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<b>REPORT TO:</b>	<b>FINANCE and MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>10<sup>th</sup> JUNE 2021</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>ALLISON THOMAS, STRATEGIC DIRECTOR – SERVICE DELIVERY</b>	<b>OPEN</b>
<b>MEMBERS’ CONTACT POINT:</b>	<b>MATTHEW HOLFORD, HEAD OF ENVIRONMENTAL SERVICES, <a href="mailto:matthew.holford@southderbyshire.gov.uk">matthew.holford@southderbyshire. gov.uk</a>, 01283 595856</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>CLIMATE EMERGENCY ACTION PLANNING</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM01, FM08, FM13</b>

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## **1. Recommendations**

- 1.1. That the Committee welcomes the actions completed to date and the ambition outlined in the Plan to achieve the Council’s Carbon reduction targets for the Council by 2030 and for the District as a whole by 2050, whilst recognising the scale of the challenge to achieving these outcomes.
- 1.2. That Committee acknowledges the predicted costs and timescales for the delivery of the Climate and Environment Action Plan and the potential implications of this on corporate decisions relating to Council assets such as buildings and transport fleet up to the end of the Medium-Term Financial Strategy and beyond.

## **2. Purpose of the Report**

- 2.1. To advise the Committee of the contents of a revised Climate and Environment Action Plan 2021 – 2030, which was approved by Environment & Development Services Committee on 27 May 2021.
- 2.2. To advise Committee of the existing carbon emissions from Council activities and from all other sources within South Derbyshire.
- 2.3. To provide Committee with the actions which will deliver the Council a route-map to becoming carbon neutral by 2030.
- 2.4. To provide Committee with indicative costs of the options to achieve carbon neutrality by 2030.
- 2.5. To particularly draw the Committees attention to the ‘Transformational Actions’ identified by the Climate and Environment Action Plan and to seek to ensure that future decisions of the Council, particularly in relation to buildings and fleet are made with due regard to the need to implement these actions in order to achieve Council’s carbon reduction targets.
- 2.6. In this regard the Council’s Chief Finance (Section 151) Officer comments as follows:

*“Given the Council’s projected financial position and the challenges it is likely to face over the foreseeable future, it is not realistic to imagine that the Council will ever be able to afford to find the significant resources necessary to meet its targets. Besides current budgets for vehicle replacements and planned maintenance, there are no other resources set-aside, or ever likely to be set-aside, for carbon reduction on the scale estimated in this report. As it currently stands, the Council will be reliant on external funding and grants to meet its carbon reduction targets.”*

### **3. Detail**

#### **Background**

3.1. At full Council on 27 June 2019 the following pledges were made in declaring a Climate Emergency:

- Declare a Climate Emergency;
- Strive to make South Derbyshire District Council carbon neutral by 2030 and achieve Carbon Neutrality for South Derbyshire before the Government target of 2050;
- Call on the UK Government to provide the powers and resources to make the 2030 target realistic;
- Work with partners across the District and region to deliver this goal through all relevant strategies;
- Report back to Council within six months and have a standard Environmental and Development Service Committee agenda item on Environmental Improvements the Council is taking to address this emergency.

3.2. On 16 January 2020, full Council approved a Climate and Environment Strategy and the Council’s first Climate and Environment Action Plan 2020 – 2024. The Strategy and Action Plan were the Council’s first response to the Climate Emergency declaration.

3.3. At the time of its adoption, officers were keen to highlight that the 2020-24 Action Plan should be seen as the start of a work in progress.

3.4. Within this Plan there were 32 proposed actions which would contribute to carbon reductions. However, as was acknowledged at the time, the Action Plan had a number of shortcomings, most notably:

- The Plan did not contain a clear route-map to zero carbon.
- The Plan did not contain the costs associated with achieving zero carbon, nor any profile of spending to enable the costs of the Council declaration to be included in the Medium-Term Financial Strategy.
- Many of the 32 identified actions were uncommitted and uncosted.

3.5. The Climate and Environment Action Plan 2021-30 (C&EAP) seeks to address these shortcomings as far as is reasonably possible.

3.18 The Council has none the less made significant progress over the last 12 months in reducing carbon emissions. Some of the highlights of progress made within the Plan to date include;

- Negotiating a corporate energy contract with a carbon neutral provider,

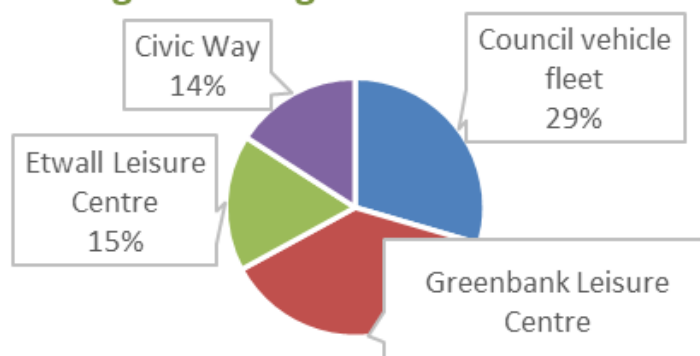
- Acquiring baseline data to identify potential future carbon reduction measures across the Council's own housing stock.
- Revising the procurement tendering process to improve carbon neutral criteria within the scoring process,
- Creating and delivering a new "South Derbyshire Healthy Homes Assistance Fund" following a review of the Private Sector Housing Renewal Policy,
- Ensuring that 99.8% of private rented properties meet new Energy Efficiency Regulations in private rented properties
- Facilitating an on-line event in October 2020 to promote 'deep retrofit' energy saving and low carbon technology in all housing stock with the aim of stimulating the "green recovery" of the local economy;
- Successfully bidding for just over £1,000,000 in funding to make energy improvements to the worst performing, low income, owner-occupied properties in South Derbyshire;
- Promoting and administering approximately £100,000 spend of government grant towards a Property Flood Resilience Recovery Support Scheme for all properties flooded in South Derbyshire as a result of Storm Ciara and Dennis in February 2020;
- Installing a further 16 electric vehicle charge-points in public car parks owned by South Derbyshire District Council to help promote the transition to electric car ownership.
- Procuring two new refuse collection vehicles fitted with electric tail lifts saving £1,500 in fuel and 3000kg of carbon per vehicle per year with a 20 decibel sound reduction.
- Procuring electric rechargeable grounds maintenance equipment.
- Undertaking a successful wildflower planting pilot which has been developed further for 2021-22.
- Commissioning a Plan for Nature to deliver net biodiversity gain from future development across the District.
- Reviewing the Council's waste collection services with proposals approved to achieve the 60 per cent recycling and composting target in the Corporate Plan by 2024.

### **District Council Activities - Main Carbon Emission Sources and Means of Reduction**

- 3.6. Since the Climate Emergency declaration in June 2019, officers have spent considerable amounts of time developing a process for mapping and measuring all significant activities and emissions which are contributing to the carbon footprint of all Council activities. This has been followed by a process of collating relevant data about all relevant activities and emissions and then converting these into a calculation of the total carbon equivalent (CO<sub>2</sub>e).
- 3.7. The current annual CO<sub>2</sub>e emission from the activities of South Derbyshire District Council is **approximately 2,500 tonnes per annum**. The proposed C&EAP provides a full breakdown of the sources of these emissions.

- 3.8. Currently this calculation includes carbon emissions associated with Etwall Leisure Centre, even though this is owned by John Port School. In future iterations of the Plan this may be excluded as an SDDC emissions source (due to the relatively limited control the Council has on its operations) and be included in the District-wide 2050 emissions calculation.
- 3.9. Currently the calculation does not include emissions associated with SDDC owned housing stock, mainly because the Council does not have any direct control over the energy use of the tenant or energy provider selected by the tenant. These emissions are therefore included in the District-wide 2050 calculation. This may be included as an SDDC emissions source in future iterations of the Plan.
- 3.10. The four main carbon emissions sources from Council activities are, in order of magnitude:
- Heating, refrigerant, and lighting Greenbank Leisure Centre, 819 tonnes CO<sub>2</sub>e per annum (33%)
  - Fuel emissions from the Council's own transport fleet, 663 tonnes CO<sub>2</sub>e per annum (29%)
  - Heating, refrigerant, and lighting Etwall Leisure Centre, 383 tonnes CO<sub>2</sub>e per annum (15%)
  - Heating, refrigerant, and lighting Civic Offices, 342 tonnes CO<sub>2</sub>e per annum (14%)

**Figure 1. High emitting in-house Council locations.**



- 3.11. The remaining 9% of carbon emissions from SDDC sources are from Rosliston and other public buildings.
- 3.12. The Council has not yet quantified the 'Scope 3' emissions. These are defined as all the indirect emissions that occur in the Council's value and supply chain, such as purchased goods, emissions from third parties providing services on behalf of the Council, investments, etc. Work to calculate the Scope 3 emissions is progressing and this, along with proposed mitigating actions, will be included in future revisions of the C&EAP.

### **Transformation Actions**

- 3.13. There is a relatively limited range of options available to the Council to deal with each of the four main emissions sources described in paragraph 3.10. The options for each main emission source, plus the estimated cost for each option are expressed as 'Transformation Actions' in the C&EAP. They are shown at Table 5 of the C&EAP.

3.14. In summary they are:

- T2 - Retrofit Greenbank Leisure Centre with energy efficiency measures, plus install a renewable energy system for heating and lighting.
- T4 – Replace all existing large fleet vehicles with hydrogen or electric. Replace all smaller fleet vehicles with electric.
- T5 - Install electric and / or hydrogen fuelling infrastructure at Boardman Depot which may require relocation of the depot or acquisition of additional land. Install a renewable energy source at the Depot for heating and lighting.
- T3 - Retrofit Etwall Leisure Centre with energy efficiency measures, plus install a renewable energy system for heating and lighting.
- T1 – Retrofit Civic Offices with energy efficiency measures and renewable energy system or create a carbon neutral new build.
- A further Transformation Action (T6) relates to Rosliston.
- Two additional Transformation Actions (T7 and T8) relate to improving SDDC's housing stock. Because emissions from the housing stock are included in the 2050 carbon neutral target rather than the 2030 target, the costs and carbon impacts of T7 and T8 are not discussed in detail in this report but will be covered in subsequent reports.

3.15. **The Transformation Actions are estimated to be capable of reducing SDDC carbon emissions by 80%.**

#### **Service Plan Actions**

3.16. The C&EAP also identifies a further 27 actions which will need to be implemented to enable the Council to achieve carbon neutrality.

3.17. These are a range of hard and soft measures across all Council services to either directly deliver or aid the delivery of carbon reductions.

3.18. These actions have been described in the C&EAP as 'Committed' or 'Uncommitted'. In this context 'Committed' means that the funding and staff time necessary to deliver the action has already been secured and allocated. Uncommitted items cannot be delivered without the additional funding or staff time identified.

3.19. If all of the committed and uncommitted Service Plan Actions are delivered then the proposals will take SDDC to a point of being at, or very close to, carbon neutrality.

#### **Emissions from All South Derbyshire - Main Carbon Emission Sources and Means of Reduction**

3.20. The total carbon emissions from all activities within South Derbyshire are calculated as being **695,100 tCO<sub>2</sub>e**. The scale and complexity of carbon emissions across South Derbyshire means that the Council is not yet close to producing a route-map to carbon neutrality for the District as a whole.

3.21. The three dominant sources of emissions are;

- Transport emissions  
302,700 tonnes CO<sub>2</sub>e per annum (48%)

- Industrial / commercial energy use  
203,500 tonnes CO2e per annum (29%)
- Domestic energy use  
168,800 tonnes CO2e per annum (23%)

3.22. The C&EAP sets out 18 Service Plan Actions which have been attributed to relevant Heads of Service to reduce carbon emissions in the District. As with the In-House Service Plan Actions, these have been described in the C&EAP as 'committed' or 'uncommitted'. Currently 12 of these Actions are 'committed'.

3.23. The process of calculating the carbon reductions associated with these Service Plan Actions is not yet sufficiently mature to enable the carbon savings to be estimated. A summary of the estimated sources of carbon emissions in South Derbyshire is provided at page 8-9 of the Climate and Environment Strategy.

3.24. The actions to deliver carbon neutrality across South Derbyshire by 2050 will continue to be an iterative process.

### **Opportunities and Co-benefits**

3.25. The first impressions of the C&EAP and in particular of the Transformation Actions, is that it presents a challenge and level of cost which is unachievable.

3.26. However, the contents of the Plan not only provide a costed route-map to carbon neutrality (which is an imperative first step towards that goal), but also provides the framework and context to exploit critical opportunities that may be presented to the Council in terms of securing additional resources.

3.27. Many of the Actions within the C&EAP will need to be externally funded. It is anticipated that many government and other third-party funding opportunities will emerge over the next few years. Unless the Council can prove that it has an ambitious, coherent and approved Plan, then the probability of winning bids for this funding will be seriously impeded.

3.28. Therefore, whilst the funding for much of the Plan does not currently exist or has not been allocated, the approval of the Plan is a necessary pre-cursor to enable the Council to seek such funding.

3.29. The C&EAP also limits itself to considering just the direct financial and carbon budgeting for carbon neutrality.

3.30. Carbon neutrality also brings with it a wide array of co-benefits, such as cleaner air, more active transport, improved health and well-being, improved biodiversity and technical innovation, all of which have the capacity to deliver economic and social improvement as well as environmental gains.

3.31. Carbon neutrality will also deliver reduced energy and running costs which have not been costed in the C&EAP. These will include:

- Vehicles – it is estimated that in terms of fuel cost, electric vans are around 40% cheaper to run (diesel vans cost 5p/mile, electric vans cost 3p/mile).
- Heating of buildings – retrofitting, heat decarbonisation and smart energy efficiency technology can show energy savings of 50% to 75% of annual bills.

- Renewables – replacing electricity from the grid with renewables such as Solar PV can reduce electricity use to zero and/or make money through feed-in-tariffs.

3.32. Seeking carbon neutrality will also open up dialogue and collaboration with the local business community. This should lead to new opportunities around clean economic growth.

3.33. When the C&EAP was considered and endorsed by Senior Leadership Team in April, the prospect of a South Derbyshire Carbon Summit was proposed as a key deliverable Under Service Plan Action DSP5 – “Develop, implement, and engage local public/private partnerships to support decarbonisation across South Derbyshire”. This will enable the Council to confidently engage with the business community and to articulate its ambition to businesses and other key stakeholders across the District. As a result, the Council would seek to galvanise support and a shared investment and ownership in delivering the Plan.

3.34. Finally, officers are acutely aware that the C&EAP is a heavy read due to both its technical content and depth of data. This is necessary for what is a relatively complex and wide-reaching Plan.

3.35. In order to achieve a meaningful level of public engagement, a more accessible version(s) of the C&EAP will be developed for different stakeholders and interest groups.

#### **4. Financial Implications**

##### **Transformation Actions Costs**

4.1. 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 eight years**. Table 5 in the C&EAP provides a full breakdown of the estimated cost.

4.2. 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.

4.3. 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.

4.4. Currently no direct budget has been allocated to the Transformation Actions, 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.

4.5. There are a number of existing capital expenditure commitments from reserves which relate to the Transformation Emission sources, and these are identified in Table 1 below.

4.6. Officers involved in the implementation of the C&EAP and those involved in the implementation of the projects identified in Table 1 will collaborate to ensure that the delivery of the existing commitments can be aligned as closely as possible with the carbon neutral aspirations.

**Table 1 – Existing Commitments from Reserves**

	FUNDING			Total	Comment
	Earmarked	Capital	General Fund		
Rosliston Forestry Centre	125,290	657,000	50,000	<b>832,290</b>	Started and an electric vehicle purchased
Carbon Reduction at Depot	0	50,000	0	<b>50,000</b>	
Town Centre Regeneration	255,665	0	44,335	<b>300,000</b>	Works started
Melbourne Assembly Rooms	0	260,000	0	<b>260,000</b>	Works started
Oversetts Road Football Facility	820,162	367,997	0	<b>1,188,159</b>	
Public Buildings	445,779	0	0	<b>445,779</b>	Scheduled programme
Vehicle Replacement (GF)	287,363	0	0	<b>287,363</b>	Scheduled programme
Vehicle Replacement (HRA)	64,722	0	0	<b>64,722</b>	Scheduled programme
	<b>1,998,981</b>	<b>1,334,997</b>	<b>94,335</b>	<b>3,428,313</b>	

### **Service Plan Costs**

- 4.7. The estimated total cost of the Service Plan actions to make SDDC carbon neutral is £743k, with an estimated requirement of 4,730 employee hours.
- 4.8. 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.
- 4.9. 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.
- 4.10. Currently £43k and 2,000 employee hours to deliver these actions are uncommitted.

## **5. Corporate Implications**

### **Employment Implications**

- 5.1. In response to the Climate Emergency, the Council has already employed a full time, permanent Climate and Environment Officer. Additional staffing resources will almost certainly be required to enable the Transformation and Service Delivery Actions to be met.
- 5.2. For example, Action DSP4 – “Green Homes Grant/LAD funding delivery of retrofit measures to private and tenant houses” has recently secured £1,031,000 funding to insulate privately owned houses in the District and reduce their fossil fuel energy consumption. Part of the agreed funding allocation has been to employ a temporary Green Homes Grant Project Officer to assist with the project.



- 5.3. All employment implications will be reported to the relevant Committee where they result in changes to the establishment and will be dealt with in accordance with the Council's recruitment and selection processes.

### **Legal Implications**

- 5.4. It is not currently a legal duty to produce a Climate Emergency Action Plan and to deliver on its commitments. However, given the significant strength of public support for action on climate change it is entirely possible that some form of statutory duty on local authorities to act will emerge soon.
- 5.5. Some climate action groups, such as Client Earth are also making clear signals of their intent to take civil legal action against local authorities who do not make meaningful progress with their climate emergency declarations.

### **Corporate Plan Implications**

- 5.6. The proposals align with the key aim within the draft Corporate Plan to "Tackle Climate Change" as well as the two key actions within this aim to "Strive to make South Derbyshire District Council carbon neutral by 2030" and to "Work with residents, businesses and partners to reduce their carbon footprint".
- 5.7. A performance indicator relating to progress against the C&EAP committed actions will be reported quarterly as part of the Corporate Plan performance management framework.

### **Risk Impact**

- 5.8. The proposals will have a beneficial mitigating action against the corporate risk of "Managing the environmental impact of incidents across the District".
- 5.9. The proposals will also mitigate against the growing reputational risk for public sector organisations which do not have coherent carbon reduction plans.

## **6. Community Impact**

### **Consultation**

- 6.1. The proposed Climate and Environment Action Plan will be the subject of further consultation over the next 12 months.

### **Equality and Diversity Impact**

- 6.2. The existing Climate and Environment Strategy will be assessed against the Equality and Diversity assessment matrix.

### **Social Value Impact**

- 6.3. Beneficial.

### **Environmental Sustainability**

- 6.4. Beneficial.

## **7. Conclusions**

- 7.1. The Council's second C&EAP provides the first clearly defined route to carbon neutrality for the Council's own emissions by 2030 and provides the Committee with

a full appreciation of the practical and financial implications of the climate emergency declaration.

- 7.2. The Plan also contains actions which will enable a coherent route to carbon neutral for all of South Derbyshire by 2050 to be developed.
- 7.3. The Plan contains eight Transformation Actions for delivery over the next eight years, which will reduce SDDC emissions by 80%.
- 7.4. The Plan contains a further 27 Service Plan actions which will deliver the remaining 20% of emissions reductions.
- 7.5. The Plan contains another 18 Service Plan actions which will deliver meaningful carbon reductions in residences and businesses in South Derbyshire.
- 7.6. The adoption of the Plan will create an impetus to commence the project planning process for all eight of the Transformational Actions. The adoption of the Plan will also enable medium-term financial planning to take account of the commitments made within the Plan, as well as giving officers the opportunity to pursue relevant funding bids knowing that they have corporate strategic support.
- 7.7. The Action Plan is a vital foundation to enable the Council to progress towards the delivery of two of its Corporate Plan aims.

## **8. Background Papers**

Council, 27 June 2019

Environment and Development Services Committee, 14 November 2019.

Council, 16 January 2020

Environment and Development Services Committee, 27 May 2021.