



Fy Nghyf / My Ref: CM35312

Dyddiad / Date: 22nd August 2016

Councillor Paul Mitchell  
Cardiff Council  
County Hall  
Atlantic Wharf  
Butetown  
Cardiff  
CF10 4UW

Annwyl/Dear Councillor Mitchell

### Environmental Scrutiny Committee - 12th July 2016

Thank you for your support of our Energy work and for your kind comments on the presentation given by officers at your 12<sup>th</sup> July meeting. I know that the Energy and Sustainability team appreciated the opportunity to showcase some of the projects that they have been delivering this year.

You asked about the implications that **Brexit** may have on some of the projects discussed. Our two current EU funded projects (WISDOM - water system management, and PERFORMER - building energy performance) will be unaffected. Budgets for these are already allocated and both are due to finish well within the 2 year horizon for exiting.

The European Commission have also made it clear that UK organisations remain eligible to apply for current and future funding calls of this nature up to the point of the UK's exit and we understand that project reviewers in Brussels have been specifically briefed not to take into account the Brexit decision in assessing any bids. There is though, some anecdotal evidence that European partners interested in current and future calls are starting to see UK partners as a high risk in developing bidding consortia. However, the Energy and

#### ATEBWCH I / PLEASE REPLY TO :

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*Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg a Saesneg a byddwn yn sicrhau ein bod yn cyfathrebu â chi yn eich dewis iaith boed yn Gymraeg, yn Saesneg neu'n ddwyieithog dim ond i chi roi gwybod i ni pa un sydd well gennyh. Ni fydd gohebu yn Gymraeg yn creu unrhyw oedi.*

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Sustainability team continues to be involved in scoping new bids and has not had direct experience of this to date. We have two live bids for funding submitted at present and will find out more about the success of these in the Autumn.

In the longer term, this particular funding stream does look likely to close, although the details and timing of this will no doubt be part of the exit negotiations. This is clearly a risk for the Energy and Sustainability team where some staff are funded through these projects. However I know that there are other UK based funding streams that can also support staff and innovations in this way and the team continues to apply for relevant projects. In the meantime, I am also aware that the Chief Executive has asked the Economic Development team to review our external funding activities across the Authority to ensure that we can capitalise on current opportunities and prepare for any changes.

You also asked for information about the **financial stake** that we may hold in some of our innovation projects. This is quite a complex issue and the rules governing our stake and other intellectual property rights vary from project to project. In general terms, EU State Aid rules mean that intellectual property developed by the public sector, using public funding, should be made freely available. This is a condition for some of our projects and for these the benefit to the Council is limited to the funding support gained for staff and deployment costs and any on-going energy savings associated with the projects. However, in our "Small Business Research Initiative" projects, the rules are slightly different. In these we are required to show that we share elements of both risk and reward with the companies we sponsor. In order both to demonstrate this and to comply with wider State Aid rules, we have developed a system where grant funded companies retain their Intellectual Property rights, but in return are required to supply future commercial versions of their products to the Council at cost price plus 1%. In addition, they commit to passing their intellectual property rights to us if they fail to exploit it, or if the company ceases to trade within set periods.

You also asked for more detail on our NEA Fuel Poverty project. The **National Energy Action** grant funded Healthy Homes, Healthy People Cymru project is a partnership project with Flintshire Council to undertake energy efficiency works to homes in Cardiff and Flintshire. The project is unusual in that it specifically targets fuel poor residents identified by the health service as suffering from a health condition that is exacerbated by a cold or damp home. The total project value is £325,000 to be split equally between Flintshire and Cardiff. A minimum of 115 properties will be retrofitted with energy efficiency measures (heating and insulation) across the two areas by March 31<sup>st</sup> 2017. The project (although not yet officially started at the time) won the 'Regional Large Scale Project of the Year' at the Energy Efficiency and Retrofit Awards 2016 earlier this year.

### **Greener Grangetown**

In reference to your question requesting a start date for the Greener Grangetown project, I can advise that we anticipate the project to start on site in October 2016, with a projected 42 week contract period (the projected completion date

being August 2017). A definitive date is not available as one of the main project funders is still confirming their spend preferences for the scheme.

Thank you once again for your interest in our Energy and Sustainability agenda. I will ensure that you are kept up to date with developments in this area, including on our Ground Heat project and its interface with our wider Heat Network Feasibility project which will be in progress during this year.

Yn gywir  
Yours sincerely

A handwritten signature in black ink, appearing to read 'Ramesh Patel', written in a cursive style.

**Y Cyngorydd/Councillor Ramesh Patel**  
**Aelod Cabinet dros Drafnidiaeth, Cynllunio a Chynladwyedd**  
**Cabinet Member for Transport, Planning & Sustainability**

