

# **Communities and Environment Scrutiny Select Committee**

**05 February 2025**

## **Part 1 - Public**

### **Matters for Cabinet - Non-key Decision**



Cabinet Member	Cllr Robin Betts, Portfolio Holder for Climate Change, Regeneration and Property
Responsible Officer	Damian Roberts, Chief Executive
Report Author	Carrie Spencer, Climate Change Officer

### **Community Energy Assessment and Strategy**

#### **1 Summary and Purpose of Report**

- 1.1 To seek approval for an assessment of the potential for community energy and develop a strategy for community energy for the borough.

#### **2 Corporate Strategy Priority Areas**

- 2.1 Sustaining a borough which cares for the environment.
- 2.2 Investing in our local economy to help support residents and businesses and foster sustainable growth.
- 2.3 Community energy delivers climate change goals and social value for the borough, while community ownership keeps funds and resources in the local economy, instead of leaving the area in energy bill payments. A strategy for community energy is the first step in engaging and supporting communities in taking action to retrofit, decarbonise and invest in renewable energy at scale and with support from existing established community energy organisations. By funding such a strategy, the council would be using its influencing, enabling and convening powers to facilitate local action and deliver its corporate priorities.

#### **3 Recommendation**

- 3.1 To APPROVE engaging Community Energy South to undertake a Strategy and Assessment of community energy in the borough, utilising the allocation for climate change initiatives from the Climate Change Reserve.

#### **4 Introduction and Background**

- 4.1 Over the last few years, TMBC has supported residents in response to high energy bills and the cost-of-living crisis through actions such as expanding its energy saving webpage, and distributing national grants, such as the Home

Upgrade Grant (HUG). Most recently, the council has introduced a free thermal imaging camera loan scheme, which can help residents to see where their homes are losing heat and support decisions about insulation and energy efficiency measures. For many residents, energy efficiency brings positive benefits to energy bills and home comfort, while lowering their carbon footprint and contributing to wider environmental goals. Lower energy bills and better insulation mean that more homes can be warm, bringing a range of health benefits, such as reducing childhood illness, respiratory infections, and excess deaths from cold. Community energy offers an opportunity for residents to address energy needs and decarbonisation at a scale larger than individual buildings and to retain benefits for the local area.

- 4.2 Community energy refers to the delivery of community-led renewable energy, energy demand reduction and energy supply projects, whether wholly owned and/or controlled by communities or through a partnership with commercial or public sector partners. In contrast to leaving grid decarbonisation to commercial energy companies, or renewable investment by private householders, community-led energy projects address fuel poverty and empower communities through control of their energy, and many reinvest the revenues to deliver further community and environmental benefits.
- 4.3 There has been significant growth in community energy over the last decade. There are now 583 community energy organisations providing 398MW of renewable energy capacity, and that have delivered savings of £4.4 million on energy bills and contributed £12.9 million to local economics through organisational expenditures and community benefit funds. From an energy sector perspective, community energy helps to balance supply and demand at a local level, reduces transmission losses, increases resilience, and helps to tackle fuel poverty and high energy bills.
- 4.4 Community energy projects are uniquely placed to engage local people, businesses and education in decarbonisation and energy efficiency, increasing skills and training and contributing to the changes in consumer behaviour that are needed for the transition to Net Zero. Both the Climate Change Committee and evidence to the Environmental Audit Committee have found that community energy is vital to decarbonisation and achieving the UK's legally binding Net Zero 2050 goal. In 2023, the Conservative Government introduced a £10 million Community Energy Fund to support the expansion of the sector over two years.
  - Community energy potential in Tonbridge and Malling
- 4.5 There are several areas in the borough where there is community interest in energy efficiency, decarbonisation and renewables. West Malling, and Shipbourne and Plaxtol have active climate change action community groups working closely with their Parishes, while there is community interest in areas of Tonbridge. Tonbridge, East Malling and Larkfield have community and volunteer-run Repair

Cafes which aim to tackle waste by keeping products in use for as long as possible through repair, rather than being thrown away.

- 4.6 Although there are active climate change and community groups across the borough, it is currently unknown what the potential might be for community energy, or how best to develop opportunities through community engagement to deliver community funds and established groups. It can be hard for residents to know where to start on a community-led energy projects, what sorts of projects might be suitable for their area, and how to take ideas forward to delivery, while also grappling with financing and organisational structures for community co-ownership, or even if shared ownership is necessary for a particular energy project.
- 4.7 Typically, community energy organisations are co-operative or community benefit societies and vary in scale and the type of project(s), from solar PV on schools to large-scale renewable investments. As such there is no one-size-fits-all community energy project that can be anticipated ahead of engaging with communities and developing a strategic approach to developing the potential for community energy in the borough.

## **5 Proposal**

- 5.1 It is proposed that an assessment and strategy for developing community energy in the borough is developed with Community Energy South (CES), which itself grew out of a community energy organisation and now works to enable the delivery of community energy projects across the Southeast. As a leading community energy organisation CES is uniquely placed to offer the engagement, assessment and strategy to deliver successful community-led energy projects.
- 5.2 CES was established in 2013, making it the leading, most experienced and influential community energy organization in a sector that has seen rapid growth over the last decade. CES is a social enterprise, not a commercial organisation or consultancy. The CES legal definition is a 'Company Limited by Guarantee' without share capital. CES does not have shareholders and has an asset lock on the organisation so it can't be sold to a third party and all surpluses are reinvested to grow the community energy sector.
- 5.3 The Pathways Programme developed by CES is a product of their own experiences as a community energy organisation, and continuing work with county, district and borough councils and community groups across the Southeast. Pathways is a five step, multi-year Programme that starts with identifying the potential for community energy and development of a strategy for an area. CES has found from experience that support from local authorities makes a big difference to the success of community energy. It is proposed that TMBC fund Step 1 of the Pathways Programme for the development of an assessment and strategy of community energy in the borough. Step 1 is estimated to cost

£22,250, and thus could be funded from the allocation for climate change initiatives within the Climate Change Reserve.

- 5.4 Pathways steps two to five utilise the strategy to mobilise local groups through to develop and deliver community energy projects. The mobilisation, training and development stages of particular projects would be led by community groups themselves, who would be able to apply for funding and/or engage CES directly themselves. This has been the approach of the community energy project in Shipbourne and Plaxtol. However, feedback from this group suggests that support earlier on in helping to identify a project and understand the process of mobilising and delivering community energy would have been extremely helpful, and would address uncertainty for other groups interested in community energy projects. Funding the assessment and strategy stage would support with this. TMBC would not have an ongoing financial commitment to individual community energy projects for the Pathways steps following the strategy and assessment stage.

- Community Energy South Pathways – Step 1 Assessment and Strategy

- 5.5 There is a wide range of community energy projects and, as such, it is not possible to anticipate exactly what community energy project(s) might be delivered in the borough before community engagement and an assessment of potential opportunities is carried out. The Assessment and Strategy step would identify this potential, with a strong focus on engaging with communities, stakeholder mapping, and developing partnerships. In developing a strategy for the area, this step includes a tailored business plan for the area of skills development and job creation, funding opportunities, and business models to support community project development. The Community Energy South Pathways Programme Outline is provided in Annex 1. The actions and deliverables of Step 1 are detailed on pages 2 -3.

## **6 Other Options**

- 6.1 An alternative option is not to proceed with assessing community energy potential. This would have the likely result of slow, or no, local action to develop such projects, forgoing the environmental benefits, energy resilience, economic opportunities, and improvements to homes in fuel poverty and the cost of living. Due to the potential gains for the borough from Community Energy this option is not recommended.
- 6.2 A second alternative option is to commit to funding the full five steps of the Pathways Programme at an estimated cost of £152,356. This commitment seems premature before the strategy and assessment has informed the likely level of interest and engagement in community energy. Furthermore, it is anticipated that community groups would apply for funding (for example, from the Community Energy Fund), and/ or engage Community Energy South or others directly to support project delivery, rather than TMBC funding these stages. For these reasons, this option is not recommended.

## **7 Financial and Value for Money Considerations**

- 7.1 TMBC has a Climate Change Reserve of which a sum of £30,000 is allocated each year to a revenue budget for climate change initiatives. In the 2024/25 financial year £5,248 of this has been spent to date. This leaves £24,752 from which to fund the £22,250 the assessment and strategy. There are currently no other identified projects that would make a call on the climate change initiatives allocation this year.
- 7.2 While every effort will be made to progress the work in the current financial year, if this report's recommendation is approved, the strategy and payments may not be completed until the next financial year. The climate change initiatives revenue funding for this work will be available in 2025/26 instead and these monies will not be lost from the Climate Change Reserve.
- 7.3 The Chief Executive confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

## **8 Risk Assessment**

- 8.1 There is some risk that the engagement, assessment and strategy does not identify any interest in community energy in the borough. However, this is unlikely due to the existing interest in several areas as outlined above. It is likely that other areas and community groups would be interested in community energy with the engagement and support of a knowledgeable, experienced organisation. For these reasons, the recommendation in this report is considered relatively low risk.
- 8.2 If no action is taken to support community energy, it is likely that the council will continue to receive inquiries and requests for support from communities that it will be unable to address within existing resources. Without further community-led action, carbon emissions will not reduce at the required pace to deliver climate change goals.

## **9 Legal Implications**

- 9.1 There are no significant legal implications of conducting a Community Energy Assessment and Strategy.

## **10 Consultation and Communications**

- 10.1 If the recommendation in this report were adopted, TMBC would work with Community Energy South on communications as part of the engagement process with local communities.

## 11 Implementation

- 11.1 Undertaking Step 1 of the Pathways Programme would need to meet procurement rules to engage CES to carry out this work. Procurement advice has been sought. In working with other Local Authorities, CES has been appointed by direct award because of their unique proposition for community energy. If the recommendation of this report was approved, a waiver would be sought to appoint CES, within procurement rules, due to the lack of a competitive market for strategic engagement and assessment of community energy at the borough-wide scale.
- 11.2 Council officer time would be needed to support CES in reaching out to communities, promoting and supporting engagement in the early stages of assessment and strategy development, and in project management of the work. This is viewed as being within the responsibilities and capacity of the Climate Change Officer to expand current contact with climate action and community groups. Oversight of the assessment and strategy stage could also be provided through the existing Climate Change Officer Group, supporting effective collaboration across services in the new and cross-cutting area of community energy. Following completion of the strategy and assessment, the council, CES and relevant community groups would take stock and begin consideration of mobilisation and further steps for community energy delivery.

## 12 Cross Cutting Issues

### 12.1 Climate Change and Biodiversity

12.1.1 Adaptation and resilience have been considered.

12.1.2 Climate change advice has been sought in the preparation of the options and recommendations in this report.

12.1.3 The previous sections have set out the contribution of community energy to tackling climate change. There are no particular biodiversity implications of the assessment and strategy stage.

### 12.2 Equalities and Diversity

12.2.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### 12.3 Other If Relevant

- None

Background Papers	None
Annex	Community Energy South Pathways Programme Outline