Open Agenda

Environment Scrutiny Commission

Thursday 14 October 2021
7.00 pm
160 Tooley Street

Supplemental Agenda

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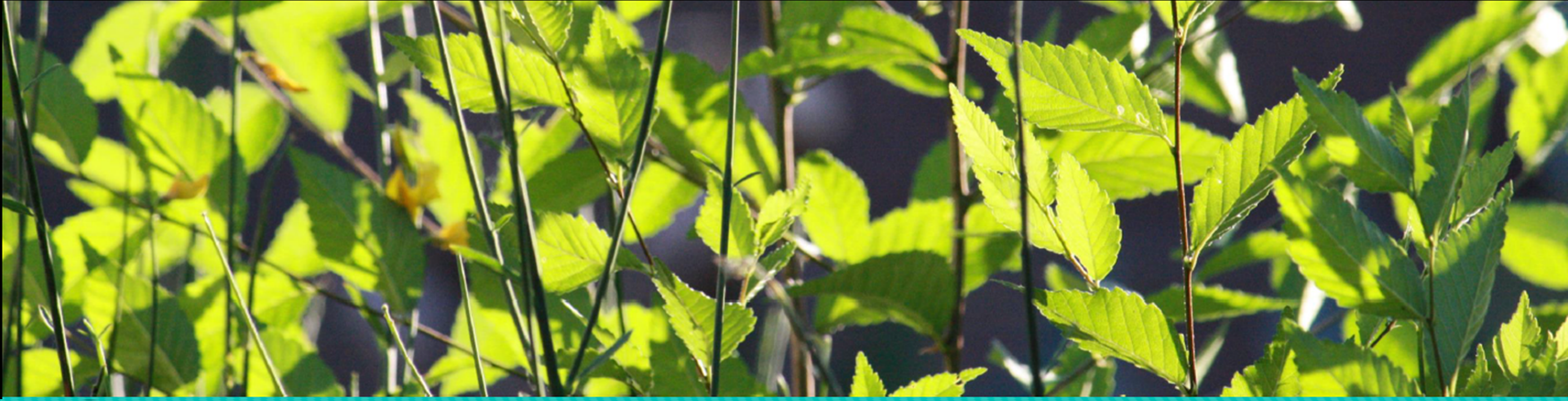

SE24 Presentation for Southwark Council Environment Scrutiny Commission

14th October 2021

SE24 SUSTAINABLE ENERGY

This evening's agenda

- Introduction to SE24/Community Energy and its contribution to low carbon Southwark
- How can Community Energy contribute to Southwark's Climate Action agenda?
- What can the Council do to help facilitate that?

SE24 SUSTAINABLE ENERGY

SE24: Who we are.

- Started in 2014
- Registered as Community Benefit Society in 2015
- Focused initially on community PV projects in SE London, mainly in Southwark.
- Now also delivering LED energy efficiency projects.
- Surplus revenue put into community fund to tackle fuel poverty.

SE 24 SUSTAINABLE ENERGY

SE24: What we've done…

PV PROJECTS:

2016: Herne Hill Methodist Church Hall (10kWp)

2016: Herne Hill United Church (10 kWp)

2018: St Christopher's Hospice (50kWp)

2018: Dulwich College Lord George (60kWp)

2018: Dulwich College Sports Centre (60 kWp)

2019: Walworth Methodist Church (25 kWp)

SE24 SUSTAINABLE ENERGY

SE24: 2021 Projects…

PV PROJECT:

- The Charter School, North Dulwich (117kWp)

LED PROJECTS:

- The Charter School, North Dulwich
- Charles Dickens Primary School, Borough

SE24 SUSTAINABLE ENERGY

SE24: PV Funding Model

- Early PV projects funded through combination of community share offer and UCEF grants. Investors paid back over 20 years with income from FIT generation and export payments and energy sales to sites.
- Now, post-FITs, PV projects funded through combination of community share offers and London Community Energy Fund grant. Investors paid back over 16 years with income from energy sales to site and exports to grid. Projects need to be larger in scale with high levels of site consumption to be viable.
- Sites benefit from a) capital savings b) low energy costs and c) maintenance over concession period.
- Agreement underpinned by 16-year rooftop lease and power purchase agreement.

SE24: LED Funding Model

- Projects funded through combination of community share offer and London Community Energy Fund grant. Investors paid back over 10 years with income from sharing electricity savings with the site
- Agreement with site underpinned by 10-year Lighting Services Agreement.
- Site benefits from capital savings and a share of the electricity savings.
- After initial 3-month warranty period, no further maintenance responsibility for SE24.

SE24 SUSTAINABLE ENERGY

The impact of SE24 on community and climate

6 rooftop solar projects producing renewable electricity in South London

Around 185 MWh/a produced, equivalent to ≈ 60 households

More than 20 local fuel poor households supported via our Community Fund

c. £ 6,000 in funds disbursed

CO_2 emissions avoided, helping to combat global warming

Some 74 tonnes of CO_2 avoided per year, equivalent to taking 41 vehicles off the road

Lifetime Energy Cost Savings delivered for local residents, schools, churches and hospitals

Around £150,000 of lifetime savings from current projects

SE24 SUSTAINABLE ENERGY

Key priorities for effective climate action in Southwark

- Housing – including the large Social Housing portfolio held by Southwark
- Other buildings – e.g. Council offices, schools, health, leisure and other community services
- Transport – both private and public
- Most of these are areas in which Community Energy has made or can make a contribution

SE24 SUSTAINABLE ENERGY

Southwark will need to leverage available funding, e.g.

- The Energy Company Obligation – c. £1bn/pa financed by energy suppliers. This scheme aims to focus on the fuel poor/vulnerable and the least energy-efficient housing.
- The Social Housing Decarbonisation Fund – now expected to do the 'heavy lifting' in the LAHA sector. Said to be worth up to £3.8 bn over 10-year period.
- The Public Sector Decarbonisation Scheme - of which NHS has been major beneficiary.
- The Green Gas Levy – intended to support the substitution of bio-methane for natural gas.
- The Clean Heat Grant – funding for residential heat pumps. Initially proposed at £4,000/home; may now be increased to £7,000 (tbc).

How can Community Energy best contribute?

- Bring energy expertise and funding to areas/projects which commercial market would probably ignore because of size.
- Low cost of capital, based on access to grants and socially committed community investment.
- Attention to ongoing maintenance performance (e.g. solar) - not just installation.
- Engaging with our communities, which is essential for sustained decarbonisation and behaviour change. CE groups understand what types of projects are needed and viable in their local areas.
- Community Benefit Societies which re-route financial surplus into community action, with strong focus on the fuel poor and vulnerable - and these needs are increasing.
- Not just solar – Community Energy organisations in London and SE are now engaged in LED lighting, heating controls, heat pump projects, battery storage of electricity, energy efficiency advice and EV charging facilities.

How can the Council help? (1)

- Recognise role/contribution of CE in Climate Action Plans and show clear delivery plans against actions. Only tenuous link to CE at present (pages 56 and 59)
- Provide funding support: e.g. a Borough Community Energy Fund (as in Islington, Lewisham, Merton, Wandsworth and Bromley). Could make use of the Council's Carbon Offset funds (£1.93m collected but £4.8m yet to be collected).
- Recent research shows that every £1 directed by a fund into CE project can raise £3-7 investment on top as CE groups raise finance through community shares or from external sources e.g. National Lottery, UK Power Networks etc.
- These funds used to build CE capacity and create a more sustainable business model (e.g. paid employees and less reliance on volunteers).

GLA resource designed to illustrate rooftop solar potential : https://maps.london.gov.uk/lsom/

How can the Council help? (2)

- There will be a real challenge to spend the lots of new money for retrofit and also in engaging residents in energy efficiency programmes. The Council could collaborate with CE groups, which could act as intermediaries for these future programmes.
- Ensure Council officers, local schools and others are well informed about contribution of CE – past, present and future - including providing legal and other briefing documentation to streamline CE project delivery.
- Encourage CE participation in low-carbon transport initiatives – e.g. solar plus battery storage at council offices, schools etc.
- Regular Council meetings with CE groups – at least quarterly.
- Appoint Council CE group liaison officer, who might be funded through partnering with another council.
- Council can make use of tools like GLA's rooftop solar potential map: https://maps.london.gov.uk/lsom/

Questions?

SE24 – Successful Funding Application

The Charter Schools Educational Trust were successful with a recent funding application through the London Community Energy Fund (LCEF) on behalf of The Charter School North Dulwich and Charles Dickens Primary School.

There are two elements for funding to each of the successful applications, one being a capital grant from LCEF and the other capital investment from a local community fund, SE24, whereby the funds are repayable from the energy savings that are achieved by the works over 10 years. The capital grant isn't repaid and is essentially free money.

School/Project	Capital Grant	Capital Investment
The Charter School North Dulwich LED Project	£44,900.00	£134,000.00
The Charter School North Dulwich Solar Panel Project	£14,300.00	£76,000.00 - £82,000.00
Charles Dickens Primary School LED Project	£11,400.00	£23,000.00
Totals	£70,600.00	£233,000.00

SE24, that have supported us throughout the application process, tried to involve the parents of the schools and other stakeholders to be part of the community fund which effectively gives them a return on their investment in supporting the school. It was deemed by the schools leadership, and the local governing bodies, that given the inclusive nature of the Trust, that asking parents to support the project financially was not in the best interests of the organisations. There was also concerns that the investment is not 100% risk free, so not something we could promote actively.

This meant that investment process was run independently from the schools, which is understandable, but would have been good exposure for SE24 in their local area. Time was very much of the essence so this did impede on the decision making process.

Once the funds for the community investment had been raised the Trust embarked on the process of consent through the Education and Skills Agency (ESFA) as under the terms of the Trusts funding agreement, financial leases are not permitted without prior consent, and the solar contract was deemed to be such a lease.

This approval process took around 12 weeks, it had the added complication that The Charter School North Dulwich landlord is the Dulwich Estate which added another layer of approval. All of the parties involved worked tirelessly to be get the approval over the line, but in any process such as this with the legal aspect it will always take more time and more cost than expected.

These delays, and costs, inevitably impacted on the actual works start date and ultimately the financial benefits reaching the school. We now are in a position with the solar works that we hope that they will be completed by mid-November so the school can start feeling the benefit through the harsher winter months when the costs at their highest.

What would make the process easier? How could Southwark support a School/Academy for future funding applications?

With the usual pressures on schools/Trusts capacity is always an issue, this running alongside a pandemic was even more of a squeeze. Having a pre-approved lease through a local authority already recognised by the ESFA would save a lot of time and money. Just having that legal support costs covered by an external party would be a great help in getting these types of projects over the line.

One thing we weren't able to do was to spread the word of the project amongst our vast number of parents for reasons outlined above. If there was a way that Southwark could help promote the projects it may be a way round some of the issues we found when trying to launch the fund.

Funding in general is quite hard to come by and sometimes ends up with the organisation with the most resources or finances. There will be smaller Southwark schools that require this support that don't know where to reach out to for funding, these schools will have more outdated M&E infrastructure than most.

So in summary, any support around the legal aspects, advertising the community fund, and support for making applications would be gratefully supported by any school within the borough.

G Griffith, 05.10.2021

Agenda Item 8

Item No. 8	Classification: Open	Date: 14 October 2021	Meeting Name: Environment Scrutiny Commission
Report title:		Summary of Community Energy scrutiny work	
Ward(s) or groups affected:		N/a	
From:		Julie Timbrell, Project Manager, scrutiny.	

RECOMMENDATIONS

1. That the Environment Scrutiny Commission note the work undertaken by scrutiny over the previous three years and use this to inform the current Energy scrutiny review.

BACKGROUND INFORMATION

2. There are three principle pieces of work summarized below; these are :

   a) A Community Energy review report, produced by the Housing and Environment Scrutiny Commission, in the administrative year 2018/19.

   b) A one off agenda item updating the Environment Scrutiny Commission on 'Green Energy and Community Energy' undertaken in March 2020 with Repowering London, the cabinet lead for the Environment and officers.

   c) A tracking report, included as an appendix, setting out the recommendations of the Community Energy review report done in June 2019, the cabinet response received October 2019 and follow up requests made and received in Spring 2021 by last year's Environment Scrutiny Commission.

SUMMARY OF PREVIOUS SCRUTINY REPORTS AND UPDATES

3. **Community Energy, June 2019, report of the Housing and Environment Scrutiny Commission 2018/19**

3.1 Community Energy's role in tackling the Climate Emergency

In 2018 the Council adopted a commitment in its Council Plan to: "support the creation of community led sustainable energy projects on estates to help residents reduce their energy bills". The commitment was carefully crafted to promote community energy projects, in particular, in order to support the Council's ambition to decarbonise while delivering on its commitment to

Climate Justice.

Community Energy was prioritised by the Housing & Environment Commission in the administration year 2018 – 19 in order to help meet this Council Plan commitment, particularly in the context of government plans to end Feed in Tariffs (FiT) in April 2019, which would make solar energy projects less viable, thus requiring a consideration of future implementable models.

The other driver was growing urgency in tackling the environmental crisis and the need for a step change in efforts to meet net zero. Council Assembly passed a motion declaring Climate Emergency in March 2018, pledging to go carbon neutral by 2030, twenty years earlier than previously planned.

Nationally renewable energy and energy reduction has been identified by environmental researchers as having a crucial role in achieving this aim. Zero Carbon Britain estimates that in order to maintain our modern lifestyles and meet the Climate Emergency we will need to switch to 100% renewable energy and reduce by 60% the current amount of energy required. Community Energy delivers both more renewable energy, as well as frequently undertaking energy demand reduction activities.

Community Energy has been organically growing in cities over the last several years, usually powered by volunteers using a Community Benefit Society ('BenCom') model, whereby the capital is raised through a local stock offer to local residents, and funds are set aside to invest in social and environmental priorities, which are chosen locally, by the beneficiaries. Projects frequently use solar in cities to generate energy as this is one of the best sources of renewables in an urban environment. Historically these have generated an income by providing electricity to the communal areas of the project and by selling electricity to the grid at preferential rates; these are the Feed in Tariffs (FiT), which ended in April 2019.

Under this arrangement solar array projects with the right aspect have been able to generate enough money to pay back the capital costs and generate a surplus to invest in social benefits; often these are about energy reduction and focused on the residents in fuel poverty.

As well as contributing to increasing the amount of renewable energy available, and reducing carbon consumption, schemes also build the community capacity to address the climate emergency through engaging people in local schemes. This can be particularly beneficial on housing estates and in schools as it is widely accepted that the Climate Emergency can only be tackled by a broad coalition of citizens and stakeholders, and that social equity in both participation and outcomes must be addressed; the Climate Justice principle.

3.2 Review approach

The review tracked the work of the council, who decided to take forward the council plan commitment to deliver Community Energy by supporting three pilot projects on three different estates: Juniper House, Haddonhall and Brenchley Gardens.

The commission heard directly from the stakeholders involved in the three pilots, which included estate tenants and homeowners, Juniper House Tenants and Residents Associations (TRA) and Brenchly Gardens and Haddonhall Tennant Management Organisation (TMO), council officers and South East London Energy Company (SELCE), a community energy social enterprise working with Haddonhall.

On 17 December 2018 a Commission roundtable meeting was convened, which started with an overview of the Council's work on climate change and carbon reduction, followed by presentations on the three pilots, and then a longer roundtable discussion on some of the challenges and possible approaches to delivery of community energy. As well as hearing from the stakeholders involved in the three pilots, the commission also heard from elected members from the council and GLA, and two other local community energy social enterprises: Repowering London and SE24. The roundtable the minutes can be accessed here. [1]

Lastly the Commission considered the report by the BRE Group, who were employed by officers to evaluate the pilots and provide the council with a criteria to judge the viability of future projects.

3.3 The pilots

The Council explored three different Community Energy approaches, all testing different models, with different technical challenges in order to understand the potential benefits. All three estates chosen had a strong Tenants and Residents Associations (TRA) or a Tennant Management Organisation (TMO) who expressed an interest in Community Energy, demonstrating existing community enthusiasm and buy-in.

Haddonhall project

Situated by the Bricklayers Arms roundabout, Haddonhall TMO worked with South East London Community Energy (SELCE) to explore a scheme by which

[1] https://moderngov.southwark.gov.uk/mgAi.aspx?id=52205&fbclid=IwAR0yESFyv8E69ww1TVaubgV15bzjNW3UkTCGa9gsxwXZhSdh_BY4Hk6KaUg

shareholders would invest in solar panels to be sited on the estate use this to power communal energy and to generate income through Feed in Tariffs (FiT). SELCE applied for Feed in Tariffs (FiT) by the pre-registration deadline of March 31; the last tranche of projects who were able to apply to utilise this funding.

In addition utilising FiT to sell energy back to the grid, the Haddonhall business model also incorporated working with a partner, such as Energy Local, to enable residents to access the cheaper solar energy from the site during the day through a green energy supplier. The other opportunity considered was a combination of batteries and electric vehicle charge-points.

Juniper House

Juniper House is a 5-storey block with 75 flats on the border with Lewisham. There is a mix of stock in the building; 61 of the flats are leased from the Council, the remaining 14 are privately owned. The block was previously managed by Juniper House Tenant Management Community (TMC), a community run cooperative. The operation was in the course of being handed back to the Council and a Tenant Management Organisation (TMO) set up.

While a Housing cooperative (TMC), Juniper House accumulated over £30,000 in its Surplus Fund. With the ending of the cooperative Juniper House Tenants and Residents association (TRA) were exploring investing this money into a solar project, however there were caveats: the money had to be used to benefit all residents; both tenants and leaseholders, and residents strong preference was for this to be a cash benefit .

Juniper House TRA's aspiration was for the solar energy to be used, in part, to power the communal energy needs of the estate and for this to lead to reduced leaseholder and rental charges. However, this was problematic as although tenant and leaseholders/ homeowners receive a separately itemised bill for communal energy, the calculations are done differently for council tenants. This proved a stumbling block to take the project forward as there would not be an equitable reduction in bills.

Brenchley Gardens

Located next to Honor Oak cemetery, SE23, the estate is comprised of 96 properties with a 50/50 split of council tenants and private owners. The TMO was keen to explore the options for renewable energy generation on the estate, which is composed of both blocks and houses and has a considerable amount of communal land. The work on sustainability was still in a development stage. They were considering:

- Roof Solar Panels;

- Green Roofs;
- Solar Powered Lighting;
- Insulation to Blocks of Flats;
- Composting (from flats).

3.4 BRE Group

BRE Group was commissioned by the council to consider the solar capacity on the roofs of the three pilot projects and the opportunities for reducing energy in the communal areas. As part of this work they also considered different models to take forward solar energy projects, specifically who would be the owner of the renewable energy, usually solar.

BRE identified four stakeholders:

- Electricity consumer (Landlord/ TMO)
- Property owner (LBS)
- Renewable Electric (RE) system owner
- EPC contractor (commissioned by RE system owner to install the solar PV system)

Their conclusion was broadly that most of the projects did not have sufficient demand from the communal areas to justify solar generation, and that initiatives to reduce communal energy consumption (LED lights and movements sensors) would be more cost effective.

However, the report had its limitations; tenants were not listed as stakeholders, the report did not consider the capacity of schemes to reduce tenants bills (an aim of the Council Plan commitment on Community Energy) and nor did it consider the wider social and environmental benefits of Community Energy. Specifically the scheme did not factor in the desire from the Juniper House TRA residents to invest their own capital, arising from the former cooperative, into renewables and that as such the scheme was unlikely to draw significantly from council capital. It was also not only a cash equation for the residents involved; they were also looking for an investment that will reap social, community and environmental benefits. When considering the Haddonhall / SELCE business case the BRE report did not factor in the model that is being used by SELCE / Haddonhall to sell solar directly to leaseholders and tenants on site through a third party local supply model and/or electrical cars, possibly as this is emerging technology.

3.5 Financial Model post FIT

The government replacement for FiT was a new Smart Export Guarantee (SEG), which would require large suppliers to buy solar generated electricity at a published price. The ‘smart’ part refers to the likelihood that the tariff would be based on the requirements of the grid, so more will be paid when demand is at the highest, and less when demand is lower. The SEG was under consultation and due to replace the current export tariff arrangement sometime summer 2019. This means there was a gap in moving from one business model to the next. SEG was predicted to also only last for a finite period, and was therefore considered to be only one component when assessing future viability. The uncertainty surrounding government solar policy was flagged up during the Housing & Environment Commission roundtable as an ongoing challenge for Community Energy projects.

Community Benefit companies said that other sources of support will become an important part of the mix. The London Mayor is committed to solar and is providing grants for feasibility studies, as well as developing energy supply models. Islington have utilised carbon offset from development schemes to support solar, and Lewisham is developing a similar scheme.

3.6 Conclusion

The report concluded that at the time of writing the renewable community energy sector was in a period of uncertainty as it moved from the FiT model to an alternative model. The future model was likely to involve a combination of the SEG, local electricity supply models, grants, access to subsidized capital from carbon offset funds and other sources of finance, such as pension renewable infrastructure funds, community stock investment and donations.

The most common, tried and tested form of community energy is solar delivered by a Community Energy social benefit company. Encouraging TMOs and TRAs to work with a third party, such as local Community Energy companies, is most likely to see projects getting off the ground quickly as they have technical expertise to take forward projects and a financial model to raise the necessary capital. They also have tested ways to reduce energy bills via projects to reduce fuel poverty and an emerging model to reduce estate residents’ bills directly through new energy supply models. The ethos of Community Energy community benefit companies is also most closely aligned to the local authority and the Council Plan commitment to deliver community led renewable energy initiatives.

As well as estates there is a significant opportunity to realize the benefits of Community Energy in local schools and the council could promote this opportunity in partnership with community energy companies, where viable

post FiT.

Energy reduction is one of the most effective ways of reducing carbon, with estimates that every £1 pound spent will realize £99 in savings and associated carbon reduction[2]. Initiatives like the Mayor of London's London Homes Energy Efficiency Programme [LHEEP] would provide technical support to enable project planning of the council social housing portfolio. This is likely to lead to significant savings in carbon, as well as a positive impact on fuel poverty, and residents' fuel bills.

Longer-term, the Council may wish to pursue setting up either a SPV and or an Energy Supply Company (ESCO) to deliver solar and other renewable energy projects, such as Combined Heat and Power. This would take significant organizational and technical investment, however it is likely to both contribute to reducing carbon and potentially generate money as we move away from an high intensity fossil fuel grid to renewables, and the associated development of distributed, decentralized and digitized energy system.

3.7 Recommendations

1. Scope out the possibility for Southwark to develop a SPV and/ or local electricity supply model to support solar and other renewable energy projects, including Combined Heat and Power. Explore the feasibility of engagement in London-wide initiatives through the GLA including through its 'License Lite' supply arrangement.

2. Encourage TMOs and TRAs to explore community energy through the Great Estates programme, in partnership with local Community Energy community benefit companies. This could also directly link with the development and roll-out of electric vehicle charging points.

3. Join the Mayor of London's 'London Homes Energy Efficiency Programme' [LHEEP] and use this to plan energy efficiency on estates and assist project planning the best time to fit renewables, where feasible.

4. In relation to the existing pilot projects, we would encourage the Council to recognize some of the limitations of the BRE studies, and factor in emerging models such as that being proposed by SELCE with Haddonhall. The enthusiasm and desire from residents to make all three projects work must be built upon.

[2] SELCE presentation to Public Policy Exchange

5. Work with other parts of the borough estate, particularly schools, to support the development of Community Energy solar projects, recognizing that this support may require a commitment of resources.

6. Ensure that the planning process is rigorous in it promotion of carbon-neutral schemes and that the Council's own developments in particular, are best in class in relation to energy efficiency. Look at the opportunities provided by any resulting carbon offsets, particularly resulting from regeneration schemes, to invest in community energy.

4. The Environment Scrutiny Commission 2019/ 20 received an update on 'Green Energy on Estates and Community Energy' on Tuesday 10 March 2020.

4.1 Repowering London

Dr Afsheen Kabir Rashid provided a presentation on Community Energy. The presentation outlined how community led renewable energy is based on facilitating a decentralised model of empowering communities and Community benefit companies. As well as the more obvious benefits of carbon reduction there are also the social benefits that come from visible solar projects in the community and the cooperative model that is used, and the ability of local community energy projects to mobilise and enthuse people.

The Repowering London highlighted these actions and opportunities to improve viability:

• The new finance model allows for a mixture of capital investment
• Carbon Offsets have been used to pump prime schemes in other local authorities
• Community buildings, such as schools and community centres, can be good sites for solar schemes as energy use is in the day, improving economic viability, and the social outcomes from working with school children are also high.

4.2 Officer and member update

Councillor Richard Livingstone, the cabinet lead for the environment, and officer lead, Martin Kovats, Community Projects Manager, also updated the Commission on Community Energy. Councillor Richard Livingston said that introducing Community Energy has posed challenges with the end of the Feed in Tariff. The Community Projects Manager said three pilots were conducted and the evaluations concluded that they were not viable, when measuring solely economic benefits, and excluding intangibles. Officers

reported that they are now looking more broadly as housing estates. Councillor Richard Livingston added they are looking at other sources of investment e.g. SIL, and Carbon Offsets to improve viability.

4.3 Discussion

In the follow up discussion with members Dr Afsheen Kabir Rashid advised a collaborative relationship between Community Energy orgs, councils and residents as Community Energy schemes are long term projects spanning 25 years. She advised that the council consider schools, leisure centres, and local business as they are a good fit with the new finance model as consumption of electricity matches energy generation. She said that Southwark in a good place to initiate schemes and once one project is in place it is easier to scale up.

More information is available here[3].

5. Community Energy scrutiny review tracking report,

Appendix one collates the recommendations from the Community Energy, June 2019 report, and subsequent cabinet responses, and updates arising from these, received by the Environment Scrutiny Commission last administrative year 2020/21.

3 https://moderngov.southwark.gov.uk/mgAi.aspx?id=56831&fbclid=IwAR1YCF3vDeLTjrIcoN9esvMmApnRao-14soC9fnuNkBVoSrgf0T2-PV-mJo

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment Scrutiny Commission agenda and minutes	Southwark Council Website	Julie Timbrell Project Manager
Link: https://moderngov.southwark.gov.uk/ieListMeetings.aspx?CommitteeId=518		

APPENDICES

No.	Title
Appendix 1	Community Energy scrutiny review tracking report

Appendix one

Community Energy scrutiny review tracking report

June 2021

This report collates the recommendations from the Community Energy, June 2019 report, and subsequent cabinet responses, and updates arising from these

Community Energy June 2019	Cabinet response 29 October 2019	Follow up January – April 2021
Recommendation one Scope out the possibility for Southwark to develop a SPV and/ or local electricity supply model to support solar and other renewable energy projects, including Combined Heat and Power. Explore the feasibility of engagement in London-wide initiatives through the GLA including	We are currently developing an overarching borough wide strategy in order to make Southwark Carbon Neutral by 2030. The use of SPVs, local renewables and other sources of CHP and energy recovery will be central to this delivery. The council will actively explore all options to decarbonise and reduce residents 'bills through the management of its assets, working with residents, schools and other partners, as well as by building constructive relationships with private, public and community sector organisations that can help us meet the 2030target.	

through its 'License Lite' supply arrangement.	From the end of this year, Southwark residents will be able to sign up to London Power, a new, fair-priced, green energy company, available exclusively to Londoners, established by the GLA in partnership with Octopus Energy. The scheme will allow consumers to have a 12-month fixed tariff for electricity and gas, which will always be within the cheapest 10% of comparable tariffs available in the market. All energy will be from 100% renewable sources and all profits from the scheme will go to the GLA to be used for community projects.	
Recommendation two Encourage TMOs and TRAs to explore community energy through the Great Estates programme, in partnership with local Community Energy community benefit companies. This could also directly link with the development and roll-out of electric vehicle charging points.	There is likely to be considerable interest from estate based community groups for renewable energy projects. Such initiatives have additional benefits such as community cohesion and raising climate awareness. An initial call for interest in 2018 produced positive responses from more than 20 TRAs. The council is currently looking to acquire the capacity to undertake renewable energy audits with residents. The Great Estates programme provides a useful framework for community-led renewable energy projects that can be included and developed within individual Estate Action Plans (EAPs). However, of the 388 responses to the initial call for ideas, only 2 mentioned possible solar projects. Currently 20 proposed Great Estates projects are being shortlisted to select those to go forward in the first round to develop EAPs. The Great Estates Board will then consider how	**Environment Scrutiny Commission 20/21 requested an update on Estate Action Plans (EAPs)** and if renewable energy been included as part of the Great Estates Programme, and specifically if the provision of solar and charge points for electric vehicles has been included in EAPs as part of the Great Estates Programme. **Response 29 April 2021in briefing:** The council is piloting Estate Improvement Plans on seven estates as part of the Great Estates Programme. These plans are agreed locally by residents and set out what they want to do to improve the lived experience of their estates. These can contain multiple ideas that could happen if funding could be identified, such as

	community renewable energy initiatives can be included in EAPs. Subject to capacity, the council can undertake community energy audits on all or some of the selected GE projects and develop a process for this that can be applied across the housing stock. More broadly, the council is also able to carry out a desktop survey of the housing stock to identify those blocks with potential for solar generation and taking into account planned major works that could affect solar projects. One of the pilot projects assessed by BRE involved Haddonhall TMO and SELCE. Partnership with an established community benefit energy provider would reduce financial risk and the burden of project planning on the council, while also adding community engagement capacity. The council would still need to have the expertise to evaluate proposals, which would have to conform to planned maintenance schedules. The council would also need to be satisfied with the contractual terms of arrangements that typically last for two decades. Community benefit schemes tend to be shareholder based and might not lead to any reduction in communal electricity costs, so the council would also need to be satisfied that schemes produce an acceptable level of community benefit. Around one-third of the council's homes are supplied by ageing district heating systems, the renewal of which provides a major opportunity to invest in efficient and	bidding to external agencies or through funding from neighbouring developments. There was agreement to pilot this approach and a limited budget was provided per annum, over a three year period. Following a borough wide Great Estates call for ideas consultation with residents in summer 2019, and ongoing estate specific engagement, key issues raised have tended to be around improving play areas, dealing with waste and fly tipping, providing bike lockers, improved lighting, gardening and greening projects and reduction of Anti-Social Behaviour. The Great Estates team explored the possibility of including electrical charge points in the pilots, however the pilots have centred on what residents on the estates have requested and where quick improvements could be introduced. This work has covered a variety of factors including playgrounds, bird netting, resurfacing, CCTV, estate and parking signage, boundary fencing, recycling, and digital noticeboards. The following webpage sets out further information about the council's approach on electrical vehicle charging. It includes a map of local charging points. The council is installing electric vehicle charging points into street lights. This light infrastructure

	sustainable replacement. The council is in the process of producing a Heat Network Strategy which will guide investment within the framework of the corporate decarbonisation strategy. Given the complexity, variables and long-term commitment involved and following the development of a corporate decarbonisation strategy, the council can initiate a process of discussion with community benefit energy companies about the parameters for partnership, which can include looking at a range of methods and technologies to achieve strategic goals. To support the take up on electric vehicles for those with no off street parking, the council has a programme of installing charging points within lamp posts within walking distance of people's homes. The new London Plan requires that all residential car parking spaces provide infrastructure for electric or Ultra-Low Emission vehicles and that at least 20 per cent of spaces should have active charging facilities, with passive provision for all remaining spaces. Consideration of the charging infrastructure of electric vehicles can be included in EAPs as part of the Great Estates Programme.	would enable residents to pay for, and directly charge their electric car from lamp columns located on the kerbside. This is cheaper, quicker and easier to roll out with less impact on the streetscape than conventional electric vehicle charge points. The charging points installed are delivered through the Go Ultra Low City Scheme (GULCS) project, which is managed by London Councils, Mayor of London and Transport for London on behalf of the Office of Low Emission Vehicles. https://www.southwark.gov.uk/parking/parking-projects/electric-cars
Recommendation three Join the Mayor of London's 'London Homes Energy Efficiency Programme' [LHEEP] and use this to plan energy efficiency	The London Homes Energy Efficiency Programme began in 2018, replacing the RE:NEW programme. This £3.6m fund will run for three years as part of reducing carbon emissions from London homes by over 90% by 2050. LHEEP provides high level technical advice for 'deep retrofit' initiatives on existing homes.	An update was requested early 2021 on if the Carbon Reduction Options for Housing Managers (CROHM) software and if there has been engagement with the London Homes Energy Efficiency programme.

on estates and assist project planning the best time to fit renewables , where feasible.	It can also support the procurement of specialists and help with the financing of projects. The council is considering purchasing the Carbon Reduction Options for Housing Managers (CROHM) software, a stock assessment tool for large-scale landlords for designing and implementing strategic retrofit programmes for their housing stock. In addition, the £500m Mayor's Energy Efficiency Fund provides flexible and competitive finance to enable, accelerate or enhance viable low carbon projects across London, which could be used by the council (or partners) to deliver either energy efficiency or renewable energy generation schemes. The support, tools and finance available through these schemes come at a cost for which there is currently no budget. Any decision to engage with them needs to be taken within the context of the council's wider decarbonisation strategy and associated resources.	Outstanding.
Recommendation four In relation to the existing pilot projects, we would encourage the Council to recognize some of the limitations of the BRE studies, and factor in emerging models such as that being proposed by SELCE with Haddonhall. The enthusiasm and desire	The BRE study focused on the technical and financial aspects of solar proposals on 3 estates. The study provided detailed data about communal energy consumption, the potential power that could be generated and associated income. The report found that in each pilot the amount of savings to the communal energy bill together with anticipated income derived from electricity generation would unlikely cover the capital cost of installations over a twenty year period, even without taking into account the cost of installation and planned maintenance to roofs. The report considered other options, such as switching communal lighting to LEDs, as more cost effective.	

from residents to make all three projects work must be built upon.	BRE did not examine capital financing options and the Haddonhall/SELCE project was not at a sufficiently advanced state to assess value/cost to the council. Neither did the report seek to quantify non technical and financial variables, such as community cohesion, behavioural change and increased awareness of climate change that community-led renewable energy projects could deliver. To decide on proposals for solar or similar projects, the council needs to be able to evaluate data against criteria to assess cost and benefit. The BRE feasibility study provides guidance on what criteria and data, which need to be adapted to Southwark's circumstances, including taking into account non financial criteria. Currently, the council does not yet have the technical expertise or capacity to develop an in-house evaluation process and apply this to the three pilots or future projects. The development of an effective process not only requires investment in tools and skills, but also integration into the corporate decarbonisation strategy, a paper on which is going to Cabinet shortly. At present, the council can assess resident-led proposals in terms of compatibility with the QHIP schedule (relating to roofs) and can also, where appropriate, plan decarbonisation actions, such as LED installation, as part of planning major works projects or Estate Action Plans.	

Recommendation five Work with other parts of the borough estate, particularly schools, to support the development of Community Energy solar projects, recognizing that this support may require a commitment of resources	Corporate Facilities Management have looked at the potential for installation within the corporate properties and Tooley Street, Queens Road 1 and 2 and Peckham Library all appear suitable for the installation of solar panels. To date the only location being actively pursued is Tooley Street where a scheme to replace thermal solar panels with electricity generating ones (Gateway 1 report drafted). Similar feasibility studies can be carried out for other buildings, including installation costs, estimates of energy savings and likely pay back period. Works would be procured by a formal tender process. Schools Of the borough's 75 primary schools, 34 are Community Schools and 4 Foundation Schools. The remaining schools are a mix of Academies, Voluntary aided or Free Schools and not under the general control of the council. Some schools already have solar panels on their buildings, particularly those that have been rebuilt in recent years. The school estate is a mix of building styles and each one would need to be assessed to determine the suitability of solar panels. Head teachers and governors would need to be incentivised to agree to the installation of the systems and helped with ongoing maintenance. In some of the schools where we have installed renewable energy systems, we have had meter read outs showing how much CO^2 has been saved and what the	Has there been further engagement and coordination with Southwark Community and Foundation schools on renewable energy , and has that included and assessment of their suitability for PV in particular? **Response 29 April 2021 in briefing:** Energy - One of the five themes in the action plan and strategy is energy which contains community energy. Details will be available when the strategy and action plan are published in the coming weeks.

	energy use of the school is and this can be used as an education resource. All new schemes going forward they will have to meet the new London Plan level of minimum 35% CO^2 reduction and solar panels could be installed in these situations as part of the solution along with air source heat pumps as the primary heat generation. The legal position of an independent company using the roof space of a primary school for generating income would need be reviewed by the council's legal advisors and a check made with the Department for Education to ensure that this does not breach any school regulations or legislation. The responsibility for the upkeep of the array and the maintenance of the structure supporting the array would also need to be explored to ensure that the schools (and the council) did not carry a commercial risk on this.	
Recommendation six Ensure that the planning process is rigorous in it promotion of carbon-neutral schemes and that the Council's own developments in particular, are best in class in relation to energy efficiency. Look at the opportunities provided by any resulting carbon offsets, particularly resulting	In accordance with national, regional and local planning policies, all In accordance with national, regional and local planning policies, all major development is required to reduce carbon emissions by at least 35% on a 2013 baseline. Since 2016, all homes built as part of major developments are required to be zero carbon. Where this can't be achieved, the council takes a payment in lieu. This 'carbon off-set' is secured by S106 legal agreement and allocated to carbon reduction projects in the borough. The priority is for new developments to be zero carbon, however, it is recognised hat this can be very costly to developers and would therefore negatively impact their other obligations, such as provision of affordable homes. A payment in lieu is generally more efficient, both socio-	

from regeneration schemes, to invest in community energy.	economically and environmentally. The carbon off-set payment is calculated as £60 /tonne over 30 years (i.e. £1800/tonne) and follows the recommendations of both the Mayor and Central Government. There is currently over £600,000 in the carbon off-set fund and the first identified project has been the upgrade of internal lighting, to super efficient LEDs, in the communal areas of council housing estates. In addition to the above, the council's own developments must align with the London Plan's energy hierarchy and Southwark Core Strategy. Policy covers the technical details, such as construction, but on-site mitigation measures include photovoltaic panels, high efficient gas boilers, mechanical ventilation and heat recovery and LED lighting. The planning department are in the process of adopting the New Southwark Plan policy document, but will also be reviewing all supplementary guidance. In the autumn, there will be a draft strategy, outlining the planning department's influence on the climate emergency.	

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Environment Scrutiny Commission

MUNICIPAL YEAR 2021-22

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