solar project and costs	Risk to project timescales and viability

6. Background

6.1. The carbon neutral action plan set carbon budgets against different areas of the Council's operations, illustrated below. These were intended to outline the scale of the reduction required against each area and would be reviewed annually and as and when new opportunities or technologies emerge. Where targets were not being met it is intended that other areas may be able to compensate through additional action.
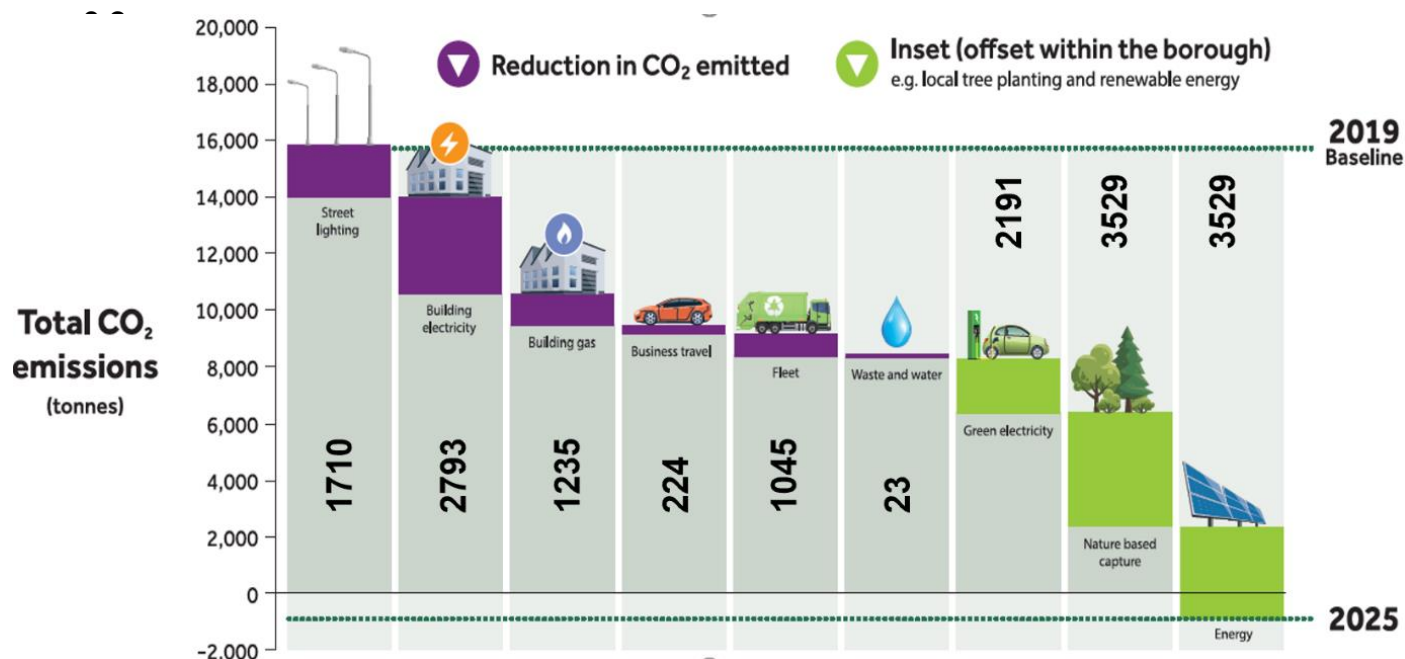
6.3. Carbon Neutral Progress Update

6.3.1. An assessment of progress against each area is summarised below. We have separated the forecasted impact of projects and polices which have been put in place and funded to date, and those projects which are at a high level of development and could be delivered by 2025, in some cases subject to funding through future business cases. There are also a number of projects which are at concept stage, and so there is a higher level of risk that these will not deliver the required carbon savings.

6.3.2. There is sufficient scope of projects to give confidence that Cheshire East Council will achieve its ambition to be carbon neutral by 2025. However, as mentioned previously, some of these projects remain in the development phase and are therefore subject to costs inflation and potential delays.

	Tonnes of CO_2	%
2019 Baseline CO_2	**15,447**	**100%**
2025 Reduction Target	**7,030**	**46%**
Current carbon reduction Achieved	1,640	11%
Estimated Carbon reduction	2,304	15%
Estimated carbon reduction (including developed)	4,080	26%
Estimated carbon reduction (including concepts)	4,181	27%
2025 Insetting Target	**9,268**	**60%**
Current Carbon Reduction Achieved	4,673*	30%*
Estimated Insetting	2,325	15%
Estimated Insetting (including developed)	9,533	62%
Estimated Insetting (including concepts)	9,533	62%

* This figure includes the purchase of green electricity, the impact of which will reduce as the grid continues to decarbonise.

CEC Carbon Neutral Pathway
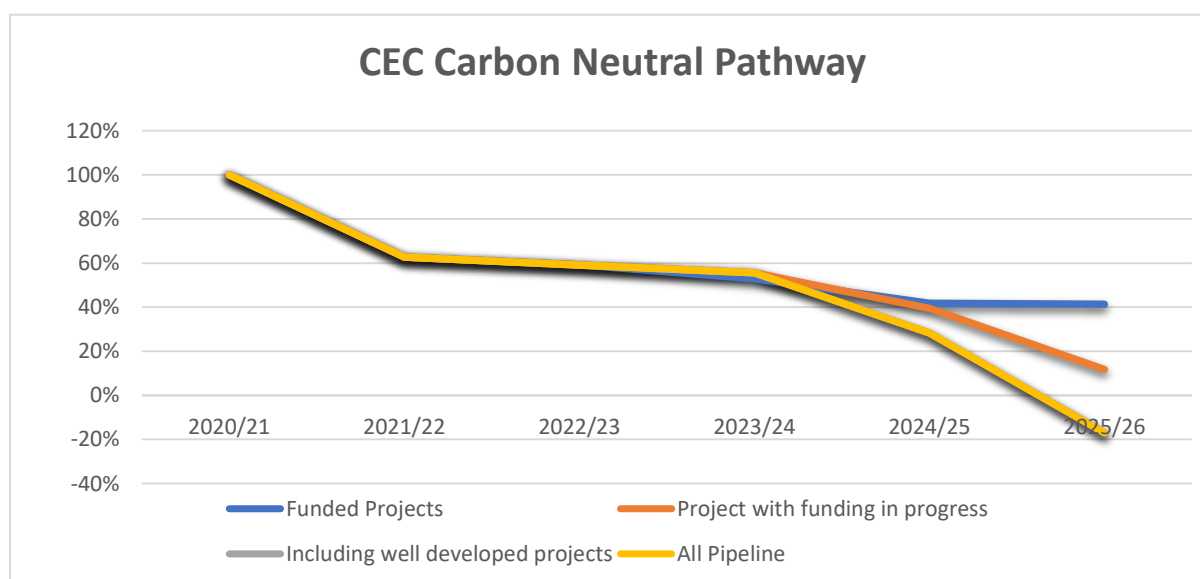
6.3.3. In the following sections we have taken the elements of the waterfall diagram shown above and broken them down to show where progress has been made and where there are gaps on which we need to focus.

6.3.4. It should be noted the authority uses green electricity backed by the Renewable Energy Guarantees of Origin (REGO) scheme. In line with established good practice, however, it is still necessary to first look to

reduce electricity usage and to decarbonise though schemes such as solar before the remainder is then offset by the green electricity tariff.

6.4. Street Lighting

2019 Baseline (tCO2)	2556	100%
2025 Target (tCO2)	846	33%
Cumulative Change (tCO2)	-1710	-67%
Current reduction achieved	-1328	-48%
Estimated reduction – in progress (tCO2)	-2001	-78%
To be developed (tCO2)	-0	-0%

6.4.1. The carbon emitted from our streetlighting has reduced radically over the last few years through the installation of LED lanterns and more modern control equipment across most of the asset.

6.4.2. The replacement of over 4,000 illuminated signs and bollards to LED are being progressed to completion this year, with new sign lanterns produced from recycled materials and a tree planted for every one installed.

6.4.3. The reduction has also benefited from reductions in the carbon intensity of national grid which supplies our streetlighting.

6.5. Building Electricity

2019 Baseline (tCO2)	3911	100%
2025 Target (tCO2)	1118	29%
Cumulative Change (tCO2)	-2793	-71%
Current reduction achieved	-1118	-29%
Estimated reduction – in progress (tCO2)	-2443	-62%
To be developed (tCO2)	350	9

6.5.1. Cheshire East Council has been successful in securing funding from the Public Sector Decarbonisation Scheme and has submitted applications for further funding to provide additional carbon reduction measures.

6.5.2. A programme of energy efficiency measures including LED light replacements across twelve buildings have provided a reduction in electricity usage.

6.5.3. The installation of building mounted solar arrays on Council buildings is providing self-generated green electricity, reducing the amount of grid electricity the Council is required to purchase. Seventeen solar PV installations have been completed to date, providing approximately 1GWh per year, and a further two are in plan.

6.6. Building Gas

2019 Baseline (tCO2)	4410	100%
2025 Target (tCO2)	**3175**	**72%**
Cumulative Change (tCO2)	-1235	-28%
Current reduction achieved	849	19%
Estimated reduction in progress (tCO2)	-44	-1%
To be developed (tCO2)	150	3%

6.6.1. The decarbonisation of our gas usage is one of the most challenging and expensive areas of our carbon reduction and requires investment in building fabric improvements and grid upgrades to fully decarbonise the heating of our buildings.

6.6.2. Following the Covid-19 pandemic there has been increased requirements for the circulation of fresh air and measures such as the opening of windows have become more common place.

6.6.3. This has resulted in an increase in the heating requirements for buildings, in particular leisure centres, and has therefore resulted in an increase in the gas consumed by Cheshire East Council.

6.6.4. Following the successful applications for Public Sector Decarbonisation Funding the Council has put in place a programme of replacing gas boilers with air source heat pumps where this is possible. As these replacements are completed we anticipate a reduction in gas use. To date three air source heat pump installations have been completed, a further twelve pumps are expected to be installed over the next 12 months.

6.7. Business Travel

2019 Baseline (tCO2)	884	100%
2025 Target (tCO2)	660	75%
Cumulative Change (tCO2)	-224	-25%
Current reduction achieved	-489	-55%
Estimated reduction – in progress (tCO2)	-567	-64%
To be developed (tCO2)	0	

6.7.1. The Council's business travel decreased substantially during the pandemic, however our mileage has started to increase again, so activity will need to be sustained to at least achieve the original 25% reduction target.

6.7.2. This will be achieved through the implementation of our Agile Working policy, allowing flexibility and encouraging the use of digital technology to reduce the need to travel. We have also introduced electric pool cars through a car club, to support those staff who are unable to work digitally, with the expectation to further roll-out the car club to high mileage services.

6.7.3. We are also reviewing travel policies within the Council and considering ways in which business travel can be further decarbonised without impacting on service levels.

6.8. Fleet

2019 Baseline (tCO2)	3543	100%
2025 Target (tCO2)	2498	70%
Cumulative Change (tCO2)	-1045	-30%
Current reduction achieved	511	14%
Estimated reduction – in progress (tCO2)	333	9%
Estimated reduction – developed projects (tCO2)	-396	-11%
To be developed (tCO2)	2102	59%

6.8.1. The decarbonisation of the Council's operational fleet has started but our carbon footprint has increased since the pre-pandemic baseline across most services, especially increased use of our waste collection vehicles to cope with increased volumes of waste.

6.8.2. Our ability to decarbonise the fleet has been impacted by a lack of suitable alternatives for our requirements, and delays in availability of electric vehicles.

6.8.3. There are currently no viable low carbon alternatives for almost half of our fleet emissions. This is especially true for our refuse collection vehicles, which due to the range needed are unlikely to be electrified. To

overcome this we are trialling the use of hydrogen for a couple of these vehicles, the only credible alternative in development.

6.8.4. To achieve the 30% reduction target we will need to electrify the vast majority of the non-refuse fleet. We have seen a number of vehicles electrified, including 9 of our highways fleet, and individual services are starting to order electric vehicles. We expect that the availability and utility of vehicles will increase over the next 24 months, so to facilitate adoption we are installing additional charging points at Council offices, depots and at other key locations across the borough.

6.8.5. Given the delays in this programme there is a risk to delivery of the 30% target, which will require additional activity elsewhere in the programme to mitigate this risk. This mitigation proposed to speed up the electrification of the Councils transit type flatbed vehicles and small vans used for collection of recycling and waste from street cleansing and by parks and grounds maintenance teams and to install the associated charging infrastructure required.

6.9. Waste and Water

2019 Baseline (tCO2)	144	100%
2025 Target (tCO2)	121	84%
Cumulative Change (tCO2)	-23	-16%
Current reduction achieved	95	66%
Estimated reduction in progress (tCO2)	89	62%
Estimated reduction – developed projects (tCO2)	83	58%
To be developed (tCO2)	106	74%

6.9.1. The Council continues to promote water efficiency and recycling by our staff and services.

6.9.2. There has been a significant decrease in water usage since the baseline of over 75%, due to agile working.

6.9.3. The carbon from our waste has remained relatively static since the baseline, but the headline totals are higher due to changes in the way it is measured through number of collections rather than weight.

6.10. Green Electricity

2025 Target (tCO2)	2191	100%
Estimated reduction – developed projects (tCO2)	Due to the purchase of green electricity this figure will equal the residual electricity use once all other measures are considered.	100%
To be developed (tCO2)	0	0

6.10.1. All council buildings are now being supplied with green electricity backed by the Renewable Energy Guarantees of Origin (REGO) scheme which offsets a significant proportion of the emissions meaning all assets at CEC under our financial control consume 100% green electricity. This includes Leisure centres and Streetlighting. Since 2019, Schools under CEC energy framework benefit also from 100% green electricity.

6.10.2. It is recognised that the purchase of green electricity, while important, should not negate the need to reduce consumption.

6.11. Nature Based Solutions

2025 Target (tCO2)	3529	100%
Estimated offset – Completed and funded projects (tCO2)	2007	57%
Estimated offset – developed projects (tCO2)	4214	119%
To be developed (tCO2)	0	0

6.11.1. <u>Tree Planting</u>

6.11.2. The nature-based sequestration element of the programme has been focussed on identifying suitable council-owned land for large-scale tree planting schemes. Whilst the Council has continued to plant trees in schools and community spaces, these sites are limited and will not be sufficient to meet the scale of planting required to achieve the required offset.

6.11.3. In March 2022 the Council's first large-scale planting scheme was completed at Leighton Grange, Crewe, adjacent to the site of the planned solar array. In partnership with the Mersey Forest and Green Task Force, a charity supporting military veterans, seven hectares of trees were planted, fully funded by DEFRA's Trees for Climate fund and with additional funds allocated for future maintenance of the trees. This is a model we would like to replicate for similar large-scale planting schemes going forward, subject to suitable land being made available.

6.11.4. The tree planting programme will remain on track to achieve the target of planting 120 hectares of trees by 2025 if the delivery of the schemes planned for the 2022/23 season, and future large-scale plantings are achieved. This is dependent on the availability of council owned land for planting and the capacity of the Council and its partners to deliver the schemes on site.

Progress against target of 120 Ha Tree Planting

Season	Hectares
2019/20	3.5
2020/21	4.47
2021/22	13.03
2022/23 (Pipeline)	54.47
Total to date:	74.87
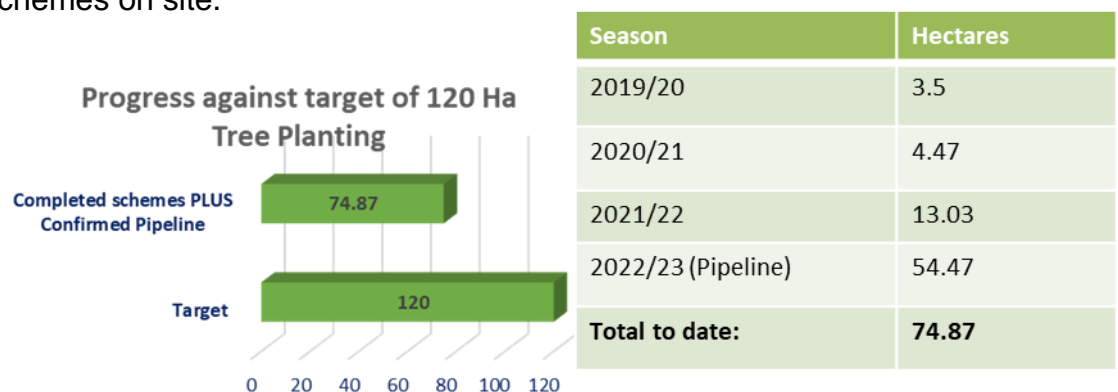
6.11.5. <u>Future Tree Planting</u>

6.11.6. The Council is supporting Cheshire Wildlife Trust to create a 6.5-hectare woodland at their site in Holmes Chapel, Saltersford Wood. Cheshire Wildlife Trust will create and maintain the woodland and in return for the financial contribution, the Council can claim the carbon sequestration towards its the carbon neutral target. It is expected that the woodland creation will be completed by April 2023.

6.11.7. In 2021, the Council undertook a high-level land use assessment through consultants RSK Environment Ltd. This identified sites of interest for nature-based solutions by considering what biodiversity net-gain and carbon savings and other benefits that could be achieved from the implementation of natural sequestration measures including public amenity, aesthetic, and flood mitigation. The majority of these sites are agricultural holdings and subject to surveys and assessments would provide sufficient land for the Council to achieve its natural offsetting targets.

6.11.8. Design and delivery support will be provided by Mersey Forest and costs are likely to be covered by Trees for Climate grant funding.

6.11.9. Peat restoration

6.11.10.In 2020 the Council undertook to restore a 1-hectare area of peat bog on agricultural holdings at Pastures Wood. The bog was drying out and starting to oxidise but by removing the birch scrub and raising the water levels the bog is beginning to regenerate, evident by the sphagnum moss regrowth that is already occurring.

6.11.11.The Council commissioned a report to evaluate the peatland and mosses within the borough and are in the process of identifying peat and moss land on Cheshire East owned sites that can be similarly restored or managed to prevent degeneration.

6.11.12.**Challenges**

6.11.13.The availability of sufficient council-owned land for tree planting has been the biggest challenge to date. The land identified as potentially suitable for planting is largely within the Council's farm estate. Removing this land from the agricultural holdings would enable the Council to achieve its carbon neutral ambition but would result in lost future income for the Council. The alternative to using council-owned land is to purchase land for offset or to purchase offset credits outside the borough.

6.11.14.The capacity of our delivery partners to continue to support delivery of the programme to the extent they have to date is a risk as their staff resources are limited. The project management and co-ordination resource required to deliver the tree planting programme will increase as the large-scale planting programme expands to meet the target of 2025. With conflicting demands on Council staff resources there is a risk that programme delivery will slip and that the tree planting programme will not be completed by 2025.

6.12. Energy Insetting

2025 Target (tCO2)	3529	100%
Estimated offset – Completed and funded projects (tCO2)	936	27%
Estimated offset – developed projects (tCO2)	5944	168%
To be developed (tCO2)	0	0

6.12.1. The solar array previously approved at Leighton Grange is now in development and is expected to be fully realised within the next year, with over 7,600 solar panels providing renewable energy to our composting plant.

6.12.2. Feasibilities are currently being finalised for additional solar capacity in the borough but realising these carbon reductions are subject to connection and planning risks.

6.12.3. We are also progressing a heat network for the Garden Village at Handforth, which could provide low carbon heat through ground source heat pumps to the proposed new development.

6.13. Solar

6.13.1. Following the council's decision to target climate neutrality for its own operations by 2025 an action plan was developed to provide a route to achieving this target.

6.13.2. It was recognised within the action plan that the council would be unable to completely eliminate its operation carbon within the time allotted, although significant reductions were targeted.

6.13.3. The approach taken has been to offset the residual emissions using energy projects within the borough to achieve this, we have termed this insetting.

6.13.4. A 5MW solar farm was approved in 2022, with construction commencing at Leighton Grange in April to provide green electricity to the Councils composting plant.

6.13.5. To achieve the requirements of the council's Carbon Action Plan a further 10MW of solar is required.

6.13.6. To facilitate the insetting requirements of the council a Land Use Assessment was carried out in 2021 received as a report by this committee 17 March 2022. The assessment provided detail of the

potential of various land assets owned by Cheshire East Council for natural and energy insetting.

6.13.7. Following this assessment initial feasibility has been carried out on two sites contained with-in that land use assessment that were shortlisted as most suitable for ground mounted PV. Initial feasibility would suggest that both sites have strong potential but there are areas still to be determined including grid connection costs, availability of private offtakers and planning considerations both sites will continue to detailed design with either or both sites to maximise the options for PV in the future.

6.13.8. The use of land that is currently part of the farms estate will need to be considered on its impact to the individual asset and to the farms estate in general, both the loss of income to the Farms service and the future viability of the asset. The intention is to replace lost income through the income generated by solar electricity and to retain the viability of the farm though careful siting of the solar at the design stage.

6.14. Wider Borough

6.14.1. In October 2021 Cheshire East Council passed a motion to make the UK100 pledge which included a commitment for the Council to recognise a target of 2045 for borough wide carbon neutrality. This commitment was re-affirmed at committee in January 2022 when a decision was taken for Cheshire East Council to join the UK100 Network.

6.14.2. To enable the Council to better quantify the scale of the challenge the Council commissioned Anthesis Consulting Group to produce a carbon baseline for the borough. Officer insights along with case studies showing carbon reduction activities undertaken in borough's with comparable emissions have been used to establish potential pathways.

6.14.3. The report provided by Anthesis is appended to this paper.

6.14.4. The carbon baselining assesses the carbon emitted across Cheshire East at 2,845ktCO2e (kilotonnes carbon dioxide equivalent).
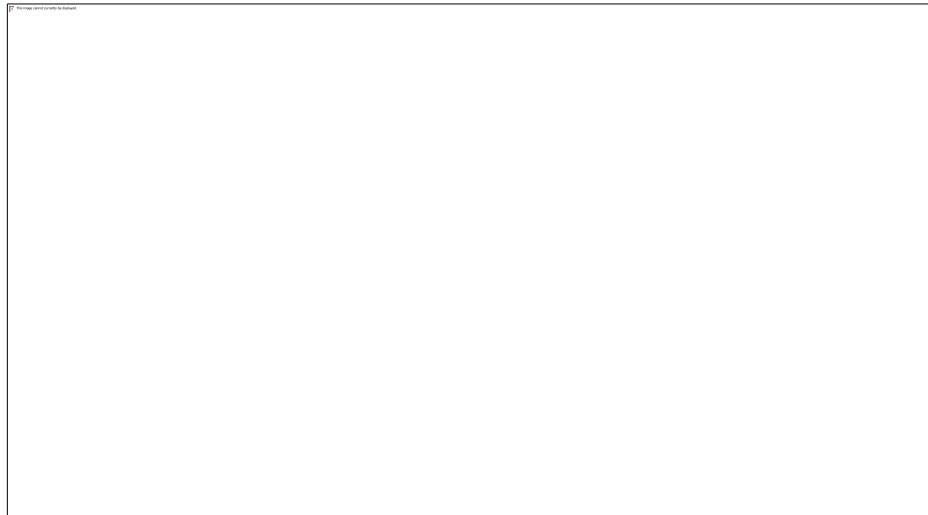
6.14.5. Using current emissions reduction scenarios, using their Scatter tool, Anthesis project that it will be a challenge for Cheshire East to meet the 2045 target even following a high ambition pathway.
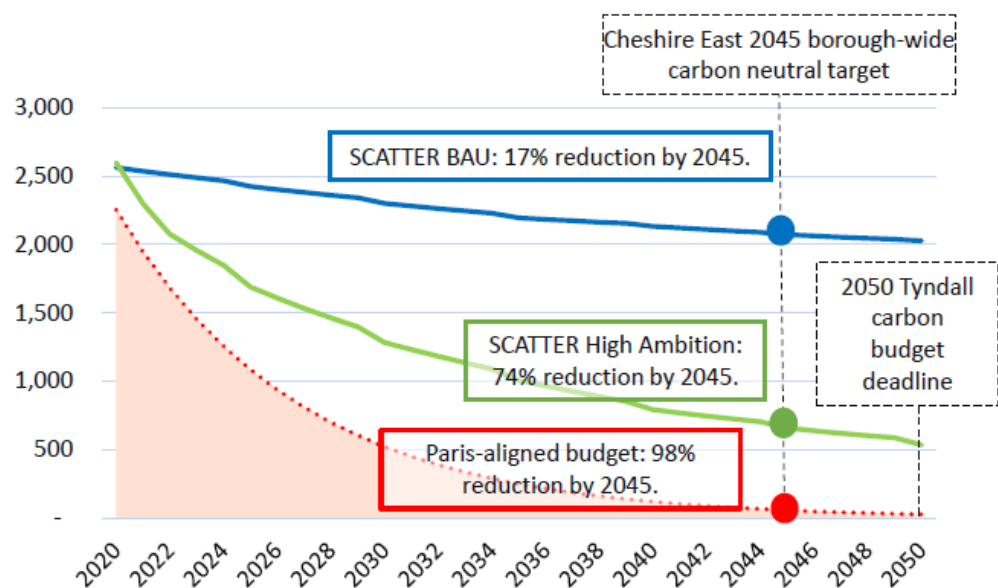
Figure 3.1: Future emissions pathway for Cheshire East (2020–2050).

6.14.6. It remains important for Cheshire East to work towards the maximum possible reduction in emissions within the borough and would require going beyond the Scatter tool high ambition pathway and maximising our influence within the borough.

6.14.7. Other local bodies are working to reduce the carbon footprint of the local area, including the Local Enterprise partnership, the Sustainable and Inclusive Growth Commission and the Cheshire East Sustainability Network. Additionally there are many groups within the borough set up to reduce carbon, encourage sustainability and protect nature.

6.14.8. The next steps will be to draw out a number of priority actions that can be pursued by Cheshire East Council and local partners and bodies. It is not proposed to carry out a full action plan for the 23 years as national policy and technology will both change during this time.

6.14.9. One area particularly noted by the report is that of retrofitting existing domestic buildings representing 23% of the wider boroughs carbon emissions. This is an issue due to the expense, complexity of retrofit and the number of buildings requiring often bespoke solutions.

6.14.10. The report summarises buildings emissions:

Buildings: 1,379 ktCO₂e

- **Residential buildings (663 ktCO₂e):** Domestic households of all tenure types.
- **Institutional buildings & facilities (89 ktCO₂e):** Public sector buildings including schools, colleges and educational buildings, health centres, hospitals, leisure centres, Council buildings etc.
- **Industrial buildings & facilities (386 ktCO₂e):** Larger industrial facilities, including factories, warehouses and workshops associated with manufacturing and engineering.
- **Commercial buildings & facilities (188 ktCO₂e):** Buildings from which commercial businesses operate e.g. shops, shopping centres, offices, restaurants etc.
- **Fugitive emissions (54 ktCO₂e):** Fugitive emissions are leaks and releases of gases from a pressurized containment - such as appliances, storage tanks and pipelines.

6.14.11. Each type of building will require unique solutions, however all require retrofitting for improved insulation and moving away from natural gas for heating (the largest single source of emissions in the borough)

6.14.12. Domestic Energy Performance Certificates (EPC) vary, there currently is not a record for every property, however around 2/3 are thought to be of C/D rating with less than 1 in 5 AB. To reach full potential 14,250 households would require a medium retrofit, 114.050 households would require a deep retrofit. And all new household built would be required to be of passivhaus quality.

6.14.13. The estimated cost of retrofitting all the homes across the borough is £1.1 Billion with an additional 235 million investment required for replacing heating systems with heat pumps.

6.14.14. There are a number of opportunities and potential grant funding in this area that it would be timely to investigate now in conjunction with the Councils housing team ahead of wider action plan and engagement work.

6.14.15. In particular households who do not currently qualify for grant assistance need to be provided with an accessible solution to allow them to benefit

from energy efficiency and energy generation technologies. It is beneficial to begin to investigate this prior to a full wider borough action plan to accelerate the uptake of proven technologies throughout the borough.

6.14.16. Other local authorities and combined authorities such as Liverpool City Region, Norfolk County Council and Essex County Council have procured a solution to provide their residents with retrofit options. It is therefore our intention to investigate emerging opportunities for domestic retrofit options for the residents of Cheshire East and proceed to procurement of a suitable solution.

7.   Consultation and Engagement

7.1   There has been regular consultation with Council members through the Carbon Members Advisory Panel and officers through the Carbon Board.

7.2.   As the wider borough carbon reduction progresses there will be further consultation with council members and members of the public.

8.   Implications

8.1   Legal

8.1.1   Recommendations 3.2 and 3.4 have no obvious legal implications for Members to consider at this time. However, as Recommendation 3.4 progresses legal advice will be required on procurement of a suitable solution for domestic retrofit.

8.1.2   Recommendation 3.3 will have legal implications as it progresses, and Members should ensure all potential legal issues arising are canvassed at each stage of the implementation of solar projects on our land.

8.2   Finance

8.2.1   The Council's current Medium Term Financial Strategy (MTFS) includes a revenue budget to support the delivery of the Carbon Neutral programme. The MTFS also includes several carbon neutral related capital schemes.

8.2.2   Mitigation proposals to speed up fleet electrification are included in the current budget setting cycle with a capital project funded through existing revenue fleet budgets for the electrification of the Councils transit type flatbed vehicles and small vans used for collection of recycling and waste from street cleansing and by parks and grounds maintenance teams and to install the associated charging infrastructure required. The MTFS document is still out for consultation but if the proposal remains it will be approved at full Council on the 22nd February 2023.

8.2.3   The current MTFS has no allocation relating to the 2045 target for borough wide carbon neutrality. Requests for funding associated with this target will be presented when a more detailed action plan is brought to committee for decision.

8.3   Policy

8.3.1   The recommendations within this report are reflective of the priorities within the council's Corporate Plan 2021-25 and the vision for an open, fairer, greener Cheshire East. The plan includes the goal to be a carbon neutral Council by 2025 and carbon neutral as a borough by 2045.

8.4   Equality

8.4.1   An equality impact assessment was undertaken for the Environment Strategy, of which the Carbon Neutral Action Plan forms a key element and concluded there are no adverse impacts on any of the protected characteristics. All residents are expected to benefit from taking action on climate change. Further assessment will be needed to assess individual measures proposed in the action plan on a case-by-case basis.

8.5   Human Resources

8.5.1   Policy changes may have HR implications and will be consulted on before they are implemented.

8.6   Risk Management

8.6.1   A programme risk register has been developed and is actively maintained. Individual projects also maintain their own risk register and individual risks are managed or mitigated.

8.7   Rural Communities

8.7.1   Changes in land use to support the delivery of the carbon neutral goal may have an impact on rural communities. The land assessment has considered the competing priorities for different land parcels and given a rounded view.

8.7.2   The use of land that is currently part of the farms estate will need to be considered on its impact to the individual asset and to the farms estate in general, both the loss of income to the Farms service and the future viability of the asset. The intention is to replace lost income through the income generated by solar electricity and to retain the viability of the farm though careful siting of the solar at the design stage.

8.7.3   It is recognised that rural communities have different needs with regards to issues such as transport and may require particular solutions.

8.8   Children and Young People/Cared for Children

8.8.1   As part of the wider communications strategy plans are in place to engage with children and young people through various channels.

8.9   Public Health

8.9.1   It is expected that reductions in carbon emissions and associated pollutants will have a positive impact on public health.

8.10 Climate Change

8.10.1 The matters within this report are concerned with reducing the council's carbon footprint.

Access to Information	
Contact Officer:	Ralph Kemp, Head of Environmental Services Ralph.kemp@cheshireeast.gov.uk
Appendices:	Appendix 1 Cheshire East Borough Wide Carbon Baseline
Part 2 Item	Appendix 2 Solar Outline Feasibility
Background Papers:	Cheshire East Carbon Neutral Action Plan

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Cheshire East Council

Borough-wide Baseline & Carbon Reduction Options

Menu of options

November 2022

Version 1.5

Open Fair Green

Contents

01 Background And Context

1. Background & Context
Introduction

Overview & Scope

In January 2022, Cheshire East Council announced a pledge to becoming a carbon neutral borough by 2045, five years ahead of the UK government's national 2050 target. This aligns with pledges made around the country by signatories to the UK100 target, which now represents over 50% of the UK population.

This study has been commissioned in response to that pledge and the emergent need for a defined action plan for the borough to deliver progress towards that ambitious goal.

The report is structured as follows:

o **Chapter 1** sets out this report in context of the council's existing work on this agenda and the motivation behind this study.

o **Chapter 2** sets out the borough-wide emissions profile as well as analysis of emissions from the council's own procurement and contract expenditure.

o **Chapter 3** introduces a series of emissions reduction pathways for borough-wide emissions, setting out the scale and nature of what is required to achieve carbon neutrality in Cheshire East.

o **Chapter 4** discusses tangible options for achieving reductions in each sector of emissions activity.

o **Chapter 5** explores means through which the council can engage with external stakeholders and offers recommendations for monitoring and reporting on progress.

o **Chapter 6** gives summary recommendations and next steps.

Objectives

o Define Cheshire East's borough-wide emissions and set out the activities that make the most significant contributions.

o Establish options for mitigating these emissions in the future with a view to meeting the borough's 2045 carbon neutral target.

o Provide the council with an evidence base of similar projects completed or underway across the UK to encourage their next stages of action plan development.

This helps the council by:

o Providing a robust evidence base from which to base future decisions and action planning development.

o Demonstrating the urgency and scale of required action in order to meet the council's ambitious goals.

o Coordinating positive momentum across the council towards a defined action plan that can deliver progress towards goals.

1. Background & Context
Context and Commitments

Contextualising this report

Following the council's recognition of the climate emergency in May 2019, the council set out commitments to reach carbon neutrality as an organisation by 2025. This was followed by the UK100 commitment to reach carbon neutrality as a borough by 2045.

This report builds on past work by Anthesis which sets out an action plan for the council's own target as well as a toolkit for local town and parish councils, this time focused solely on borough-wide targets.

The primary objective of this report is to provide an overview of potential interventions for sectors across the region to achieve significant emissions reductions by 2045 and present a range of potential actions the council could choose to take forward.

The sectors covered in this report are:

Domestic & Non-Domestic Buildings

Waste

Transport

Agriculture and Land use

Industry
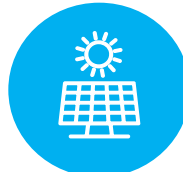
Energy Supply

1. Background & Context
Context and Commitments

Across these sectors, actions have been suggested on the basis of emissions modelling alongside the following principles:
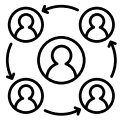
- **Ensuring inclusivity and fairness:** Including relevant stakeholders and the parties affected by an activity in a collaborative and transparent process.

- **Decision making based on data and robust research:** Drawing on available quantitative and qualitative information from a range of sources.

- **Considering co-benefits alongside carbon:** Ensuring that where possible, positive secondary impacts are assessed and incorporated into action planning.

National, Regional and Local Commitments

The Paris Agreement set the international target to limit global temperature rise to well below 2°C with the aim of 1.5°C above pre-industrial levels. The IPCC's follow-up report stated that this requires a global reduction in Greenhouse Gas (GHG) emissions of 45% by 2030. Governments strengthened their commitments at the COP meeting in Glasgow in 2021.

The Climate Change Act 2008 introduced a legally binding target for the UK to reduce GHG emissions by 80% by 2050. In June 2019, the target was updated to reach net zero by 2050. This was further enhanced in June 2021 when the UK government committed to reducing emissions by 78% by 2035 compared to 1990 levels.

In 2019, Cheshire East Council committed to becoming carbon neutral as an organisation by 2025. In 2022, the council committed to make Cheshire East a carbon neutral borough by 2045. The Council has provided a Climate Emergency Toolkit to its towns and parishes to achieve targets, deliver change and accelerate their carbon neutral transition.

02 Current Emissions Footprint

02a Borough-wide Scope 1 and 2 Emissions

In 2019, the borough's energy system was responsible for net emissions totalling 2,845 ktCO$_2$e. The majority resulted from buildings & facilities (48%) and transport (34%).

The current emissions profile for the area administered by Cheshire East Council is shown in Figure 2.1.

This covers the year 2019 and covers three greenhouse gases: carbon dioxide, nitrous oxide and methane. Throughout this report, emissions are given as a single figure measured in kilotonnes of carbon dioxide equivalent (ktCO$_2$e).

Footprint boundary

The emissions profile covers emissions generated within the borough boundary (Scopes 1 & 2) from a defined list of activities under the Greenhouse Gas Protocol for city-wide emissions. Some sub-categories of emissions have been combined for the purposes of Figure 2.1. The full list of disaggregated data can be found in Appendix 2.

Inventory development: The SCATTER tool has been enhanced this year to offer the council greater visibility of emissions sources associated with the borough. The council's emissions baseline data should be continually revisited and revised as is appropriate, allowing the council to track progress against its commitments.

- Residential buildings: 23%
- Commercial buildings & facilities: 7%
- Institutional buildings & facilities: 3%
- Industrial buildings & facilities: 14%
- Fugitive emissions: 2%
- On-road transport: 33%
- Other transport: 1%
- Waste treatment and disposal: 1%
- Industrial processes: 4%
- Livestock: 11%
- Agriculture: 1%
- Land use: 0.3%

Total emissions: 2,845 ktCO$_2$e
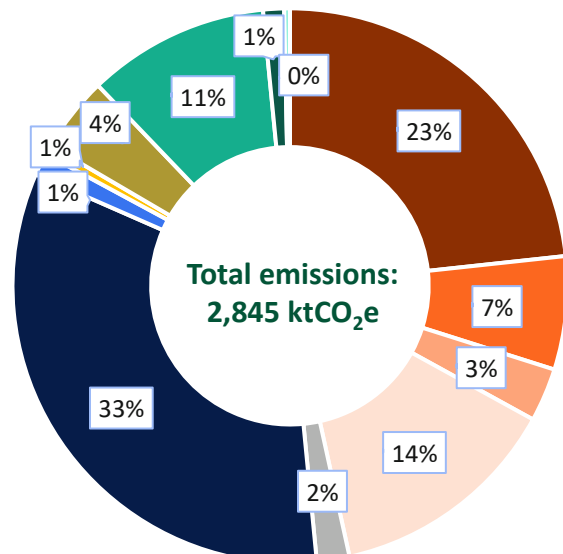
Figure 2.1: SCATTER 2019 inventory for Cheshire East shown by emissions sub-category. Percentages represent the proportion of the total emissions total of 2,845ktCO$_2$e.

2. Current Emissions Footprint
SCATTER Inventory

The following tables show which activities and emissions are grouped under each category.

Buildings: 1,379 ktCO$_2$e

- **Residential buildings (663 ktCO$_2$e):** Domestic households of all tenure types.

- **Institutional buildings & facilities (89 ktCO$_2$e):** Public sector buildings including schools, colleges and educational buildings, health centres, hospitals, leisure centres, Council buildings etc.

- **Industrial buildings & facilities (386 ktCO$_2$e):** Larger industrial facilities, including factories, warehouses and workshops associated with manufacturing and engineering.

- **Commercial buildings & facilities (188 ktCO$_2$e):** Buildings from which commercial businesses operate e.g. shops, shopping centres, offices, restaurants etc.

- **Fugitive emissions (54 ktCO$_2$e):** Fugitive emissions are leaks and releases of gases from a pressurized containment - such as appliances, storage tanks and pipelines.

Agriculture, forestry, livestock and land use: 346 ktCO$_2$e

- **Livestock (302 ktCO$_2$e):** Including emissions from both dairy and non-dairy cattle as well as other farm livestock.

- **Land use (9 ktCO$_2$e):** Includes DEFRA data on emissions for different land use types.

- **Agricultural vehicles (35 ktCO$_2$e):** Off-road transportation emissions in the agricultural sector have been apportioned to the borough based on its area of farmed land.

2. Current Emissions Footprint
SCATTER Inventory

The following tables show which activities and emissions are grouped under each category.

Transport: 979 ktCO$_2$e

- **On-road transport (942 ktCO$_2$e):** Emissions from all forms of on-road passenger vehicle, including cars, vans, motorcycles, buses and taxis.

- **Other transport (37 ktCO$_2$e):** Emissions from diesel-fuelled rail transport. A base assumption of 1% of total on-road emissions for other off-road vehicles. Waterborne navigation for inland water traffic.

Waste treatment and disposal: 16 ktCO$_2$e

- **Solid waste disposal (7 ktCO$_2$e):** Incorporates various waste streams across commercial, industrial and municipal sources.

- **Wastewater (7 ktCO$_2$e):** Scaled directly from national wastewater data by population.

- **Incineration & open-burning (2ktCO$_2$e):** Open combustion of solid waste.

Industrial processes: 125 ktCO$_2$e

- **Industrial processes (125 ktCO$_2$e):** National industrial processing emissions associated with heavy industry, such as iron & steel and chemicals, have been scaled down for the borough.

02b Council's own Scope 3 Emissions
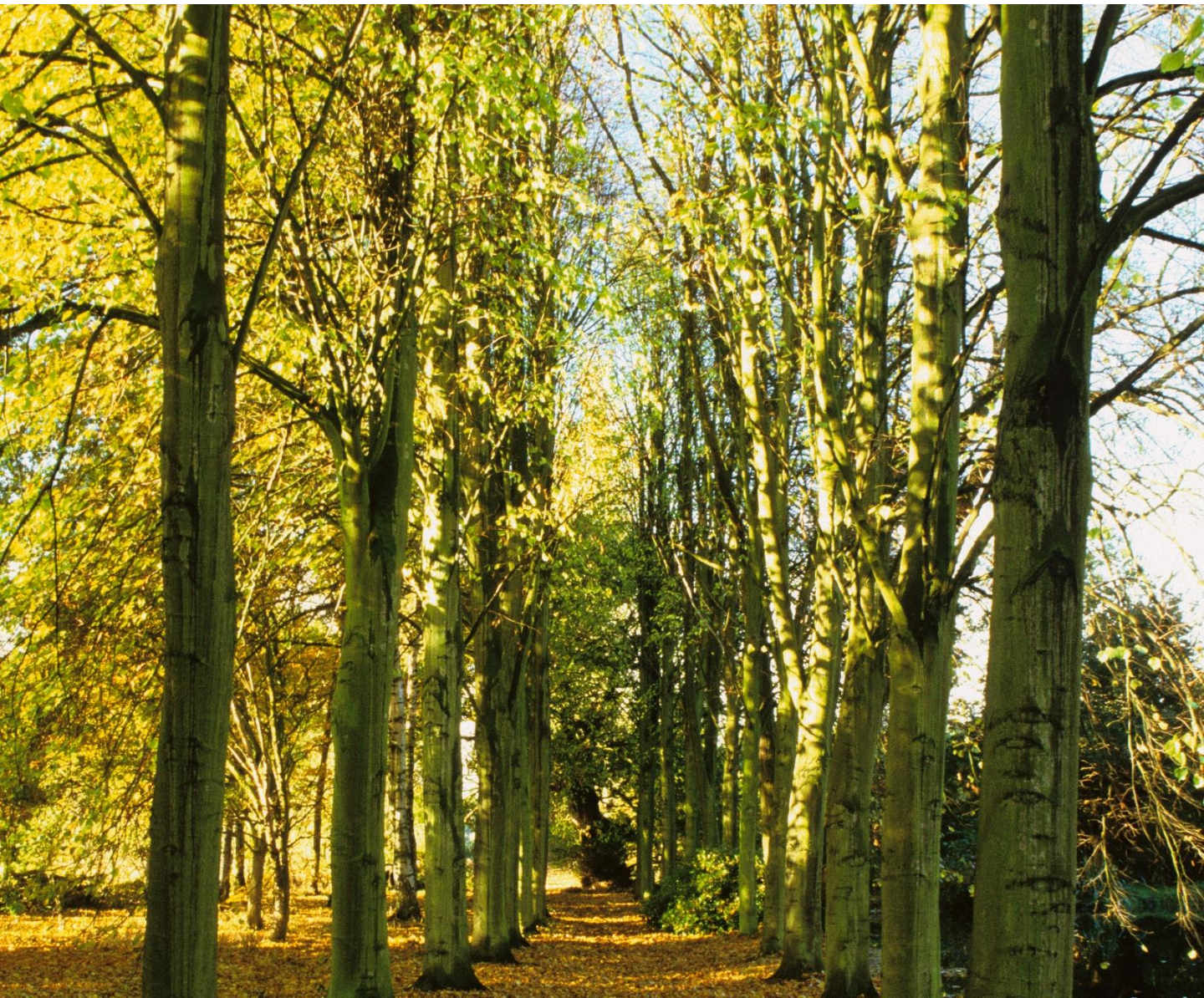
2. Current Emissions Footprint
Council's Own Procurement Emissions

Introduction

This section considers emissions associated with the council's procurement. We have considered emissions from council contracts with a value over £5,000 from available data covering the financial reporting year 2021/22.

Findings summary

o **Emissions from contracts (Figure 2.6):** In FY2021/22, emissions from contracts have been estimated to total 4,317tCO$_2$e. The most significant contributions to this total are professional services (32%) and rentals (17%).

Here we explore in more detail the emissions created through council expenditure on external contracts, which have been estimated in excess of 223 tCO$_2$e for financial year 2021/22.

These emissions are the result of fossil fuel consumption stimulated by council expenditure e.g., energy used in the production of goods and supply of services, professional services, renting and leasing, accommodation and building and construction bought by the council.

Estimating emissions from procurement

The methodology used to estimate emissions from procurement is a high-level assessment, based on the broad application of industry sector emissions factors.

Council expenditure is categorised according to its industry sector before being converted into emissions using factors specific to that sector. There was no allowance made for suppliers being above or below average performance in terms of their emissions compared to the industry they are in. This means that the actual footprint from these contracts is likely to differ from this estimate.

Influencing emissions

Understanding the extent of emissions created by the council's procurement is valuable for a number of reasons:

o Assessing procurement emissions allows the council to measure and report its own carbon footprint in a more complete way.

o Analysing procurement spend gives an indication of the overlap between council supplier emissions and the in-borough total.

o This initial screening can serve as the basis for a more detailed engagement with council suppliers to encourage transparency of reporting on their emissions totals.

2. Current Emissions Footprint
Council's Own Procurement Emissions

Council contract procurement - findings

○ Over the course of FY2021/22, Cheshire East Council's contracts are estimated to have resulted in 4,317tCO$_2$e. These results are shown opposite in Figure 2.2.

○ The largest contributors to this total come from contractors working in professional services, which make up c. 32% of this total. Other significant contributions are from rental contracts (17%) and accommodation (16%). Buildings and construction are estimated to contribute approximately 10% of this total.

○ Most contractors contribute a very small portion of the overall total; around 25% of the emissions are made up of sectors which contribute less than 250tCO$_2$e each.

○ Lease contracts and professional service contractors contribute just under half of all emissions but make up around 60% of total spend.

All other categories (26) — 359
Residential care — 54
Waste collection, treatment and disposal services;… — 65
Information services — 67
Wholesale trade services — 118
IT related services — 147
Electrical equipment — 262
Buildings and construction — 446
Accommodation — 694
Rental and leasing — 743
Professional services — 1,364
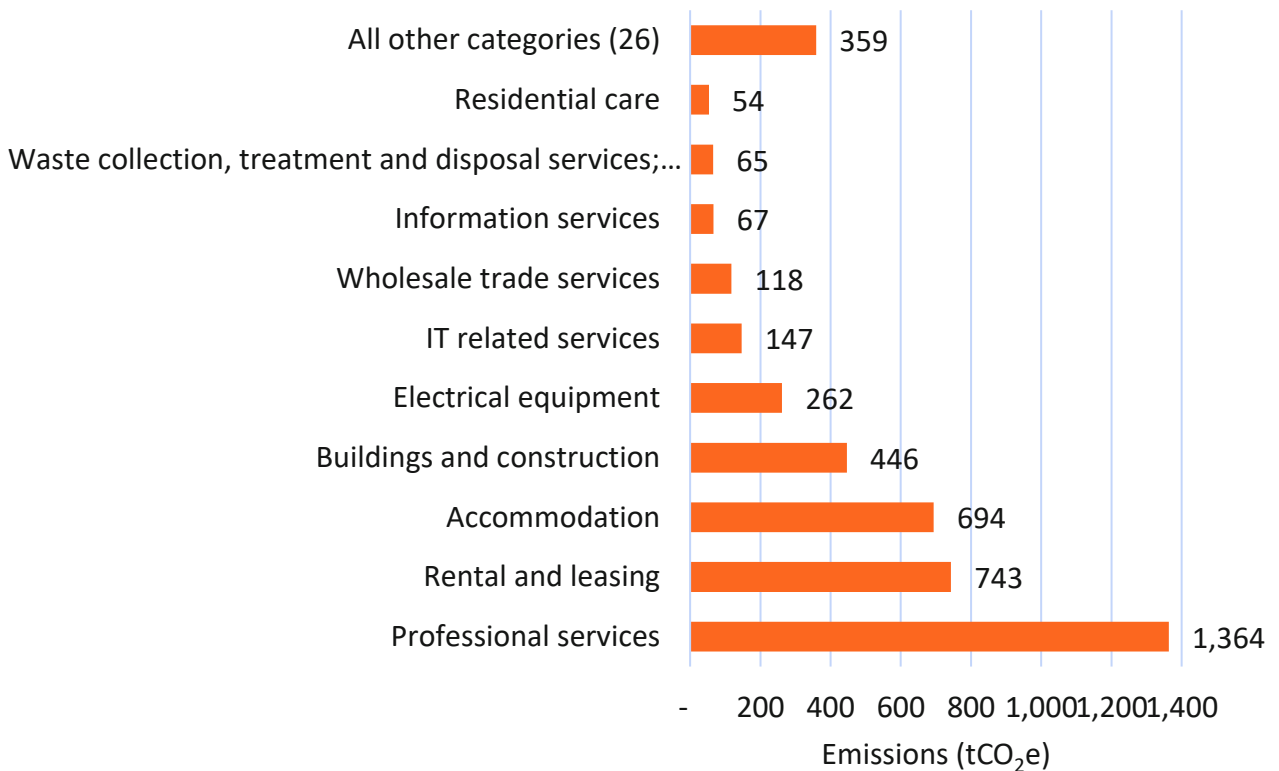
Emissions (tCO$_2$e)

Figure 2.2: Carbon emissions per category for Cheshire East Council's procurement emissions.

2. Current Emissions Footprint
Council's Own Procurement Emissions

Per-contract emissions

The dominant contributor to the council's contractor emissions are professional services contracts, across over 100 recorded entries in the reporting period. Considering which contractors contribute the most significant number of emissions *per contract* gives a very different picture, as shown opposite in Figure 2.3.

The emissions-per-contract statistics indicate rental & leasing, waste collection and electrical equipment procurement as significant contributors to the council's overall total.

This bears relevance to the decarbonisation of the council's supply chain:

o The council should target specific contracts/contractors that are highly carbon intensive, such as those which rank highly in Figure 2.3.

o This approach may differ from the engagement with suppliers in the professional services sector which mitigate the emissions in Figure 2.2.
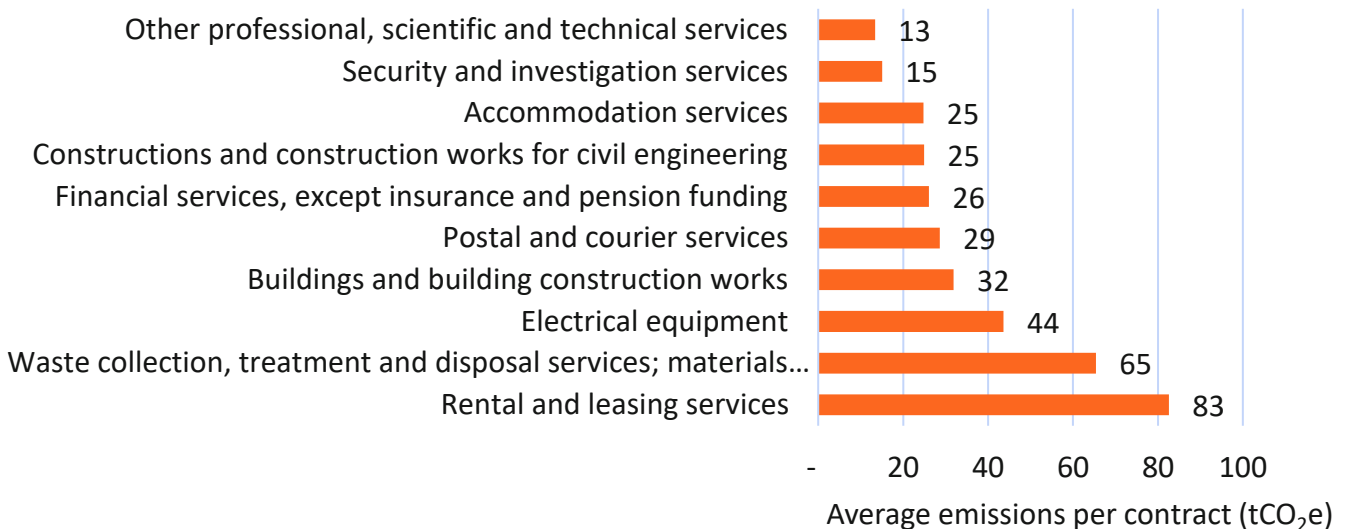
Figure 2.3: Carbon emissions per contract for Cheshire East Council's procurement emissions.

03 Emissions Reduction Pathways

3. Emissions Reduction Pathways
Introduction

Understanding what is required to achieve emissions reductions is an important step to designing low-carbon policies and projects for implementation. This chapter discusses a range of forward-looking emissions pathways based on the SCATTER Pathways tool.

SCATTER Pathways

As well as the inventory presented in Chapter 2, SCATTER also includes a Pathways model designed to help local authorities inform priorities for emissions reduction. It is intended to focus on '*what is required*' rather than '*how to get there*'.

The pathways are based on a combination of 30+ carbon reduction measures which can be implemented to various extents. These modelled pathways are intended to act as 'lines in the sand' for Cheshire East and demonstrate the scale and nature of change required to deliver significant emissions reductions. These pathways serve as an indication of whether the adoption of certain interventions can drive the transition to a low carbon economy and help to guide target-setting and key performance indicators.

SCATTER pathways run up to 2050 with interim milestones given for 2030, 2040 and 2045. These guide progress towards the borough's 2045 carbon neutral target.

It is important to note that SCATTER does not intend to prescribe certain technologies or policies, nor does it intend to discount other means of arriving at similar outcomes just because they do not feature in the model.

The feasibility of implementation is also not considered as this is dependent on action from national government and all actors. Is it intended to serve as an evidence base to help Cheshire East understand their current influence and offer challenge as to whether this influence can be applied in new, innovative and more ambitious ways.

Tyndall Centre carbon budget

The Tyndall Centre for Climate Change Research, based at the University of Manchester, have translated the Paris Agreement targets of limiting temperature change below 2°C into a fixed emissions 'carbon budget' for each UK local authority. A science-based pathway was included in the *Carbon Neutrality Action Plan 2020-25* and an updated version of this pathway has been included in this study.

For more details on the Tyndall Centre's work in this area, please visit their website for the full report.

Considerations in SCATTER

Considered in SCATTER
- Current technologies used for emissions reduction
- Measures across emissions sectors listed in the Inventory
- Scale and speed of change needed

Not considered in SCATTER
- New and emerging technologies
- Feasibility or policy limitations of implementation
- Availability of skills or funding

---

3. Emissions Reduction Pathways
SCATTER Pathways

The graph below shows two possible future emissions pathways for Cheshire East as modelled by SCATTER (for Scope 1 & 2 emissions) compared against the Tyndall Centre's recommended 13.6% annual reduction pathway.
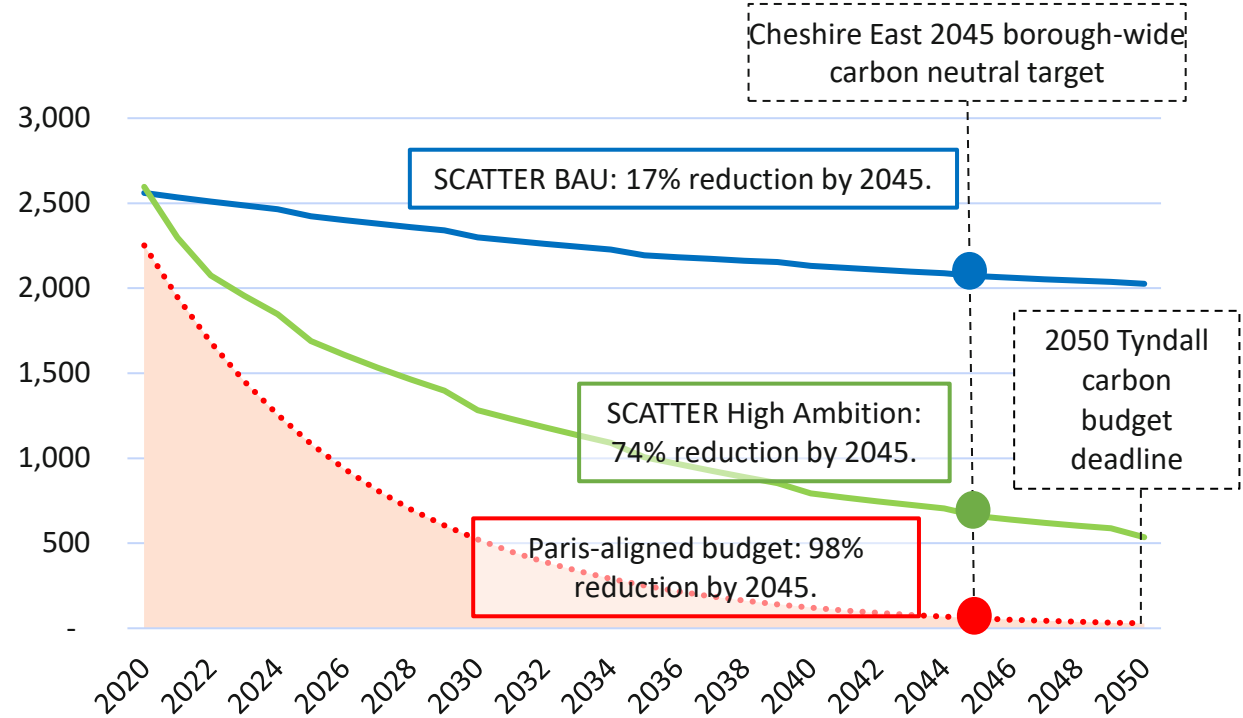
Figure 3.1: Future emissions pathway for Cheshire East (2020–2050).

Key

SCATTER BAU Pathway: Assumes Cheshire East continues along current "business-as-usual" (BAU) trajectory in terms of nationally-led policy and behavior change. Reductions are largely the result of continued grid decarbonisation.

SCATTER High Ambition Pathway: Assumes Cheshire East goes significantly beyond national policy and National Grid assumptions. It is the result of all interventions modelled by SCATTER at maximum ambition levels.

Paris-aligned Reduction Rate: Based on the Tyndall Centre's recommended annual reduction rate of 13.6%. This is not based on tangible policy or implementation, but informs the action required to meet Paris Agreement targets.

Paris-aligned Carbon Budget: A representative area equal to the cumulative emissions budget for Cheshire East, based on research by the Tyndall Centre for Climate Change Research.

For more details on the Tyndall Centre's work, please see Appendix 3.

3. Emissions Reduction Pathways
High Ambition Pathway

Along the High Ambition Pathway, **604ktCO$_2$e** remain in the energy system in 2045. This is despite applying the most ambitious interventions in the SCATTER tool for Cheshire East.

The High Ambition Pathway demands ambitious and urgent reduction interventions. The scale of the actions necessary to reduce emissions by 2045 requires immediate radical changes across the entire borough. Chapter 4 of this report outlines interventions to reduce carbon emissions across each sector.

Carbon reduction measures can be thought of as falling into two groups; interventions focused on reducing the overall demand for energy, and interventions that focus on switching to low-carbon fuel sources (primarily electricity supported by renewable supply).

Given this bias towards the electrification of heating, transport and industrial processes, future demand for electricity is likely to increase. SCATTER's pathways follow assumptions published by the National Grid's Future Energy Scenarios and models the level of renewables required locally to meet the borough's demand.
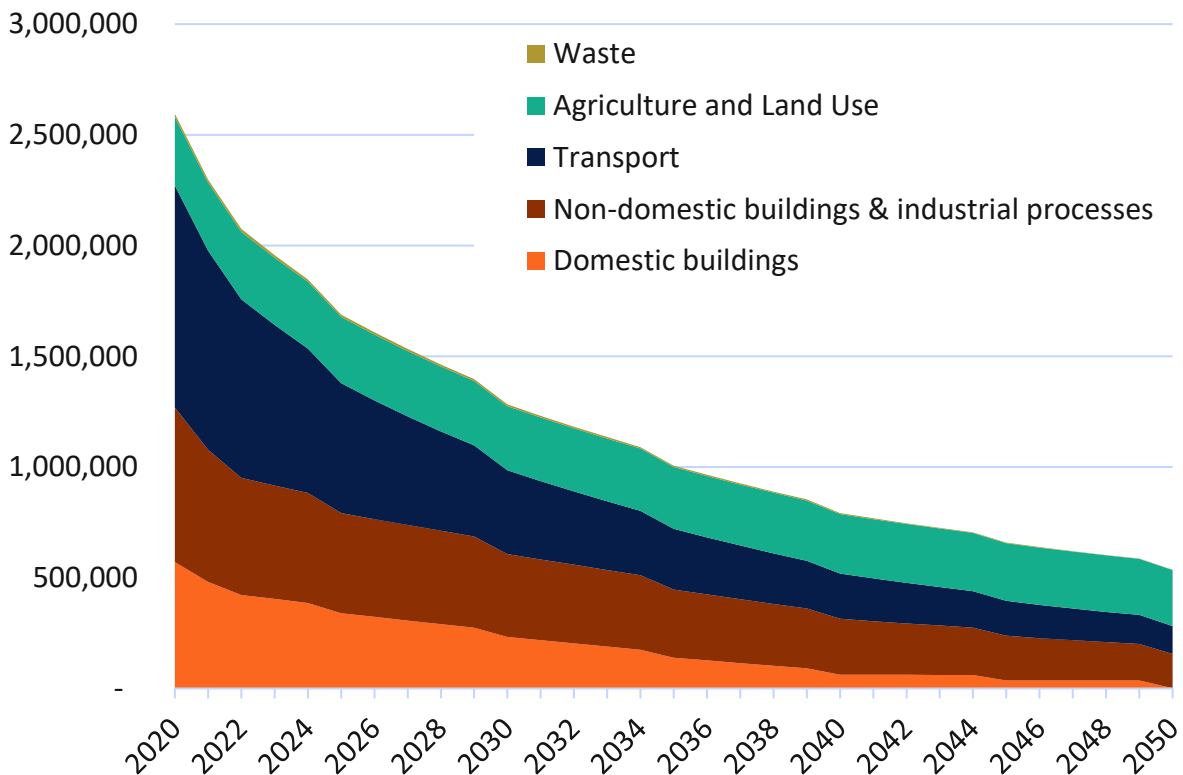
Figure 3.2: SCATTER High Ambition pathway for Cheshire East, broken down by sector. A more detailed breakdown of these emissions over time can be found in Figure 3.3.

3. Emissions Reduction Pathways
High Ambition Pathway

Adoption of the SCATTER High Ambition Pathway interventions delivers emissions reductions of 74% by 2045.

By 2045, the emissions profile for Cheshire East will look very different from today. Emissions from agriculture are estimated to become the most dominant sector in the 2045 profile, whilst energy efficiencies in buildings will have heavily decreased domestic and non-domestic building emissions. Electrification of vehicles will have also reduced transport emissions significantly.

Emissions from livestock are projected to fall 12% and the amount of emissions

sequestered through increased forest coverage and other natural means is expected to increase significantly.

Despite significant concerted action, 604 $ktCO_2e$ of residual emissions remain in 2045. Though emissions from industry, buildings and transport have been heavily reduced, the scale of improvements will not be enough to achieve net zero by this date.

Further ambition and a variety of additional technologies and nature-based solutions will need to be considered to close this gap.

Est. total: **604 $ktCO_2e$**

- Domestic buildings
- Non-domestic buildings (excl. fugitive emissions)
- Industrial processes
- Transport
- Waste

Emissions projected to fall 74% by 2045 against 2019 levels

By sector:

94%	91%	84%	80%	77%	12%
Domestic buildings	Industry	Transport	Waste	Non-domestic buildings	Livestock

Land use acts as net carbon sink
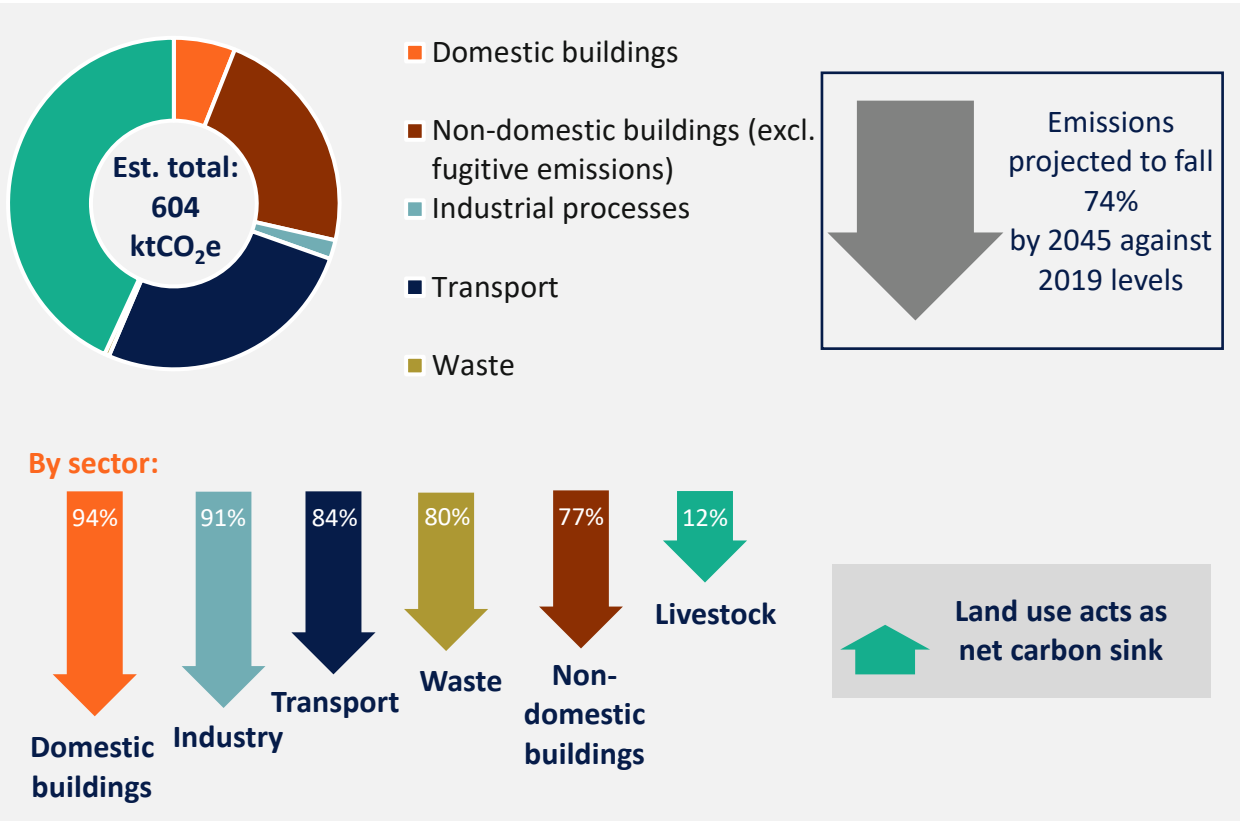
Figure 3.3: Estimated 2045 emissions profile (top). Emissions reductions across key sectors under the High Ambition Pathway (bottom).

3. Emissions Reduction Pathways
The Gap to Target

How can we go beyond the High Ambition Pathway?

Even with the successful implementation of extensive carbon reduction measures, it is likely that some hard-to-remove emissions will be "left over" in 2045. Defining the scale and nature of this gap to target is an important process to meeting reduction targets and goals.

By 2045, this gap is projected to be as high as **600 ktCO$_2$e** within Cheshire East, mostly made up of emissions from non-domestic buildings.
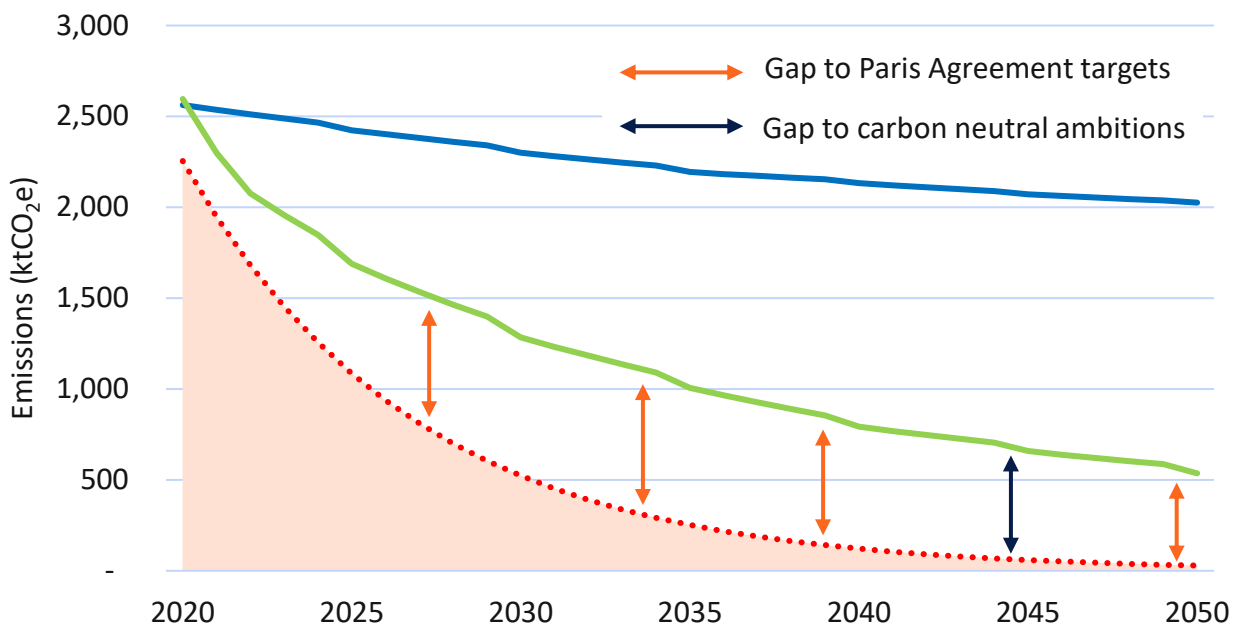
Figure 3.4: SCATTER pathways, with indicators given for the gap to target.

Closing the gap to target

The actions outlined in this report are largely rooted in SCATTER's "High Ambition" pathway, and the outlined actions should be prioritised for reasons of reliability, cost, and impact. The actions also provide scope for Cheshire East to "close the gap" to its target beyond the pathway's suggested actions. Three ways this could be achieved are outlined below and should be considered in relation to the recommendations in the plan:

o **Accelerated and increased deployment:** The borough may consider action 'above and beyond' the measures outlined in this report. For example, rather than a deep retrofit of 80% of homes as per SCATTER, stakeholders may aim for a deep retrofit of 90% of homes. It may also be the case that actions given in the plan can be delivered at an earlier date in order to accelerate emissions reductions.

3. Emissions Reduction Pathways
The Gap to Target

○ **Technological innovation and marginal improvements:** Improvements to technology, such as solar PV, has moved forward at an unpredictably rapid rate in the past twenty years. Technological efficiency improvements in different areas may dramatically improve the feasibility for emissions reduction in different sectors. The development of a nascent hydrogen sector in the UK also presents opportunities, as highlighted in the recently published Hydrogen Strategy. The modelling of hydrogen is currently discounted from SCATTER pathways due to its limited maturity when the tool was developed.

○ **Offsetting & Insetting:** This approach would emphasise nature-based solutions such as tree planting and the restoration of other ecosystems. Other nascent technologies such as carbon capture and storage (CCS) and negative emissions technologies (NETs) may also be considered. Cheshire East is also very heavily involved in the development of Authority-Based Insetting, which may also be a helpful mechanism in this space.

04 Menu of Options

4. Menu of Options
Introduction

This chapter explores the options available to the council which can deliver the emissions reductions set out in the SCATTER High Ambition pathway. There are a total of six sub-chapters aligned to the main emissions sectors within the borough emissions profile, set out in the following format:

o Introduction: a description of the scope, relevant policies and current contexts of activities covered. Sub-chapters are split up into domestic buildings, non-domestic buildings, transport, agriculture & land use, waste & industry and energy.

o SCATTER interventions: a description of the scale and nature of activity dictated by the SCATTER High Ambition pathway at milestone years. Three milestone years have been shown; a medium term 2030, the carbon neutral target year of 2045, and the pathways endpoint 2050 in line with national targets.

o Indicative costs and carbon savings: an assessment of the relative opportunity in terms of emissions reduction impact as well as high-level financial implications for each intervention.

o Actions library: A non-exhaustive list of actions and goals that can deliver progress against SCATTER interventions. These are illustrated in practical terms by the case studies. A comprehensive review of existing action has not been carried out as part of this study and it may be the case that some actions are already being implemented to some extent. These examples are suggested activities based on previous experience in other authorities, though stakeholders may wish to take different courses of action.

o Case studies: a catalogue of comparable projects either implemented or underway that deliver progress towards SCATTER interventions. These are discussed in more detail opposite.

SCATTER interventions

The SCATTER Pathways tool models future emissions pathways based upon defined activity levels within Cheshire East. The more ambitious the level of defined activity in each area, the closer the emissions trajectory tracks towards zero.

When taken together, these interventions define future emissions projections (i.e., the green line on Page 21). Within this chapter, the activities described are those which correspond to the SCATTER High Ambition Pathway. We give targets indicating **what is needed** to achieve carbon reductions across a number of interventions or action groupings, by 2050, for each sector. This is followed by detail around **how to achieve** the targets outlined in case studies. The pathways and intervention data provided includes Scope 1 & 2 emissions as set out by the SCATTER Inventory. Suggested action planning measures are intended to address all emissions sources.

4. Menu of Options
Introduction

Case studies

Case studies have been included on the basis of their linkage to SCATTER carbon reduction measures and the varying role of the council in delivery of each. They are intended to illustrate the scope and scale of action that the council can undertake to design its action plan.

For each case study given across the various sub-chapters, we have sought to define the following common points of detail to allow comparability and the scope for further assessment and detail:

o **Aims & objectives:** the main ambition of the case study alongside its strengths and shortcomings.

o **Impacts:** the implications of the case study in terms of carbon savings, costs and co-benefits. Equality implications have also been explored for these actions where applicable.

o **Responsibilities:** the role of the council, other partners and stakeholders, including the sources of funding for the case study.

o **Officer insights:** where available, feedback and commentary from council officers has been included following an engagement workshop with relevant colleagues as part of this study.

4.1 Domestic Buildings

4.1 Domestic Buildings
Introduction

Scope of section

This sub-chapter is focused on emissions from domestic buildings. This covers all households in Cheshire East, with emissions grouped into two categories; emissions from heating and hot water and emissions from lighting, appliances and cooking. Emissions from domestic buildings make up around one fifth of the borough-wide total. Within that, there is approximately an 80:20 split between emissions from heating and emissions from appliances.

Current context

o **EPC data shows most homes are C or D-rated:** Cheshire East has over 175,000 households. Of the 116,000+ EPCs awarded to domestic properties in Cheshire East since the start of 2012, almost two thirds (64%) were at C or D rating. Less than one in five EPCs were AB ratings.

o **Gas central heating is currently the dominant heating system, whilst a small proportion of properties are off-gas:** According to government estimates, 9% of homes in Cheshire East are not connected to the gas grid. These households are likely to use electric storage heating or oil fuel heating.

o **Fuel poverty affects just over 1 in 10 households in Cheshire East:** The UK government definition for what constitutes a fuel-poor home has been changed, but still indicates that around 11% of households are classified as low income, low energy efficiency. This data is also taken from the period before the large increases in domestic energy prices, which will increase this figure.

o **The mean level of electricity consumption per household has fallen just under 9% since 2010:** Trends in subnational electricity consumption statistics show that the typical household consumed 8.6% less power in 2022 compared to the first year of available data.

At a glance: SCATTER interventions for this sector

Reducing the demand for energy
o Retrofitting building fabric for existing homes
o Encouraging very high energy efficiency standards on new builds
o Using energy efficient lighting and appliances

Encouraging low-carbon fuels
o Installing electric heating systems
o Installing electric cooking systems
o Community-based solutions for heating where electric systems are not feasible

Encouraging uptake of renewables
o Domestic installation of small-scale PV (see section 4.6)

Figure 4.1.1: Cheshire East's domestic buildings emissions along the SCATTER High Ambition Pathway, 2020-50.
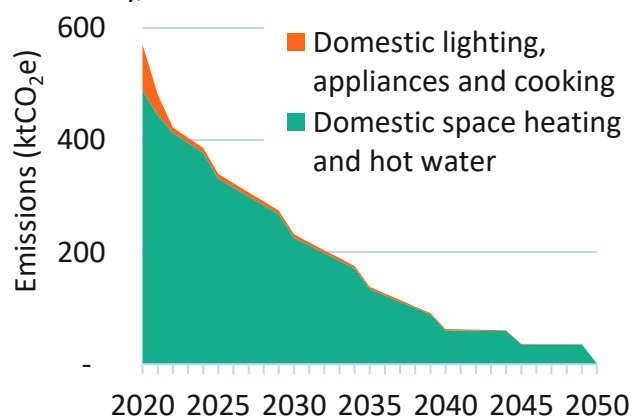
36 ktCO$_2$e of buildings emissions remaining at 2045 with a 94% reduction in emissions.

4.1 Domestic Buildings
SCATTER Interventions

Improving energy efficiency of households

SCATTER's High Ambition pathway projects the impact of a substantial retrofit programme on existing homes within the borough which reduce their energy demand. This is also tied to very high energy efficiency standards for new-build properties:

o   Medium retrofit: a 66% reduction in annual average energy demand (modelled as installation of inner-wall insulation).

o   Deep retrofit: 83% reduction in annual average energy demand (modelled as installation of inner & outer wall insulation).

o   New build standards: New builds are assumed to reach Passivhaus standard, which avoids costly retrofit in the future.

Whilst modelled as inner- and outer-wall insulation, the key metric is the achieved reduction in average demand; a combination of retrofit measures may be applied in practice to achieve this.

Figure 4.1.2: Retrofit rates along the High Ambition pathway. *ECO measures are included for comparison, though average improvements to energy demand fall well short of medium retrofit in practice.
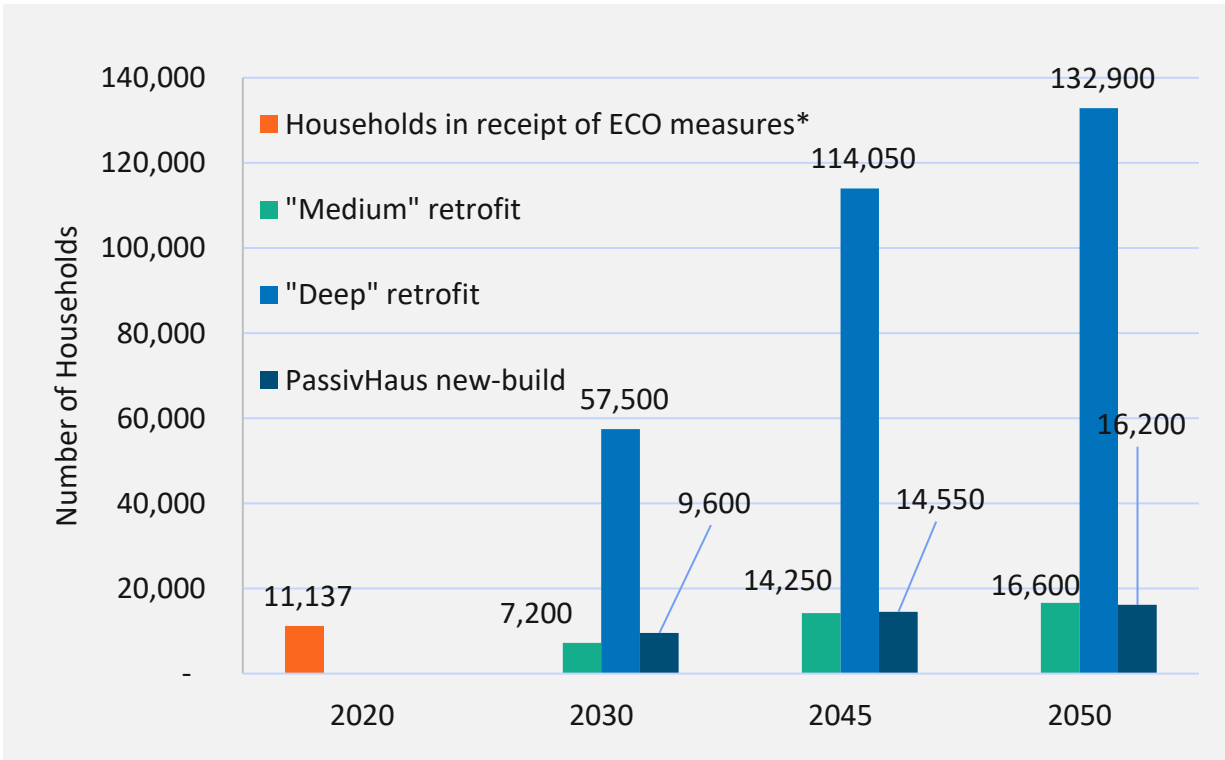
4.1 Domestic Buildings
SCATTER Interventions

Cheshire East Council

Low-carbon, energy efficient cooking, lighting and appliances

This intervention considers the reduction in energy demand due to the installation of more efficient electrical devices. It also considers all types of cookers and catering equipment, regardless of their source fuel.

Energy demand reductions are applied to whatever fuel the building is using, such as mains electricity or gas-fired CHP.

Figure 4.1.3: Modelled energy demand reduction for changes for appliances, lighting and cooking defined against a 2019 baseline.

Current Context 2020	By 2045
• C. 11,000 households in Cheshire East have received at least one ECO measure since 2013 • The proportion of ABC-rated EPCs awarded has grown significantly since 2008; between 2008-13 only a third of EPCs were ABC-rated, in the most recent five year span this had risen to over 50% • Overall consumption of energy for lighting in the UK fell 25% between 2010 and 2019	• 14,250 households "medium" retrofit, 114,050 households "deep" retrofit • All of the 9,975 new houses projected in SCATTER to be built to Passivhaus standards • 63% reduction in domestic energy demand for appliances, lighting and cooking • 38% reduction in overall domestic heat demand

4.1 Domestic Buildings
SCATTER Interventions

Cheshire East Council

Moving away from fossil fuel heating

This interventions models the transition from fossil fuel-source heating technologies to low-carbon alternatives. The technology mix under the High Ambition Pathway includes heat pumps for domestic buildings. Heat pumps are modelled in SCATTER to deliver the greatest emissions reduction for domestic buildings.

Transitioning to alternative heating technologies such as community-scale CHP and district heating networks can also deliver a significant amount of emissions reduction. Community scale combined heat and power (CHP) systems are a low-carbon alternative to individual gas/grid systems since they more efficiently convert fuel into electricity and heat. CHP systems can also be fed by renewable technologies, meaning that they also offer a long-term zero-carbon option for heating systems.

Heat pumps and CHP are also much more fuel-efficient than a traditional gas-fuelled boiler, meaning that a transition towards alternative heating systems will also contribute heavily to the overall reduction in energy demand in this sector.

The impact of this measure on emissions is heavily influenced by the availability of green electricity supplied by renewable energy sources. The transition toward electrified heating brings an added demand for electricity, which will have associated carbon emissions until the national grid is fully "greened". The more rapidly the grid greens and/or until local renewables are deployed to meet local demand, the greater the impact on emissions reduction.
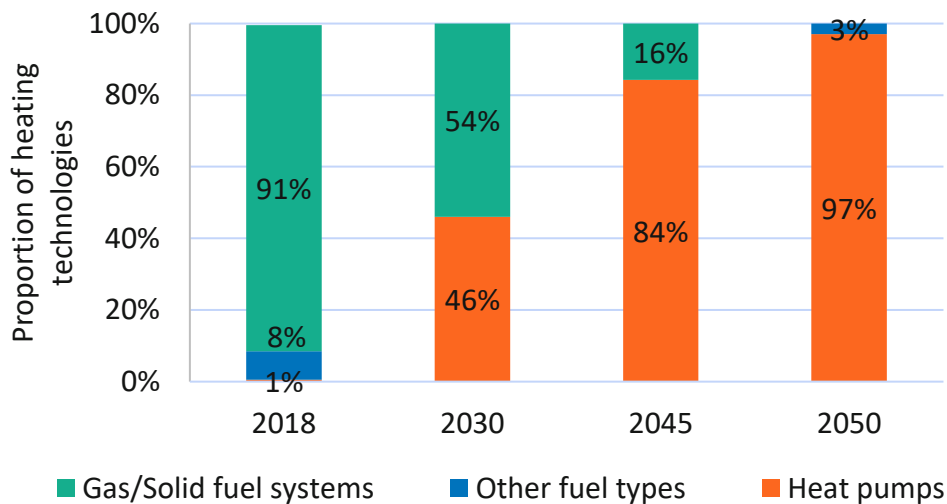
Figure 4.1.4: Modelled changes in the technology mix used for heating domestic buildings.

4.1 Domestic Buildings
SCATTER Interventions

Cheshire East Council
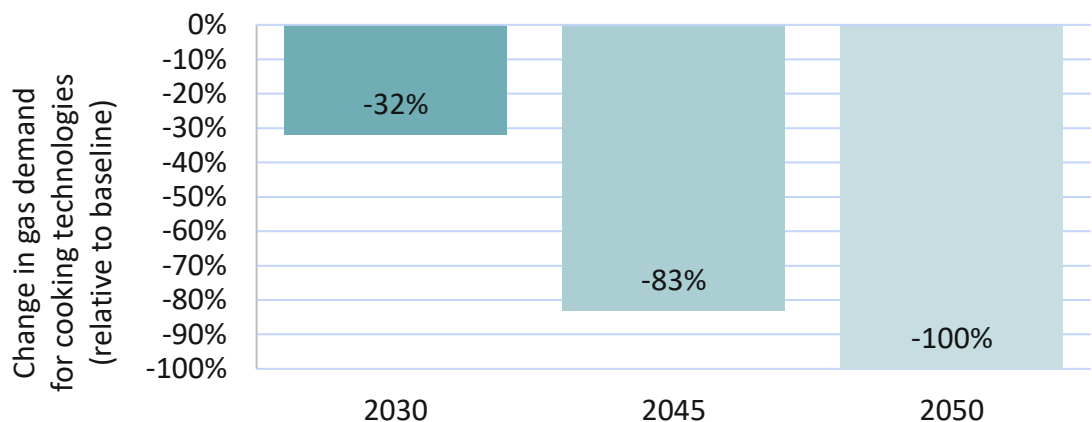
Figure 4.1.5: Modelled changes in gas usage for cooking systems. Baseline is taken as 2019 levels of consumption.

Current Context 2020	By 2045
• Government data suggests over 90% of properties in Cheshire East are connected to the gas grid • Between 2010 and 2020, domestic gas consumption across the borough fell by 2% overall, and 12% per household • Nationally in 2016, it was estimated that around 45-50% of domestic cooking was electrified	• 97% of domestic heating systems are heat pumps or equivalent electrified systems • Remainder of domestic heat demand is met by district heat sources • 83% decrease in gas usage for domestic cooking, displaced by electric systems

4.1 Domestic Buildings
Carbon Savings and Indicative Costs

Estimates for the carbon savings and high-level financial implications for different interventions are given overleaf in Figure 4.1.6.

Whilst there is no single means of identifying a priority order of low-carbon projects and initiatives, it is important to recognise where the most significant impacts can be made in terms of carbon savings and financial implications.

Our estimates use SCATTER data and research supported by the Committee on Climate Change in the UK's Sixth Carbon Budget to understand which interventions are likely to have the largest material impact on Cheshire East's emissions.

Different types of cost

o **Capital expenditure (capex)** represents funds used to acquire, replace or upgrade a fixed asset e.g., the showroom price of an electric vehicle

o **Operational expenditure (opex)** represents funds spent or earned in the use and maintenance of that asset throughout its life e.g., the price of charging point electricity used to power the electric vehicle

o **Marginal cost** represents *additional* expenditure incurred as a result of choosing a low-carbon option over a higher-carbon alternative e.g., the difference between the showroom price of an electric vehicle versus a diesel equivalent

Notes for the domestic sector

o Avoiding the use of gas for heating is estimated to have the highest impact in terms of emissions savings.

o This can be met in two ways, either improvements to building fabric which improve energy performance, or the replacement of the heating system with a renewable fuel equivalent.

o The most significant capital costs are associated with retrofitting existing households.

o Energy efficiency measures offer paybacks of <10 years in most cases, though these impacts have not been quantified in this analysis.

o Constructing new builds to very high energy efficiency standards and with renewable heating systems already installed is significantly cheaper than retrofitting at a later date.

4.1 Domestic Buildings
Carbon Savings and Indicative Costs

SCATTER Intervention	Cumulative Emissions Savings (2020 - 2045)
• Improving energy efficiency of households • Moving away from fossil fuel heating	8,154 ktCO$_2$e
• Low-carbon, energy efficient cooking, lighting and appliances	114 ktCO$_2$e

Costed measure	Type of cost	Cost to 2045 (£m)
Retrofit of existing households	Capex	1,160
Replacing domestic heating systems with heat pumps	Marginal capex	235
Constructing new build to Passivhaus standards	Marginal capex	64
Switching to electric cookers in households	Marginal opex	+14*
Improved heating system efficiency	Marginal opex	-589*

Figure 4.1.6 (top): Carbon savings for SCATTER interventions along the High Ambition pathway. Figure 4.1.7 (bottom): Table of indicative costings for the implementation of energy efficiency measures and heating systems retrofit. Negative values indicate cost savings.

*estimates based on 2019 energy prices, likely to have changed following changes to 2022 wholesale energy prices.

4.1 Domestic Buildings
Officer Insights

As part of this study, a workshop was held with council officers to hear views on potential actions, key barriers and enablers to their implementation and further implementation considerations. A summary of these views is shared below:

SCATTER Intervention	Barriers	Enablers	Implementation Considerations
Improving energy efficiency	*"Contractors skilled in insulation may only be suited to standardised building sizes"* *"Skills barrier to delivering retrofit"*	*"Future buildings are where there is the most opportunity (Part L regs)."*	*"The electrification of heat will have a huge impact on electricity grid. Need for work with DNOs and grid companies."* *"The council works very closely with developers"* *"Linking low-carbon actions to other agendas, such as mitigating fuel poverty, is an important way we can prioritise action"*
Moving away from fossil fuel heating	*"Lots of private landlords that would need to be engaged with"* *"Rural, older properties aren't well insulated and alternative heating sources aren't as cost effective"*	*"Jumping rural communities from oil to heat pumps to avoid the gas step would help a lot"*	*"Have to find a way to engage with landlords as lots of the borough is rented."*

4.1 Domestic Buildings
Officer Insights

As part of this study, a workshop was held with council officers to hear views on potential actions, key barriers and enablers to their implementation and further implementation considerations. A summary of these views is shared below:

SCATTER Intervention	Barriers	Enablers	Implementation Considerations
Low carbon and energy efficient cooking, lighting and appliances	*"Cost of living crisis – can people afford to invest now to save later?"*	*"Raising investment within community networks - how do we tap into third sector to do work locally"*	*"Engage residents and businesses on where to focus and where to start"*
Small-scale renewables	*"Need for trustworthy information e.g., where to buy solar panels"*	*"Group/community purchase of solar panels"*	*"The Council's Green Energy Fund has expired but what other avenues could be used?"*

4.1 Domestic Buildings
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones. In the case that these link forwards to a case study, please click the link given in the final column of the table to read more details on example projects of this type.

Impact area	Example actions	Case studies
Improving energy efficiency		
Private rental sector	• Raise the minimum energy efficiency standards for private rented properties from the current D rating up to a C (or higher) • Improve enforcement of these standards to capture non-compliance, providing support to tenants and landlords where needed • Create green accreditation schemes for private landlords including access to finance, suppliers, installers and discounted EPC surveys as an incentive to the private rental sector to improve energy efficiency • Set up a mechanism through which tenants can report landlords who fail to meet energy efficiency standards	West Midlands Combined Authority Consortium (page 38)
Owner-occupied sector	• Use household fuel poverty data to identify 'hotspots' of low energy efficiency properties • Provide guidance and advice to households to publicise the availability of government funding for retrofitting and energy efficiency measures, such as ECO3 • Set up means for residents to collaborate and showcase leading examples of decarbonization • Directly allocate funding for the retrofit of low energy efficiency homes in the borough	North-East Derbyshire District Council (page 38)
New-build development	• Mandate all new dwellings achieve energy efficiency standards beyond Part L of the 2013 Building Regulations • Require all new homes built on council land to be built to highest energy efficiency standards (e.g., Passivhaus or minimum kWh/m2)	City Of York Council (page 39)
Registered provider housing	• Prioritise energy efficiency improvements for worst-performing houses in social housing stock • Support providers to develop retrofit programmes using developer-sourced funding	Sutton Housing Partnership (page 40)
Skills and Workforce	• Work with training colleges to ensure skills to deliver medium and deep retrofit are within the local workforce	City of York Council (page 39)

4.1 Domestic Buildings
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones. In the case that these link forwards to a case study, please click the link given in the final column of the table to read more details on example projects of this type.

Impact area	Example actions	Case studies
Moving away from fossil fuel heating		
Owner-occupied sector Private rental sector	• Provide guidance and advice to households to publicise the availability of government funding for heating system retrofits • Provide guidance and advice to households on heritage building retrofit • Identify existing residential developments that meet criteria for heat networks	
New-build development	• Assess all new developments for connection to a heat network and/or installation of heat pumps in favour of gas boilers • Communicate with developers to ensure the technical knowledge and resources to install non-gas heating systems in new developments	Manchester City Council (page 39)
Registered provider housing	• Assess feasibility for heat pumps in all RP housing developments • Support providers to develop retrofit programmes using developer-sourced funding	Sutton Housing Partnership (page 40)
Low carbon and energy efficient cooking, lighting and appliances		
Private and register provider housing	• Provide education, guidance and support to residents on low carbon energy efficiency appliance and lighting improvements	Southampton City Council (page 40)

4.1 Domestic Buildings
Case Studies

IMPROVING ENERGY EFFICIENCY
WEST MIDLANDS COMBINED AUTHORITY CONSORTIUM

Project summary

The West Midlands Combined Authority consortium, led by the combined authority, has been awarded funding to retrofit social housing, with the aim to retrofit 622 of the worst energy-performing properties across the region by March 2023.

Stakeholders

WMCA consortium partners include Sandwell Metropolitan Borough Council, Solihull Community Housing, City of Wolverhampton Council, Community Housing Group, Midland Heart, Orbit Housing and Wrekin Housing Group.

Funding

Led by the Energy Capital team at the WMCA, seven partners made a successful bid for a share of the Government's Social Housing Decarbonisation Fund and were awarded £7.5m. The total cost of the retrofitting project is £14.7m, therefore the remaining balance of £7.2m is funded from housing association and local authority budgets.

IMPROVING ENERGY EFFICIENCY
NORTH-EAST DERBYSHIRE DISTRICT COUNCIL

Project summary

North-East Derbyshire District Council is working with a council-owned social housing provider, Rykneld Homes Ltd. and Sustainable Buildings Services, to install external wall insulation at 324 council-owned homes.

Co-benefits

The council expects residents to save an average of £286 per household through lower energy bills.

Funding

The project was funded by the Government's Green Homes Grant Local Authority Delivery Scheme as well as the council's own resources. In phase 1a of the council project, the authority spent £2.5 million of its own money, supplemented by £0.6m of LADS 1a funding, to carry out work on 115 homes. For phase 1b, the council is using £1.04m of LADS 1b funding, supplemented by £7.2m of council investment, to work on 209 homes.

4.1 Domestic Buildings
Case Studies

IMPROVING ENERGY EFFICIENCY (NEW BUILD)
CITY OF YORK COUNCIL

Project summary

City of York Council has a Zero Carbon Homes Programme, where all properties are constructed to Passivhaus certification. The council worked with specialist consultants, with embodied carbon considered during the design process.

Council role

The council ran extensive procurement for a 5+ year multi disciplinary design team.

Carbon savings

120ktCO$_2$e of carbon are estimated to be saved from the programme. Total energy bills will be approximately more than 50% lower than a new build property and 40% of homes at each site will be affordable. Affordable housing and low energy bills will help tackle fuel poverty and increase disposable income.

Funding

City of York Council secured grant funding for local training on the installation and maintenance of heat pumps.

MOVING AWAY FROM FOSSIL FUEL HEATING
MANCHESTER CITY COUNCIL
Project summary

Manchester City Council partnered with Keepmoat Homes to build houses with electrified heating. The homes were fitted with solar PV and battery storage and an AI heating system, including partitions and a consideration of weather and occupant behaviour to determine how much electricity to draw from the grid.

Co-benefits

The intelligent heating system saves occupants money from more efficient energy use and free energy from solar PV. There is reduced human responsibility due to the self learning system. Additionally, the system is designed to be low maintenance and long-lasting.

Funding

The council used government funding from the Homes & Communities Agency.

4.1 Domestic Buildings
Case Studies

IMPROVING ENERGY EFFICIENCY
SUTTON HOUSING PARTNERSHIP

Project summary

The Sutton Housing Partnership will launch a pilot project with Engie to trial an airtight wrap, a super-insulated facade and roof to transform eight properties across London into low maintenance, net-zero carbon homes. The project will also offer advice and guidance for local authorities, housing associations and registered providers to decarbonise homes to Energiesprong standards.

Co-benefits

The pilot hopes to create homes that are low maintenance and reduce bills for tenants through increased energy efficiency.

Funding

The project secured funding from the Mayor of London's Energy Leap Pilot scheme.

LOW-CARBON, ENERGY EFFICIENT COOKING, LIGHTING AND APPLIANCES
SOUTHAMPTON CITY COUNCIL

Project summary

Southampton Council runs energy provider CitizEn Energy, which has provided free low energy LED lightbulbs for council homes. The council has plans to install lightbulbs in 100 homes overall.

Co-benefits

The bulbs installed have a running cost of approximately 10% of an old-style light bulb.

Funding

Southampton Council owns and runs CitizEn Energy and has invested in the company, which provides green energy tariffs alongside impartial advice on securing affordable energy for households.

4.1 Domestic Buildings
Case Studies – Equality Implications

It is crucial that Cheshire East considers strategic objectives that extend beyond carbon reductions when action planning. These include reducing inequality, improving public health and encouraging economic security. Below we have assessed the implications of low-carbon actions in the context of different co-benefits and equality considerations. Definitions of the different categories of co-benefit and equality implication can be found in Appendix 7.

Intervention	Potential positive co-benefits	Equality implications
Improving energy efficiency of existing buildings	o Public health: More comfortable, livable buildings. Reduction in excess winter mortality. o Council services: Reduction in resident energy bills, reduction in reliance on council services. Reduction in fuel poverty and associated inequalities. Households more resistant to extreme weathers and events. o Local environment: Improvements to air quality as a result of more efficient energy consumption.	o Low-income residents: Large proportion of residents will not have access to upfront capital required to carry out retrofits. Costs of retrofit may also be passed directly onto the tenant, particularly in the rented sector. o Remote communities: More likely to require substantial intrusive programmes of work and live in hard-to-treat housing.
Improving energy efficiency of new buildings	o Public health: More comfortable, livable buildings. o Council services: Reduction in resident energy bills, reduction in reliance on council services. Reduced pressure on public infrastructure for new developments. o Economic security: Creation of new jobs and opportunities for skills and training in the low carbon construction sector. Increased investment into low carbon construction businesses.	o Businesses: Achieving very ambitious standards is likely to apply heavy pressure to local trade and housing providers in terms of time and cost. o Low-income residents: Poor visibility of climate risks can lead to new developments being poorly equipped for a changing climate. o Council services: Poor integration between infrastructure planning and service provision can lead to low availability of public services.

4.1 Domestic Buildings
Case Studies – Equality Implications

It is crucial that Cheshire East considers strategic objectives that extend beyond carbon reductions when action planning. These include reducing inequality, improving public health and encouraging economic security. Below we have assessed the implications of low-carbon actions in the context of different co-benefits and equality considerations.

Intervention	Potential positive co-benefits	Equality implications
Moving away from fossil fuel heating, improving energy efficiency of lighting and appliances	o Public health: Reduction in indoor pollution. Reduction in energy bills (in some cases). o Economic security: Creation of new jobs and opportunities for skills and training in the low carbon construction sector. Increased investment into low carbon construction businesses.	o Remote communities: Less likely to be connected to mains supplies for gas and electricity, making it harder to access these residents. o Businesses: Existing tradespeople may need retraining to have capacity to install electrified heating. o Low-income residents: The upfront capital for installation is a barrier to accessing lower operational costs.

RetrofitWorks – YourHomeBetter, GMCA

RetrofitWorks is a cooperative set up to accelerate uptake within the able-to-pay market for domestic retrofit. Its principle is to connect households with the resources and contractors who can implement energy efficiency measures.

Their partnership with YourHomeBetter in Greater Manchester focuses specifically on lower-income owner-occupied households.

Specific case studies on the delivery of this retrofit can be found on the YourHomeBetter website.

A description of the categories discussed in these tables can be found in Appendix 7.

4.2 Non-Domestic Buildings

4.2 Non-Domestic Buildings
Introduction

Scope of Section

This sub-chapter is focused on emissions from non-domestic buildings. This covers all commercial, institutional and industrial properties and sites in Cheshire East.

As with domestic buildings, emissions fall into two broad categories; emissions from heating and hot water and emissions from lighting, appliances and cooking. Emissions from non-domestic buildings make up around 27% of the borough-wide total. Within that, there is approximately a 60:40 split between emissions from heating and emissions from appliances.

Current context

o   **Display Energy Certificate data indicates two in three commercial sites are CD rated:** Since 2012, 66% of awarded DECs fall under C or D rating; just over 8% were A or B rating.

o   **Mean electricity consumption across non-domestic meters fell by almost a quarter between 2010 and 2020:** Outright consumption fell by just under 20% over that period; after factoring in the growth of new sites, the per-meter consumption fell by over 23%.

o   **There is less reliance on natural gas for heating in non-domestic buildings:** According to the UK Building Energy Efficiency Survey, only 63% of non-domestic floor area is heated by natural gas. In some sectors, such as retail, this falls as low as 39%. Considering the split of electrical and non-electrical fuels used in heating, the proportion of electrical energy used for heating, cooking and hot water is around 18%, with around 75% of heating met by gas supply. Of the non-gas fuels used for heating, electricity is the dominant alternative fuel.

4.2 Non-Domestic Buildings
Introduction
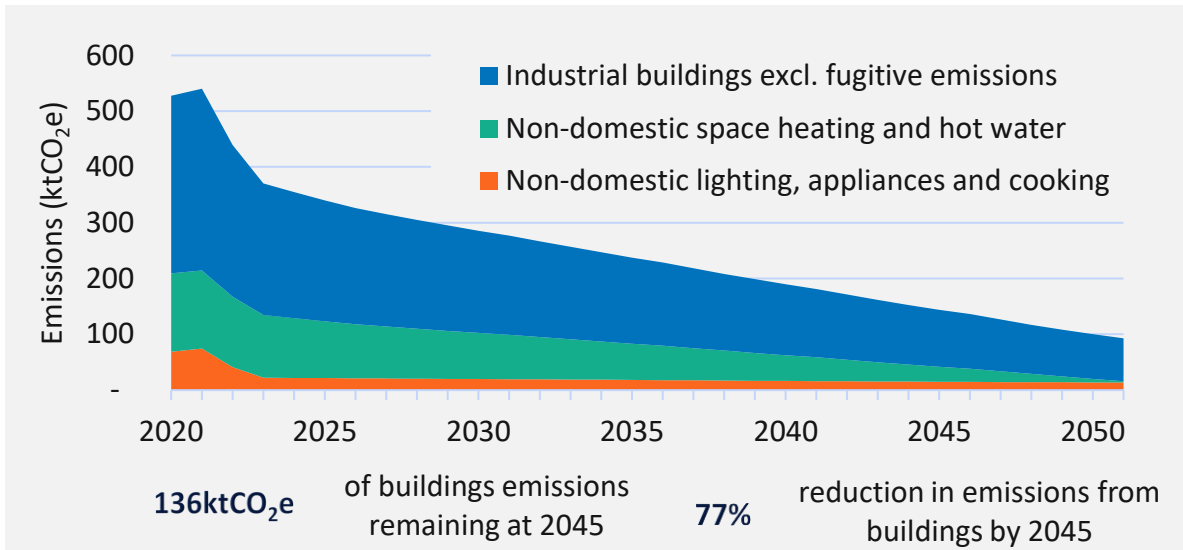
Figure 4.2.1: Cheshire East's non-domestic buildings emissions along the SCATTER High Ambition Pathway, 2020-50.

At a glance: SCATTER interventions for this sector

Reducing the demand for energy
o   Retrofitting existing buildings to reduce their energy demand
o   Using energy efficient lighting and appliances

Encouraging low-carbon fuels
o   Installing electric heating systems
o   Installing electric cooking systems
o   Alternative solutions for heating where electric systems are not feasible

Encouraging uptake of renewables
o   Local installation of small-scale PV (see section 4.6)
o   Exploration of alternative sources of renewable energy (see section 4.6)

4.2 Non-Domestic Buildings
SCATTER Interventions

Cheshire East Council

Improving energy efficiency of non-domestic buildings

SCATTER's High Ambition pathway models non-domestic energy demand changes differently to domestic properties. Instead of a per-household estimate based on different building archetypes, only the outright reduction in energy demand is projected. This is due to the much broader range of buildings considered within this sector. Demand reduction can be achieved by:

o   Retrofit: The same solutions as in the domestic case apply; the installation of new insulation, draughtproofing, building management controls etc. will all have a significant impact on the energy demand of different sites.

o   Efficient heating systems: see overleaf.

o   New build standards: Ensuring new developments are designed to very high energy efficiency standards will avoid costly future retrofits.

Low-carbon, energy efficient cooking, lighting and appliances

This intervention considers the reduction in energy demand due to the installation of more efficient electrical devices. It also considers all types of cookers and catering equipment, regardless of their source fuel. This intervention is very similar to the domestic buildings equivalent.

Energy demand reductions are applied to whatever fuel the building is using, such as mains electricity or gas-fired CHP.

Across a typical range of buildings, lighting, cooling and appliances account for approximately 45% of daily energy use, whilst heating and hot water accounts for approximately 46%. This is a very different energy use profile when compared to domestic households and measures which regulate energy usage, such as building management controls, can be a much more significant means of reducing emissions as a result.
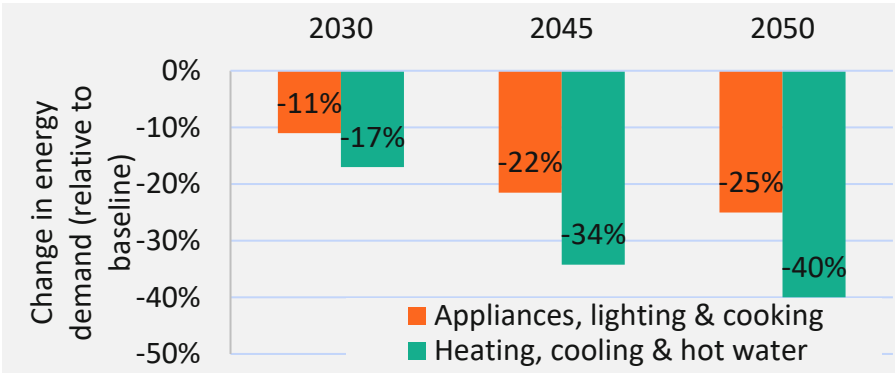
Figure 4.2.2: Projected changes in energy demand along the High Ambition pathway for non-domestic buildings. Baseline is taken as 2019 levels of consumption.

Current Context 2020	By 2045
• Over 1 in 4 of DECs are rated EFG • Gas consumption grew 6% overall between 2010 and 2020 with mean consumption per meter increasing 12%	• 34% reduction in non-domestic heating demand • 22% reduction in non-domestic energy demand for appliances, lighting and cooking

4.2 Non-Domestic Buildings
SCATTER Interventions

Moving away from fossil fuel heating

This intervention models the transition from fossil fuel-source heating technologies to low-carbon alternatives. The technology mix under the High Ambition Pathway includes a proportion of heat pumps for non-domestic buildings, as well as a number of district heating networks.

Transitioning to alternative heating technologies such as district heating using combined heat and power can also deliver a significant amount of emissions reduction in the non-domestic sector.

As with domestic heating systems, the additional electricity demand for heating means that the transition to nationally or locally-available renewable energy sources is an important partner intervention to the decarbonization of fossil fuel heating.

Fugitive emissions have also been excluded from these pathways under the assumption that attributed emissions will fall to zero as the demand for gas also wanes.
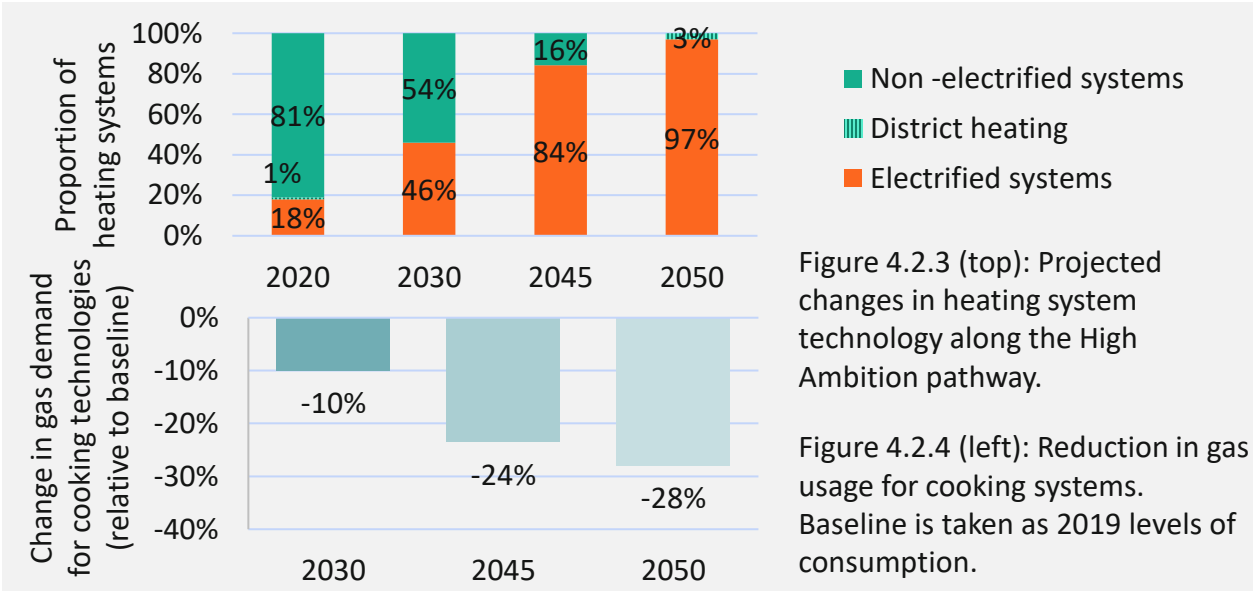
Figure 4.2.3 (top): Projected changes in heating system technology along the High Ambition pathway.

Figure 4.2.4 (left): Reduction in gas usage for cooking systems. Baseline is taken as 2019 levels of consumption.

Current Context 2020	By 2045
• Most recently available surveys indicate that nationally approximately 75% of non-domestic heating is fuelled by gas, with small contributions from district heating	• 97% of non-domestic heating systems are electric, with the remainder (3%) district heating • 28% decrease in gas usage for non-domestic cooking, displaced by electricity

4.2 Non-Domestic Buildings
Carbon Savings and Indicative Costs

Notes for the non-domestic sector

o   As with the domestic sector, the most significant opportunities to reduce emissions lie in the reduction in the amount of gas used for heating.

o   The marginal costs of replacing gas heating systems with renewable fuels (i.e. electric systems) may be relatively small when compared to other measures in this analysis.

o   These estimates do not include heat networks and the potential for combined heat and power.

o   Costs to replace heating system vary significantly according to the building archetype and demand profile; a "typical" split was assumed within Cheshire East to model a representative split of buildings.

o   As with the domestic sector, any new developments should be completed to very high efficiency standards and with low-carbon heating solutions to save on more costly retrofit in the future.

For descriptions of types of cost, please see page 32.

SCATTER Intervention	Cumulative Emissions Savings (2020 - 2045)
• Improving energy efficiency of non-domestic buildings • Moving away from fossil fuel heating	1,190 ktCO$_2$e
• Low-carbon, energy efficient cooking, lighting and appliances	140 ktCO$_2$e
• Industrial buildings and facilities	2,696 ktCO$_2$e

Costed measure	Type of cost	Cost to 2045 (£m)
Retrofit of existing buildings	Capex	186
Replacing heating systems	Marginal capex	29

Figure 4.2.5: Carbon savings for SCATTER interventions along the High Ambition pathway. Table of indicative costings for the implementation of energy efficiency measures and heating systems retrofit.

4.2 Non-Domestic Buildings
Officer Insights

As part of this study, a workshop was held with council officers to hear views on potential actions, key barriers and enablers to their implementation and further implementation considerations. A summary of these views is shared below:

SCATTER Intervention	Barriers	Enablers	Implementation Considerations
Improving energy efficiency	*"Associated high cost, for both public and private buildings"*	*"The councils has potential ways to develop regulations around energy"*	*"The council can work with other councils to support building owners on masse to make their buildings more efficient"*
Moving away from fossil fuel heating	*"Lots of SMEs in the borough - need to find innovative ways to improve buildings as most are renting"* *"Struggled to find contractors with suitable skills for renewable heating systems"*	*"The council has done some work on decarbonisation studies for heritage buildings and therefore already has some lessons learned, even though this remains to be a challenging area to tackle"* *"Existing connection through historic houses - historical estates also own large amounts of land in the area"*	*"Contributions from developers within new developments. The council can exercise more over new developments rather than existing developments"*
Low-carbon, energy efficient cooking, lighting and appliances	*"Access to funding and expertise - may be desire in building owners but not aware on how and where to make changes"*	*"Energy prices being as high as they are, we're getting the attention of businesses for help to reduce costs"*	*"Opportunity for council to set up a CIC to provide expertise that is impartial - a trustworthy, independent body"*

4.2 Non-Domestic Buildings
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones. In the case that these link forwards to a case study, please click the link given in the final column of the table to read more details on example projects of this type.

Impact area	Example actions	Case studies
Improving energy efficiency		
Existing private sites	• Encourage annual energy reporting requirements across the borough's non-domestic buildings • Support businesses in accessing green finance by providing staff resources for guidance and advice via business networks • Provide guidance and share best practice on heritage building retrofit	Cambridgeshire County Council (page 39)
New-build development	• Investigate using Section 106 developer contributions to deliver net zero infrastructure	
Moving away from fossil fuel heating		
Existing private sites	• Conduct wider feasibility studies for additional low-carbon energy networks in town centres and industrial estates across the borough	Southampton City Council (page 40)
Existing public sector and council-owned sites	• Review the opportunities for low-carbon heating systems within the Council's own buildings • Ensure guidance and finance opportunities are provided to public services to encourage uptake of low carbon heating	Nottingham City Council (page 39)
Low-carbon, energy efficient cooking, lighting and appliances		
Private and public sector sites	• Provide guidance and support to businesses and public services on low carbon energy efficiency appliance and lighting improvements • Develop and implement an appliance and lighting energy efficiency review for all council owned buildings	London Borough Of Sutton (page 39) Nottingham City Council's Accelerating Reduction In Carbon Project (page 40)

4.2 Non-Domestic Buildings
Case Studies

IMPROVING ENERGY EFFICIENCY AND MOVING AWAY FROM FOSSIL FUEL HEATING
CAMBRIDGESHIRE COUNTY COUNCIL

Project summary

Cambridgeshire County Council has partnered with an energy services provider to provide the Cambridgeshire Schools Energy Programme. 55 schools have electrified heating systems with a shift to renewables.

The measures installed include solar photovoltaics, heat and lighting controls, solar thermal, combined heat and power, new boilers and air source heat pumps.

Co-benefits

The scheme has enabled schools to reduce energy use by 15-25% and save on energy costs, with a collective saving of over £600,000 per annum. Comfort levels for students and staff have also been improved.

Funding

The scheme cost £11 million from 2014 to 2021 and partially used funding from the council's Low Energy Investment Fund. The council also provided loans to the schools for a period between 15-20 years.

MOVING AWAY FROM FOSSIL FUEL HEATING
NOTTINGHAM CITY COUNCIL

Project summary

Nottingham City Council partnered with a solar PV developer EvoEnergy to install a solar carport across nine buildings at the Ken Martin Leisure Centre. Traditional car parking space are covered with canopies that generate renewable energy without any loss of space.

Carbon savings

The project has been calculated to save 41 tones of CO_2e per annum.

Funding

The installation is part of a larger development scheme of the site costing £13. million. The project has a payback period of 11 years through reduced energy costs and will generate income until the end of the Feed-in Tariff Scheme.

4.2 Non-Domestic Buildings
Case Studies

IMPROVING ENERGY EFFICIENCY AND MOVING AWAY FROM FOSSIL FUEL HEATING
SOUTHAMPTON CITY COUNCIL

Project summary

Southampton City Council's Clean Growth Fund provides funding to make all its non-domestic buildings (~130 buildings) and street lighting carbon neutral. The measures installed include onsite renewable energy generation (solar photovoltaics), battery storage and energy efficiency improvements.

Co-benefits

The financial savings from the works from Phase 1 of the project will be £115,000 per year through reduced energy bills.

Carbon savings

The project is delivered in partnership with the local South West Energy Hub and is expected to save 7,000 tonnes of CO_2e per annum.

Funding

The project is valued at £1.2 million and is funded by the £20 million Clean Growth Fund, which draws together council funds, Salix Finance, grants and other sources.

IMPROVING ENERGY EFFICIENCY AND LOW-CARBON, ENERGY EFFICIENT COOKING, LIGHTING AND APPLIANCES
NOTTINGHAM CITY COUNCIL'S ACCELERATNG REDUCTION IN CARBON PROJECT

Project summary

Nottingham City Council provides free carbon reduction audits and carbon reduction measures grants to small-medium businesses to help them decarbonise, improve their resource efficiency and adopt 'smart' energy applications.

Carbon savings

Since using the scheme, one business saves 10 tonnes of carbon per annum.

Considerations

The project is part-funded by the European Regional Development Fund - uncertain future applicability - available until June 2023. Also, the project is only applicable to SMEs with less than 250 employees

Funding

The programme partially uses funding from the European Regional Development Fund, alongside funding from the council and Midlands Engine.

4.2 Non-Domestic Buildings
Case Studies

IMPROVING ENERGY EFFICIENCY AND LOW-CARBON, ENERGY EFFICIENT COOKING, LIGHTING AND APPLIANCES

LONDON BOROUGH OF SUTTON

Project summary

The London Borough of Sutton has made energy efficiency improvements across its estate, including libraries, offices, depots and a public hall. Nine buildings in total were targeted, of varying age, condition and usage.

Energy conservation measures included:
- Lighting upgrades
- Voltage optimisation
- Boiler control upgrade
- Heating system insulation

Co-benefits

In Year 2 of the project, over £250,000 have been saved from reduced energy bills, with a 27% decrease in electricity use.

Carbon savings

Through the scheme, Sutton has reduced its carbon footprint by 484tCO$_2$e.

Funding

The London Borough of Sutton used funding from the Retrofit Accelerator – Workplaces programme, which is jointly funded by the Greater London Authority (GLA) and the European Regional Development Fund (ERDF).

LOW-CARBON, ENERGY EFFICIENT COOKING, LIGHTING AND APPLIANCES

NORTHUMBERLAND COUNCIL

Project summary

Northumberland Council replaced approximately 20,000 streetlights with new LED lights.

Carbon savings

Following completion, 2,700tCO$_2$e were saved between April 2015 and March 2021. The project was delivered by Galliford Try working in partnership with the Council.

Co-benefits

Energy bills reduced by £1.1 million a year, with approximately 75% of these savings used to repay the 'Invest to Save' loan.

Funding

The Council invested £25 million of its capital 'Invest to Save' budget. Invest to Save is a funding mechanism that councils can use where the initial funding is repaid within 25 years from anticipated budget savings.

4.2 Non-Domestic Buildings
Case Studies – Equality Implications

It is crucial that Cheshire East considers strategic objectives that extend beyond carbon reductions when action planning. These include reducing inequality, improving public health and encouraging economic security. Below we have assessed the implications of low-carbon actions in the context of different co-benefits and equality considerations.

Intervention	Potential positive co-benefits	Equality implications
Improving energy efficiency of existing buildings	o Economic security: Reduction in energy bills. Improved productivity among workforce in extreme weathers. Opportunities for skills and training in the low carbon construction sector. o Local environment: Improvements to air quality as a result of more efficient energy consumption.	o Businesses (SMEs): A large proportion of businesses are tenants, as opposed to owning their own premises, making retrofit upgrades much more challenging to deliver. o Remote communities: More likely to require substantial intrusive programmes of work and live in hard-to-treat housing.
Improving energy efficiency of new buildings	o Economic security: Reduction in energy bills. Improved productivity among workforce in extreme weathers. Creation of new jobs and opportunities for skills and training in the low carbon construction sector. Increased investment into low carbon construction businesses. o Council services: Reduced pressure on public infrastructure for new developments.	o Businesses: Achieving very ambitious standards is likely to apply heavy pressure to local trade in terms of time and cost. o Businesses: Poor visibility of climate risks can lead to new developments being poorly equipped for a changing climate.

4.2 Non-Domestic Buildings
Case Studies – Equality Implications

It is crucial that Cheshire East considers strategic objectives that extend beyond carbon reductions when action planning. These include reducing inequality, improving public health and encouraging economic security. Below we have assessed the implications of low-carbon actions in the context of different co-benefits and equality considerations.

Intervention	Potential positive co-benefits	Equality implications
Moving away from fossil fuel heating, improving energy efficiency of lighting and appliances	o Public health: Reduction in indoor pollution. Reduction in energy bills.	o Remote communities: Less likely to be connected to mains supplies for gas and electricity, making it harder to access these residents. o Businesses (large): In many cases, larger firms and organisations take a portfolio approach to site retrofits, which may mean deprioritizing sites in Cheshire East. o Businesses (SMEs): The upfront capital for installation is a barrier to accessing lower operational costs, in particular for smaller businesses.

Glasgow City Council - new-build standards

Glasgow have led the implementation of ambitious energy efficiency standards across new-build developments. Standards require new-builds to achieve a "Gold Level" 27% improvement against the standards required by 2015 Building Regulations.

In acknowledgement of the technical constraints demanded by these standards, the council designed and released three "options" to comply with the new standards. These each achieve the Gold Level in terms of energy performance but reach that goal in different ways.

This allows flexibility for developers and contractors working across different building types and ensures high energy performance standards without stymying investment and project delivery.

Specific details can be found here.

A description of these categories can be found in Appendix 7.

4.3 Transport

4.3 Transport
Introduction

Scope of Section

This sub-chapter is focused on emissions from transport. This is dominated by on-road transport and includes all private and freight travel in Cheshire East. There is also a small contribution from waterborne, rail and off-road vehicles. On-road transport is responsible for the overwhelming majority of transport emissions in the borough (and 38% of the borough total overall).

Any additional emissions from increased electricity consumption associated with electric vehicle (EV) charging are included under the buildings sector.

Current context

o **Very few registered vehicles are currently ultra low emissions vehicles (ULEV):** Of the 225,000 registered cars in Cheshire East, c. 5,000 (2.2%) are ULEV. A significant proportion of registered ULEVs are company vehicles (around 1,500 of the 5,000 total, or 30%).

o **The proportion of emissions from vehicles driving on Cheshire East's motorways has remained largely unchanged since 2005 at around 40% of on-road emissions:** Analysing historic BEIS emissions data, the proportion of emissions from motorways has been fairly consistent, varying only by a few percentage points from year to year and showing no real trend over time. There has however been a shifting emissions trend in the proportion of emissions from A-roads and Minor roads, with a growing proportion of emissions attributed to Minor roads.

o **Data indicates that currently over two thirds of all trips taken are in private vehicles:** 45% of all trips taken in 2018/19 in rural towns and fringe areas are as the driver of a car/van. This proportion rises to 54% in rural village environments.

At a glance: SCATTER interventions for this sector

Reducing the demand for energy
o Travelling shorter distances
o Modal shift away from private vehicle use

Encouraging low-carbon fuels
o Switching to electric vehicles
o Improving emissions from freight

157 ktCO$_2$e
of transport emissions remaining at 2045

84%
reduction in emissions from transport by 2045
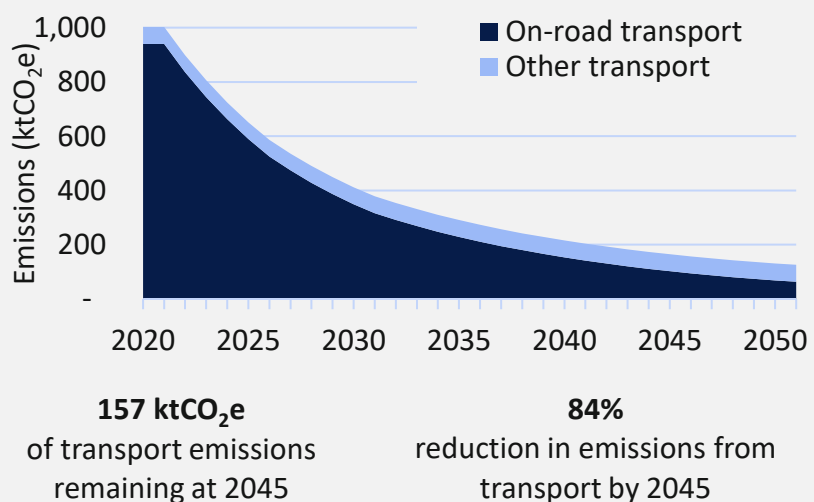
Figure 4.3.1: Cheshire East's transport emissions along the SCATTER High Ambition Pathway, 2020-50.

4.3 Transport
SCATTER Interventions

Travelling shorter distances

The simplest way to reduce transport emissions is to reduce the overall travel demand per person. This can be achieved in a number of ways and is linked to encouraging more flexible working patterns, more decentralised public services and infrastructure improvements.

Given that Cheshire East is a rural and expansive local authority, focusing these measures within the borough's towns is likely to be the only means of recording significant progress in light of this measure.

Modal shift away from private vehicle use

As well as reducing the average distance travelled per passenger, SCATTER also considers changes to the *mode* of travel i.e. the means by which the journey was completed.

SCATTER breaks these modes of transport into private vehicle (i.e. cars), public (which includes buses and trains) and active (i.e. walking and cycling).

The baseline modal split data in Figure 4.3.2 is taken from the Department for Transport (DfT) National Travel Survey statistics. This describes the *mileage* taken by passengers, as opposed to the *number* of trips.

Modal shift is a crucial measure to mitigate transport emissions and encouraging the transition towards active and public transport should be considered equally important as the transition to electric vehicles, particularly in the context of additional co-benefits. These are explored in more detail in the case studies section.

The council may find limitations in the extent to which it can influence modal shifts given the high degree of throughfare traffic using the M6 and the M56, though the majority of on-road emissions are attributed to driving on smaller roads and trends indicate a growing shift of activity towards Minor roads.
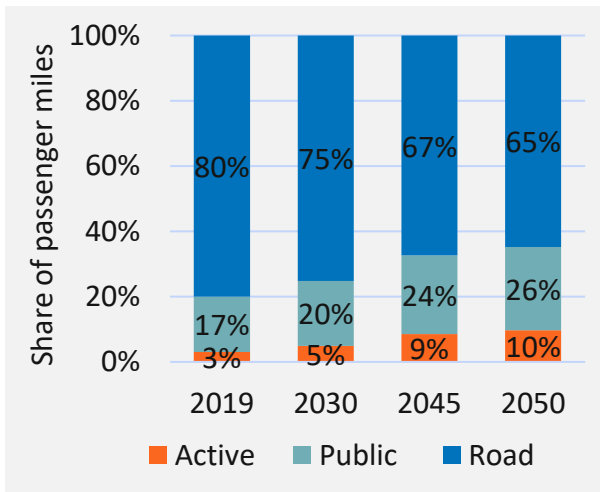
Figure 4.3.2: Modal shift along the High Ambition Pathway. Baseline statistics for modal split are taken from DfT surveys.

Current Context 2020	By 2045
• Private cars and taxis were responsible for over 75% of the mileage on Cheshire East's roads in 2019, equivalent to 2.3 billion miles • Total passenger journeys on local buses fell over 30% between 2009/10 and 2019/20 from 5.5 million to 3.9 million	• 25% reduction in the average number of passenger miles travelled per person • Share of miles driven on-road falls from c. 80% to c. 67% • Share of miles covered by active and public transport rises from c. 20% to c. 33%

4.3 Transport
SCATTER Interventions

Switching to electric vehicles

One of the most important steps to reducing transport emissions in Cheshire East will be the transition to electric vehicles. SCATTER models this separately for private vehicles, public vehicles and freight vehicles. As with other interventions around electrification, the success of a borough-wide switch to EV relies heavily on grid decarbonisation and renewable electricity supply.

Current estimates on the level of charge point infrastructure required to meet a large-scale transition to electric vehicles vary based on usage patterns and habits. If government infrastructure strategies are delivered – which have committed to 300,000 charge points nationally by 2030 – there will be thousands of additional charge points in Cheshire East compared to at present.

Improving freight emissions

Freight emissions are difficult to tackle, posing challenges both in terms of vehicles themselves (which are challenging to electrify) as well as influencing (given the common transient nature of freight through the borough). SCATTER operates on two metrics which reduce Scope 1 & 2 freight emissions:

o   Improved journey efficiency: reducing the mileage travelled by HGVs through more efficient infrastructure and fewer "empty-trailer" journeys.

o   Improved efficiency of freight vehicles themselves i.e., reduction in energy used per mile travelled as more fuel-efficient (and eventually electric) vehicles are used.
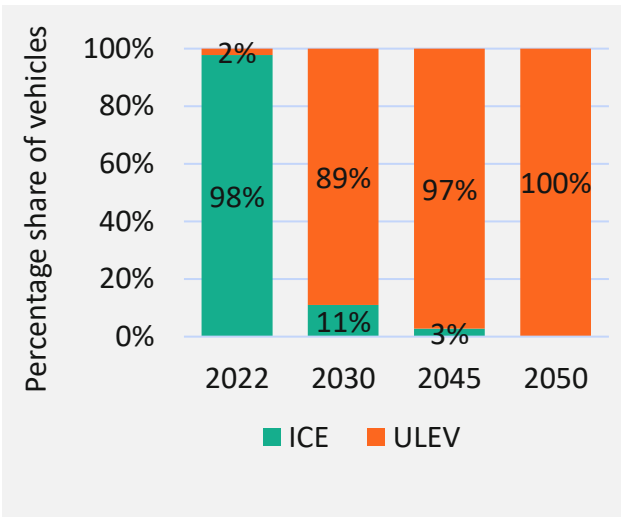
Figure 4.3.3 (left): Changes to freight mileage distribution and trip fuel efficiency.
Figure 4.3.4 (right): Vehicle technology split.

Current Context 2020	By 2045
• Of 225,000 registered vehicles, c. 2% are currently registered as ULEV • In 2019, there were 0.2 billion miles of heavy goods vehicle activity in Cheshire East, as well as 0.4 billion miles from light commercial vehicles	**Private & public transport** • 97% of private vehicles are EV or HEV • 100% of buses and trains are electric **Freight** • 19% reduction in road freight mileage • 74% increase in efficiency per mile travelled

4.3 Transport
Carbon Savings and Indicative Costs

Notes for the transport sector

o Mitigating on-road emissions is one of the single largest opportunities for carbon savings, along with domestic heating.

o Replacing on-road vehicles with electric equivalents may be costly in the near term but the marginal cost over petrol and diesel vehicles falls away rapidly.

o Operational cost savings due to higher fuel efficiency and parts maintenance also mitigate the capital costs with vehicle replacement.

o Batteries, a significant contributor to the cost of electric vehicles, are anticipated to continue to fall in price until the end of the 2020s as technological improvements make each unit of supplied power cheaper.

o The CCC projects a nationwide scale of annual investment in excess of £12 billion in 2035 will be required to meet demand for charge points (in the case of private vehicles) and potentially hydrogen fuel infrastructure (in the case of HGVs).

For descriptions of types of cost, please see page 32.

Figure 4.3.5: Carbon savings for SCATTER interventions along the High Ambition pathway. Table of indicative costings for the implementation of electrification measures and modal shift changes. Negative values indicate cost savings.

SCATTER Intervention	Cumulative Emissions Savings (2020 - 2045)
• On-road transport	6,994 ktCO$_2$e
• Rail	28 ktCO$_2$e

Costed measure	Type of cost	Cost to 2045 (£m)
Cars, vans, motorcycles (new vehicles)	Capex	970
Cars, vans, motorcycles (infrastructure)	Capex	144
HGVs/buses (new vehicles)	Capex	61
HGVs/buses (infrastructure)	Capex	355
Rail (new vehicles)	Capex	7
Rail (infrastructure)	Capex	68
Efficiencies/modal shift	Opex	-564

Transport glossary
ICE – Internal combustion engine
ULEV - Ultra-low emission vehicle (a vehicle which emits <75 gCO$_2$/km travelled).

4.3 Transport
Officer Insights

As part of this study, a workshop was held with council officers to hear views on potential actions, key barriers and enablers to their implementation and further implementation considerations. A summary of these views is shared below:

SCATTER Intervention	Barriers	Enablers	Implementation Considerations
Travelling shorter distances	*"Transport options considered too late within the planning and development process"*	*"Mandated planning in new housing developments"*	*"Reducing the demand for travel in local plans"*
Modal shift away from private vehicle use	*"Rural nature of the borough makes it difficult to encourage cycling and walking"* *"Safety of active travel - need for introduction of 'quiet lanes'"* *"Lack of accessibility in train stations for cyclists"*	*"Gamification of active travel will also contribute to health co-benefits"* *"Good train network; need for improvement in access to and from stations"*	*"Need to consider better connectivity and availability of public transport - needs to be easy and easier than individual cars"* *"Need to try make different modes work together"* *"Joined up ticketing - can we provide high quality bus routes to business parks or key areas"*
Switching to electric vehicles	*"Challenges in rural areas for EV - insufficient power capacity"*	*"The charging network in Cheshire East is getting better"*	*"Accelerate EV charging points where EV take up is slower"*
Improving emissions from freight	*"Challenge to install infrastructure"* *"Travel planning needed for businesses"*	*"Electric bikes increase the range of what is a cyclable distance"*	*"Other councils have run EV trials to target fears around business continuity - work with organisations to overstep this and see functionality"*

4.3 Transport
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones. In the case that these link forwards to a case study, please click the link given in the final column of the table to read more details on example projects of this type.

Impact area	Example actions	Case studies
Travelling shorter distances		
Optimise commuting and business travel routes	• Implement planning policy and support developers to create neighbourhoods more easily accessible by car, de-centralizing amenities within residential neighbourhoods • Engage with businesses on route optimisation techniques • Engage with schools to identify opportunities for new or extended school bus routes, reducing the need for children to travel to school by car • Facilitate agile working practice for businesses through the provision of support to access hybrid working technology	Stroud Borough Council (page 64) Waltham Forest Council (page 65)
Modal shift away from private vehicle use		
Incentivise active travel through planning	• Use planning to allocate street space and furniture in favour of active travel and transport • Include requirements in building and planning policy which further incentivize active travel, such as secure storage and drying rooms • Identify sites of high active travel footfall and consider implementation of Low- or Slow-Traffic Neighbourhoods in these areas	Waltham Forest Council (page 65)
Incentivise active travel through behavioural change	• Work with schools and academies in the borough to set up walking buses and provide cycle workshops • Gather specific local data on the levels of active and public travel in town centres across the borough • Set public targets to improve air quality across the borough and report progress in line with current air quality metrics • Assess viability of imposing a surcharge/congestion charge for the worst-performing/most polluting vehicles whilst avoiding penalising lower-income households. • Explore the option of free or subsidised bus travel passes for residents to ease this transition	Nottingham City Council's Workplace Parking Levy (page 64)

4.3 Transport
Actions Library

Impact area	Example actions	Case studies
Switching to electric vehicles		
Incentivising more rapid transition to ULEV	• Roll out emissions-based parking permits and ULEV zones in town centres • Publicise this strategy to encourage uptake of EVs among residents • Organise EV leasing opportunities and funding schemes to enable all communities access to EVs, especially lower-income communities across the borough • Support private hire vehicle sector in switching to EV through interest-free loans or other mechanisms • Trial electric vehicle buses on busier routes • Lobby national government for improved support for electric vehicle infrastructure, including electrification of the rail network • Identify sites for EV infrastructure through consultation and a strategic assessment, such as car parks and taxi ranks • Install EV infrastructure in identified strategic sites across the borough	Coventry County Council (page 65) Durham County Council (page 66)
Improving emissions from freight		
Consolidate and reduce impact of freight journeys	• Assess the feasibility of local distribution hubs which utilise low-carbon "Last Mile" deliveries • Use forums & business groups to explore consolidating journeys e.g. restaurants based near each other could utilise the same supplier • Encourage and support council suppliers and other businesses to utilise rail freight opportunities as opposed to HGVs • Develop an e-cargo bike scheme for local deliveries • Encourage residents & businesses to consider "miles travelled" in their purchasing decisions and buy locally where possible	Southampton City Council and Eastleigh Borough Council (page 67) Bristol Freight Distribution Centre (page 67)

4.3 Transport
Case Studies

TRAVELLING SHORTER DISTANCES AND MODAL SHIFT
STROUD BOROUGH COUNCIL

Project summary

Stroud Borough Council coordinated with Gloucestershire County Council to adopt a Settlement Hierarchy policy which requires proposals for new homes or workplaces to be located only in places that are readily accessible by located only in places that are readily accessible by public transport, bike, or foot. If this isn't possible, proposals must contribute to new infrastructure which improves their accessibility via those modes. Therefore, all proposals are obliged to discourage car usage and enable residents to travel shorter distances.

Stroud District Council is also integrating its Local Plan with its Sustainable Transport Strategy which prioritises walking, cycling, public transport, car-sharing and taxis, and then cars as a last priority. Interventions include improving the region's bus services, segregated cycle routes, railway improvements and the promotion of mobility-as-a-service, encouraging people to have occasional access to vehicles rather than needing to own a private vehicle.

Co-benefits

The policy improves connectivity and mobility between urban and rural areas alongside facilitating health benefits through improved active travel infrastructure.

Funding

Stroud Borough Council included the update within its ordinary Local Plan update budget, so no additional cost was incurred.

MODAL SHIFT
NOTTINGHAM CITY COUNCIL

Project summary

Nottingham City Council developed the Workplace Parking Levy which charges employers who provide 11 or more parking spaces £428 per parking space per annum (excluding disabled spaces, NHS premises and emergency services). The revenue generated funds local transport projects and improvements. £83 million of revenue has been raised so far directly from the levy.

Co-benefits

The city has seen reduced air pollution and congestion alongside an improvement in connectivity from the public transport improvements funded by the levy. Additionally, employers and investors have not been deterred by the levy.

Carbon savings

350 tCO_2e have been saved by bus electrification also paid for by the levy.

Funding

The costs to set up the levy amounted to £1.8 million, which was part funded by the council alongside the UK government. The levy costs £475,000 per annum in operational costs.

4.3 Transport
Case Studies

TRAVELLING SHORTER DISTANCES AND MODAL SHIFT
WALTHAM FOREST COUNCIL

Project summary

The Enjoy Waltham Forest Initiative included measures to increase active travel, such as pedestrianising high streets and installing blended crossings, which are designed to slow traffic and emphasise pedestrian priority. These include:

- o   22km of segregated cycle lanes
- o   300 new bike hangars
- o   100 junction changes
- o   40 modal filters (to prevent local rat runs)

Co-benefits

The policies meant that residents are walking for 32 more minutes a week, cycling for an extra 9 minutes and are less exposed to nitrogen dioxide and PM2.5 by 15-25% and 6-13% respectively. 15 new parklets and parks have also been installed with wildflower beds and 700 new trees planted, increasing urban green space. There are also economic benefits to businesses in the area benefiting from pedestrianised roads.

Council role

The council carried out extensive engagement and consultation with residents, with a 3-week pilot used as a live consultation and 90% of homes targeted by the consultation contacted in-person.

Funding

The council secured £30 million of funding from Transport for London and provided a further £15 million from the borough's own sources.

SWITCHING TO ELECTRIC VEHICLES
COVENTRY CITY COUNCIL

Project summary

Coventry City Council has partnered with EO Charging and Stratford Energy to create an open fast charging network, Plug In Coventry, which operates as pay-as-you-go. Plug In Coventry aims to encourage businesses to either buy or lease electric charge points on their premises. EO Charging maintain leased charge points and pass on revenue generated to the business.

Co-benefits

Increased number of journeys made by electric vehicles is predicted to improve air quality by reducing journeys made by fossil fuels. Facilitating electric vehicle infrastructure also enables residents not able to participate in active travel to use low-carbon transport.

Funding

Plug In Coventry is part of the Coventry and Warwickshire Green Business Programme which is part funded by the European Regional Development Fund and the Midlands Engine.

4.3 Transport
Case Studies

SWITCHING TO ELECTRIC VEHICLES
DURHAM COUNTY COUNCIL

Project summary

Durham County Council aims to make charge points accessible for all County Durham residents under its Community Vehicle Charging scheme. This covers all residents living in rural areas and those in terraced housing with no off-street parking. Over 100 charge points have been installed. The project's long-term goal is for every Durham resident to live within a five-minute walk of an EV charge point.

Co-benefits

Increased number of journeys made by electric vehicles is predicted to improve air quality by reducing journeys made by fossil fuels.

Council role

The council convened the EV community working group which includes council members, members of the Scaling On Street Charging Infrastructure (SOSCI) initiative, and residents. The SOSCI has 13 partners and has included parish and town councils, the North East Combined Authority, the LA7 group of local authorities in North East England, Durham University, Northern Powergrid and Charge My Street (a community benefit society that installs charge points).

Funding

The council won funding from multiple sources including Innovate UK, the UK Government's On-Street Residential Charge Point Scheme and the Weardale Electric Vehicle Accelerator project. The council also used top-up funding from the council's general budget and the county's fourteen unique Area Action Partnerships (forums bringing together county, town and parish councillors, public sector employees and community members).

Cheshire East Council

4.3 Transport
Case Studies

DOMESTIC FREIGHT
SOUTHAMPTON CITY COUNCIL AND EASTLEIGH BOROUGH COUNCIL

Project summary

Southampton City Council and Eastleigh Borough Council loaned 20-25 businesses e-cargo bikes under its RIDES project (Realising Innovative Deliveries in Eastleigh and Southampton). These ranged from sustainable transport teams and estates teams to parks and outdoor education teams to small businesses making deliveries.

Council role

The council secured the funding and coordinated the bid for the funding with The Hub Cycleworks and Monty's Bike Hub. A zero-emissions delivery company (Zedify Southampton which runs the project on a day-to-day basis, assisting with maintenance, delivery of bikes and data gathering.

Co-benefits

E-cargo bike use can reduce congestion and reduce air pollution due to fewer heavy goods vehicles and vans making journeys using fossil fuels.

Funding

£50,000 in funding was secured by the council from the Energy Savings Trust and the Department for Transport.

DOMESTIC FREIGHT
BRISTOL CITY COUNCIL

Project summary

Bristol City Council paired with Bath City Council to subsidise the Bristol Freight Consolidation Centre which was used voluntarily by 150 businesses across Bristol and Bath to consolidate their deliveries. The centre was operated by DHL under contracts procured by the council until 2018. Electric vehicles were used between 2007 and 2017.

Co-benefits

At the peak of the Centre's use, there was a 70%-80% reduction in the number of onward trips - meaning for every 10 vehicles making a delivery to the centre, just 2 or 3 onward journeys were made. The Centre reduced the number of delivery vehicles travelling through central Bristol and consequently reduced air and noise pollution.

Carbon savings

When electric vehicles were used by the Centre, 11 tonnes of carbon were saved per annum.

Funding

The council subsidised the Centre and procured the contracts to delivery services. When the council's funding ended in 2018, DHL continued to offer a freight consolidation services for commercial use.

4.3 Transport
Case Studies – Equality Implications

It is crucial that Cheshire East considers strategic objectives that extend beyond carbon reductions when action planning. These include reducing inequality, improving public health and encouraging economic security. Below we have assessed the implications of low-carbon actions in the context of different co-benefits and equality considerations.

Intervention	Potential positive co-benefits	Equality implications
Travelling shorter distances	o Economic security: Improved connectivity brings increases to land value as well as reach of local businesses. Supports economic growth of local businesses and could provide more local jobs. o Council services: Decreased congestion and delays from more efficient use of transport networks. Improved resident participation in the community and improved access to services locally. o Public health: Reduction in air pollution related illnesses. Increased uptake in active travel improves public health.	o Vulnerable/disabled: Lack of efficient and accessible active and public travel infrastructure may limit the potential of opportunities. These communities may need more specialist services not available locally. o Low-income: Less likely to be well served by decentralised services in the first place and in many cases do not benefit from increases in the value of local land assets.
Modal shift away from private vehicles	o Council services: Improved coverage of public transport benefits and promotes public safety. o Public health: Public transport provision improves accessibility of the borough for more people. Active transport provision reduces burden on healthcare and improves health outcomes almost universally.	o Low-income: High cost of public transport will act as a barrier to these communities shifting away from private vehicle use. o Vulnerable/disabled: Private vehicles may be the only feasible option for certain groups within this category. o Remote communities: Public transport is unlikely to be feasible for the most rural areas within Cheshire East, who continue to rely on private vehicles.

4.3 Transport
Case Studies – Equality Implications

Intervention	Potential positive co-benefits	Equality implications
Switching to electric vehicles and decarbonising freight	o Local environment: Decreased use of ICE vehicles has direct benefits to air quality. o Public health: Reduced air and noise pollution brings improvements to physical and mental health outcomes. o Council services, economic security: Improvement in affordability of EVs over time brings operational financial savings. o Economic security: Opportunities for investment and new jobs in businesses supplying low carbon transport options e.g. e-cargo bike deliveries.	o Low-income: Current costs will prohibit these communities from switching to EV and the likelihood is that lower-income residents will continue to use cheaper ICE vehicles in the medium-term. Lack of proper infrastructure for charging and high upfront costs are significant barriers for low-income households and smaller businesses to access the operational savings of switching to EV. o Businesses: May face increased costs in the face of congestion or emissions zones that sanction ICE vehicles. Will require support to ensure the upfront cost of switching to EV businesses is not prohibitive.

Liftshare – vehicle sharing scheme

Liftshare connects passengers and drivers travelling similar routes into a single vehicle, splitting the cost and environmental implications.

Specifically, users with mobility or other health concerns that limit their ability to drive can advertise journey needs and be matched with drivers.

Liftshare has been used for large employers seeking to reduce the amount of car traffic routed to their sites/offices and could be coupled with a levy similar to the one employed by Nottingham City Council (see below) to reduce congestion in built-up areas.

Nottingham Workplace Parking Levy

Nottingham City Council have operated a levy on *employers* providing a threshold number of parking spaces to discourage congestion. Around half of levies in Nottingham are passed to the end-user.

Funds raised by the levy are then used towards public transport infrastructure and improvements.

A description of these categories can be found in Appendix 7.

4.4 Agriculture & Land Use

4.4 Agriculture & Land Use
Introduction

Cheshire East Council

Scope of Section

This sub-chapter is focused on emissions from agricultural activities, livestock and emission released from changes in the use of land. SCATTER calculates emissions from livestock based on an estimated head count for each livestock type. The use of green spaces and the natural environment as a carbon "sink" to remove emissions from the atmosphere has high potential in Cheshire East compared to other local authorities in the country.

Emissions-conscious management of natural infrastructure can also offer significant co-benefits for the local economy and enhance biodiversity whilst protecting the long-term stability of the agricultural sector in the borough.

These additional factors are not captured neatly within SCATTER, which focuses purely on emissions impacts, but case studies in this section do provide more detail on these.

Current context

o **The vast majority of emissions from livestock stem from cattle:** Over 90% of recorded emissions are the result of cattle farming, with around two thirds of these emissions attributed to non-dairy cattle.

o **Agriculture is a significant part of local industry, with over 1,500 commercial holdings providing employment to over 4,000 workers and landholders:** In total, farmed land takes up over 85,000ha of Cheshire East's land, almost three quarters of the borough's land area. The number of commercial holdings in the borough is among the highest across the north west.

o **Woodland coverage is between 7-12% for the majority of the borough, though Macclesfield has very high coverage (37%):** The proportion of residents who live within 500m of a woodland is around 1 in 6 for most of the borough, with the exception of Crewe & Nantwich, the proportion of which is much smaller – closer to 1 in 16.
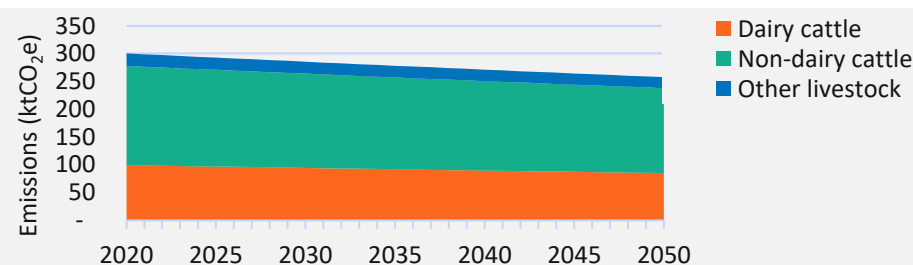
Figure 4.4.1: Cheshire East's ALU emissions along the SCATTER High Ambition Pathway, 2020-50.

Outcomes
o **12%** reduction in emissions from livestock by 2045
o **264ktCO$_2$e** of livestock emissions remaining at 2045

At a glance: SCATTER interventions for this sector

Reducing the impact of agriculture
o Lower per-head emissions for livestock
o Land uses that protect woodland and grassland coverage

Encouraging carbon sequestration
o Increased tree coverage and planting
o Holistic consideration of urban growth and cropland development

4.4 Agriculture & Land Use
SCATTER Interventions

Cheshire East Council

Reducing the emissions impact of agriculture

SCATTER models the decline of livestock emissions purely through a reduction in the headcount population of cattle (dairy & non-dairy), pigs and sheep, but not poultry. Reducing the outright population of livestock is one means of achieving this trajectory, but alternatives would involve the adoption of farming practices and mechanisms that reduce emissions locally. This would reduce the per-head emissions factor, feasibly allowing the same population of livestock to create fewer emissions. Emissions factors are based on various activities, including:

o Methane released through enteric fermentation of livestock (i.e. emissions directly from livestock through eructation and excretion)
o Methane released through manure storage
o Nitrous oxide released through manure management

Options to mitigate enteric fermentation (methane) emissions may include changes to livestock feed, whilst other technologies and techniques can reduce the creation of greenhouse gases created by manure storage and management. More details of these are given in the case studies (page 77). Collaborative solutions with the agricultural industry to mitigate these emissions are explored further in the case studies, with guidance on inclusive action plan development given in Chapter 5.

Encouraging carbon sequestration

SCATTER models tree coverage in two ways; increased forest/ woodland coverage as well as tree planting outside of woodlands. This also incorporates a transition of the borough's grassland towards forested land.
Alternative land use types, such as wetlands, are not modelled directly within SCATTER.
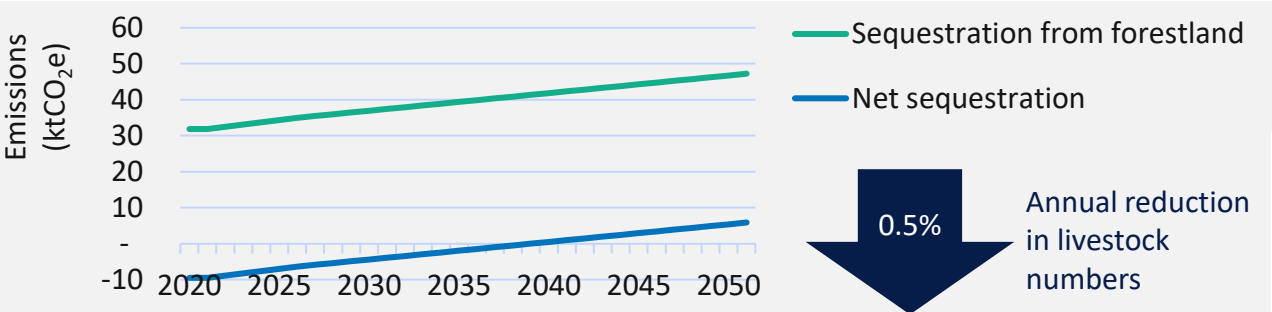
Figure 4.4.2: Changes to Cheshire East's livestock numbers and sequestration statistics from forestland.

Current Context 2020	By 2045
• Livestock populations estimated to be: • 125,000 cattle • 8,000 pigs • 140,000 sheep • 1,800,000 poultry • Lone tree coverage currently around 45 trees per hectare	• C. 13% reduction in livestock numbers • Lone tree planting grows to equivalent of 58 trees per hectare • 24% increase in forest coverage, 7% decrease in grassland

4.4 Agriculture & Land Use
Carbon Savings And Indicative Costs

Notes for the agricultural sector

o   Despite the relatively smaller modelled reductions in emissions from the agricultural sector compared to other emissions sectors, livestock and land use represent a significant emissions reduction opportunity.

o   Reducing livestock emissions is estimated to provide particularly significant savings in emissions.

o   The UK government's Woodland Creation & Maintenance Grant (WCMG) heavily subsidises the creation of new woodlands (up to 80%).

o   Using WCMG estimates of £8,500 per hectare of unsubsidised capital cost for new woodland, we arrive at an estimate of around £31m for the creation of new wooded areas in line with SCATTER's High Ambition pathway.

o   Project specific costings relating to livestock and sustainable farming practices can be found in the case studies in this section.

For descriptions of types of cost, please see page 32.

SCATTER Intervention	Cumulative Emissions Savings (2020 - 2045)
• Livestock	701 ktCO$_2$e
• Land use	126 ktCO$_2$e

Costed measure	Type of cost	Cost to 2045 (£m)
Woodland creation	Capex	31
Woodland maintenance	Opex	7

Figure 4.4.3: Carbon savings for SCATTER interventions along the High Ambition pathway. Table of indicative costings for the implementation of electrification measures and modal shift changes. Negative values indicate cost savings.

4.4 Agriculture & Land Use
Officer Insights

As part of this study, a workshop was held with council officers to hear views on potential actions, key barriers and enablers to their implementation and further implementation considerations. A summary of these views is shared below:

SCATTER Intervention	Barriers	Enablers	Implementation Considerations
Tree cover	*"Internal barriers to initiatives regarding identifying land"* *"Ongoing costs for street trees and maintenance"*	*"Number of initiatives existing on nature-based insetting - the council has now joined the Mersey forest, connected with the wildlife trust"*	*"Acceptance of urban roadside trees needs to be readdressed - need to stress the benefits of trees"*
Land management	*"Farming in the borough is a significant part of the economy and that is unlikely to change dramatically"*	*"The peatlands and mosses in the borough have been mapped"*	*"Engagement and actions should also focus on privately owned land"*
Urban greening	*"Carbon capture may add to demand for land and compete with biodiversity net gain and other aspects"*	*"People generally care about the natural environment; this is the hook for a lot of by-in"*	*"There are community groups who could help implement actions regarding tree planting, Biodiversity Net Gain and community orchards"*
Sustainable farming practices	*"Some initiatives are hindered by landowners/farmers not engaging as the new Common Agricultural Payment system has not been finalised"*	*"Growing awareness between link of land use and freshwater systems e.g., catchment cleanups and working with surrounding agricultural land to mitigate farming impacts"*	*"Engagement with the main agricultural college in the borough. Potential to partner with them"*

4.4 Agriculture & Land Use
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones. In the case that these link forwards to a case study, please click the link given in the final column of the table to read more details on example projects of this type.

Impact area	Example actions	Case studies
Tree cover		
Maintain existing tree cover	• Develop a long-term strategy to protect and manage existing urban trees and woodland in the borough • Carry out ongoing inventory and report on tree & hedgerow abundance, diversity and cover statistics • Engage with community groups (e.g., friends of parks groups) and schools to carry out tree monitoring and inventories through a Tree Warden programme	Greater Manchester City of Trees (page 77) Valuing Ealing's Urban Trees (page 78)
Increase tree coverage	• Carry out opportunity mapping to assess areas of the borough which could be converted to small-scale woodland or are available for tree planting • Ensure tree cover is considered for all new developments through the new Local Plan by mandating for a minimum level of tree coverage in new developments, and exploring incentives for developers to retain trees • Prioritise tree planting initiatives in more deprived and less green wards of the borough, where the opportunities for, and benefits of, action are greatest • Engage with private landowners in the borough to identify opportunities for tree and hedge planting	
Land management		
Support sustainable land use	• Restore, retain and protect existing land uses which store CO_2 on council-owned land • Reduce the 'heavy' maintenance of bushes, shrubs and green spaces • Explore opportunities to increase and maintain soil health on council owned land to support carbon capture	Newcastle City Council (page 78) Kent Nature Partnership (page 77)

4.4 Agriculture & Land Use
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones. In the case that these link forwards to a case study, please click the link given in the final column of the table to read more details on example projects of this type.

Impact area	Example actions	Case studies
Urban greening		
Maintain and enhance urban green spaces	• Maintain and increase where possible the number of Green Flag status parks across the borough • Impose more ambitious green space requirements in planning policy for development and ensure that green spaces are at the heart of planning • Carry out a mapping exercise to assess which areas of the borough could be designated, protected and enhanced as green space, ensuring equitable access for communities in Cheshire East	Hackney London Borough Council (page 79) London's Wild West End Project (page 79)
Sustainable farming practices		
Enable and support sustainable farming	• Encourage low carbon farming practices in line with recommendations made in the Agriculture and Land Use Analysis Report and working with the NFU. • Work with NFU and other key agricultural stakeholders to provide guidance on reducing artificial fertiliser to farmers • Engage with farmers who are already growing low energy crops to showcase best practice among other farmers	Regenerative Agriculture at Durie Farms (page 81) Knepp Estate (page 80) Luton Hoo Estate (page 81) School Of Regenerative Land-based Practices (page 81) Cornwall Council (page 82)

4.4 Agriculture & Land Use
Case Studies

TREE COVER
GREATER MANCHESTER CITY OF TREES

Project summary
Greater Manchester City of Trees is a leading example of how a tree planting project can address climate change objectives whilst engaging the local community and providing numerous co-benefits. So far, the initiative has planted 537,173 trees and used 17,255 volunteer hours. It aims to plant 3 million trees and bring 2,000 hectares of unmanaged woodland back into community use.

Council role
The council is not directly involved with the initiative. Landowners, volunteers (including corporate opportunities), and schools work with the initiative.

Co-benefits
The programme directly increases the number of trees in deprived urban environment, which has benefits to mental and physical health. Also, engaging with schools informs young people around the benefits of protecting and enjoying the natural environment.

LAND MANAGEMENT
KENT NATURE PARTNERSHIP

Project summary
The Kent Nature Partnership Biodiversity Strategy 2020-2045 is a plan that aims to protect and recover threatened species through habitat maintenance, restoration and creation. It also aims to provide a natural environment that inspires citizen engagement and is well used, and which residents can benefit from. The bulk of the strategy contains a comprehensive set of overarching objectives, supported by targets which equate to specific actions to be undertaken. The impact of the strategy will be reviewed every 5 years.

Council role
The strategy is written by the Kent Nature Partnership, which is managed by Kent County Council. The Partnership includes a group of charities, public sector bodies, academics, and local authorities.

Co-benefits
"Connecting people with the natural environment" forms one of tree key goals of the strategy and is focused on ensuring that the "widest possible range of ages and backgrounds will be benefiting from the mental and physical health benefits of the natural environment". There is no comprehensive calculation of the co-benefits of achieving the strategy. The plan aims to ensure the "widest possible range of ages and backgrounds will be benefiting from the mental and physical health benefits of the natural environment".

4.4 Agriculture & Land Use
Case Studies

LAND MANAGEMENT
NEWCASTLE CITY COUNCIL

Project summary
Newcastle City Council's Green Infrastructure Delivery Framework Outlines the council's plans for the "creation, protection, enhancement and management of green infrastructure". The work builds on a 2011 evidence report which ensured that the implementation of green infrastructure was considered as part of the city's Core strategy and Urban Core Plan. It sets out the delivery mechanisms and provides an ongoing action plan, a monitoring framework through which to report on green infrastructure achievements.

Council role
The council implemented the framework. Multiple stakeholders across the council are listed throughout the report.

Co-benefits
The strategy takes a joined-up approach with other council delivery areas relating to land use, such as transport and infrastructure. The joined-up approach to the strategy means co-benefits such as resilience to climate change (e.g., through Sustainable Drainage Systems), and improved mental and physical wellbeing (e.g., through protection and enhancement of open spaces) are considered throughout.

TREE COVER
VALUING EALING'S URBAN TREES

Project summary
Valuing Ealing's Urban Trees is a strategy and research document providing the basis for a comprehensive city management plan for Ealing's urban forest as well as informing the council's tree strategy.

The report provides a quantitative baseline for carbon storage, carbon sequestration, and other benefits of the trees currently in the borough. This evidence base provides a foundation and case for future action.

The report also gives specific recommendations on next steps for the council in using the findings to build a tree strategy.

Council role
The council facilitated and funded the report. The study enables a top line cost benefit analysis of services provided by the council tree department. Trees for Cities and several other 3rd parties were involved in research.

4.4 Agriculture & Land Use
Case Studies

URBAN GREENING
HACKNEY COUNCIL

Project summary
As part of Hackney's Parks and Green Spaces Strategy 2021-2031, the council launched the Community Parklet Scheme. A parklet reclaims space used for parking vehicles on residential streets and replaces it with seating and planted beds – or other uses suggested by residents. Ten were installed by the end of 2021. All parklets are listed on a map on Hackney Council's website and residents can request a parklet of their own.

Council role
The council implemented the scheme and either the council or community volunteers can manage the parklets.

Co-benefits
The parklets give residents a place to meet, play and socialise and create a calmer, greener street for all. The parklets also encourage reduced traffic, reducing air pollution and encouraging more active travel.

URBAN GREENING
WILD WEST END

Project summary
London's Wild West End project involves large property owners establishing green corridors between existing green space to encourage birds, bees and bats back into London, allowing both people and wildlife to move between them. The number of green installations has increased by 29%. The project drives a collaborative approach to urban greening between multiple stakeholders. A value table used to direct support to most impactful projects considers: Biodiversity; Climate; Microclimate; Wellbeing; and Social factors.

Considerations
The are some limitations on landowners and tenants' ability to modify central London properties (due, for example, to heritage laws).

Stakeholders
The Mayor of London is involved as a partner. The major London property owners and Business Improvement Districts (BIDs) work in partnership with the Mayor of London, and wildlife charities.

Co-benefits
The project improves wellbeing of residents through increased exposure to nature is a core part of the project's vision. The "multifunctional" benefits of green space are considered when choosing projects as part of the "Value Table".

4.4 Agriculture & Land Use
Case Studies

SUSTAINABLE FARMING PRACTICES
REGENERATIVE AGRICULTURE - DURIE FARMS

Project summary

Durie Farms is a predominantly pastoral farm based in Fife. Since 2006, the farm has applied "soil centric" principles to land management. Key principles followed:
o   Minimising Soil Disturbance
o   Increasing Diversity (for example species, rotation, companion cropping)
o   Keeping living roots in the soil at all times (for example with winter cover crops, have no fallow land)
o   Keeping soil covered
The practices have improved soil quality increases the quantity of carbon held by the land. Crops are more resilient and nutrients in the soil are more prevalent, reducing the need for fertilisers.

Stakeholders
Durie Farm, partnering with James Hutton Institute, which supports research on the farm's initiative.

Co-benefits
Healthier soils yield additional benefits, such as cleaner water, and improved drought and flood resilience. Also, once established, the new techniques have made the farm more profitable.

SUSTAINABLE FARMING PRACTICES
KNEPP ESTATE

Project summary
Knepp is a 3,500-acre estate just south of Horsham, West Sussex. Since 2001, the land – once intensively farmed - has been devoted to a pioneering rewilding project. Since the launch of the rewilding initiative, biodiversity has flourished. Knepp's income is now based on a mix of meat sales and premium eco-tourism.

Considerations
The approach is not suitable for all types of agriculture/food production.

Co-benefits
The project has proven economically viable, with profit margins over 20%. Rewilding leads to greatly improved land productivity, increased carbon sequestration and soil carbon stocks. In addition to carbon mitigation, the rewilded land offers benefits for soil quality and water purification; flood mitigation; air purification; insect populations; and human health and wellbeing.

4.4 Agriculture & Land Use
Case Studies

SUSTAINABLE FARMING PRACTICES
LUTON HOO ESTATE

Project summary
Luton Hoo Estate conducted compound fertiliser trials. The trials tested new low carbon fertilisers, compared to the farm's standard practice. The test was intended to act as a proof of concept for the new fertilisers ability to reduce agricultural carbon impacts. The trialed fertiliser is termed a "compound fertiliser" and is produced by the blending of waste organic fibre, ammonia, and carbon dioxide. Initial results suggests that the new fertiliser has positive effects on carbon impact while maintaining the same yield as that of conventional fertilisers.

Considerations
The study did not explore the differences in costs of the new fertiliser.

Stakeholders
The trials were in collaboration between farmers in Bedfordshire and researches, and fertiliser producers including Luton Hoo Estate; Cranfield University; CCM Technologies.

Co-benefits
Compound fertilisers release significantly less carbon during production than conventional fertilisers, while also encouraging increased soil carbon sequestration. The "closed loop" production method of the fertiliser reduces reliance on finite resources. The use of the fertilisers also reduces leaching during wet periods.

SUSTAINABLE FARMING PRACTICES
APRICOT CENTRE

Project summary
The Apricot Centre in Devon is running a 1-year Level 3 Traineeship which prepares trainees to:
○ Work in regenerative farming or small holding type settings;
○ Work in post-harvest roles such as food processing in regenerative food products;
○ Work in community supported agriculture or the circular food economy;
○ Work in regenerative land-based systems;
Progress into higher education courses such as a Level 4 Regenerative Food Systems; BSc in Regenerative Farming and Food systems and other degrees in Agriculture and Rural Studies.

4.4 Agriculture & Land Use
Case Studies

SUSTAINABLE FARMING PRACTICES (CONT.)
APRICOT CENTRE

Considerations
It is unlikely that current agricultural workers will be able to take a year out to study.

Co-benefits
The expansion of regenerative agricultural methods will increase biodiversity, flood and drought resilience and potentially sequester carbon. The Centre also expands post-18 education provision and equips workers with additional skills.

SUSTAINABLE FARMING PRACTICES
CORNWALL COUNCIL

Project summary
Cornwall Council is working with 6 of its dairy farms in a biomethane pilot to enclose their slurry lagoons and enable the biomethane produced to be collected. The biomethane will then be converted and used as fuel for the council's 77 road maintenance vehicles. This will prevent methane being released into the atmosphere from the farm slurry. The remaining digestate can be used as a soil conditioner, removing the need for artificial fertilisers.

Council role
The council project managed and fully funded the pilot.

Carbon savings
The pilot will prevent 16,591 tonnes of CO_2e from being released every year. The project's plans to transition 77 trucks to biomethane fuel will save a further 752 tonnes CO_2e per year.

Each council pothole repair unit converted to fugitive biomethane could reduce CO_2e emissions by five tonnes per year, which is equivalent to the amount of carbon five native broadleaf trees to offset over their lifetime (approximately 100 years).

Co-benefits
This project could generate enough income, over 20 years, to cover the Council's £1.58m capital and borrowing costs. Farmers will receive income from biogas sales, save on energy and fertiliser bills, have access to better slurry storage and be responsible for reduced environmental impacts from methane, NOx and ammonia.

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4.4 Agriculture & Land Use
Case Studies – Equality Implications

Below we have assessed the implications of low-carbon actions in the context of different co-benefits and equality considerations.

Intervention	Potential positive co-benefits	Equality implications
Tree cover and urban greening	o Public health: Provision of shade and cooling. Physical and mental health benefits associated with exposure to green space. o Economic security: Improved quality of place in developed commercial areas.	o Low-income: Green infrastructure projects may require use of existing spaces and services less likely to be found in poorer areas; these projects should also be considerate of areas associated with climate risk.
Land use management	o Council services: Improved land quality in terms of water retention and ecosystem development. o Economic security: Improved land value. o Local environment: Improved resilience to extreme weather events and shocks.	o Businesses: Lack of information on climate risk may lead to developments or projects on sensitive and/or risk-prone areas.
Sustainable farming practices	o Local environment: Supportive of local biodiversity, reducing transmission of disease. o Economic security: Safeguards long-term supply chains and commercial viability. o Local environment: Improves soil, air and water quality.	o Remote communities: Established agricultural practices may be required to change, which may require upskilling and/or knowledge sharing among the agricultural sector. o Businesses: Upfront costs may be a barrier to changing practices.

NFU Three Pillar Approach for Net Zero – full case studies can be found here.

Alongside COP26, the NFU published a series of case studies demonstrating their members' commitment to playing their role in achieving net zero.
Activities were grouped along three pillars:
o productivity improvements and better resource use
o farmland carbon storage
o boosting renewable energy
A number of these examples relate directly to the cattle-dominant industry found in Cheshire East, with farmers reporting co-benefits around:
o Financial savings from using local muck rather than bought-in artificial fertilisers
o Improved water retention having adopted new land use measures
o Better collaboration and relationship building with local farmers

A description of these categories can be found in Appendix 7.

4.5 Waste and Industry

4.5 Waste And Industry
Introduction

Scope of Section

This sub-chapter is focused on emissions from waste disposal as well as emissions associated with industrial processing.

Waste emissions are created through landfill and combustion. These have been calculated from collected waste statistics, the emissions for which are assigned at the point of generation as opposed to its treatment.

Industrial processing in this context relates to the production of chemicals, minerals and metal products. Emissions from industrial buildings are covered under the section on non-domestic buildings. Industrial process emissions are assigned to Cheshire East based on the consumption of energy for industrial purposes. This is then split out to the final end-uses of metal, mineral and chemical processing.

Current contexts

o **Approximately 35% of energy consumed by the industrial sector is electricity:** Due to the unique energy demand profiles of industrial processing, electrifying heavy industry is more challenging than other sectors. Emissions are also created in significant quantities through the processing of products themselves, captured in the data opposite.

o **Government data shows that in 2019/20 57% of collected household waste was sent for recycling, compared to 38% for non-household waste:** Data also suggests that over 40% of collected waste is sent to energy recovery facilities, with approximately 3% sent to landfill.
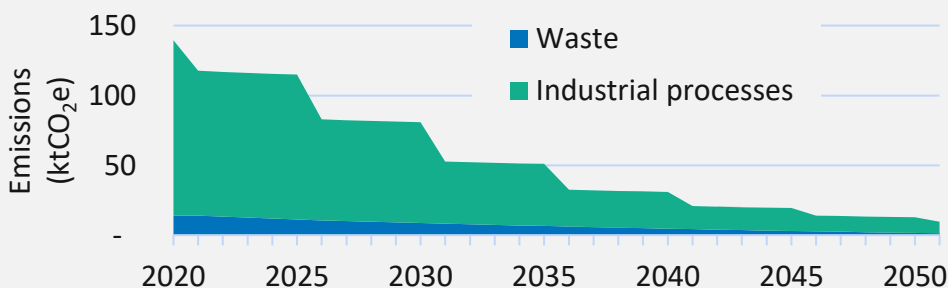
Figure 4.5.1: Cheshire East's waste emissions along the SCATTER High Ambition Pathway, 2020-50.

Outcomes
o **90%** reduction in emissions from waste by 2045
o **14ktCO$_2$e** of waste emissions remaining at 2045

At a glance: SCATTER interventions for this sector

Waste
o Reducing the quantity of waste
o Increased recycling rates

Industrial processes
o More efficient industrial processes
o Shifting industrial processes onto low-carbon fuels

4.5 Waste And Industry
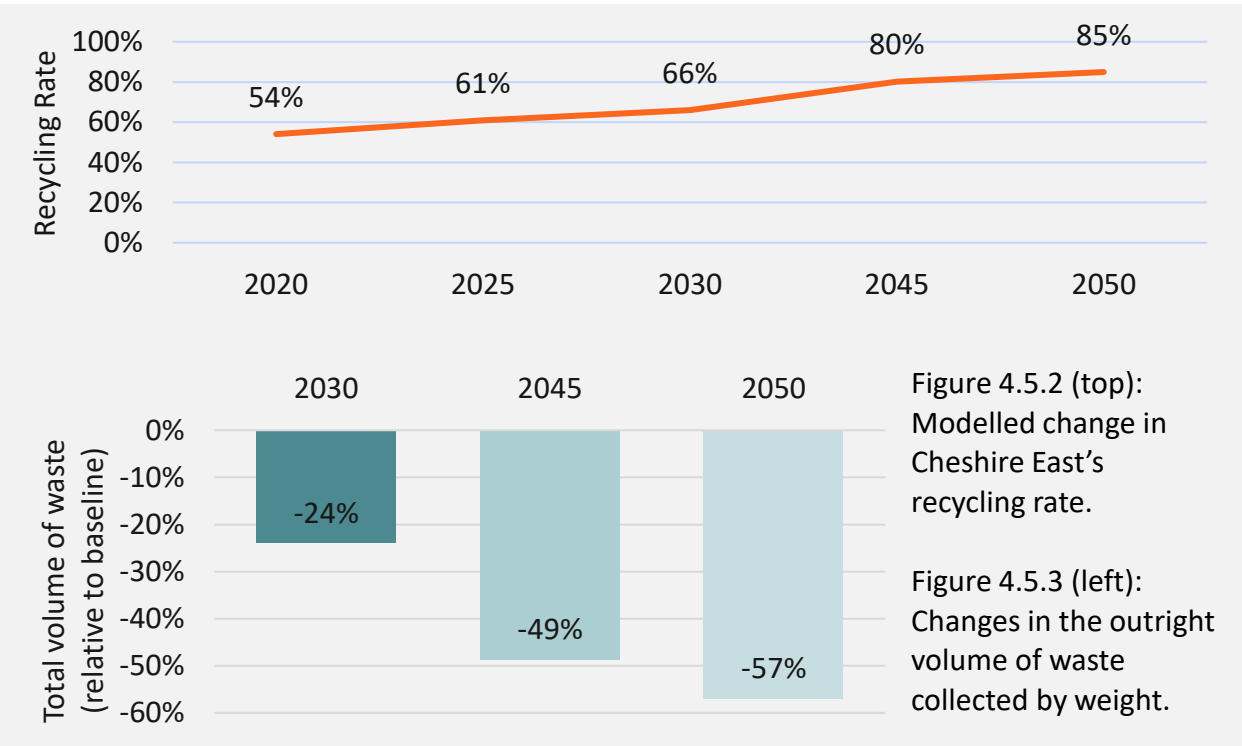## SCATTER Interventions

Reducing the quantity of waste

Avoiding the creation of waste in the first instance is the most effective means of reducing emissions associated with disposal as well as along supply chains. The reductions quoted in SCATTER cover waste from households, commercial and industrial usage, construction and demolition.

Increasing recycling rates

After considering the reduction in the quantity of waste outright, the second SCATTER intervention considers the emissions implications of this waste being diverted away from landfill/combustion and recycled instead.

SCATTER's trajectories for recycling rate incorporate EU targets, with the High Ambition pathway subsequently projecting a more rapid transition to increased rates followed by increasing levels in tandem with a more circular economy.

Figure 4.5.2 (top): Modelled change in Cheshire East's recycling rate.

Figure 4.5.3 (left): Changes in the outright volume of waste collected by weight.

Current Context 2020	By 2045
• According to 2019/20 data, the average household in Cheshire East creates over 1,100kg of waste each year	• Total volume of waste falls by 49% relative to baseline levels • Recycling rate reaches 80% across all waste streams

4.5 Waste And Industry
SCATTER Interventions

Cheshire East
Council

More efficient use of materials

This intervention models reductions in process emissions resulting from a reduction in the production index of each industry type. Separate trajectories are shown for chemical, metal and mineral sectors as well as a fourth "other" category which captures miscellaneous heavy industry.

Using low-carbon fuels where possible

The second intervention related to industrial processes considers changes in the types of fuels used for industrial processes. The unique demand profiles of industrial processing in many cases prohibit the use of renewable energy sources and a transition to natural gas in this sector is projected within the High Ambition to meet this demand. The majority fuel source in the sector remains electricity under this scenario.

Figure 4.5.4 (top): Changes to fuel usage in the industrial sector.
Figure 4.5.5 (left): Reductions in process emissions across different industries.

Current Context 2020	By 2045
• Industrial carbon emissions in the UK have halved since 1990 • Since 1990 the chemical sector has improved its energy efficiency by 35%	Process emissions reduced: • 26% for chemicals • 18% for metals • 22% for minerals • 73% other industries

4.5 Waste And Industry
Carbon Savings And Indicative Costs

Notes for waste & industrial process sectors

o   Mitigating direct emissions from waste disposal offers savings potential at a relatively low end when compared to other interventions across the borough.

o   Improved efficiencies in industrial processes and transitioning away from the heaviest fossil fuels offers a significant opportunity for emissions savings.

o   Considered purely in terms of gate fees for waste disposal, achieving higher recycling rates is likely to bring significant cost savings compared to current rates, assuming gate fees remain roughly consistent in future years.

o   Industrial process costs are taken at a very high level from government projections between a high-ambition case (representative of SCATTER) and a business-as-usual case.

o   This is scaled down for Cheshire East according to its national share of industrial process emissions.

For descriptions of types of cost, please see page 32.

SCATTER Intervention	Cumulative Emissions Savings (2020 - 2045)
• Reducing the quantity of waste • Increasing the rate of recycling	76 ktCO$_2$e
• More efficient use of materials • Using low carbon fuels where possible	494 ktCO$_2$e

Costed measure	Type of cost	Cost to 2045 (£m)
Industrial processes	Capex	27
Waste disposal gate fees	Marginal capex	-150

Figure 4.5.6: Carbon savings for SCATTER interventions along the High Ambition pathway. Table of indicative costings for the implementation of electrification measures and modal shift changes. Negative values indicate cost savings.

4.5 Waste And Industry
Officer Insights

SCATTER Intervention	Barriers	Enablers	Implementation Considerations
Reducing the quantity of waste	"The UK Government has not yet launched the Deposit Return Scheme legislation"	"The council has previously conducted waste prevention campaigns" "The council has existing relationships with the Salvation Army to collect textiles"	"The council has waste prevention volunteers who can influence their communities and earn rewards for their volunteering hours"
Increasing recycling rates	"3% of waste is sent to landfill currently due to reduced recycling operations weekends" "Recycling demand is influenced by commodity prices"	"The council owns the main waste and recycling processing site" "The council's processing facility has capacity to expand collections and generate income from commercial collection"	"A mill is currently being developed to recycle materials to create cardboard in the borough" "There is an opportunity to collect commercial waste in rural areas on the margins of collection routes"
Shifting from fossil fuels and more efficient processes	"The council's influence on large industry may be limited"	"Waste collected in the borough is shredded and transferred to an Energy-to-Waste plant, which is currently a heat and power plant to a cement works"	"The council has greater influence over SMEs" "The council's sustainability commission can support businesses"

4.5 Waste And Industry
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones:

Impact area	Example actions	Case studies
Reducing the quantity of waste		
Encourage residents and businesses to reduce waste	• Organise a food waste campaign using community growing projects and education in schools • Signpost zero waste cafes and plastic free business to residents to encourage behaviour change to low waste services • Provide better incentives to commercial sites and workplaces to adopt improved waste management measures	Newham Borough Council (page 92)
Improve the council's waste collection and waste management	• Consider decreasing the number of general waste collections and increasing recycling collections, and ensure suitable waste storage is provided • Consider banning single use plastics within the Council's buildings and events and develop a Plastic Free Strategy across the organisation	Durham County Council (page 92)
Increasing recycling rates		
Support residents and businesses to improve recycling rates	• Where feasible, ensure households across Cheshire East have access to a food waste bin • Support community groups to develop sharing/circular economy e.g., repair café, library of things, community fridge, food redistribution centres • Work with Household Waste Recycling Centres (HWRCs) to enable individuals without a car to safely access the site and dispose of their household waste and recycling • Expand networks facilitating the donation of edible surplus food to food banks across the borough • Encourage businesses to segregate their waste including their commercial organic waste to reduce food waste through incentives and sharing best practice • Develop a circular economy roadmap for the borough, mapping material flows within the area to identify opportunities for circularity and co-location	Bracknell Forest Council (page 93) The Three Mid Kent Councils (page 93)

4.5 Waste And Industry
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones:

Impact area	Example actions	Case studies
Shifting from fossil fuels and more efficient processes		
Clean growth and low-carbon technology	• Work collaboratively with the Cheshire and Warrington Local Enterprise Partnership to deliver the industrial strategy, particularly focusing on the clean growth challenge • Develop an economic growth vision and strategy to attract investors and investment in low carbon technologies and industries, building on opportunities for a green recovery	East Devon District Council and Devon County Council (page 94)
Support industry to decarbonise	• Set guidance and provide training for promoting zero and low-carbon infrastructure when assessing industrial/commercial planning applications • Develop a forum through which industry can achieve sustained collaboration, showcase leading examples of industrial decarbonisation and signpost carbon reduction support • Encourage local industry to measure and understand emissions, develop a carbon reduction strategy and share best practice by providing support and guidance in collaboration with regional approaches	Worcestershire County Council (page 94)

4.5 Waste And Industry
Case Studies

DECREASED WASTE VOLUMES
DURHAM COUNTY COUNCIL

Project summary

Durham County Council has created its own single use plastic pledge, which it follows as an organisation and encourages others to follow also. 300 organisations and individuals have signed up to the pledge. This includes SMEs, schools and Durham University.
The pledge includes three commitments:
- To ensure unnecessary single use plastics are reduced and ultimately eliminated across their buildings, services and activities
- To support schools, communities and residents in tackling the problem
- To support a single use plastics network within the county

Carbon savings

Removing plastic overshoes from council leisure centres and pools is saving an average of 2.4 tonnes of waste a year.

Council role

The council partnered with organisations including Beamish Museum, The Environment Agency and Northumbrian Water. Resources and responsibility are shared collectively within different service areas, with different departments changing their own area of work.

DECREASED WASTE VOLUMES
NEWHAM BOROUGH COUNCIL

Project summary

Newham Borough Council worked with Keep Britain Tidy to launch the Better Streets Initiative. Better Streets aimed to reduce the number of fly-tipping incidents; to educate and inform residents about fly-tipping and its impact; to measure the impact of each element of the programme with a view to expanding successful initiatives across the borough.

Initial reductions in fly-tipping of at least 64% on average with longer-term reductions averaging at least 50% lower than pre-trial levels.

Co-benefits

The initiative can lead to positive effects on wellbeing through improvement environments.

4.5 Waste and industry
Case studies

INCREASED RECYCLING
BRACKNELL FOREST COUNCIL

Project summary

Bracknell Forest Council awards households points for each collection of uncontaminated recyclables. The scheme uses smartcards which are used to redeem the points from council-run premises, such as leisure centres. Points can also be donated to charitable causes.

Co-benefits

The scheme has raised awareness of recycling and increased engagement with residents, helping Bracknell Council to promote other initiatives. The scheme also provides free access through recreational and sporting activities through points accumulation, improving health and wellbeing.

Council role

The council is responsible for administration and funding the cost of the incentive activities, such as days designated for dropping off electrical waste items. The council partnered with SUEZ recycling.

INCREASED RECYCLING
MID KENT COUNCILS

Project summary

The councils addressed the variations in services including differences in materials collected for recycling, frequency of collection, containment and delivery arrangements to be more consistent. Average recycling rates across East and Mid Kent have risen from 31.41% in 2010/11 to 45.30% in 2014/15.

Co-benefits

The scheme enabled a predicted net benefit of £60 million saving over the period 2010/11 to 2022/23.

Council role

The Mid Kent group (formed in 2011) is comprised of a similar cluster of three districts: Ashford Borough Council, Maidstone Borough Council and Swale Borough Council, also working with Kent County Council. Both clusters are a subset of the Kent Resource Partnership (KRP).

Funding

The capital investment from the consolidation was recovered through operational costs savings.

4.5 Waste And Industry
Case Studies

INDUSTRIAL PROCESSES
WORCESTERSHIRE COUNTY COUNCIL

Project summary
Worcestershire County Council administers the Business Energy Efficiency Programme for SMEs across the West Midlands. The programme provides free energy and resource efficiency reviews and grants of up to £20,000 and funds lighting, refrigeration, energy storage and management, and energy efficient equipment that leads to process improvements.

Co-benefits
Business can reduce energy costs due to increased energy efficiency.

Council role
Worcestershire County Council administers the programme between the regional councils and Shropshire Chambers of Commerce.

Funding
The project is receiving up to £2.1m of funding from the European Regional Development Fund.

INDUSTRIAL PROCESSES
EAST DEVON & DEVON COUNCILS

Project summary
East Devon District Council and Devon County Council have collaborated to support the development of the Exeter and East Devon Enterprise Zone programme. Projects include Exeter Science Park, which provide accommodation for up to 100 jobs in STEMM sectors in a building which has net-zero operational emissions.

Co-benefits
The collaboration has helped to create jobs and a skilled workforce for the future including in Science, Technology, Engineering, Maths, and Medicine sectors (STEMM) and green industries.

Council role
Collaboration alongside local education institutions as well as partners from the private sector and other public sector organisations.

Funding
East Devon invested £1.1m in the development of the Ada Lovelace Building as part of the Exeter and East Devon Enterprise Zone programme.

4.5 Waste And Industry
Case Studies – Equality Implications

It is crucial that Cheshire East considers strategic objectives that extend beyond carbon reductions when action planning. These include reducing inequality, improving public health and encouraging economic security. Below we have assessed the implications of low-carbon actions in the context of different co-benefits and equality considerations.

Intervention	Potential positive co-benefits	Equality implications
Reducing the quantity of waste and improving recycling rates	o Public health: Reduction in transmission of illness due to reduction in flow of waste into the environment. o Local environment: Improved air quality and reduced water and land contamination. Reduction in use of natural resources to develop products. o Economic security: More circular local economy provides financial relief to lower-income residents and businesses. Opportunities for investment in circular economy business.	o Businesses: Sanctions for waste management and collection may disproportionately impact some sectors and geographic areas more negatively. o Low-income residents: Opportunities for reducing waste may be minimal if access to low or no waste goods and services is expensive. o Vulnerable/disabled residents: These communities may need more products in daily life such as the use of disposable items and mobility equipment and should not be negatively impacted by waste reduction measures.
Shifting from fossil fuels and more efficient industrial processes	o Local environment and public health: Improved air quality and reduced water and land contamination. o Economic security: Reduced demand for raw materials yields cost savings through efficiency gains. Improved efficiency of processing can reduce energy demand resulting in lower bills for businesses.	o Businesses: Changes to established methods and modes of working may mean that some businesses require a different profile of worker's skills, which may lead to changes in jobs.

4.6 Energy Supply

# 4.6 Energy Supply
Introduction

Scope of Section

This sub-chapter is focused on the parts of the SCATTER model that deal with energy generation. The availability of low-carbon electricity is crucial to the success of decarbonising Cheshire East. This includes both the decarbonisation of the incumbent supply (i.e. the national grid) as well as the creation of much more renewable energy sources locally that can support increased demand for electricity as a result of the transition to electrified heating and transport.

SCATTER treats Cheshire East in "island mode" and considers the amount of installed technology required to meet local demand with local generation. In order to do this, a baseline level of renewables are modelled in the borough, which differs from the *actual* level of installed capacity. This is shown below in Figure 4.6.1. SCATTER models growth in a range of renewable energy technologies. The specific technology that ultimately delivers this supply is ultimately flexible, however, and the statistics given in this section are not prescriptive of the *type* of technology that must be installed, but is more so representative of the *scale* of capacity required to meet local demand.

Current contexts

o **Solar PV is the dominant technology within the local renewable sector, accounting for over 80% of all installed capacity:** There are over 5,400 PV installations as of 2021, with the mean installed capacity per site approximately 10kW. A typical household installation is between 4-6kW.

o **Sewage gas and other gaseous renewables are also significant in the borough:** These larger sites are responsible for almost half of all renewable generation currently in Cheshire East. Anaerobic digestion, sewage gas and landfill gas sites generated an equivalent amount of power as solar PV in 2021.
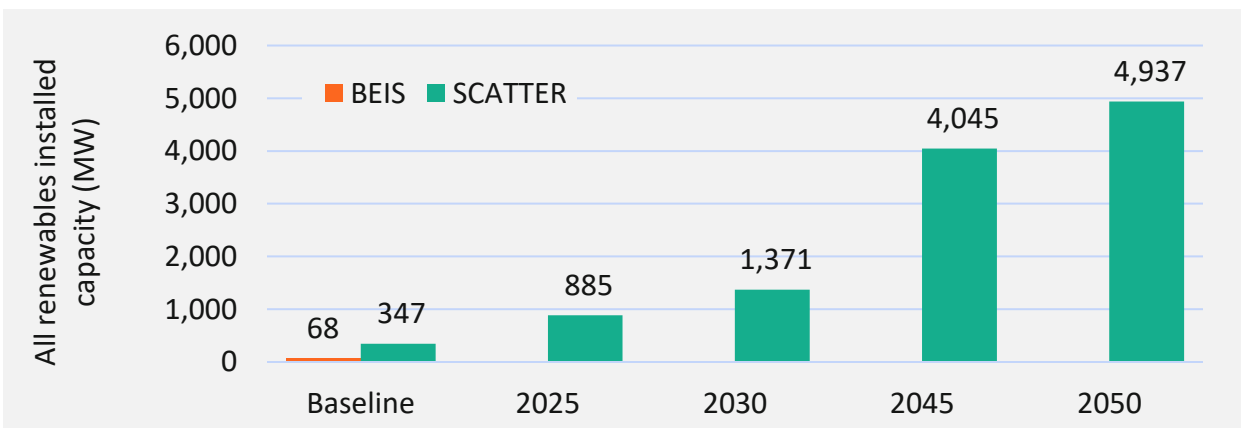
At a glance: SCATTER interventions for this sector

Small-scale technologies
o Local PV
o Onshore wind
Large-scale infrastructure projects
o Offshore wind

Figure 4.6.1: Cheshire East's local renewable energy installations as projected within SCATTER, 2020-2050.

4.6 Energy Supply
SCATTER Interventions

Cheshire East Council

Energy generation within SCATTER

A variety of technologies are modelled within SCATTER's High Ambition pathway, based on the National Grid's Two Degrees Scenario as published in the Future Energy Scenarios (FES). The FES Two Degrees scenario projects growing levels of generation across different technologies, usually scaled to a specific area (i.e. MWh generated per hectare). SCATTER uses this approach, plus data on the projected future energy demand for Cheshire East – which is influenced by various interventions – to define how much of each technology is required locally to meet that demand. Technology splits within SCATTER are not necessarily based on local geographic contexts and it should be noted that the milestones in future years represent the scale required to locally meet the increased demand for electricity as much as possible. It is likely that a broad range of technologies and solutions will be required; SCATTER is only one potential future distribution of these.
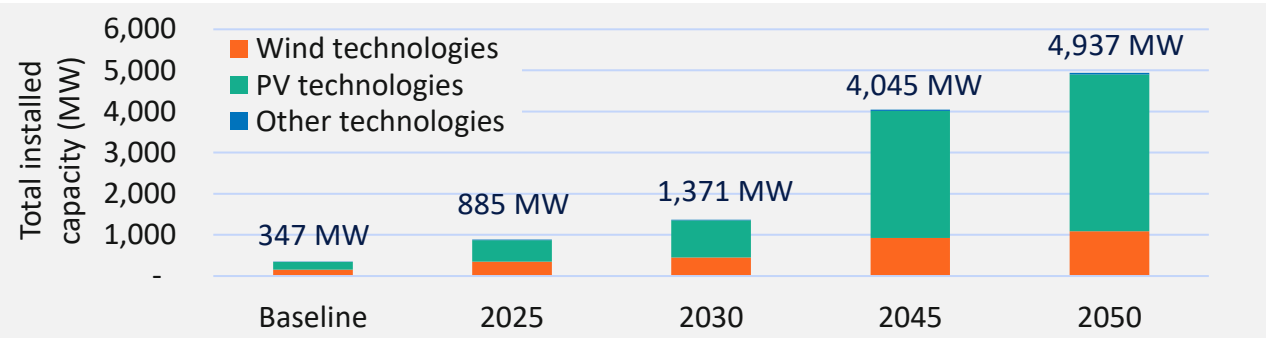
Figure 4.6.2: Cheshire East's local renewable energy capacity as projected within SCATTER, 2020-2050. A more detailed breakdown is given in Appendix 4.

| Type of technology	Current installed capacity	By 2045
Local wind: smaller scale wind turbine installations	• 0.4 MW across 17 sites • 740 MWh generation	304 MW
Large onshore: wind turbines managed by major power producers		180 MW
Large offshore: wind turbines managed by major power producers		435 MW
Local PV: smaller scale PV installations	• 55 MW across 5,500 sites • C. 46,000 MWh generation	1,547 MW
Large scale PV: installations managed by major power producers		1,540 MW
Hydro: small- and large-scale installations	• 0.2 MW across 5 sites	30 MW

4.6 Energy Supply
SCATTER Interventions

Cheshire East Council

Notes for energy sector

o Directly comparing supply-side savings and demand-side savings can lead to double counting in many cases. Shown opposite in Figure 4.6.3 is the impact of High Ambition interventions on the overall demand for electricity, compared to the business-as-usual case.

o Rapidly scaling up the provision of locally available renewables has significant implications for almost all other interventions described in this study, across building heating systems, electrification of transport and divestment from fossil fuels for industrial purposes.

o Costs shown below in Figure 4.6.x are based on government estimates for the cost of installation (capex) and maintenance (opex) for different renewable technologies. These are given in literature as a £/MW and/or £/MWh value and have been scaled to Cheshire East according to the outputs from SCATTER on how much of each technology is required to meet demand locally.

o Capex estimates include pre-development costs, construction and infrastructure. Opex estimates include fixed maintenance, insurance and connections upgrades.

For descriptions of types of cost, please see page 32.
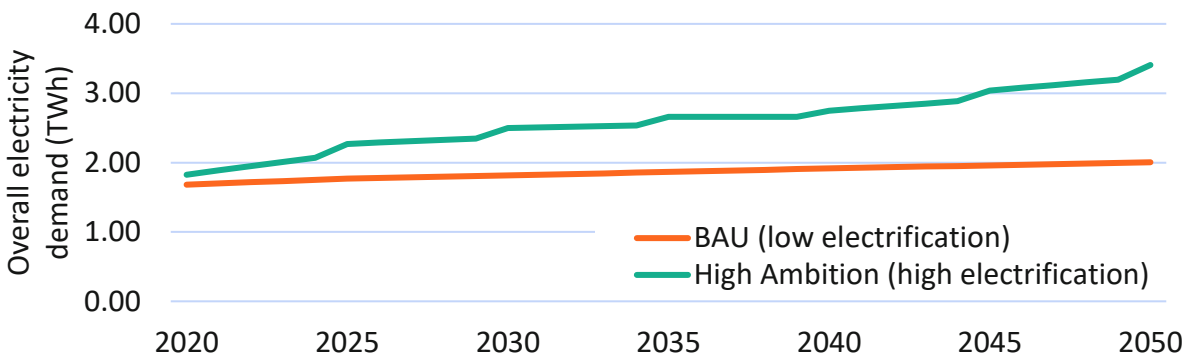
Costed measure	Cost to 2045 (£m)	
	Capex	Opex
Small-scale PV	1,218	238
Large-scale PV	364	309
Onshore wind	179	124
Offshore wind	578	923
Hydro	29	17

Figure 4.6.3 (above): Projected changes in overall electricity demand along BAU and High Ambition pathways.

Figure 4.6.4 (left): Carbon savings for SCATTER interventions along the High Ambition pathway. Table of indicative costings for the implementation of electrification measures and modal shift changes. Negative values indicate cost savings.

4.6 Energy Supply
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones. In the case that these link forwards to a case study, please click the link given in the final column of the table to read more details on example projects of this type.

Impact area	Example actions	Case studies
Increase solar PV capacity		
Maximise installation of solar panels on properties	• Evaluate the opportunities for solar panels within the borough's social housing • Investigate suitable opportunities for installing solar panels on council-owned buildings or ground mounted on council owned land where feasible • Collaborate with local training colleges and educational centres to build skills and capacity within the local workforce to install solar panels • Consult with residents on the benefits of installing solar panels and the potential opportunities from initiatives like solar streets • Provide a solar map for businesses and residents to indicate how appropriate their building is for rooftop solar panels	Cambridgeshire County Council (page 103)
Increase wind capacity		
Maximise installations of wind turbines	• Conduct a renewable energy feasibility study to evaluate the opportunities for wind turbines across the borough • Install wind turbines on council owned land where opportunities are identified by the feasibility study • Explore opportunities to invest in the development of a wind farm within or outside of the borough • Collaborate with local training colleges and educational centres to ensure skills and capacity within the local workforce to install wind turbines • Consult with landowners on the benefits of installing wind turbines and encourage them to install them on private land • Provide a wind map for businesses and residents to indicate how appropriate their land is for turbines	Bristol City Council (page 104) Caerphilly County Council (page 102)

4.6 Energy Supply
Actions Library

The below tables show potential actions that deliver progress towards the SCATTER intervention milestones. In the case that these link forwards to a case study, please click the link given in the final column of the table to read more details on example projects of this type.

Impact area	Example actions	Case studies
Increase the capacity of renewable technologies		
Opportunities for renewable energy generation are identified and barriers are reduced	• Review renewable potential across the borough and identify barriers through a renewable energy feasibility study • Use policy to prioritise the key strategic sites identified in the feasibility study to overcome the barriers identified • Increase the requirements for renewables in the new Local Plan • Coordinate action with Electricity North West on initiatives to significantly increase the demand on electricity for heating/ power (as opposed to fossil fuels) and to identify opportunity areas for investment	Bristol City Council (page 104)
Support businesses to maximise renewable energy installations	• Explore a Power Purchase Agreement for renewable energy supply with other organisations. If this in not possible, ensure any excess demand not met by council owned renewables is from (3rd party) purchased renewables • Explore ways to expand on or develop opportunities around large-scale energy storage solutions in collaboration with key businesses • Provide support for SMEs to access funding and collaborate on energy projects through a shared platform • Develop business-owned renewable technology projects in commercial areas through collaboration and partnerships	Warrington Borough Council (page 102)
Support residents, schools and community groups to maximise renewable energy installations	• Support community energy projects and provide guidance to local residents and schools through an awareness raising program to promote renewable installation • Provide support for residents and schools such as grants, loans or subsidies to install renewable technology • Encourage community renewable technology projects, such as through the co-operative ownership model	Barnsley Metropolitan Borough Council (page 104) River Bain Hydro Project (page 103)

4.6 Energy Supply
Case Studies

SOLAR PV

WARRINGTON BOROUGH COUNCIL

Project summary
Warrington Borough Council has purchased a 34.7MW hybrid solar PV farm in York from Gridserve. The Council also purchased a second solar PV farm from Gridserve in Hull. Gridserve will operate and maintain the farms.

Co-benefits
The site uses 30MW of battery storage to help balance the grid. Warrington Borough Council aims to make significant revenue from the energy produced from the York site whilst using energy generated from the Hull site to meet all of the council's own energy demand.

The revenue predicted to be generated includes an operating surplus of over £100m over 30 years, which the council aims to invest in essential services. The use of community municipal bonds for funding enables the financial benefits to be shared with local residents who may have contributed.

Funding
Warrington Borough Council used Community Municipal Bonds to fund the purchase of the sites. The direct cost to the council was approximately £12,000 in legal costs, and 15-20 hours of staff time. The minimum bond amount was £5.

WIND

CAERPHILLY COUNTY COUNCIL

Project summary
Caerphilly County Council is exploring investing in an onshore wind farm through a shared partnership model with a private green energy company. The proposed site will consist of up to seven turbines with an installed operational capacity of up to 30MW.

Council role
The council would contribute to building costs and receive a return in revenue.

Co-benefits
The Council will maximise benefits to the local community through the partnership's project, potentially through the creation of local green jobs and cheaper energy.

4.6 Energy Supply
Case Studies

SOLAR PV
CAMBRIDGESHIRE COUNTY COUNCIL

Project summary
Cambridgeshire County Council has developed a 70-acre, 12MW solar farm. Building commenced in 2016 and went live in January 2017. The farm produces enough energy to power 3,000 homes. In its first year, it over-performed the expected electricity generation by 5%.

Council role
The council coordinated local research and industrial assets including Cambridge University, Anglia Ruskin University and a growing renewable technology sector for the project. The council also drew on its in-house upskilled staff who had previously identified a framework for the council's energy infrastructure investments.

Co-benefits
The site returns a net £0.35m revenue per year for the council, which will increase to £1m once funding loans are repaid. Year 1 raised £50,000 above the project income per annum. The council has used the revenue towards funding for adult social care services.

Funding & carbon savings
The Triangle Solar Farm was funded via the Public Works Loan Board and funding from the Contracts for Difference renewable auction and the European Regional Development Fund. The solar farm is projected to save around 135,000 tCO_2e over its 25-year lifetime.

HYDRO
RIVER BAIN

Project summary
The River Bain Hydro project is a community-owned hydropower scheme in the Yorkshire Dales. The scheme comprises a 45kW reverse Archimedean screw hydropower installation. The project was developed through a partnership by a community interest company and River Bain Hydro Ltd, an industrial and provident society (IPS) set up to own and manage the scheme.

Co-benefits
Local residents benefit from the profits of the project's income from electricity generation. The project generates £30,000 revenue per annum through the Feed-In Tariff.

Funding
The project cost £850,000. 40% was raised through shareholders who invested in the scheme, including individuals, the public sector and corporate bodies. Grants were used for £100,000 of the cost, including from CO_2 Sense and Yorkshire Dales National Park Authority's Sustainable Development Fund, alongside a Charity Bank loan.

4.6 Energy Supply
Case studies

Cheshire East Council

SOLAR PV
BARNSLEY METROPOLITAN BOROUGH COUNCIL

Project summary

Energise Barnsley is a registered community benefit society that installs solar PV and battery storage. Small-scale solar PV has been installed at over 300 sites totalling 1.5MW, with 90 batteries installed at residential sites. 16 non-domestic sites have also had installations. The scheme works on demand-side response, peer-to-peer trading, asset management and community funding.

Council role

Barnsley Metropolitan Borough Council are a partner in the project and a custodian trustee. The project generated significant income from the Feed-In Tariff, which no longer applies to new installations. Additionally, Energise Barnsley own the solar PV assets, not the council nor residents.

Co-benefits

75% of homes which received installations were bungalows inhabited by elderly individuals, with 25% of all residents on pre-payment meters, helping to reduce energy pressures on vulnerable groups. The provision of a renewable energy source reduced energy bills by 30% from the solar panels and a further 20% from the battery storage, saving over £40,000 in energy costs in 2014-15 alone.

Funding

The project cost £2 million and has been funded by a £800,000 retail bond and a £1.2 million loan from an ethical lender (Charity Bank). Local residents were able to invest in the scheme and have benefitted from the returns – 60% of the community bond is owned by local residents.

WIND
BRISTOL CITY COUNCIL

Project summary

Bristol City Council owns two wind turbines at a former Shell Tank site, which will generate 14.4GWh per annum.

Council role

The council hired specialists to study impacts on bird populations and worked closely with Natural England to ensure their monitoring requirements were met. The council also had a dedicated communications team to generate local support. As the council was applying to its own planning committee for permission, any decision made by the committee would be binding, with no recourse to appeal. Consequently, the application had to pre-empt objections.

Co-benefits

The site is set to generate £1 million each year from Feed-In Tariffs (FITs), Levy Exemption Certificates and electricity sales.

Funding

The set-up cost was budgeted at £9.4m. The council funded the project through borrowing, with the costs to be recouped within 20 years, since the site provides returns of £1m each year. The Council's self-funded Building Management Unit also contributed to the set up of the project.

4.6 Energy Supply
Case studies

Below we have assessed the implications of low-carbon actions in the context of different co-benefits and equality considerations.

Intervention	Potential positive co-benefits	Equality implications
Increasing coverage of domestic renewables	o Council services and economic security: Increased grid resilience and energy security. Increased ability to cope with increases in future energy prices. Can provide long term return on investment and reduced energy bills for consumers.	o Remote communities: Can support these communities with increased energy security and reliability. o Low income: In homes that are rented, residents do not wield the authority to install renewable infrastructure, but landlords do not recoup capital investment through reduction in bills.
Increasing coverage of non-domestic renewables	o Economic security: Increased grid resilience and energy security. Improved asset value and means of income for businesses and other stakeholders.	o Businesses: Likely to incur significant upfront costs not only in the installation of renewable technology but also new electrical infrastructure to manage decentralized power.
Increasing coverage of large-scale renewable infrastructure	o Council services: Creation of new jobs for installation and maintenance. o Local environment: Reduction in air pollution associated with fossil-fuel based energy generation. o Economic security: Cheshire-wide infrastructure likely to incur much lower maintenance costs than centralized grid system.	o Remote communities: Council and business will need to engage with local communities and reach agreement with landowners that considers current usage (e.g. as agricultural land). o Businesses: Agricultural businesses will require support to enable large scale renewable installations.

Energy Local Clubs – decentralised energy

Energy Local is a community interest company which has successfully launched small-scale "clubs" that deliver locally-generated electricity to residents at a market-beating tariff. Instead of power being sold to suppliers and then bought back via the grid at a higher price, members can access the supply at cost price, alleviating a significant proportion of residents' bills. More recently Energy Local has partnered with mid-level suppliers to grow their offering.

Repowering – skills building through renewable energy

Repowering focuses the energy transition within community context by providing skills training for young adults around community engagement and marketing in the context of renewable energy. Repowering creates community benefit societies, which invest in renewable energy and training for residents and then uses proceeds from power generation to part-fund administrative costs.

5 Developing an Action Plan

5. Developing An Action Plan
Introduction

Developing actions into a comprehensive plan will require various considerations beyond solely emissions reductions (see Figure 5.1a). It is also true that the council will need to mobilise a significant coalition of partners to achieve the scale of behavioural change and project delivery for Cheshire East to reach its target (see Figure 5.1b).

This chapter of the report focuses on best practice and case studies on the following areas:

o   Defining the council's role in action planning
o   Encouraging activity within existing networks and partnership building
o   Developing inclusive and collaborative methods of engagement with stakeholders across the borough
o   Monitoring and reporting progress on the borough's progress

Political will and public opinion

Physical infrastructure limitations

Availability of skills

Timescale of delivery

Timely access to capital at scale

Capacity and resource across the council

Equity implications

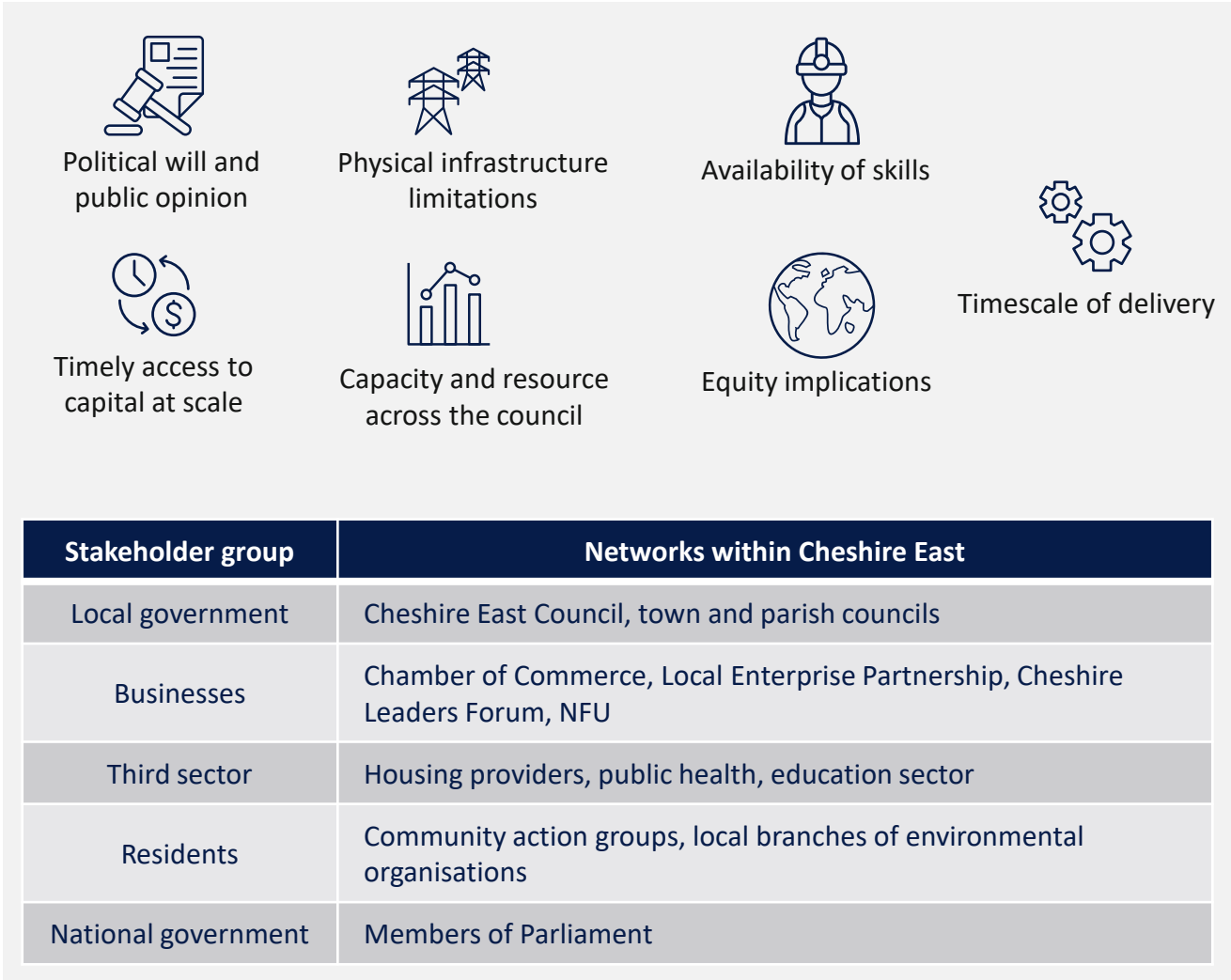| Stakeholder group	Networks within Cheshire East
Local government	Cheshire East Council, town and parish councils
Businesses	Chamber of Commerce, Local Enterprise Partnership, Cheshire Leaders Forum, NFU
Third sector	Housing providers, public health, education sector
Residents	Community action groups, local branches of environmental organisations
National government	Members of Parliament

Figure 5.1a (top): Table of common considerations beyond carbon reduction that influence action planning development.

Figure 5.1b (bottom): Non-exhaustive list of the different stakeholders required to mobilise to achieve the ambitious action required to meet the borough's 2045 target.

5. Developing An Action Plan
Stakeholder Roles

Local authorities are typically directly responsible for less than 5% of the total emissions in their area. The scale of change required to achieve the borough's 2045 target means that every business and resident will have a role to play in making the borough sustainable, prosperous and healthy.

o Businesses and the third sector organisations must act in a way that not only reduces their direct emissions impact but also supports the borough's ambitions for Net Zero. It is the business community's role to invest in sustainable solutions that support an innovative, ambitious transition to new ways of working. In turn, they can influence behaviour change among their employees, customers and networks alongside their supply chains to take meaningful climate action. They can support the creation of new inclusive, local jobs for the future.

o Residents must make changes in how they live and move which can help reduce emissions. They can shape and create neighborhoods that meet their daily needs close to home. Residents can create demand for sustainable products and services with their consumer choices and have a powerful voice to call for change from their employers, companies, local and national governments. By talking about climate change with others, residents in Cheshire East can help encourage others to act.

o National government aims to reduce emissions by 78% by 2037 compared to 1990 levels. The 2021 Net Zero Strategy states that by 2035, the sale of gas boiler will be ended, and the UK will have a fully decarbonised power system. National government policy will have significant influence over the success of the borough's local ambitions through policy and funding decisions.

The role of Cheshire East Council will take many forms. Shown below in Figure 5.2 is a breakdown of the different functions the council can play. These have been listed according to the "degree of influence" which describes the extent to which those roles can directly impact emissions in the borough. When defining actions to undertake, it is useful to consider this level of influence and associated impact.

Degree of influence over emissions	Council role
Strongest	• Setting a best practice low-carbon example across the council's own operations
High	• Working with strategic partners locally to deliver projects (e.g. using local suppliers for procurement and commissioning) • Encouraging carbon reduction measures through policy decisions
Medium	• Bringing together stakeholders to act collectively in partnership • Linking climate action to other objectives in the borough • Lobbying national government for greater ambition
Weaker	• Providing education and guidance to stakeholders and residents • Sharing resources as a trusted source of information

5. Developing An Action Plan
Climate Partnerships

Climate partnerships bring together the council and external stakeholders to focus on climate change mitigation and adaptation. This is captured by CDP's model for City-Business Climate Alliances (CBCA), which serve to *"co-create solutions to drive down emissions and adapt to climate change."* Climate partnerships bring a range of benefits including the sharing of resources and experience as well as engagement with local communities leading to increased awareness. Partnerships are where specific authority-based insetting (ABI) projects are likely to be identified, in addition to common barriers and enablers to greater action.

Leveraging existing networks into climate partnerships

The CBCA model from CDP sets out a roadmap for convening stakeholders with the specific intention of accelerating action on reducing emissions. Consistently throughout engagement with council officers, it was stressed that existing networks can and should be repurposed to incorporate elements of climate action. This means that climate action is centred within existing networks and relationships as opposed to being an "add-on". Adopting principles from the CBCA model, existing networks within Cheshire East could be harnessed for the following:

✓ **Assess climate goals at a partner level**
- Measure existing emissions context for each partner
- Define granular goals for partnerships consistent with local targets

✓ **Understand maturity and skills of different partners**
- Build understanding of partner needs for support in the context of sustainability
- Connect partners across relevant sectors that "plug gaps" in understanding

✓ **Deliver low-carbon actions consistent with group priorities**
- Maximise the use of structures that support functioning group activities (e.g. geographical clustering)
- Design and communicate sustainability actions within the context of existing group priorities

✓ **Create and activate partnership plans**
- Pool knowledge and best practice
- Use mechanisms of implementation for low-carbon initiatives that could connect community groups with businesses, such as Authority Based Insetting
- Communicate with the public consistently and openly

Insights from officer workshop
- Existing groups like the Cheshire Leaders Forum can and should be involved in this response to act as a decentralised source of trusted knowledge and expertise on sustainability.
- Chambers of Commerce, Local Enterprise Partnerships and relationships with large businesses (e.g. Bentley and AstraZeneca) are also important networks to test climate partnerships with.
- The council should leverage activities already happening within small-scale community groups by connecting best practice across local groups.
- Cheshire East's 2045 target should help achieve other borough-wide goals on reducing inequality and improving public health; prioritising projects which meet overlapping objective areas should inform policy development.

5. Developing An Action Plan
Council-business Collaboration Case Studies

London Business Climate Leaders (LBCL)

o **Background:** LBCL is a partnership with the Greater London Authority and 11 prominent London businesses who represent annual turnover of £192bn to help meet their zero-carbon targets.

o **Current status:** Each partner has committed to time-bound, measurable targets around waste generation, renewable energy procurement and company vehicles within the city.

o **Point of emphasis:** *Accurate emissions impact assessments*: The group is working to reduce their carbon emissions specifically from London-based operations and work in collaboration across a wide range of emissions sectors.

Zero Carbon Oxford Partnership (ZCOP)

o **Background:** ZCOP was created from Oxford City Council's Zero Carbon Oxford Summit where partners came together to commit to the target of Net Zero by 2040. This partnership will compliment the pre-existing Project LEO, one of the UK's most ambitious and wide-ranging energy trials.

o **Current status:** ZCOP published the 2040 Net-Zero Action Plan in July 2021 which draws on emissions modelling and workshops to define near- and mid-term priorities for action.

o **Point of emphasis:** *Action planning with a large group of stakeholders:* Actions were drawn from the existing pipelines of ZCOP partners to build on existing activity as well as external research. Following workshops, actions common to multiple partners were grouped and reviewed against strategic aims. This was followed by a round of interviews with partners to define specific implementation steps, roles and identify gaps in actions.

Shropshire's Climate Action Partnership (SCAP)

o **Background:** SCAP is a not-for-profit organisation with the main objective of representing the entire the borough to ensure that Shropshire achieves its Net Zero goal by 2030.

o **Current status:** The SCAP published their action plan in 2021 having originally been founded the year prior. Their plan is a public-facing document focused across the county's emissions.

o **Point of emphasis:** *Identifying stakeholder strengths and stimulating action from new partners:* The partnership brings together universities, the Centre for Sustainable Energy, the Chamber of Commerce, Shropshire Wildlife Trust and numerous other stakeholders who hold significant influence within the county. Businesses and individuals can sign up using an online form which defines low-carbon "attributes" for those wishing to get involved. Actions within the plan are organised according to different stakeholders, with a thread of collaborative ownership throughout i.e. the plan is not written from the perspective of any one group, but representative of the Partnership's views as a whole.

5. Developing An Action Plan
Council-business Collaboration Case Studies

Manchester Climate Change Partnership (MCCP)

o **Background:** MCCP is a network of around sixty members from ten different industry sectors within Manchester, responsible for overseeing and coordinating climate change action within the city. Collectively, members are responsible for around 20% of the city's direct emissions.

o **Current status:** Since its inception in 2018, MCCP has developed terms of reference for members as well as defined a series of partner-specific action plans in line with the city's short-term climate targets.

o **Point of emphasis:** *Using existing networks to amplify resources and guidance on sustainability:* The recent BeeNetZero programme provides practical advice on emissions reduction for SMEs leverages existing networks and "connector" organisations (the Local Enterprise Partnership and ERDF-funded Business Growth Hub). Using the LEP and Business Growth Hub provides a means of reaching a large business population.

Climate partnerships – inclusive community engagement

Another crucial consideration in the development of Cheshire East's action plan is the incorporation of *people-centred climate action.* Regions which consider the contexts and views of residents in action plan development have reported significant additional co-benefit potential compared to those that don't. Optimizing the overlap between low-carbon activities and other social goals for the borough was repeatedly identified as a priority by council officers.

People-centred climate action

The WRI defines people-centred climate action as doing three things:

o Identifying and unlocking social and economic benefits;

o Targeting those benefits to further equity;

o Ensuring a just, well-managed transition away from a high-carbon economy.

A recently published paper on this topic from CDP builds on this definition further, establishing that people-centred climate action *"considers people's needs as a central part of the assessment, target-setting, planning and implementation stages of action."* This process suggesting that action should:

o Identify vulnerable groups most in need of support

o Analyse local experiences and the needs and capacities of different communities

o Engage with people in a transparent and deliberative process

o Give agency to socially and economically marginalised groups

o Use lessons learned by those facing climate risks to deliver just adaptation strategies which unlock social and economic benefits

5. Developing An Action Plan
Inclusive Community Engagement

The roles that residents can play in implementing the action plan are widely varied. The council should adopt these *people-centred* principles and involve residents at the following stages of development and delivery:

o **Assessment:** Conducting a climate risk and vulnerability assessment (CRVA) is a means of identifying the groups that will be most severely impacted by climate change in Cheshire East. Tools such as the Anthesis/Cheshire East Town and Parish toolkit are also valuable resources to galvanise action at the sub-borough level for specific groups.

o **Target-setting & planning:** Citizen's assemblies can offer locally specific details on resident priorities and interests and have been used throughout the UK to coordinate actions with residents. There are many examples of this mechanism being practically applied, but in particular the work carried out by Southwark Council provides a useful case study on making this an inclusive and representative process.

o **Implementation:** To implement actions once designed, there are multiple means through which residents can remain involved and consulted on progress. These are explored in more detail overleaf.

Benefits of designing people-centred climate actions

Around two thirds of CDP-reporting cities are taking "people-centred" climate action. Of those cities, the following co-benefits have been reported:
o 85% of cities reported public health benefits
o 85% identified social benefits such as increased food security
o 84% saw economic benefits, including improved productivity
o Cities are five times more likely to realise job creation as a co-benefit of climate change
o 75% of cities reported improved environmental benefits such as improved green space and soil quality

Council-resident collaboration – case studies

Climate vulnerability and risk assessments: identifying vulnerable groups in need of support

o **Background:** The UK government is required to publish a national climate change risk assessment every five years under the terms of the Climate Change Act. This identifies material risks arising from current and predicted changes to the UK climate. Risks are split into sectors similar to those used to report emissions data, with an additional analysis of the impacts on people, wellbeing and health.

o **Current status:** Translating national analysis into a locally-specific assessment is not yet widespread among local authorities and there are limited case studies. Kent & Medway and Trafford have in recent years conducted research into the likely impacts of climate change on residents in terms of health and wellbeing. DEFRA's ADEPT framework offers best practice guidance and suggested actions relating to adaptation, many of which relate directly to the identification of vulnerable groups within local authorities.

o **Point of emphasis:** The Global Covenant of Mayors have also set out key steps to developing climate vulnerability assessments. Part of this best practice specifically defines assessing climate impacts for the elderly, medically vulnerable and those with low incomes.

5. Developing An Action Plan
Inclusive Community Engagement

Southwark Citizen's Jury: engaging in a transparent and deliberative process

o **Background:** A period of engagement with selected residents helped the council to determine the priorities of local people. The jury was asked to consider what needs to change in the borough to tackle the climate emergency in a fair way for local people and nature.

o **Current status:** The jury's findings and priorities were reported back to the council following the conclusion of the process. Ultimately 88% of the recommendations were added to the council's action plan.

o **Point of emphasis:** Engaging in a transparent and deliberative process. Members of the jury were specially selected to achieve a representative group of age, gender, ethnicity, socio-economic class and existing views on climate change. Prioritisation of transparency and communication on council progress encouraged this plan to be updated "live" on a dedicated web app which encourages ongoing feedback between residents and the council.

Camden Climate Investment: analysing local experiences and the needs and experiences of local groups

o **Background:** Camden Climate Investment (CCI) is an innovative community municipal investment scheme which allows residents to directly invest in projects that form part of the council's 2020-25 Action Plan.

o **Current status:** In late summer 2022, CCI reached its £1m fundraising target, which will now be spent on priority projects in the borough. Investors will receive their initial capital back within five years.

o **Point of emphasis:** Actions within the council's plan were heavily informed by the UK's first Citizen's Assembly, conducted using similar principles as were eventually used in the Southwark Citizen's Jury. CCI then allowed residents and businesses to invest directly in priority projects identified through development of the Plan.

Brighton & Hove Energy Services Co-operative (BHESCo): giving agency to local residents to make change

o **Background:** BHESCo is a not-for-profit social enterprise. It historically focused on community-based installations of renewable energy technology but offers a range of projects and services focused on household energy efficiency.

o **Current status:** ZCOP published the 2040 Net-Zero Action Plan in July 2021 which draws on emissions modelling and workshops to define near- and mid-term priorities for action.

o **Point of emphasis:** Giving agency to local residents to make change. Projects are conceived and designed by local people with implementation usually carried out by local contractors. The council has both devised similar projects for residents (such as the Solar Together group-buying scheme) but als works directly in partnership with BHESCo (such as through the ABI scheme).

5. Developing An Action Plan
Recommendations

Partnership building recommendations for the council

- **Improve visibility of organizational emissions performance:** Stakeholders/ networks are likely to have a good understanding of their emissions impact and those that don't should be encouraged to do so as a priority measure. This exercise can then support the development of more data-driven goals and actions. CDP offer business "scans" of specific organisations which provide an initial emissions screening of an organisation.

- **Identify the specific materials and resources that can be disseminated through existing networks:** Council officers were keen to point out that integrating low-carbon actions within existing networks may require some upskilling among stakeholders to ensure they communicate the "right" messages and themes. The council's action plan should consider exactly what these materials are for different networks.

- **Map existing stakeholders by their needs and attributes:** The council should identify potential sustainability leaders within networks that have specialist skills and resources. This will help to identify needs and opportunities to connect different groups together, particularly in the context of resident groups. As well as their absolute emissions impact, the potential to influence further groups should be taken into account when engaging stakeholders.

- **Use the momentum of the People's Panel on cost of living to test priority actions with the public:** The council should finalise its action plan development with the input of residents using a representative body of local people to feed back recommendations and improvements to the collective ideas.

5. Developing An Action Plan
Monitoring and Reporting

Measuring the progress of actions defined within any action plan must also incorporate some degree of "impact" analysis in quantitative terms. Broadly, progress towards the borough's emissions targets will be recorded by changes in the emissions data benchmarked by tools such as SCATTER. Using this data in isolation brings with it two challenges:

1. Emissions data is published two years in arrears, which means that there is a meaningful time lag between project delivery and analysis of its impact
2. Emissions data is not provided at a granular level which captures the impacts of specific actions, particularly if multiple projects make emissions reductions in the same area

This motivates the need for key performance indicators (KPIs) that record "live" data which acts as a more useful proxy for progress. The council (or whichever stakeholder is responsible for analysis of a given action) can then track year-on-year progress using these defined proxies and indicators.

A direct example of this might be analysis of Energy Performance Certificate (EPC) ratings for domestic buildings. Whilst an imperfect measure of the emissions created by the domestic housing sector, EPCs provide a useful marker for the energy efficiency of the borough's households and can be assessed for trends towards more energy efficient buildings on an annual basis.

KPIs have been suggested which benchmark progress towards the different SCATTER subsectors detailed in this report. Assessing the changes in these indicators provide further context to the city's climate action. A list of these potential indicators has been given in Appendix 8. It should be noted that the council will likely wish to amend and shape these indicators as their plan develops to implementation and according to stakeholder views.

Disclosing publicly

This chapter has discussed the application of a number of concepts, including the Council-Business Alliance and people-centred climate action. The council and its partners are strongly encouraged to design a transparent monitoring and reporting framework, which allows for open reporting of progress towards its goals.

The steps towards achieving that following the design of an action plan include:

o Establishing commitment from partners to play their part in terms of reporting
o Assigning accountability both internally within the council and across networks
o Identifying current and future data for the specific progress towards certain goals and actions and setting out what is required to properly assess these

The final piece of this framework is the disclosure of progress in an accessible and transparent way. Whilst project managers may monitor progress internally, it is also crucial for the continued buy-in and public mandate that the council reports its progress publicly and transparently.

There are a range of solutions available in terms of reporting public data through the CDP-ICLEI Unified Reporting System, the Global Covenant of Mayors and including update reports, as well as digitally-enabled solutions involving online dashboards and apps. Some of these have been referenced in the above case studies.

6 Recommendations and Next Steps

6. Recommendations and Next Steps

Recommendations

This report sets out a menu of options for Cheshire East Council, outlining the measures that need to be achieved, and when they should be implemented, in order to achieve the borough-wide target.

Establish improved data collection practices for suppliers

- Engage with main suppliers identified in analysis of council contracts: Undertake a more detailed assessment of the council's Scope 3 emissions which accounts for the specific activities carried out by suppliers and contractors. This will allow a more accurate assessment of the council's procurement emissions based on real activity data as opposed to industry-wide emissions factors.
- Establish the role of procurement to support partnership building: Exploring the relationship between local suppliers and their impact on borough-wide emissions is a valuable means through which the council can foster collaboration in reaching the 2045 target.

Identify priority actions for decarbonisation

Throughout this report various suggested actions have been quoted, each of which have an important role to play in delivering progress towards carbon neutrality. We recommend the following areas be prioritised for action given their significant impact on the borough's footprint, as well as their associated co-benefits and potential for stimulating positive holistic change:

- Improve building energy efficiency through fabric retrofits in domestic and non-domestic buildings;
- Focus on modal shifts and charge point infrastructure to lower barriers associated with the transition away from petrol and diesel cars;
- Scale up the availability of locally-available renewables, in particular solar and wind, which may provide valuable opportunities for landholders;
- Identify means through which the borough can adopt low-carbon agricultural practices at scale to mitigate the impact of livestock on emissions and maximise the potential for sequestration through land use.

Considering cost, carbon and prioritisation

The costs presented in this report are intended to act as a guide to give a sense for the scale of investment required at the borough-wide level. The current analysis doesn't allow full consideration of the nuances of who pays (i.e. the split between the council, and other stakeholders), and equally, where savings will be made.

The case studies define where and how different projects have been financed and the specific role of the council in delivering more granular, specific initiatives. The council's role will vary dramatically between projects and sectors, which may include investing in projects with the intention of stimulating the market so that others can follow suit.

Given the number of potential actions required and possible limitations in resource, the council may seek to prioritise action in certain areas. Our recommendations for prioritisation are based on a high level analysis. In seeking to confirm next steps, particularly at a more granular level, we recommend the council undertake a comprehensive analysis of all the actions, including other factors such as action impact, timescale, and complexity.

6. Recommendations and Next Steps

The scale and speed of the interventions outlined in this report are significant and involve all areas of the borough. While achieving the SCATTER High Ambition Pathway would result in a 74% reduction in emissions by 2045, the borough would still not reach carbon neutrality by this time. Step-change style shifts in behaviour and technology will be needed to meet the 2045 timeline.

In planning next steps, Cheshire East Council should consider the following:

- **Confirm your priority action areas:** In this report, we give recommendations on how the council could prioritise action and develop its action plan, focussing on carbon impact. Several other metrics are also given for consideration, including the council's role and ability to influence each action.

- **Work together with other stakeholders:** The council is not expected (or able) to achieve the goals of the plan alone and must use its role in the community to lead others. Officers consistently fed back that existing networks and groups can be leveraged and "buy in" to this agenda to push action further and faster. There may also be additional partnerships specifically focused on climate that are needed to help accelerate and focus action.

- **Consider the impacts of climate action holistically** when making the case for climate action: Climate action offers significant co-benefits to the local economy, communities and environment in virtually all cases. Many offer a return on investment or operational cost savings, which also bolster the case for action.

- **Continue to consider a variety of funding streams** to support financing local carbon reduction initiatives including community investment schemes and government grants.

- **The importance of monitoring and reporting on your progress**: This is vital in ensuring action is coordinated and sustained. This should include assigning and tracking responsibility against each action and tracking impact to ensure the actions are having the desired effect.

- **Going beyond the SCATTER High Ambition Pathway** is a necessity in order to reach the borough's carbon neutral goal. Nevertheless, the interventions outlined in this report should be prioritised, as the evidence base behind them ensures these savings can be achieved most quicky and reliably.

Gap to target and carbon offsetting/insetting

Even with the successful implementation of the interventions outlined, by 2045 Cheshire East will likely still contend with residual emissions in hard-to-treat areas. Particularly this may include isolated settlements and buildings that are difficult to reach in terms of low-carbon heat and modern energy efficiency. There will also likely be residual emissions from freight and agriculture, which will need to be appropriately managed. Developing an approach on how the borough will offset or explore the use Authority Based Insetting as a method will be an important consideration.

Appendices

Appendix 1 – SCATTER FAQs

What do the different sectors and subsectors represent within the SCATTER Inventory?

- **The Direct Emissions Summary and Subsector categories** are aligned to the the World Resource Institute's Global Protocol for Community-Scale Greenhouse Gas Emission Inventories ("GPC"), as accepted by CDP and the Global Covenant of Mayors.
- **The BEIS Local Emissions Summary** represents Local Authority level data published annually by the Department for Business Energy & Industrial Strategy (BEIS).
- **Stationary energy** includes emissions associated with industrial buildings and facilities (e.g. gas & electricity).
- **IPPU** specifically relates to emissions that arise from production of products within the following industries: iron and steel, non-ferrous metals, mineral products, chemicals. These are derived from DUKES data (1.1-1.3 & 5.1).
- **Waterborne Navigation and Aviation** relate to trips that occur within the region. The figures are derived based on national data (Civil Aviation Authority & Department for Transport) and scaled to Cheshire East.

The full methodology is available at http://SCATTERcities.com/pages/methodology

How does SCATTER treat future energy demand?

Future demand is hard to predict accurately. The National Grid's Future Energy Scenarios (FES) indicates that under all scenarios that meet the UK's net zero by 2050 target (including "Leading the Way", which illustrates the fastest credible rate of decarbonisation) electricity demand still increases. On the other hand, SCATTER's High Ambition Pathway assumes that electricity demand reduces due to improvements to efficiency of operation.[1] Factors such as increased electrification of heating technologies and transport are naturally big drivers for the increase, but incentives and opportunities for demand reduction and energy efficiency measures are still significant and could slow or tip trends in the other direction.

What do the different emissions categories mean within SCATTER?

Direct = GHG emissions from sources located within the local authority boundary (also referred to as Scope 1). For example petrol, diesel or natural gas.

Indirect = GHG emissions occurring as a consequence of the use of grid-supplied electricity, heat, steam and/or cooling within the local authority boundary (also referred to as Scope 2).

Other = All other GHG emissions that occur outside the local authority boundary as a result of activities taking place within the boundary (also referred to as Scope 3). This category is not complete and only shows sub-categories required for CDP / Global Covenant of Mayors reporting.

1 – It should be noted that this optimism for demand reduction is consistent with the legacy 2050 Pathways tool.

Appendix 2 – SCATTER Inventory

Cheshire East Council

Notes:

- SCATTER calculates a territorial emissions profile and therefore excludes emissions from goods and services generated outside the borough (also referred to as consumption emissions).
- Within the SCATTER model, national figures for emissions within certain sectors are scaled down to a local authority level based upon a series of assumptions and factors.
- The inventory data presented here relates to the 2019 reporting year as emissions are reported two yeas in arrears

IE	Included Elsewhere
NE	Not Estimated
NO	Not Occurring
	Included as part of profile
	Excluded as part of profile

Sub Sector	DIRECT Scope 1 tCO_2e	INDIRECT Scope 2 tCO_2e	OTHER Scope 3 tCO_2e	TOTAL tCO_2e
Residential buildings	489,754	172,839	NO	762,406
Commercial buildings & facilities	81,945	105,763	26,969	214,676
Institutional buildings & facilities	65,779	22,964	12,074	100,817
Industrial buildings & facilities	256,705	128,838	65,752	451,296
Agricultural fuel use	34,678	4	8,254	42,937
Fugitive emissions	54,057	-	NE	54,057
On-road	942,413	IE	405,099	1,347,512
Rail	14,473	IE	3,444	17,917
Waterborne navigation	13,009	IE	IE	13,009
Aviation	NO	IE	211,286	211,286
Off-road	9,408	IE	NE	9,408
Solid waste disposal	7,323	-	IE	7,323
Biological treatment	NO	-	IE	-
Incineration and open burning	1,729	-	IE	1,729
Wastewater	6,945	-	NO	6,945
Industrial process	125,404	-	NE	125,404
Industrial product use	0	-	NE	0
Livestock	301,822	-	NE	301,822
Land use	9,482	-	NE	9,482
Other AFOLU	NE	-	NE	-
Electricity-only generation	NO	-	NO	-
CHP generation	NO	-	NO	-
Heat/cold generation	NO	-	NO	-
Local renewable generation	30	NO	NO	30
TOTAL:	**2,414,923**	**430,408**	**832,693**	**3,678,055**

Appendix 3 – Carbon budget analysis

What is a carbon budget?
A carbon budget is a fixed limit of cumulative emissions that are allowed over a given time in order to keep global temperatures within a certain threshold.

The Tyndall Centre Carbon Budget

The Tyndall Centre for Climate Change Research, based at the University of Manchester, have translated the Paris Agreement targets of limiting temperature change below 2°C into a fixed emissions 'carbon budget' for each local authority. There are two key ideas underpinning their research:

1. The carbon budget is a fixed amount: A global emissions limit represents the total emissions allowed before the 1.5°C threshold for greenhouse gas concentration is crossed. This global "budget" can then be scaled down to a national level, and finally, a regional level.

2. Emissions now mean impacts later: The most crucial element of this approach is understanding the importance of cumulative carbon emissions. Once emitted, carbon dioxide remains in the atmosphere for many years, contributing to increasing the average global temperature. The carbon budget does not reset; it represents a fixed upper limit to emissions. These two principles mean that the annual reduction rate of emissions becomes very important. Cumulative emissions and the scale & speed of action in the short-term are crucial in meeting the targets of the Paris Agreement.

Results for Cheshire East

o To keep Cheshire East aligned with the Paris Agreement, emissions should be reduced by 13.6% each year.

o Between 2005 and 2017, the average annual emissions reduction rate in Cheshire East was around 3%, highlighting the ambitious action required to meet the Paris Agreement targets.

o If Cheshire East continues along a business-as-usual pathway, the carbon budget (2020 – 2100) will be exceeded before 2030 and this could happen as soon as 2026.

o By 2041, 5% of the budget remains, provided that Cheshire East achieves the recommended annual reduction rate.
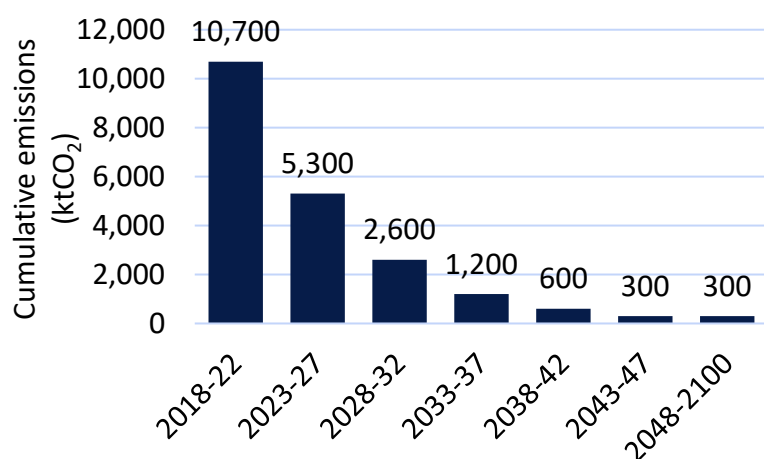
The chart opposite above describes the carbon budget targets based on the recommended annual reduction rate. Slight differences in scope mean that direct comparisons of this budget with the cumulative emissions from SCATTER Pathways trajectories (detailed in Chapter 5) should be taken as an estimate only.

Appendix 4 – Current context sources

Unless stated otherwise, current contexts relate to 2020, which is used to reflect the starting point of the pathways. The table below gives data sources for current contexts quoted in the report.

Data source	Notes
EPC statistics	Data for domestic buildings
Off-gas statistics	Data for domestic buildings
Fuel poverty statistics	Low income, low energy efficiency (LILEE) is the new government definition for fuel poverty. A household is considered fuel poor if living in an efficiency band of D or below, and when they spend the required amount to heat their home they are left with a residual income below the official poverty line.
Energy Company Obligation	Data for number of installations at domestic sites
Display Energy Certificate	Data for non-domestic buildings
Building Energy Efficiency Survey	Information on various energy end uses in UK non-domestic buildings
BEIS emissions	Government published data on emissions at local authority level
NTS9903	DfT statistics on trip habits. Data quoted is from 2018/19 in order to capture pre-pandemic habits that are more representative of "typical" activities
DfT	Data cache for vehicle mileage statistics
Agricultural economy	Information on the extent of farmed land and livestock
Woodland Trust	Tree coverage per parliamentary constituency
Local authority waste collection	Quantity of collected waste for domestic and non domestic sources

Appendix 5 – Energy generation breakdown

The graph below shows a more detailed breakdown of the installed capacity of different technologies, summarised in Figure 4.6.2.
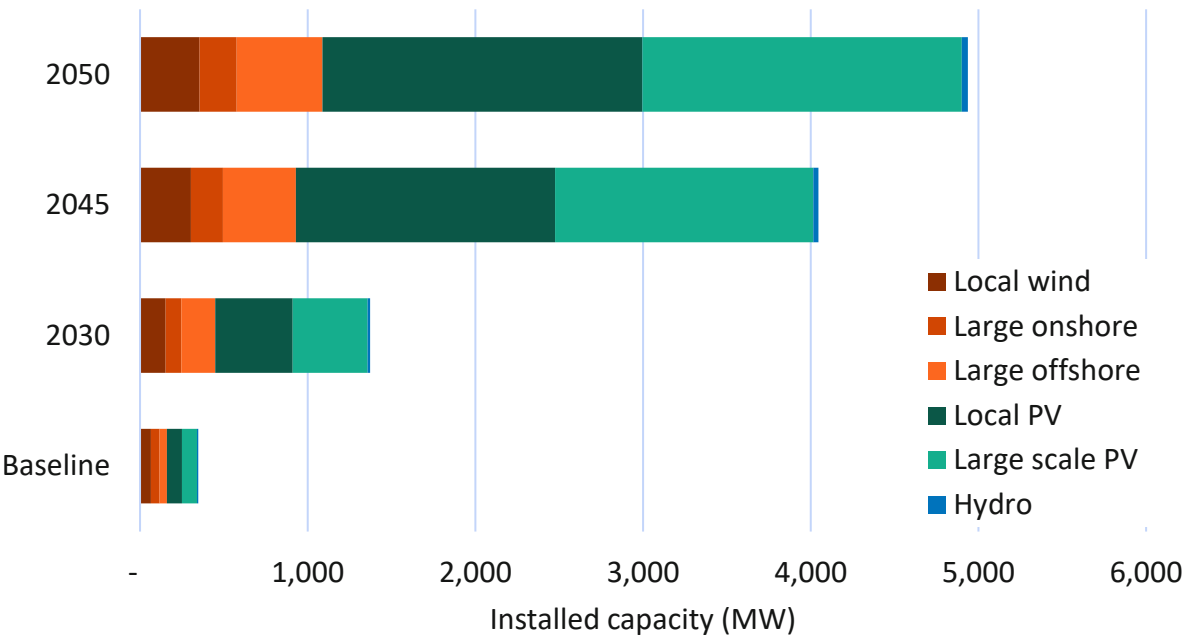
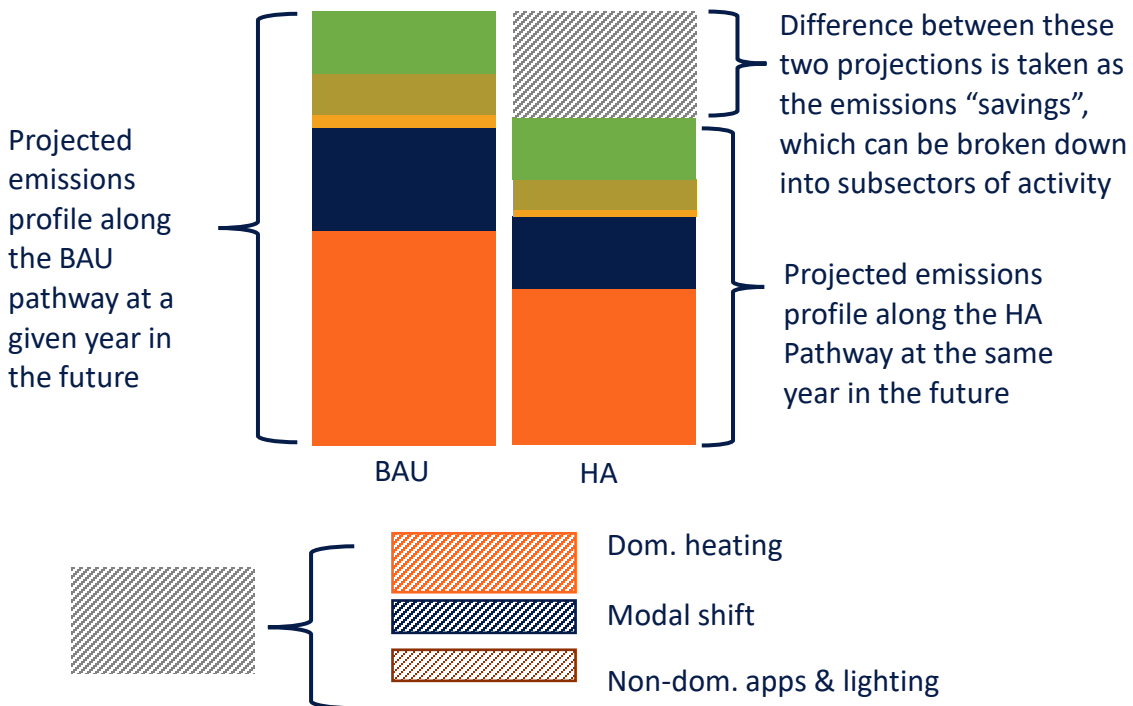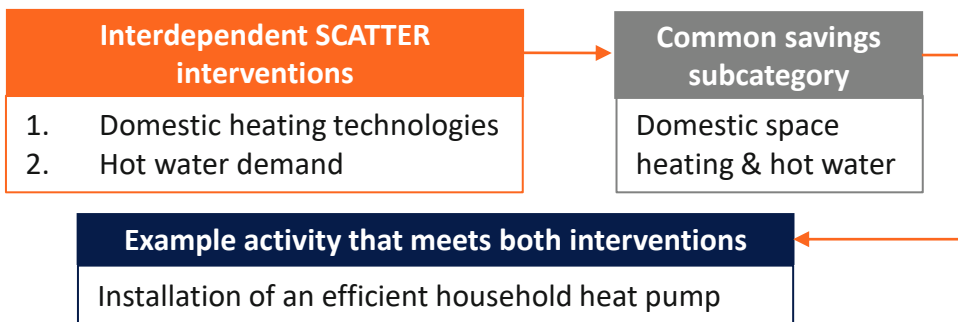| Year	Local wind	Large onshore	Large offshore	Local PV	Large scale PV	Hydro
Baseline	64	52	43	91	88	8
2030	153	93	203	461	447	14
2045	304	190	435	1,547	1,540	30
2050	354	222	512	1,909	1,904	35

Appendix 6 – Carbon savings methodology

Estimating emissions savings

Using the SCATTER "High Ambition" (HA) and "Business as Usual" (BAU) scenarios, we can estimate emissions savings, broken down into different categories. This is done by comparing the projected emissions along each pathway from different subsectors (e.g. domestic lighting or commercial heating) for each year, and defining the difference between them. A visual representation of this method is given below.

Which areas of activity have been estimated?

The categories of emissions savings are broken down slightly differently to the SCATTER interventions, meaning that the savings are grouped slightly differently. This is because of the interdependency of the SCATTER interventions, where more than one intervention contributes to the same savings subcategory. Since one action can contribute to more than one SCATTER intervention target, the savings from multiple separate interventions may be combined into one subcategory.

Interdependent SCATTER interventions	Common savings subcategory
1. Domestic heating technologies 2. Hot water demand	Domestic space heating & hot water

Example activity that meets both interventions
Installation of an efficient household heat pump

Projected emissions profile along the BAU pathway at a given year in the future

Difference between these two projections is taken as the emissions "savings", which can be broken down into subsectors of activity

Projected emissions profile along the HA Pathway at the same year in the future

BAU   HA

Dom. heating

Modal shift

Non-dom. apps & lighting

Appendix 7 – Co-benefit considerations

The tables below define the different categories for which co-benefit implications have been considered. For each sub-sector in Chapter 4, typical actions have been considered in the context of the categories in each row of the table.

Protected characteristics

The definition opposite for vulnerable/disabled people as part of an impacted group captures some, but not all, of the protected characteristics defined in the Equality Act (2010). Additional characteristics include:

- o Age
- o Gender
- o Sexual orientation
- o Race
- o Religion
- o Disability
- o Pregnancy & maternity
- o Gender reassignment

Identifying intersectionality between these characteristics and factors such as income and health are an important consideration in how actions are designed. Overlaps can and should be identified using different data and actions tailored accordingly.

Category	What is being considered?
Public health	Physical and mental health implications for the general public, including the implications for public healthcare services.
Local environment	Air, water and soil quality. Provision of green infrastructure and support of biodiversity. Climate resilience and implications for climate adaptation.
Economic security	Opportunities and/or challenges for private sector businesses in terms of market, reputational and technological risks. Employment and productivity of local workforce.
Council services	Implications for changes to public services and infrastructure (housing, energy, waste, telecommunications)

Impacted group	Who is being considered?
Low-income	Households and workers who live on less than 60% of the UK's median income, per the UK government definition.
Vulnerable/ disabled	Residents with long-term medical needs (physical, mental or otherwise) which may hinder their ability to participate on equal terms with wider society. It be the case that individuals do not necessarily self-define as vulnerable and/or disabled.
Businesses	The professional community within Cheshire East; local tradespeople and commercial enterprises. Sectors may be defined against specific actions.
Remote communities	Residents in the borough that live in a very rural environment e.g. not connected to mains gas supplies and/or very small settlements.

Appendix 8 – Data for performance indicators

In Chapter 5, we make recommendations that the council track progress against its actions through the use of proxy data. These are shown in the tables below.

Climate Action Area	Data proxy for progress	Potential source for tracking progress
Domestic lighting, appliances, and cooking	Gas & electricity sales data	Sub national gas consumption Sub national electricity consumption *Local data on electrification of cooking systems requires a more specific research*
Domestic space heating and hot water	New build data EPC ratings Fuel poverty statistics Gas network statistics Utilities data Renewable Heat Incentive (RHI) installations	New build dwelling statistics EPC Fuel Poverty ECO measures Gas network Sub national gas consumption Sub national electricity consumption RHI
Non-domestic heating and cooling	Non-domestic EPC ratings Final energy consumption (fuel type) Gas & electricity sales data	EPCs for non-domestic properties Sub-national energy consumption Sub national gas consumption Sub national electricity consumption
Non-domestic lighting, appliances, and catering	Gas & electricity sales data	*Local data on electrification of cooking systems requires more specific research*
Volume of Waste & Recycling	Tonnes of Household and Commercial waste sent for recycling	Collected waste statistics Council-held statistics
Local renewable technologies	Renewable electricity (installations, capacity and generation) Ofgem Feed-in Tariffs (FIT) Installation Report	Regional Renewable statistics FiT Quarterly Stats *Large scale installations may require further research*

Appendix 8 – Data for performance indicators

SCATTER subsector	Data proxy for progress	Potential source for tracking progress
Domestic freight	Licensed vehicles by body type Road transport energy consumption	VEH0105 Fuel Consumption Statistics
Domestic passenger transport - Demand	Licensed vehicles by body type Road transport energy consumption Licensed ultra low emission vehicles Ultra low emission vehicles registered for the first time (by region) EV charging points	VEH0105 Fuel Consumption Statistics VEH0132 VEH0172 Electric vehicle charging device statistics
International aviation & shipping	National data on passengers and freight movement	Airport Data
Agriculture and land use	Land and crop areas, livestock populations and agricultural workforce Green Space Map	Structure of agricultural industry OS Map Green Space *Local data on the agricultural sector requires a more specific research*
Tree planting outside woodlands	Tree surveys	i-Tree
Industrial processes	Electricity consumption in the industrial sector Actions towards less carbon-intensive industrial processes	DUKES Energy Consumption by final user Industrial Decarbonisation and Energy Efficiency Roadmap Action Plan

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