

# CYNGOR GWYNEDD CABINET



**Meeting date:** March 12<sup>th</sup> 2024  
**Cabinet Member:** Cllr. Dyfrig Siencyn  
**Contact Officer:** Dafydd Gibbard, Chief Executive  
**Subject:** Funding for Climate and Nature Emergency Plan projects

## A report to the Cyngor Gwynedd Cabinet

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### 1. The decision sought.

1.1 Cabinet approval to prioritise £1,640,495 from the climate fund for the following projects:

- a) Green Fleet Plan – £1,048,400
- b) Lighting Upgrade Pilot Scheme – £416,617
- c) Heating Pumps Plan - £175,478

1.2 To delegate the right to prioritise the expenditure of the rest of the climate plan fund to the Chief Executive, in consultation with the Leader and Members of the Climate and Nature Board.

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### 2 The reason why a decision is needed.

2.1 To prioritise the climate funding in order to enable the Council to deliver projects that would reduce carbon emissions and contribute to our goal of being zero carbon by 20230.

### 3. Background

3.1 At its meeting on March 8, 2022, the Cabinet adopted the Climate and Emergency Nature Plan (CAHN) available at <https://www.gwynedd.llyw.cymru/en/Residents/Documents-Residents/Climate-Change/Climate-and-Nature-Emergency-Plan.pdf>. Its vision is for “Cyngor Gwynedd to be zero net and ecologically positive by 2030.”

3.2 The report attached to this Plan stated in paragraph 5.2:

‘Further works needs to be undertaken to measure the financial costs of some projects, and to confirm the financial funds available to support this plan. This work will be done in the near future and a further financial report will be brought to Cabinet in order to prioritise the projects to be implemented.’

3.3 We have been continuously working to establish the cost of some individual projects. Given the evolving nature of the field, especially in terms of technology, attempting or plan and

price each project before implementation risks impeding progress and falling short of our desired outcomes.

- 3.4 We have therefore identified those projects which are most developed and practical to implement, while continuing to develop others plans.
- 3.5 At the Full Council meeting on 3 March, 2022, it was agreed that a “climate plan” fund worth £3 million should be created through the bidding process of one-off revenue, for the purpose of implementing the CAHN.
- 3.6 In addition, the Cabinet agreed at its meeting on 22 November, 2022, to use £2.8 million from its general funds to finance an investment plan in solar PV panels on 54 of our buildings, with the revenue savings contribution to our savings plan.
- 3.7 As of March 2024, £214,928 has already been committed from our Climate Fund, and if the Cabinet chooses to allocate funding for the projects outlines section 1.1., the remaining balance in the fund would be £1,144,577 and earmarked for future projects.
- 3.8 Funding the three projects in section 1.1 would contribute to achieving the following projects in the Climate and Nature Emergency Plan (CAHN):
  - 7.8 Improving the fabric of council-owned buildings to maximise energy efficiency as far as possible.
  - 7.9 Electrifying building heating systems to minimise carbon emissions.
  - 7.12 Enhancing lighting systems in leisure centres to decrease energy consumption.
  - 8.1 Transition from fossil fuel vehicles to an ultra-low emission vehicle (ULEV) fleet (cars and vans).

#### **4. Projects**

##### **Green Fleet Plan**

- 4.1 At its meeting on January 24, 2023, the Cabinet adopted the Green Fleet Plan, 2023-29, aimed at providing the Council’s services with a fleet of safe, effective and emission-free vehicles in order to deliver for the people of Gwynedd.
- 4.2 The Council’s Fleet Service has participated in a national purchasing arrangement, where several local authorities across Wales have committed to combining their orders for cars and small electric vans by placing one order together. Placing one large order will reduce the purchase cost compared to the Council placing an order on its own.
- 4.3 We have 44 diesel and petrol vehicles that reach the end of their life in 2023/24, and 23 vehicles in 24/45. In line with our Green Fleet Plan, we will replace them with electric vehicles instead. This purchase will result in emissions savings of 64 tonnes of CO<sub>2</sub>.
- 4.4 Money has already accrued in the flee fund, sources from depreciation and other sources, to contribute toward the purchase of new vehicles; but as the cost of buying an electric vehicle is higher than the price of a diesel/petrol vehicle, there exists a funding gap between the accrued funds and the actual purchase cost.
- 4.5 The revenue-saving objectives outlines in table 4.6 below are predicated on a vehicle lifespan of 5 years, the utilisation of electricity instead of diesel, and maintenance cost differentials. As

it is unclear what the savings will be in full until 5 years from now, we cannot put the savings against the purchase cost at the moment.

Year	Money accrued through a depreciation/fleet fund	Price of a new vehicle	Financial gap	Revenue-saving objectives (5 years)	tCO2e goal
2023/24	£486,660	£1,176,594	£689,934	£396,000	64
2024/25	£300,813	£659,280	£358,466	£207,000	34

- 4.6 An application is made for £1,048,400 from the climate plan fund to bridge the financial gap for the purchase of 67 vehicles for 2023/34 and 2024/25.

### Lighting Upgrade Pilot Scheme

- 4.7 Following the adoption of the CAHN by the Council, the Welsh Government Energy Service (WGES) was tasked with commissioned with evaluating additional opportunities to reduce the carbon emissions of the Council's buildings. A desktop review of current energy management practices was carried out, together with a quantitative analysis of the efficiency of the buildings.
- 4.8 One project that has been identified is to upgrade lighting by transitioning from fluorescent tubes to LED lighting.
- 4.9 Changing the lighting in most of our buildings would require a significant investment and would take a few years to complete, so the intention is to first carry out a pilot of 6 buildings of different nature and usage; thereafter reviewing the results before deciding to move on to replicate this across our estate. The pilot will include a residential home, a primary school, two secondary schools, and two leisure centres.
- 4.10 At present, we estimate that a further investment of £3.3 million would be required to carry out this second phase (full project outlines in table 4.13). This figure will be reviewed after running the pilot scheme.
- 4.11 The costs and financial and carbon savings for the pilot scheme are set out below. The full project costs are currently estimated to be:

	Projected cost	Projected financial savings	Projected Carbon tCO2 reduction
Pilot	£416,617	£53,880	56t
Full project	£3,300,000	£444,335	468t
<b>Total</b>	<b>£3,716,617</b>	<b>£498,215</b>	<b>524t</b>

- 4.12 Given the instability of the energy market, it is possible that the unit price of electricity may increase over the coming years, and in this respect, the table below outlines how a change to the unit price could impact the business case. A year ago, our electricity costs were 16.5p, but have now increased to 25p.

Pilot investment cost	£416,617			
Electricity cost per unit	<b>25c</b>	<b>34c</b>	<b>54c</b>	<b>60c</b>
Annual savings	£ 53,880	£ 73,277	£ 116,380	£129,312
Repayment period (years)	7.7	5.7	3.6	3.2

4.13 A request will be made for £416,617 from the climate plan fund to finance the Lighting Upgrade Pilot Scheme.

### Heating Pumps Scheme

4.14 Following the same principle of running a pilot scheme, we have applied for a grant from the Welsh Government's Energy Service to install heating pumps at three sites – two primary schools and a leisure centre. We have since received confirmation of a grant amounting to £1,754,776.

4.15 To claim this grant, we are required to contribute 10% in matching funds.

4.16 This presents a prime opportunity for us to trial this low-carbon heating method and gather insights before considering the wider implementation across our estate.

4.17 A funding request of £175,478 is made from the climate fund to secure the £1,754,776 grant and finance the heating decarbonisation projects at the three sites.

### Other projects

4.18 Various other opportunities have emerged for experimentation and to trial in the field, for example, in encouraging low carbon journeys with more staff commuting to the workplace, aligning with the Hybrid Working Policy. These initiatives include:

- Buying electric bikes for staff to borrow for commuting to work.
- Hiring electric cars to be trialled by staff on lease for commuting to work.
- Encouraging staff to use public transport by offering a cheaper season ticket.
- Encourage staff to care share.

4.20 The Climate and Nature Board has declared its support for experimentation and innovation in the field to work towards the goal of reaching net zero, with an intention to invest reasonably in these plans.

## 5 Climate Plan Fund

5.1 Since the establishment of the Climate Fund in 2022, £214,928 has been earmarked for issues such as funding the position of Programme Manager, carbon literacy training, matching funds for a grant to upgrade lighting at the Tennis Centre, and feasibility studies for heat acquisition and decarbonisation.

5.2 A balance of £2,785,072 out of the initial £3 million remains in the fund.

5.3 Should the Cabinet approve the funding for the project outlined in this report, the remaining balance would decrease to £1,144,577.

- 5.4 Given the lead role of the Climate and Nature Board within the Council, it is sensible for the Board to influence the prioritisation of fund expenditure moving forward.
- 5.5 To this end, and in order to enable action on the priorities of the Climate and Nature Board as opportunities arise, it is requested that control over decisions about the allocation of the remaining part of the Climate Fund be delegated to the Chief Executive, in consultation with the Leader and the Members of the Climate and Nature Board.

## **6 Next steps and timetable**

6.1 Subject to the decision of the Cabinet, we will proceed to:

- Order the fleet of electric cars.
- Commission the work to upgrade lighting at 6 sites.
- Commission the heat decarbonisation work at 3 sites in order to claim the relevant grant money.

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### **Opinion of the statutory officers**

#### **The Monitoring Officer:**

The Cabinet was assured on the adoption of the Climate Emergency and Nature Plan that a further report on utilisation of the fund would be presented to them. This report achieves this and provides an opportunity to apportion resources to specific projects. The decision and delegation is appropriate.

#### **Head of Finance:**

I can confirm the accuracy of the figures in the report. I have no objection to the decision sought.

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