

Committee: **Regeneration Scrutiny Committee**

Date of meeting: **14<sup>th</sup> November 2019**

Report Subject: **Bridging the Gap - Low Carbon Blaenau Gwent**

Portfolio Holder: **Regeneration Portfolio Holder - Cllr David Davies**

Report Submitted by: **Managing Director**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	29/10/19	05/11/19			14/11/19		12/12/19	

1. **Purpose of the Report**  
Provide an update on progress on the Low Carbon BG project to develop an ambitious Low Carbon Plan for BGCBC. This review is part of the Medium Term Financial Strategy (MTFS) and Bridging the Gap programme.
2. **Scope and Background**
  - 2.1 The 2015 Paris Agreement committed to keep global temperature rises well below 2°C above pre-industrial levels with the ambition to limit them to 1.5°C. This target was chosen as an approximate indicator of dangerous levels of climate change. Global average temperatures have already risen by 0.9°C, with further rises inevitable due to carbon already emitted. Therefore, achieving this target requires that emissions peak as soon as possible and reduce rapidly thereafter.
  - 2.2 The Environment (Wales) Act 2016 set a target of 80% reduction in carbon emissions by 2050 (against 1990 levels). In response to recent public pressure including the Extinction Rebellion protests and School Climate Strike the Welsh Government has declared a climate emergency and announced its intention to amend its targets to Net Zero in Wales by 2050.
  - 2.3 Welsh Government published a delivery plan 'Prosperity for All: A Low Carbon Wales' that calls for public sector leadership, including the Welsh public sector going carbon neutral by 2030. The plan highlights that this target will require public sector bodies to understand their carbon emissions, with Welsh Government asking Natural Resources Wales (NRW) to develop 'Carbon Positive Futures' as a model for doing this.
  - 2.4 In June this year BGCBC began the Low Carbon BG project part of Bridging the Gap. The scope of the project is to develop a Low Carbon Plan which sets out an ambitious vision and targets for BG to become a Low Carbon Borough and supports the corporate objectives of being a more Efficient Council and Strong & Environmentally Smart Communities.

2.5 The scope includes:-

- Assessment of current carbon footprint to identify current good practice, gaps and opportunities to move towards being low carbon;
- Identify Council operations which can make a significant contribution towards a low carbon target – property, fleet, digital, energy, schools, housing – and a more efficient Council, this will include where investment is needed to achieve outcomes;
- Community and Partner engagement to achieve a ‘Whole Borough’ approach utilising (for example) Public Service Board, Town & Community Councils, Youth Forum, Leisure Trust and other existing partnerships;
- Identify links to Regeneration Themes and projects taking place across the Region through CCRCD, Valleys Task Force and Tech Valleys.

2.6 The Project is currently identifying areas of council operations that can make a significant contribution towards a low carbon target and deliver a more efficient council. Following a workshop session with NRW in September work began on calculating BGCBC’s carbon footprint, with data being collected from across the council. Following NRW’s ‘Carbon Positive Futures’ model this baseline measurement is being calculated in line with the internationally recognised GHG (Greenhouse Gases) Protocol.

2.7 This baseline footprint will be calculated for the 12 month period of financial year 2018/19 (capturing seasonal variation in energy use). The footprint is calculated on the basis of three types of carbon emissions:

- Scope 1 emissions are those emissions directly produced through Council operations (e.g. fuel used by BGCBC fleet, gas heating).
- Scope 2 emissions relate to electricity used, but not generated, within BGCBC organisational boundaries.
- Scope 3 emissions cover a range of categories both up and downstream arising from providing BGCBC services (e.g. procurement, travel to work).

2.8 Under the CRC (Carbon Reduction Commitment) BGCBC reported all emissions from gas (scope 1) and electricity (scope 2) used in our buildings (see table below). A number of factors influence these emissions, including both the Council’s own actions and external factors such as changes to the carbon intensity of the electricity supplied by the National Grid; further detailed analysis is an important element of the Low Carbon Plan

Year	12/13	13/14	14/15	15/16	16/17	17/18	18/19
<b>Emissions (tCO<sub>2</sub>)</b>	13,486	11,461	13,556	9,858	8,925	8,463	7,379

2.9 The footprint calculation will include all scope 1 and 2 emissions (including fuel use that was not part of the CRC), but only selected elements of scope 3. The resources required to calculate all scope 3 emissions would be disproportionate with the benefits, so the footprint will include the scope 3 categories that the work of NRW and others have shown have a significant

impact on public bodies overall footprint. Following the model of 'Carbon Positive Futures' the footprint calculation will also include the amount of carbon absorbed annually (sequestration) by BGCBC land. Work has now begun compiling a range of data from across the Authority.

- 2.10 Calculating the Authority's carbon footprint and identifying where carbon is generated will enable BGCBC to develop a low carbon plan. BGCBC is already undertaking a number of significant carbon reduction projects, which will contribute to achieving low carbon targets, including 21<sup>st</sup> Century Schools, reducing the energy use of schools and Re:Fit programme installing more sustainable means of heating and in council buildings and investing in low energy LEDs in street lighting. BGCBC has also reduced the amount of waste sent to landfill, the form of waste disposal which has the greatest climate impact, to just 2.25%.
- 2.11 BGCBC is also involved in developing a number of regional projects at the Gwent level including Electric Vehicle charging points and a Fleet Review. However, there is not currently any strategic overview to inform decision making about which potential carbon reduction actions offer the best returns in terms of carbon savings.
- 2.12 Low Carbon BG also complements other elements of the Bridging the Gap programme such as the Strategic Property and Industrial Property Reviews that will identify underutilised and less efficient assets that are likely to also have a disproportionately high carbon impact. The behavioural change elements of low carbon transformation will link in to the wider Bridging the Gap Behaviour theme.
- 2.13 It is intended to hold further engagement e.g. member workshops, early in 2020, in advance of a Low Carbon Plan being presented to Council for approval.

### **3. Options for Recommendation**

#### **3.1 Option 1**

Corporate Overview Scrutiny Committee considers and scrutinises the proposed approach.

#### **3.2 Option 2**

Corporate Overview Scrutiny Committee makes any specific comments or recommendations regarding the proposed approach.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
- 4.1 The low carbon plan will contribute to the Corporate Plan priority of an Efficient Council by identifying opportunities for cost savings from carbon reduction. In particular, there may be opportunities for invest to save projects installing low carbon technology, similar to Re:Fit and 21<sup>st</sup> Century Schools. There may also be potential for income generation through renewable energy schemes. Low Carbon BG will also contribute to Strong & Environmentally Smart Communities, including the development of low carbon infrastructure across the borough.
- 4.2 Developing a Low Carbon Plan is an important element of BGCBC providing public leadership on climate change. BGCBC has also started to develop a borough wide response to climate change through the Public Service Board (PSB). With partners at the most recent PSB meeting in October agreeing to develop a high- level action on climate change as part of the Well-being Plan under the look after and protect the environment Well-being Objective. The long-term implications of climate change mean that is also central to the PSB's responsibilities under the Well-being of Future Generations Act. In particular, that in accordance with the Sustainable Development Principle the PSB must 'act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'.
- 4.3 The Low Carbon Plan will be central to BGCBC's contribution to the Welsh Government target of a carbon neutral public sector by 2030. In particular, a long-term plan is required to deliver the low carbon infrastructure necessary to achieve targets for electrification of the Council fleet and decarbonisation of heating. Reducing emissions across the borough as a whole, in response to national targets to achieve carbon zero, will require the type of borough wide response that BGCBC is starting to develop through the PSB.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

- 5.1.1 The Welsh Government Low Carbon Action plan identifies that historically, public sector efforts to reduce carbon emissions have been based on delivering improvements to the efficiency of public sector buildings and the development of renewable energy solutions. These are the areas where invest to save projects are currently most viable. However, public sector emissions are far more wide-ranging and the development of low carbon infrastructure such as electric vehicle charging points and heat decarbonisation are likely to have substantial cost implications.
- 5.1.2 The large majority of public sector carbon emissions are not actually associated with the direct use of electricity, gas or fuel, but with the procurement of goods and services. Building consideration of carbon into procurement, and engaging with our major suppliers, will be an important

element of the low carbon plan.

- 5.1.3 The cost of carbon is rising, and will continue to rise, if effective climate action is taken on the national and global scale. This will result in continued increases in energy prices if BGCBC remains reliant on fossil fuels, developing our own renewable energy could reduce these risks. Similarly, like many other public and private organisations, BGCBC holds investments in fossil fuel intensive companies and projects. The value of these investments is based on fossil fuel reserves that cannot be used if effective action on climate change is to be taken. Exposure to this 'carbon bubble' is a financial (and reputational) risk to BGCBC.
- 5.1.4 An initial estimate was made of potential savings prior to the start of Low Carbon BG (see table below). The 2020/21 saving represent the estimated savings from BGCBC no longer having to pay for our carbon emissions under the CRC scheme. There is no direct replacement for this scheme, although the UK government has indicated they will seek to cover the loss of carbon tax revenue generated by increasing CCL (Climate Change Levy) rate applied to utility bills. Updated cost savings estimates be will produced through the production of the Low Carbon Plan

Delivery in:	2020/21		2021/22		2022/23		2023/24		2024/25	
Values (low – high)	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	138	-	200	350	200	350	200	350	200	350

## 5.2 ***Risk including Mitigating Actions***

The last 12 months have seen a significant growth in public pressure for climate action, both nationally and internationally. In addition to Welsh Government, a number of local authorities have also declared climate emergencies. There is a risk of reputational damage if BGCBC do not respond to this public pressure by providing public leadership, or if BGCBC responds in a way that is perceived as tokenistic and not supported by tangible actions. Conversely, there is an opportunity to build on this public interest and BGCBC's own engagement with local residents about environmental issues, to capitalise on this increased public engagement.

## 5.3 ***Legal***

- 5.3.1 The legislative context around climate change is evolving rapidly, with both UK and Welsh Government announcing new, more ambitious emissions reductions targets this year. The Welsh Government low carbon action plan outlined a number of proposals for local authorities, in addition to an overall ambition of the Welsh public sector as whole to be carbon neutral by 2030, including:
- All new cars and light goods vehicles in the Public Sector fleet are ultra low emission by 2025 and where practicably possible, all heavy goods are ultra low emission by 2030.
  - Public Sector buildings should be supplied with renewable electricity by 2020, or as soon as contractually able and, where practicably possible, are supplied with low carbon heat by 2030.

New legislation and targets, along with rapidly developing technology, are likely to be major drivers of BGCBC's climate actions.

- 5.3.2 The Welsh Government is in the process of developing a national reporting mechanism for carbon emissions across the public sector. The form that this reporting will take is expected to be announced in early 2020. As it is based on the NRW 'Carbon Positive Futures' work, our current baselining work is expected to make BGCBC well placed to meet this new reporting requirement. This new Welsh measure will be a more comprehensive replacement for the UK government CRC which ended in 2019.

5.4 ***Human Resources***

In addition to the need for officers with specialist skills and knowledge to deliver low carbon technology projects, the Low Carbon Plan is also likely to require widespread staff engagement across BGCBC in behaviour change as part of a larger transformation of working practises.

6. ***Supporting Evidence***

6.1 ***Performance Information and Data***

Currently there is not central performance monitoring on BGCBC's overall carbon emissions. Emissions from electricity and gas use are reported via the CRC (see figures above 5.3.2).

6.2 ***Expected outcome for the public***

Developing a Low Carbon Plan will help to reduce the risks from climate change to service delivery, as well as identifying opportunities to develop a more resilient Council for the public.

6.3 ***Involvement (consultation, engagement, participation)***

There is potential to build on existing BGCBC public engagement with environmental issues, including recycling, nature areas and eco councils in schools. The public will also have an important role to play in helping to reduce the carbon impact of services, through the development of behaviour change elements of the Low Carbon Plan.

6.4 ***Thinking for the Long term (forward planning)***

Reducing carbon emissions will require systems transformation both internally to BGCBC and externally across the borough. BGCBC will have to be a driving force in providing leadership in borough wide developments such as Electric Vehicle charging networks and heat decarbonisation.

6.5 ***Preventative focus***

Addressing increasing revenue costs from rising energy prices and a reliance on fossil fuels. It is important that decarbonisation is considered in all capital spending decisions, so that BGCBC is not locked into new carbon intensive infrastructure.

6.6 ***Collaboration / partnership working***

BGCBC is looking to provide public leadership on climate change in Blaenau Gwent through the PSB and Well-being Plan. Climate change was identified as a common well-being priority across Gwent. Work on regional projects, where public bodies in Gwent face similar challenges and can pool resources for procurement, such as EV charging and Fleet Review are already underway. BGCBC works with a range of organisations to deliver services. In particular will engage local partners such as Aneurin Leisure Trust, SRS and CATs through the Low Carbon Plan, to reduce the impact of our services.

6.7 ***Integration(across service areas)***

Integrating the good work already going on across different service areas in the Authority into a single Low Carbon Plan, to provide an overall strategic direction, is a key element of this project.

6.8 ***EqlA(screening and identifying if full impact assessment is needed)***

The extent to which different groups are impacted by climate change can vary significantly, but at this initial baseline assessment stage of Low Carbon BG a full equality impact assessment is not necessary.

7. **Monitoring Arrangements**

- 7.1 BGCBC will monitor our emissions footprint on an annual basis. Where possible will also draw on historic data to put the initial 18/19 footprint in context. In addition will seek to monitor specific carbon reduction actions on a project by project basis in order to assess their impact. Will also seek to integrate these carbon impact assessment methods into standard corporate reporting and performance management.