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| REPORT TO: | ENVIRONMENTAL AND DEVELOPMENT SERVICES COMMITTEE | AGENDA ITEM: 6 |
| DATE OF MEETING: | 11 AUGUST 2022 | CATEGORY: RECOMMENDED |
| REPORT FROM: | ALLISON THOMAS, STRATEGIC DIRECTOR – SERVICE DELIVERY | OPEN |
| MEMBERS' CONTACT POINT: | JOHN KINDERMAN, CLIMATE AND ENVIRONMENT OFFICER john.kinderman@southderbyshire.gov.uk | DOC: |
| SUBJECT: | ANNUAL REVIEW OF THE COUNCIL'S CLIMATE AND ENVIRONMENT ACTION PLAN (2021-30) | |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: EDS01 |

1 Recommendations

- 1.1 That the Committee notes the current progress made in reducing carbon emissions as described in the 2021/22 Annual Carbon Reduction Progress Report (attached as Appendix 1).
- 1.2 That the Committee approves the recommendations set out in the Annual Review of the Climate and Environment Action Plan 2021-30 (attached as Appendix 2).
- 1.3 That the Committee approves the proposed amendments to the Climate and Environment Action Plan attached as Appendix 3.
- 1.4 That the Committee welcomes the innovative approach that the Council is taking in reviewing its Climate and Environment Action Plan 2021-30 (hereafter referred to as 'C&E Action Plan') to ensure continuous improvements are made, new priorities are set and achievements are recognised in the Council's journey to reach its carbon neutral commitments.
- 1.5 That the Committee acknowledges that there are co-benefits of reducing carbon emissions, the most significant being the reduction in energy consumption. This co-benefit needs to be recognised at this current time of high energy costs for supporting energy efficiency and the reduction in energy costs.
- 1.6 That the Committee recognises that the carbon reductions achieved to date are encouraging, but that the reductions necessary to achieve the net zero commitment in the Climate Emergency will require difficult future decisions and significant investment and expenditure.

2 Purpose of the Report

- 2.1 To inform Committee of the carbon emissions caused by Council activities during 2021/22 and the reduction in carbon emissions compared to a 2018/19 baseline.
- 2.2 To provide the Committee with a structured annual review of the progress of the C&E Action Plan and its 55 actions as approved by the Committee in July 2021.
- 2.3 To inform the Committee on the progress and successes made in the delivery of the C&E Action Plan by the Council in 2021/22 and to inform Committee of the significant challenges ahead to enable the Council to achieve its Climate Emergency declaration.
- 2.4 To obtain Committee approval to revise the existing C&E Action Plan.

3 Background detail to this Annual Review

- 3.1 As part of the Council's commitment to its carbon neutral targets, the Climate and Environment Action Plan 2021-30 details 55 actions required to reduce the Council's carbon footprint of its in-house services and to support the reduction of the District-wide carbon emissions. These 55 actions are categorised as:
 - Transformation actions (eight) that will reduce the carbon emissions from the largest Council emission sources (e.g. Public Buildings and Fleet)
 - In-house actions (29) for individual Council Services that will reduce carbon emissions of those emission sources aligned to services (e.g. transitioning grounds maintenance equipment from petrol to battery powered)
 - District-wide actions (18) for individual Council services that will reduce emissions across the whole of South Derbyshire (e.g. embedding carbon emission reduction in the new SDDC Local Plan).
- 3.2 The successful delivery of these 55 actions will achieve the reduction of carbon emissions in line with the Council commitments of becoming a carbon neutral Council by 2030 and supporting South Derbyshire to become carbon neutral by 2050.
- 3.3 The action to review the Council's C&E Action Plan on an annual basis was agreed by this Committee in July 2021. The review is based on three sources of evidence:
 - The results and findings from three external audits of the C&E Action Plan completed in 2021/22.
 - The results and feedback from quarterly meetings with Heads of Service from across the Council that details the progress of the individual Service actions throughout 2021/22.
 - The results, analysis and comparisons of both in-house and District-wide carbon emissions as reported in the Annual Carbon Reduction Progress Report 2021/22.

- 3.4 The outcomes and recommendations of these three evidence sources are summarised below.

4 External Audits – outcomes and recommendations

- 4.1 The three external audits each verified the credibility of the C&E Action Plan 2021-30, scoring it highly compared to other local authorities. Overall, the audits

commended the C&E Action Plan on the level of governance, content and organisational buy-in that was demonstrated.

4.2 In addition to the commendations, there are three main recommendations for improvement suggested by the auditors which are:

- The co-benefits of reducing carbon emissions should be detailed more effectively and prominently to help stakeholders understand the actions links to reducing energy consumption and operational costs.
- The impact of climate change on the different stakeholders, community groups and the more vulnerable people in society should be understood and detailed by commissioning a full equality, diversity and inclusion impact assessment.
- To support and improve the Council's awareness and decision making around climate change and the required actions, it is recommended that representative Councillors are invited to attend climate and environment training sessions relevant to their roles and responsibilities.

5 Quarterly Heads of Service meetings – Outcomes and recommendations

5.1 As part of the governance of the C&E Action Plan, quarterly Heads of Service progress meetings are held to review all actions aligned to individual service plans. At these meetings the progress of all 55 individual actions can be measured. The 2021/22 progress that has been made is:

- Nine out of the 55 actions have been completed in 2021/22.
- 25 actions are in progress – the delivery stage has started.
- Although the delivery of 21 actions have not started – the planning work has commenced with these actions with a view to delivery. no action has been taken.
- 15 out of the 34 actions either completed or are in progress have been identified as showcasing significant and innovative progress by individual services.
- Six of the 21 actions not started are Transformation actions. These are the actions that tackle the largest carbon emission sources, the biggest energy consumption locations and result in 91% of the Council's in-house emissions. Early work has commenced with these actions with a view to the delivery stage being closer to the 2030 target.

5.2 As a result of these quarterly Heads of Service progress meetings, it is recommended that the revised version of the C&E Action Plan 2021–30 should include the following:

- The nine completed actions should be recorded as completed and included in the appendix to the Climate and Environment Action Plan to demonstrate the progress of SDDC has made over the 2021/22 period.
- The 15 actions that are good examples of how the Council has made excellent progress on reducing their carbon emissions should be showcased and profiled to demonstrate the exemplary work the Council's Services are delivering around the climate and environment agenda
- The 21 actions where preliminary plans have started, but the delivery stage has not commenced will be prioritised for progression in 2022/23.

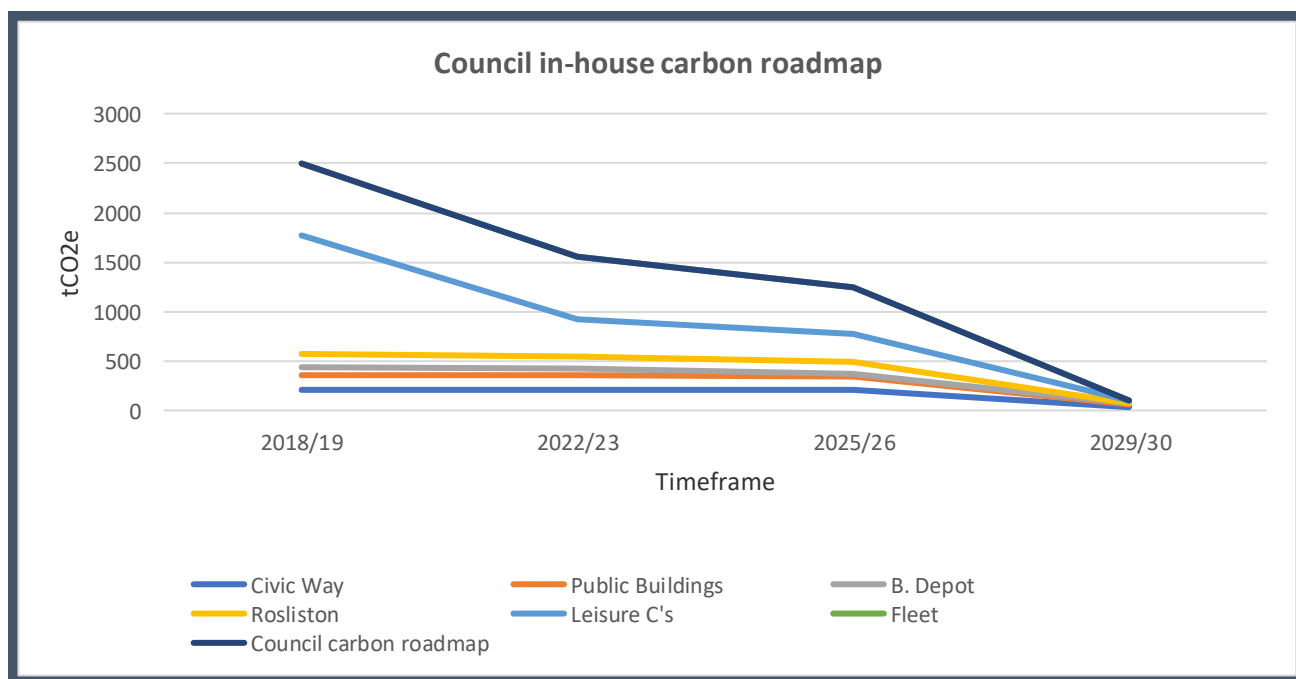
- The six Transformation Actions out of the 21 that have not started should be highly prioritised to ensure the Council is starting to tackle their high carbon emission sources and locations within a timescale of the 2030 carbon neutral commitments.
- There are eight new actions that have been discussed at the quarterly Heads of Service progress meetings that would enhance the C&E Action Plan and the reduction of carbon emissions.

6 Carbon Emission Report 2021/22 outcomes and recommendations

6.1 The Council has published its first annual Carbon Reduction Progress Report 2021/22 which is at Appendix 1 of this Report. This measures and analyses all Council in-house and District-wide carbon emissions for 2021/22, comparing them with previous years and the 2018/19 baseline. This analysis and comparisons are a result of the success or otherwise of the C&E Action Plan 2021-30 and give an understanding on whether the carbon emissions are reducing as a result of the actions being taken.

6.2 The initial analysis shows that the 2021/22 carbon emissions are reducing and that the Council is on track. The Council in-house carbon roadmap below shows the actual results from 2018 to 2022 and the forecasts to carbon neutral by 2030.

6.3 Whilst these early carbon reduction achievements are heartening and important, it is of utmost importance to acknowledge that in-house carbon neutral will only be achieved by the completion of all Transformation actions detailed in the C&E Action Plan.



6.4 The Carbon Reduction Progress Report illustrates the achievements that have been made by the Council actions in 2021/22 that have reduced in-house carbon emission and have supported the reduction of the district-wide carbon footprint.

6.5 A summary of the 2021/22 carbon emission reduction achievements is shown below:

| Achievement | Summary |
|--|--|
| Council tracking carbon emissions | Annual in-house Scope 1, 2 and 3 emissions tracked, and 2018/19 emission benchmark established |
| Council Annual Carbon Report published | Annual in-house and District-wide reported emissions and analysed against emissions benchmark |
| Overall in-house carbon emissions | Against 2018/19 benchmark, the 2021/22 in-house |

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| have reduced year-on year | carbon emissions have reduced by 21.5% |
| Most of the in-house Scope 1 and 2 emissions are reducing year-on-year | Emissions from heat/gas, refrigerants and electricity have all reduced significantly from the 2018/19 baseline. Only fleet vehicle emissions have increased. |
| Most in-house Scope 3 emissions are reducing year-on year | Emissions from waste, water, employee commuting and grey fleet are showing significant reductions. |
| District-wide emissions are reducing year-on year | District-wide emissions have reduced by 4% since the 2017/18 benchmark |
| SDDC have started to track their Scope 3 Supply Chain emissions | Scope 3 Supply Chain carbon emissions are over three times the size of SDDC in-house emissions |
| District-wide emissions per head of population are reducing | Emissions per head of population have reduced by 9% from the 2017/18 benchmark |
| Compared to other Districts in Derbyshire | Although the total emissions of South Derbyshire are the third highest in Derbyshire, the reduction in emissions per head of population is the third highest. |

- 6.6 Although the achievements and roadmap above illustrate that in-house carbon emission are on track, some of the reductions over the last two years are a consequence of Covid19. The closure of the Council's two Leisure Centres and other Public Buildings significantly reduced energy consumption which led to carbon emission reductions.
- 6.7 As Public Buildings are now opening again it is likely that energy consumption will increase leading to increased carbon emissions.
- 6.8 The Carbon Reduction Progress Report highlights the significant tasks that lie ahead, especially around the six Transformation Actions where work is commencing. The Report indicates that carbon emissions from the Public Buildings, especially the Leisure Centres, Civic Offices and Rosliston Forestry Centre are a huge proportion of the overall in-house carbon emissions and will require significant action to meet the Council's carbon reduction commitments.
- 6.9 The Carbon Reduction Progress Report also highlights the Fleet carbon emissions increase in 2021/22 which was caused because of the requirement to bring in-house the household kerbside recycling service. Although innovative plans and feasibility work is in place to transition small parts of the fleet to low carbon vehicles, and the hydrogen trial for the Refuse Collection Vehicles is due to commence this year, most of the fleet vehicles are still diesel powered and action is needed to transition to low or zero carbon vehicles.
- 6.10 Following on from the measurements, analysis and comparisons of the Council's carbon emission, the Report makes the following recommendations. These where possible have been included in the amended version of the C&E Action Plan 2021-30.

| Recommendations | Next Steps |
|--|--|
| Highlight the co-benefit of reducing carbon emissions – the reduction of energy consumption and subsequent operational costs | Review and prioritise all energy reduction actions considering high energy prices |
| Highlight highest carbon emission sources: <ul style="list-style-type: none"> • Vehicle Fleet • Heat/Gas consumption | Ensure all decarbonisation actions for these sources are effective and prioritised |
| Highlight the highest carbon emission SDDC locations: <ul style="list-style-type: none"> • Greenbank Leisure Centre • Etwall Leisure Centre • Rosliston Centre • Civic Offices | Ensure decarbonisation is embedded in specific action plans for these locations and decision are being scheduled and prioritised to reduce energy consumption and associated carbon emissions. |
| Highlight the highest carbon emission sources | Prioritise actions that are specifically focused |

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| <ul style="list-style-type: none"> • Heat/Gas • Diesel fuel | <p>on these two emission sources</p> |
| <p>Highlight the scale of Scope 3 Supply Chain carbon emissions</p> | <p>Establish next steps for tackling Supply Chain emissions</p> |
| <p>Highlight the largest District-wide carbon emission categories</p> | <p>Create league table of District-wide carbon emission sectors for South Derbyshire and establish how the Council can support reductions in partnership with other stakeholders.</p> |

7 Financial Implications

- 7.1 The financial implications of the existing commitments in the C&E Action Plan remain significant.
- 7.2 The total cost of all Transformation Actions (excluding SDDC housing stock) is estimated to be in the range **£10 – 15 million over the course of the next seven years**.
- 7.3 However, the maintenance and improvement of all these assets, irrespective of achieving carbon neutrality, carry embedded costs and therefore an estimate of the additional costs of decarbonisation for each option has been sought.
- 7.4 The total additional cost of including decarbonisation of all the Transformation Actions is estimated to be in the range **£5.6 to 6.8million**. This figure is included in the £10 - £15 million estimate above. These estimates relate to capital costs alone and do not factor in the anticipated long-term reduction in revenue costs associated with reduced fuel use, etc.
- 7.5 Currently limited direct budgets have been allocated to the Transformation Actions, with the exception of the commencement of a review of Leisure Services however, the Plan sets the ambition and framework for the Council to take full advantage of the opportunities that may arise to bid for external funding and provides the data and insight to inform future corporate decisions and spending priorities.
- 7.6 There are some existing capital expenditure commitments from reserves which relate to the Transformation Emission sources.
- 7.7 Officers involved in the implementation of the C&EAP and those involved in the implementation of existing capital expenditure commitments will collaborate to ensure that the delivery of the existing commitments can be aligned as closely as possible with the carbon neutral aspirations.
- 7.8 The estimated total cost of the Service Plan actions in the existing C&E Action Plan to make SDDC carbon neutral is £743k, with an estimated requirement of 4,730 employee hours.
- 7.9 Currently £315k and 3,350 employee hours to deliver these actions are uncommitted. This estimate does not include the cost of replacing existing fluorinated gases in air conditioning and heat pump plant for which an accurate figure is not yet available. Fluorinated gases are powerful greenhouse gases, with a global warming effect much greater than carbon dioxide.
- 7.10 The estimated cost of the Service Plan actions to start to decarbonise South Derbyshire as a District is £1,346,000, along with an estimated requirement of 6,000 employee hours.
- 7.11 Currently £43k and 2,000 employee hours to deliver these actions are uncommitted.
- 7.12 The additional actions proposed to be included if this report is approved will cost an estimated £100,000 and 5,500 employee hours.
- 7.13 All of the proposed new actions included in the revised C&E Action Plan have been agreed with the respective Heads of Service and appropriate funding has been secured and resources have been allocated.
- 7.14 The co-benefit of the large investment required to deliver these Transformation actions is that they all result in significant reductions in energy consumption and consequential reductions in operating costs.

8 Corporate Implications

Employment Implications

None

Legal Implications

None

Corporate Plan Implications

The C&E Action Plan 2021-30 and the recommendations of this Committee Report meet the Corporate Plan key aims of:

- Striving to make South Derbyshire District Council carbon neutral by 2050
- Working with residents, business, and partners to reduce their carbon footprint.
- Encourage and support business development and new investment in the District.

Risk Impact

The recommendations will have a beneficial mitigating action against the corporate risk of 'Managing the environmental impact of incidents across the District'

9 Community Impact

Consultation

None

Equality and Diversity Impact

As one of the recommendations a full Equality, Diversity and Inclusion Impact study should be completed in 2022/23 to understand and act on the impact of climate and environment change.

Social Value Impact

Beneficial

10 Conclusions

As the Council's current Climate Change strategy, aspirations and commitments are aligned to reducing emissions from the Councils own activity to carbon neutral by 2030 and supporting partners to reduce the districts carbon emission to carbon neutral by 2050, it is recommended that the council endorses the changes to the C&E Action Plan 2021-30 for the 2022/23 period.

11 Background Papers

Appendix 1 – Annual Carbon Reduction Progress report (2021/22)

Appendix 2 – Climate and Environment Action Plan Review 2022

Appendix 3 – Proposed revision to the Climate and Environmental Action Plan 2021-30

