CITY OF WOLVERHAMPTON COUNCIL

Cabinet
28 July 2021

Report title	Climate Change – 2028 Net Zero Action Plan Approvals
Decision designation	AMBER
Cabinet member with lead responsibility	Councillor Steve Evans City Environment and Climate Change
Key decision	Yes
In forward plan	Yes
Wards affected	All Wards
Accountable Director	Ross Cook, Director for City Housing and Environment
Originating service	City Housing and Environment
Accountable employee	Oliver Thomas Project Manager for Climate Change Tel 01902550121 Email Oliver.thomas@wolverhampton.gov.uk
Report to be considered by	Directorate Leadership Team 06 July 2021 Strategic Executive Board 15 July 2021

Recommendations for decision:

The Cabinet is recommended to:

1. Fully endorse the proposed Climate Change actions to achieve the Council's 2028 net zero ambitions and endorse the development of the next stage, a costed Roadmap.
2. Delegate ownership of the actions to the respective Cabinet Portfolio Holders and Directors for delivery.
3. Approve the use of the existing fleet capital budget to purchase electric vehicles and supporting infrastructure to meet needs identified on the fleet priority list, to support short-term fleet electrification plans.
4. Approve the use of the Climate Change reserve to fund the short-term resource requirements identified in the action plan (as set out in 7.6).
5. Approve the use of the Climate Change reserve to fund development works for the depot relocation plans and the heat network feasibility study (as set out in 7.7).

Recommendations for noting:

The Cabinet is asked to:

1. Note that development of the city-wide 2041 action plan will be carried out over summer 2021 through a series of internal and external stakeholder workshops, to agree objectives. This will include working directly with the Wolverhampton Anchor Network to formalise a city-wide delivery plan/roadmap. As such the 2041 actions have been omitted from this report.
2. Note that the actions laid out within this document relating to the 2028 net zero target are not explicit or binding, and the action plan may change, subject to periodic reviews and development of feasibility studies.
3. Note that there is a further anticipated budget / resource requirement to deliver the proposed actions, subject to development of the roadmap and future business case.
4. Note the proposed governance structure as detailed in Appendix 5, and that it will be subject to change as the programme develops.

1.0 Purpose

1.1 The main purpose of the report is to outline the Council's progress towards its Climate Emergency objectives, and to present the Council's action plan needed to achieve net zero ambitions by 2028.

1.2 The report further informs Cabinet of the initial anticipated budget implications and wider business implications of the action plan delivery should it be approved, along with the known near-term resources needed to drive the programme forward.

1.3 In addition, it seeks to gain the necessary endorsements and approvals of the action plan to progress development of the actions further into a fully costed 2028 roadmap, to be produced towards the end of the calendar year. This will detail the anticipated cost implications of delivery of the roadmap.

2.0 Background

2.1 In line with the Paris Climate Agreement, the United Kingdom, must reduce its Carbon Dioxide (CO_2) emissions significantly to limit global warming to 1.5^{o}C and avoid the most catastrophic impacts of Climate Change.

2.2 In July 2019 the City of Wolverhampton Council became the first Black Country authority to declare a climate emergency, joining the UK Government, the West Midlands Combined Authority (WMCA) and hundreds of other local authorities and nations around the world.

2.3 In September 2020 following formal consultation and a citizens assembly, the Council adopted the 'Future Generations: Our Commitment' Strategy (Appendix 1) committing to its Climate Emergency Declaration to be net zero carbon across its activities by 2028, and across the wider city by 2041.

2.4 To achieve these targets the Council would need to reduce its greenhouse gas (GHG) emissions from 16,000 tonnes a year (2018/2019) to near zero and offset the rest. The council should only look to emit a total of 70,000 tonnes of CO2e between now and 2028.

2.5 According to the Tyndall Centre's carbon budget report for the City of Wolverhampton, the City would need to reduce its GHG emissions from 900,000 tonnes a year to 45,000 tonnes by 2041, at a rate of 12% every year. The City should aim to keep its cumulative emissions between 2020 and 2100 under 6.3 million tonnes ($MtCO_2$).

2.6 For context, the city will use that entire carbon budget within the next five years based on current emissions, demonstrating the scale of intervention required.

2.7 An action plan for delivery of the Council's 2028 net zero target has been developed in consultation with officers on the Climate Emergency Working Group (CEWG). Actions have been assigned to respective Directors and Cabinet Portfolio Holders to as to ensure delivery of all actions.

2.8 Governance and resourcing proposals have been developed to drive the programme forward, and ensure the Council adheres to its promises to Relight the City following the pandemic, and one of the cross-cutting priorities of having a 'Climate Focus.'

2.9 Endorsement is required of the 2028 action plan and supporting plans, along with the supporting recommendations, to enable development of the proposals into a costed roadmap. Further endorsements and budgetary approvals will be sought once the roadmap is complete.

3.0 Progress on the Council's Decarbonisation.

3.1 Since 2018, the Council's carbon footprint has decreased by 52% overall. The table below shows the difference in GHG emissions by source, between the two time points.

Emissions Source	2018-2019 CO2e Emissions (tonnes)	2020-2021 CO2e Emissions (tonnes)	% change
Council Electricity	8,493	505	(94)
Council Heating	4,802	5,155	7.5
Operational Fleet	2,470	1,908	(22)
Business Miles	377	113	(70)
Total Business Emissions	16,142	7,681	(52)

3.2 The main reduction has resulted from switching to a renewable electricity provider. This has 'saved' the Council 7000 tonnes of GHGs every year. Reductions in electricity consumption continue through delivery of the LED (Light Emitting Diode) streetlight programme. Other savings may have also come from reduced energy consumption across our buildings due to Covid-19.

3.3 GHG reductions from fleet fuel and business mileage over the last year may have been due to changes in service provision during the pandemic, with the majority of employees (approx.80%) working from home.

3.4 Despite this, the Council's emissions from heating remain unchanged, as many buildings have remained heated throughout, demonstrating a need for a centralised energy management system across the estate. However, some buildings that have remained open have required open air ventilation to mitigate against Covid-19 risk.

3.5 Thus, the pandemic has drawn attention to the Council's working arrangements, including the impact of staff commuting and agile working on the Council's indirect carbon footprint.

3.6 Because elements of both homeworking and staff commuting are necessary for the conduction of Council business, it is imperative that these are considered within the Council's 2028 action plan.

Emissions Source	2019-2020 CO2e Emissions (tonnes)	2020-2021 CO2e Emissions (tonnes)	Net Change CO2e Emissions (tonnes)
Staff Commuting	2,833	818	(2,015)
Home Working (approximate)	18	1,800	+1,782
Total	2,851	2,618	(233)

3.7 Pre-pandemic, GHGs from staff commuting was estimated to be 2,435 tonnes each year. This was mostly a result of private car use, which 77% of surveyed employees chose as their mode of travel to work, despite over 60% living within the city boundary.

3.8 Agile working for 80% of staff over the pandemic has saved around 2,000 tonnes of CO_2 from commuting, but generated 1,800 tonnes CO_2 from domestic energy use, netting a total reduction of around 233 tonnes of GHGs over the year.

3.9 One way of managing this further, is with a more effective control over office heating systems, which will see even greater reductions.

3.10 The average carbon footprint per employee for different working arrangements have been estimated and compared. The results are as follows:

Working Arrangement	Average GHG emissions per employee (tCO2e)
Home working with others at home	0.3
Home working solo	0.8
Office based and commute	1.6

3.11 This data has contributed to the “Relighting Our Council” plans when a return to work is permitted and demonstrates how encouraging digital working within the staff travel policy could further reduce the Council’s footprint.

3.12 Appendix 2 illustrates the Council’s carbon emissions to date and the changes experienced since the pandemic.

3.13 Several new actions relating to these additional considerations have since been included within the Council’s 2028 action plan, alongside new actions extracted from external recommendations.

4.0 Progress on the Council’s 2028 Action Plan

4.1 Overall, 66 actions have been outlined to support the Council’s 2028 net zero ambitions, and 74 have been outlined to meet the city-wide target of 2041. A further 21 cross cutting actions have been identified that are relevant to both targets.

4.2 This report will focus on the 21 ‘cross-cutting’ and the 66 ‘2028 net zero’ actions – 87 in total. The 2041 action plan is still subject to review. The actions have been split across

four “facilitative” and four “mitigative” themes; the table below demonstrates how actions are distributed.

	Theme	Cross Cutting	2028 actions	2041 actions	Total
Facilitative Actions	Governance	13	3	3	19
	Funding	2	5	5	12
	Engagement	5	6	8	19
	Working Together			17	17
Mitigative Actions	Transportation		23	11	34
	Buildings & Energy		23	21	44
	Consumption & Waste		6	6	12
	Land use & Natural Capital	1		3	4
	Totals	21	66	74	**161**

4.3 Facilitative actions are those relating to governance, funding and engagement; and are necessary for developing and embedding the programme. Mitigative actions are primarily actions that will lead to a reduction in greenhouse gas emissions.

4.4 Appendix 3 shows a summary of the ‘cross-cutting’ and ‘2028 net zero’ actions by Portfolio Holder, Director and expected delivery time frames.

Transportation: Decarbonising Fleet, Grey Fleet and Staff Commuting

4.5 23 actions have been identified for decarbonisation of our fleet and business mileage. The actions have been taken directly from recommendations that were made by the Energy Saving Trust (EST) within a ‘Green Fleet Review’ that was conducted on behalf of the Council in 2019.

4.6 The commission analysed fleet data to establish a fleet electrification plan over the coming years and outlined the infrastructure needs that will be required. This included the infrastructure required to support the Council’s depot relocation plans on which fleet electrification is dependent.

4.7 The report also laid out key actions that could be taken to reduce business mileage emissions from staff using their personal vehicles for business use (the grey fleet), through the introduction of a low-carbon staff-travel policy and electric pool cars.

Built Environment and Energy: Asset/Building Decarbonisation

4.8 23 actions have been identified to decarbonise the Council’s buildings by switching to low carbon heating systems, maximising the energy efficiency of our buildings, disposing of underused or unwanted assets, and installing renewable energy and battery storage across the corporate estate.

4.9 Full energy audits of each building will be commissioned over the summer of 2021 to understand the measures required to decarbonise each building. The outputs will detail the material changes necessary, along with the associated costs, that will be used to develop the internal business case for each building. These business case will support applications for funding through the 'Public Sector Decarbonisation Scheme,' planned for submission in September 2021.

4.10 The actions also establish a need to set higher energy efficiency and building standards for new corporate buildings and ensure that low carbon energy systems are mandated within building designs from the start, to avoid expensive retrofitting costs at a later date.

4.11 The depot relocation would be a great demonstrator for this approach.

Consumption and Waste

4.12 Several unrefined actions exist relating to how the Council consumes and disposes of consumables, such as water, furniture, office supplies, paper, electrical and ICT equipment, packaging, catering, and cleaning.

4.13 The impact of the Council's consumption and waste habits are extremely hard to quantity, and do not feature in the Council's carbon footprint. To understand these impacts a review of all contracts for goods, will be carried out, so as to establish a baseline.

4.14 Procurement will play a large part in reducing these impacts in the future, by mandating stricter environmental measures into the procurement exercise. Several procurement actions have been included in the action plan to understand how this can be achieved.

Land Use and Natural Capital

4.15 These actions are limited in the Council's 2028 action plan as most of these activities would fall into the 2041 action plan. They relate to the way in which the Council allocates or modifies land within its ownership, some of elements of which are picked up within the asset decarbonisation actions.

4.16 Primarily, these actions would relate to tree planting and large-scale renewable deployments, such as the deployment of solar car ports across our car parks, along with the Council's own housing developments.

5.0 Evaluation of Alternative Options

5.1 Several options exist to progress the programme. The exact implications of these need further investigation. Each option has been ranked, based on the strategic fit, the assumed costs, benefits, and risks.

5.2 **Option One – Do Nothing**. The Council continues with business as usual and retracts on its promise to be net zero by 2028 across its corporate activities, and instead looks to adopt a longer-term target for decarbonisation in line with the City 2041 target or later.

5.3 **Option Two – Part endorse the Action Plan.** This would mean focussing solely on the priority emissions from corporate heating, electricity, and operational fleet, and exclude all other mitigative and facilitative actions.

5.4 This would avoid some additional expense which would be negligible against the assumed investment required to decarbonise the priority areas.

5.5 **Option Three – Fully endorse the Action Plan.** This option would mean endorsing the action plan in its current state and all the actions within, with a view to continually developing these actions. This action plan looks to achieve more holistic benefits through carbon reduction across the Council's wider corporate activities such as business mileage, staff commuting, agile working, consumption, waste, and corporate contracts.

5.6 **Option Four – Endorse a hybrid solution.** This option would entail prioritising the actions to decarbonise fleet, buildings, and electricity in line with option 2, whilst delivering the 'facilitative' actions relating to governance, funding and engagement, in line with option 3. This would exclude the wider corporate activities outlined in option 3 but ensure there is sufficient oversight to implement the priority actions.

5.7 The recommended option is Option Three.

6.0 Reasons for Decision(s)

Option	Long term Financial Risks	Benefits	Climate Emergency Alignment	Relighting our City Alignment	Other Risks	Opportunities
Do nothing	High	Low	No	No	High	Low
Part Endorse	Med	Low	No	No	Med	Med
Fully Endorse	Low	High	Yes	Yes	Med	High
Hybrid	Med	Med	No	Yes	Med	Med

6.1 The reason option 3 is recommended is due to the stronger strategic fit with existing policy commitments, such as the Climate Emergency Declaration and Relighting our City. Failure to deliver on these would risk severe reputational damage for the Council.

6.2 Option 3 may demand the highest level of attention and investment in the short term, but will deliver the greatest environmental benefits and opportunities, whilst reducing the long-term financial risks. This is because decarbonisation becomes more costly to achieve, the longer the Council waits to act.

6.3 Option 3 presents the greatest opportunities for grant funding, income generation, partnership working, and for attracting inward investment towards the City 2041 targets, strengthening Wolverhampton's reputation as a "Green City".

6.4 Option 3 places a greater focus on the facilitative actions that are required to deliver both the 2028 and 2041 action plans, without the achievement of these, delivery of our ambitions would be put at risk.

6.5 Considering the recommendation, it should be noted that all schemes will be subject to individual business cases as and when required. The action plan is also open to ongoing development and reviews to reflect the latest information or changes to business need.

7.0 Financial Implications

7.1 There are no immediate additional financial implications arising from this report, however there are several points to be noted at this time, including resource requirements that for the moment can be financed through existing resources. These are outlined below.

7.2 Further to this it should be recognised that significant capital and revenue investment is anticipated to enable delivery of the 2028 Action Plan and there are several ways that this could be achieved.

7.3 Delivery of the future proposals to deliver the actions plan will be subject to business case development with consideration of all available funding opportunities including grants, savings opportunities, and other available budgets. Appropriate approvals will be sought through future reports.

Initial Resource Requirements

7.4 The Council's Climate Change Reserve was allocated £730,000 of reserve funding to kickstart development of the Climate Change programme in 2020.

7.5 Initial resources required to fast track some of the short-term actions that are critical for the development of the wider programme, such as the fleet and assets proposals, have been outlined in the table below.

Position	Grade	Duration (years)	Net Zero Target	Role	Total Cost for duration as detailed £000
Climate Change Project Manager	7	2	2028	To project manage the delivery of the wider 2028 action plan across all service areas and to collaborate with internal colleagues to review, and update actions, and contribute to internal monitoring and reporting	66.4
Climate Change Programme Manager (Part Time)	8	2	2028	To oversee, monitor and track all the Climate projects, ensuring governance and progress is recorded and reported into programme board	113.4

HR Policy Support Officer	7	0.5	2028	To be dedicated to creating the policy changes needed to implement EST recommendations around staff travel, and some of the wider HR policy workstreams pertaining to fleet.	28.4
Asset Decarbonisation Officer	7	2	2028	Project Management of the 'Our Net Zero Asset" programme and the coordinated delivery of energy efficiency retrofits and low carbon heating replacements across Council assets.	113.4
				Sub Total	322

Project Development Funding	Spend year	Cost £000
Depot Relocation Feasibility & Business Planning	2021-22	134
Heat Network Feasibility Study	2021-22	80
	Sub Total	214
	Total	536

7.6 A total of £536,000 is requested from the Climate Change Reserve to contribute to the short-term resourcing needs and for development funding towards the heat network and the depot relocation plans. This funding is required over a two year period.

7.7 Considering the above budget requests, £195,000 of uncommitted budget will remain within the Climate Change Reserve to support further development works up until the end of the financial year 2021-2022. Should additional budget be required, options exist within other reserves to match development needs.

7.8 The Climate Change Reserve will be monitored throughout and be subject to an end of year review to determine any additional budget requirements.

7.9 Cabinet approval is being sought through this report to allocate £536,000 as outlined above, from the Climate Change reserve to contribute to the short-term resourcing and development needs of the programme. Subject to Cabinet approval of the actions and endorsement of the initial resourcing plans.

Additional Resource Proposals

7.10 Through review of the action plan, several other roles have been identified and proposed to deliver elements of the wider programme. Details are included within Appendix 4. Proposed roles have been prioritised based on strategic need and opportunities. 'Priority 1' demonstrates the greatest urgency.

7.11 Several roles have already been outlined within the City Transport restructure proposals, pending Cabinet approval. These have been noted within Appendix 4 to demonstrate the importance in delivering the Council's Fleet Electrification plans.

7.12 The Transport Innovation Officer role already exists within existing budgets. The role is currently vacant, but necessary to enable delivery of the Councils and the City's electric vehicle charging needs.

7.13 All other roles do not currently exist within existing budgets and would have to be created subject to business case and available budgets in consultation with the respective service areas. The funding strategy will seek to leverage revenue savings, income generation, and external grants, where possible, to finance these roles.

7.14 Cabinet is requested to acknowledge the need for additional resources and endorse development of these proposals through an appropriate business case, in consultation with respective service areas, and subject to available budgets. The details of these budgets will be subject to full approval through a future report and at this time are for information purposes only.

Operational Fleet

7.15 Ongoing replacement of the fleet management system and implementation of a vehicle telematics policy will help the Council to monitor the fleet more effectively, identify efficiency savings through driver improvements and help to support fleet electrification plans over the next six years.

7.16 The Council's fleet is old and overdue for replacement, presenting a perfect opportunity to decarbonise our fleet over the next few years, where it is feasible to do so. According to the EST report, electrifying the whole fleet of circa 500 vehicles is possible. The caveat is that electric vehicles (EVs) incur greater capital costs than their Internal Combustion Engine (ICE) equivalent models.

7.17 However, EVs incur significantly fewer fuel costs than ICE. According to the EST report, electrifying the whole operational fleet by 2028 would produce significant annual savings in fuel costs alone.

7.18 The maintenance needs of EVs are also less cost and time intensive, and with fewer moving vehicle parts, vehicles can typically be operated for longer, therefore spreading the capital costs over a longer period, without drastically increasing maintenance costs.

7.19 The approved fleet replacement capital budget is £4.4 million profiled to be spent over the next two years. A list of 95 ageing 'priority' vehicles has been identified for replacement; 48 of which could be electrified within the short term. The other priority vehicles cannot be electrified at this point due to prohibitive cost, or urgency of need.

7.20 Approval of the £4.4 million budget was for like-for-like replacement, but this no long fits the strategic narrative for the Council's decarbonisation. A portion of that funding could be used to invest in electrification of appropriate vehicles, including infrastructure, without compromising the ability to purchase the remaining 47 priority vehicles.

7.21 The table below shows that the initial investment in the 48 priority vehicles and the required infrastructure is estimated £324,000 above that required for like for like replacement; however operational efficiencies on fuel and maintenance costs are estimated to be £60,000 per annum. Over a 10-year operational lifecycle, this could return up to £600,000 in revenue savings in total.

Estimated Financial Implications for Electrification of 48 Light Commercial Vehicles over at an Average Mileage of 5000 Miles/Year.			
Vehicle Type	**Petrol / Diesel**	**EVs**	**Net (Savings)/costs**
Estimated Capital Costs	**£000**	**£000**	**£000**
Capital Costs of Vehicles + Extras	1,254	1,554	300
Capital Costs for Infrastructure	0	24	24
Total Estimated Capital Costs	1,254	1,578	324
Estimated Revenue Costs	**£'000**	**£000**	**£000**
Annual Operational Costs	98	38	(60)

7.22 If additional borrowing were required to facilitate this investment the annual cost would be circa £38,500. This figure supports the financial business case to pursue a replacement programme of electrification for the identified vehicles, due to the annual savings which would be achieved. As there is an approved capital budget for fleet replacement, no further borrowing is required at this point in time.

7.23 Vehicle costs are based on the retail price estimates plus an estimated £2,000 per vehicle for fitted racking.

7.24 The infrastructure costs assume one 7kW charging point per vehicle at £850 per charging point, less the government grant of £350, equalling £500 per charging point. The sites for the charging points would include drivers' homes, and Council-owned sites where vehicles are located. The home charging proposals are under development and subject to ongoing consultation with fleet operators.

7.25 It should be noted that at the end of the vehicles' useful life they will be disposed of, and a capital receipt will be received by the Council. Residual values will depend on the vehicles condition.

7.26 Given this information, it is recommended that Cabinet approve the use of the existing fleet capital budget to begin the electrification of appropriate vehicles on the priority list including the infrastructure requirements, subject to business case approval through the Strategic Transport Asset Group (STAG).

Assets

7.27 There are no immediate capital costs for asset decarbonisation. However, significant investment will be required and will necessitate the use of external grant funding. Savings are anticipated through asset rationalisation from capital receipts or rental income, along

with savings from reductions in utilities. A full understanding off these savings will be produced as part the Our Assets Programme.

7.28 Energy audits for retained stock will be conducted over the coming months. Cost estimates for this work have not been established, but will be covered through existing budgets, either through the Energy Managers budget, that sits within City Housing and Environment, or the Climate Change reserve budget, subject to approval.

Procurement

7.29 Procurement is a critical tool in enabling the Council to minimise its direct and indirect impacts on the environment through the contracts it lets. By including Climate Change or Social Value metrics in tender evaluations, the Council can ensure contracts are aligned to its priorities.

7.30 These changes may elicit higher contract costs but present an opportunity to raise funds through embedded contributions within the contracts. These actions require further exploration to understand how they can be implemented effectively and in line with public contracts regulations.
[HM/14072021/H]

8.0 Legal Implications

8.1 There are no direct legal implications from this Cabinet paper. Legal implications will be visited on a project by project basis within the programme.

8.2 The ambition to be Net Zero is an agreed policy and in line with the Council's Relighting Our City theme.

8.3 Relevant legislation is set out in the body of the report. For example, any changes to internal procurement to align to net zero will have to be done so in accordance with public contract regulations. See section 10.22 for procurement implications.

8.4 There may be indirect legal implications that could arise through failure to act on our commitments to be net zero.

8.5 In 2019, lawyers from Client Earth put 100 local authorities on notice warning them that they will violate their legal obligations and risk legal challenge if they do not introduce proper Climate Change plans.

8.6 City of Wolverhampton Council has set its own evidence based corporate target for 2028 and has signed up to the West Midlands' 2041 target for the rest of the city. Failure to act on these in a timely manner could lead to future litigations against the Council.

8.7 Furthermore, failure to act, or the passing of policies or decision that are in direct contradiction with Climate Change objectives, could be subject to challenge on breaches of the human rights of future generations, who will have to deal with social, environmental, and economic consequences of our inaction.
[TC/05072021/D]

9.0 Equalities Implications

9.1 There are no direct equalities implications from the recommendations within this Cabinet report. Equalities impact assessments should be carried out on a project by project basis.

9.2 However, significant equalities implications are anticipated due to Climate Change should the Council, the Government and the rest of the world fail to act to limit GHG emissions.

9.3 Climate Change poses significant threats to the environment, people, and to the economy, culminating in significant projected impacts on global and local inequality.

9.4 Huge disparities exist between the wealthiest people who emit the most carbon per capita, and the least wealthy, who emit the least amount of carbon, yet shoulder the burden of the most severe impacts.

Income or Regional Group	Share of Population (%)	Share of Production Based CO_2 emissions (%)	Share of Consumption Based CO_2 emissions (%)
High	16%	39%	46%
Upper-Middle	35%	48%	41%
Lower-Middle	40%	13%	13%
Low	9%	0.4%	0.4%

9.5 Per capita the poorest nations emit 65 times less carbon than the wealthiest; but, according to a 2019 BBC report, are expected to pay up to 75% of the damages.

9.6 Impacts on global fresh water supplies, land availability and food production in poorer farming-based countries will have significant impacts on global food supplies; the outcome will be increased food prices and cost of living at home and abroad, contributing to global and local inequalities.

10.0 All Other Implications

10.1 Organisation-wide business changes are expected from the top to the bottom of the decision-making hierarchy through delivery of the action plan.

10.2 All areas of the Council have a part to play in delivering on the Council's Climate Change objectives.

Governance Implications

10.3 Governance proposals have been outlined (Appendix 5). The introduction of a new Programme Board is recommended to oversee delivery of the Climate Change programme.

10.4 The Programme Board would include: The Director of City Housing and Environment as Chair; Director of Finance; Director of Strategy; Director of Regeneration; Director of

Communications and External Relations; and Deputy Director of People and Change. It is also recommended that the Head of Procurement is included within this group.

10.5 It is proposed to expand the Strategic Climate Emergency Steering Group membership, so as to include Cabinet Portfolio Holders to mirror the Directors who would sit on the Programme Board.

10.6 Key delivery groups will sit underneath the Programme Board, including several temporary task and finish groups responsible for individual actions. These will be established in line with requirements as the programme progresses.

10.7 Strategic Transport Asset Group (STAG) will oversee delivery of the fleet and grey fleet actions and would be accountable to the Director for City Housing and Environment and the Deputy Director for People and Change, respectively.

10.8 The ‘Our Net Zero Assets’ Working Group has been proposed to own and deliver the asset decarbonisation plans across the retained estate and would be accountable to the Deputy Chief Executive for their delivery.

10.9 A “Low Carbon Travel Hierarchy” group has been proposed with members from across HR, Agresso Business Team and Organisational Development, to focus on actions relating to People and Change.

10.10 Other Task and Finish groups will be appointed as individual actions are developed and delivered.

10.11 A further proposal is to expand the function of the Climate Change Advisory Group to work more closely with Communities in each ward to support them to deliver community-based projects.

10.12 The Governance proposals attached have been provisionally endorsed by the Cabinet Member for City Environment and Climate Change, and the Director for City Housing and Environment, subject to development and approval of the terms of reference.

10.13 It is recommended that Cabinet note the governance proposals and endorse their creation to support the delivery of the programme.

10.14 Further Governance implications of the action plan include the proposed introduction of carbon coding into governance reports and throughout the project lifecycle; this is outlined below.

Carbon Considerations in Governance Reports and integration with Projects

10.15 Carbon coding has been suggested as a more effective way of incorporating Climate Change considerations into governance reports, to enable more effective decision making.

10.16 It is expected to have implications for both Democratic Services and for Project and Programmes due to both minor changes to governance reports, and the way in which we run our projects.

10.17 The changes will need to be appropriately communicated to ensure groups such as the Project Assurance Group, and employees in general, have the tools and understanding to be able to assess the environmental implications of projects.

10.18 Further work needs to be undertaken to assess the practicalities of this. Delivery of this is critical for ensuring that the Climate Change agenda is properly embedded within the culture of the Council.

Communications Implications

10.19 A communications and engagement plan for internal and external stakeholders will be developed to support the Council's Climate Change Action Plan and Green City agenda. Meanwhile, Corporate Communications will continue to support the Council's work to raise the city's profile as a National Centre for Sustainable Construction and Circular Economy, while promoting ongoing activities that demonstrate the Council's determination to stimulate green growth and address Climate Change.

10.20 Given the significant priority that the Council places on tackling the Climate Emergency, there will be a need for a dedicated marketing and communications role to deliver communications activity to address this key Council priority.

Human Resources Implications

10.21 The implementation of the EST staff-travel recommendations such as the introduction of a low carbon staff travel policy, the implementation of corporate fleet policies, and any other staff policy requirements will be the responsibility of Human Resources to deliver. Additional resource has been proposed to support delivery of these key actions.

Other Procurement Implications

10.22 Government has released the new National Procurement Policy Statement ((Procurement Policy Note (PPN)) 05/21) which applies to Local Authorities (section 39(3) and (4) of the Small Business Enterprise and Employment Act 2015 and whose functions are wholly or mainly reserved. This includes local authorities.

10.23 Government has announced its intention to legislate to require local authorities to have regard to the New Procurement Policy Statement when undertaking procurements, towards the Governments national priority outcomes of:

A. Contributing to the UK Government's legally binding 2050 Net Zero target

B. Reducing waste, improving resource efficiency, and contributing to the move towards a circular economy

C. Identifying and prioritising opportunities in sustainable procurement to deliver additional environmental benefits, for example: enhanced biodiversity, through the delivery of the contract

10.24 On top of the Government changes to Local Government Procurement Policy, the Government has also released 'Taking Account of Carbon Reduction Plans in the procurement of major government contracts' (PPN) 06/21). Although not directly applicable to local authorities it could be considered as part of the Council approach.

10.25 The further impact of these requirements will need to be considered once Government releases the relevant legislation relating to Procurement, expected in September 2021.

Organisational Development implications

10.26 Raising carbon literacy amongst staff is crucial to enable widespread culture change within the Council and for encouraging decarbonisation of the Council's indirect carbon footprints from staff commuting and agile working.

10.27 Organisational Development will be responsible for developing educational tools and online learning material to help facilitate organisation-wide behaviour change amongst employees and decision makers.

11.0 Climate Change Implications

11.1 Further work needs to be conducted to understand the carbon reduction potential of the actions within the action plan and understand what the offsetting requirements will be.

11.2 Unmitigated Climate Change will have major consequences on the environment, this in turn will have dire consequences for people and their livelihoods, culminating in significant economic costs world-wide.

11.3 Each tonne of CO_2 bears an economic or social cost (costs that are spread across the whole economy), The UK Treasury has calculated the cost of carbon at £69 per tonne in 2020, growing to £81 per tonne in 2030.

11.4 Conversely, every tonne of CO_2 saved, bears a 'social cost saving' of the equivalent value per tonne.

11.5 Based on the methodology outlined in 11.3, the Council's current carbon emissions of 10,000 tonnes per year bear a social cost of £700,000 per year. To do nothing between now and 2028, will generate 70,000 tonnes of CO2 and cost the economy £6.7 million pounds a year in social damage costs.

11.6 A 30% year on year carbon reduction up to 2028 would save 51,500 tonnes of CO_2 from entering the atmosphere and save the economy £3.6 million in social damage costs. The faster the Council can decarbonise, the greater the wider economic savings will be.

11.7 By implementing the recommendations from the EST Green Fleet Review, and by powering our vehicles using onsite renewable energy, the Council's fleet could be entirely decarbonised before 2028 saving 2500 tonnes CO_2 a year.

11.8 By implementing the recommendations of the EST staff travel report, the council could reduce business mileage emissions by at least 50% and produce estimated cost savings of in excess of £150,000 every year through reduced business claims.

11.9 Where assets are concerned, completely decarbonising our buildings will be extremely difficult, as some buildings may not be suitable for certain zero carbon or low carbon heating systems; this will be determined through the planned energy audits.

11.10 The depot relocation project demonstrates an example of how taking a zero-carbon approach could have significant impacts on the Council's carbon footprint. The Brewers Yard (Phase 1) Culwell Street project is seeking to relocate existing uses and develop a new and combined asset, subject to formal Cabinet approval

11.11 This development, should it be approved, will help reduce the Council's carbon emissions for heating and lighting each year by 215 tonnes and save upwards of £50,000 per annum in utilities costs; these savings exclude savings made from solar panels and battery storage.

12.0 Other Implications

12.1 Converting our fleet vehicles to electric will improve air quality by preventing 6.5 tonnes of Nitrous Oxides (NOx) and 75kg or Particulate Matter (PM_{10}) every year from entering the air, equating to £49,000 in social damage savings every year.

12.2 These damage costs are based on Department for Environment Food and Rural Affairs emissions factors, and damage abatement values of £6,385 per tonne of NOx and £103,500 per tonne of Particulate Matter.

13.0 Schedule of Background Papers

13.1 Approval of 'Climate Emergency Declaration': Motions on Notice Report, at Meeting of the City Council, 17/07/2019

13.2 Approval of 'Our Climate Commitment', Meeting of the City Council, 16/09/2020

14.0 Appendices

14.1 Appendix 1: Future Generation: Our Commitment Document

14.2 Appendix 2: 2020/21 Council Carbon Inventory and Emissions Trends

14.3 Appendix 3: 2028 Action Plan

14.4 Appendix 4: Resource Outline Proposals

14.5 Appendix 5. Proposed Governance Structure