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## NORTH AYRSHIRE COUNCIL

24 January 2023

### Cabinet

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**Title:** North Ayrshire Community Renewable Energy Generation Funding Scheme (CREGFS)

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**Purpose:** To seek Cabinet approval of a proposed North Ayrshire Community Renewable Energy Generation Funding Scheme.

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That Cabinet:-

**Recommendation:**

- i. approves the proposed Community Renewable Energy Generation Funding Scheme (CREGFS); and
- ii. agrees to receive a future update on the CREGFS.

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### 1. Executive Summary

- 1.1 North Ayrshire Council declared a climate emergency in June 2019 and has committed to achieve net zero carbon emissions by 2030.
- 1.2 The Council developed its third Environmental Sustainability & Climate Change Strategy 2021-2023 (ESCCS 3) as a roadmap to achieving this emission reduction target and one of the aims within the Strategy is to maximise access to affordable renewable energy technology.
- 1.3 The Council is progressing with two large solar PV farm projects and is also undertaking feasibility studies to identify the potential for additional solar and wind energy at i3 Strategic Investment Campus. These projects are anticipated to make a contribution to community investment from the surpluses generated.
- 1.4 Alongside climate change and sustainability, Community Wealth Building is at the heart of the Council's decision-making process. Opportunities have been considered to encourage community renewable energy generation to support community groups to either generate income and/or reduce property running costs for any buildings that they are responsible for.
- 1.5 A community renewable energy grant funding scheme proposal has been developed to support the feasibility and delivery of community-based renewable energy generation projects, aligned to the above objectives.

- 1.6 Cabinet, at its meeting on 15 June 2021 approved the allocation of £0.350m from the Council's Investment Fund as part of a participatory budgeting approach to enable crowdfunding for environmental works. It is proposed this allocation be utilised to deliver the proposed Community Renewable Energy Generation Funding Scheme (CREGFS).
- 1.7 The funding scheme would be managed via an open call for applications, promoted by Connected Communities' Locality Teams through Locality Partnerships, and various other Council channels, with groups signposted to Community Energy Scotland for support to develop and implement their projects, and to the Council's Sustainability Service, Locality Teams and other appropriate partners for any additional, complementary support required.

## **2. Background**

- 2.1 In June 2019, North Ayrshire Council declared a climate emergency, committing to achieve net zero carbon emissions by 2030.
- 2.2 The third Environmental Sustainability & Climate Change Strategy 2021-2023 (ESCCS 3) was published in May 2021. The Strategy provides a roadmap of actions to achieve net-zero carbon status by 2030 and two of the aims within the strategy are to:
- inspire positive low carbon behaviour, raising awareness of the sustainability and climate change agenda, and
  - maximise access to affordable renewable energy technology.
- 2.3 The strategy's vision of a sustainable, climate ready North Ayrshire is one where everyone plays their part, including the local authority, local businesses, and members of the community.
- 2.4 Alongside climate change and sustainability, Community Wealth Building is at the heart of the Council's decision-making process and North Ayrshire Council is committed to strengthening North Ayrshire communities and providing opportunities for all.
- 2.5 Community renewable energy generation is about taking a new approach to the supply of energy and putting generation in the hands of communities. It embraces local engagement and action and will enable community groups to contribute to the goal of achieving net zero emissions by 2030 while generating income (or reducing costs) to invest in goods and services delivered by communities or indeed to provide wider community benefit. Furthermore, community groups are well placed to understand their local areas and to bring people together for a common purpose of creating a fairer and more inclusive local wellbeing economy. By empowering community energy generation, we are ensuring that the benefits of the energy transformation are shared widely.

### **Community Renewable Energy Generation Funding Scheme (CREGFS)**

- 2.6 To meet the above aims and achieve the 2030 net zero target as part of a just

transition, it is proposed that a Community Renewable Energy Generation Funding Scheme (CREGFS) is established in North Ayrshire.

2.6.1 The intention of the scheme is to support communities in North Ayrshire to undertake renewable energy initiatives that reduce North Ayrshire wide carbon emissions.

2.6.2 Grants will be considered per initiative to support various stages of the community renewables project, such as feasibility, business case, planning, development, and installation stages.

2.6.3 The aims of the CEGFS are to:

- Increase the level of local community owned renewable energy generation opportunities
- Support North Ayrshire's target of achieving net-zero carbon emissions by 2030
- Accelerate community benefit from local renewable energy generation

2.6.4 The following sets out of the main criteria for the proposed CREGFS:

- Applications must be from constituted community groups located within North Ayrshire;
- Local groups will be given a priority; national organisations will only be considered if their application demonstrates a direct benefit to the communities of North Ayrshire;
- It is expected that any surplus, profit or reduced energy costs delivered by the scheme will be used entirely for the benefit of the community group and/or wider community;
- Applications can only be accepted for renewable energy generation projects. Examples of the types of technologies which may be considered given their ability to reduce carbon emissions are as follows (this is not an exhaustive list):
  - Solar photovoltaic (PV)
  - Wind turbines
  - Hydropower
  - Heat Pumps
  - Green Hydrogen
- This is a competitive fund and applications will be agreed on merit, rather than setting a minimum or maximum limit;
- Applications will be expected to include match funding wherever possible. All match funding for the project secured from other sources, for example the National Lottery Community Fund (Scotland) or the Scottish Government's

Community and Renewable Energy Scheme (CARES), must be transparently declared in funding applications and any changes notified to the Council;

- Funding will be treated as one off contribution;
- The funding award cannot be used to cover costs incurred prior to the funding offer (the funding offer will not pay for goods or services that have already been purchased or provided);
- The scheme can provide funding to support various stages of the community renewables project, such as feasibility, business case, planning, development, and/or installation stages.

2.7 The Council's Connected Communities' Locality Teams already offer ongoing support to local community organisations including as part of encouraging and supporting bids to the Community Investment Fund. Support also includes access to other funding opportunities through a specialist Funding Officer and training through the Community Leadership Collective.

2.8 Community Energy Scotland (CES) is a charity which provides independent practical and technical support for community renewable energy projects. The Council are engaging with CES to collaborate on support available for community organisations in North Ayrshire. CES have experience in supporting community organisations using their expertise in wind, solar, hydro, storage, transport and heat technologies, and a proposed partnership is being discussed to focus this expertise across North Ayrshire.

2.9 The proposed Community Renewable Energy Grant Funding Scheme would be managed via an open call for applications, promoted by Connected Communities' Locality Teams through Locality Partnerships, and the Council's usual media channels. Groups would be signposted to Community Energy Scotland for support to develop and implement their projects, and to the Council's Sustainability Service, Locality Teams and other appropriate partners for any additional, complementary support required. An update on the Community Renewable Energy Generation Funding Scheme (CREGFS) will be brought to a future Cabinet.

2.10 The fund total available is £0.350m, which will utilise funding previously allocated by Cabinet on 15 June 2021 from the Council's Investment Fund as part of a participatory budgeting approach to enable crowdfunding for environmental works. Projects would be invited from all localities, with no minimum or maximum value on an application value to allow a range of different proposals to be considered on their own merits.

### **3. Proposals**

3.1 That Cabinet:

- i. approves the proposed Community Renewable Energy Generation Funding Scheme (CREGFS); and
- ii. agrees to receive a future update on the CREGFS.

## **4. Implications/Socio-economic Duty**

### **Financial**

- 4.1 The Community Renewable Energy Generation Funding Scheme (CREGFS) will be delivered from existing resources. Cabinet previously approved an allocation of £0.350m on 15 June 2021 from the Investment Fund as part of a participatory budgeting approach to enable crowdfunding for environmental works which will be utilised for the CREGFS.

### **Human Resources**

- 4.2 Administration of the proposed CREGFS will be managed from within existing resources.

### **Legal**

- 4.3 None.

### **Equality/Socio-economic**

- 4.4 The proposal will assist in meeting the Council's socio-economic duty as set out in the Fairer Scotland Duty and will help to create a fairer and more inclusive local economy. The scheme will also serve to increase local renewables knowledge, skills and awareness within the community.

### **Climate Change and Carbon**

- 4.5 The proposal aims to:
- make a positive contribution to national carbon reduction targets
  - contribute to the North Ayrshire Council Climate Emergency declaration commitment to be carbon neutral by 2030

### **Key Priorities**

- 4.6 The proposals contained within the report support the North Ayrshire Council Plan priorities:
- Active and strong communities
  - Inclusive, growing and enterprising local economy
  - A sustainable environment; and
  - People enjoy good life-long health and wellbeing.

### **Community Wealth Building**

- 4.7 The Community Renewable Energy Generation Funding Scheme (CREGFS) supports Community Wealth Building aims of creating a fairer local economy central to our aims of tackling climate change, poverty and inequality.

## **5. Consultation**

- 5.1 Engagement has taken place with Connected Communities to confirm the capacity of the Locality Teams to support community organisations with their proposals for the Community Renewable Energy Generation Funding Scheme (CREGFS).

RUSSELL McCUTCHEON  
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For further information please contact **David Hammond, Head of Sustainability, Corporate Property & Transport**, on 01294 324514.

## **Background Papers**

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