

Committee: **Executive Committee**
 Date of meeting: **15th December 2021**
 Report Subject: **Net Zero Reporting, Climate Assembly Response and Progressing Transitions**
 Portfolio Holder: **Councillor David Davies, Deputy Leader / Executive Member Regeneration and Economic Development**
 Report Submitted by: **Michelle Morris, 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)
Nov 21	25 Nov 21	30.11.21			8 Dec	15 Dec		Decarb Programme Board

1. **Purpose of the Report**

To present the response to Welsh Government's Net Zero reporting requirements, seek comment on an initial response to the Blaenau Gwent Climate Assembly report, and update on the action plan development for the Decarbonisation Plan transitions.

2. **Scope and Background**

Welsh Government Net Zero Reporting

- 2.1 As reported in the September 2021 meeting, Welsh Government have outlined its expectations in terms of content and data requirements for Net Zero Reporting for local authorities in Wales by 31 October 2021.
- 2.2 A sub group of the Decarbonisation Board (the Board hereafter) was called to consider the expectation and prepare the appropriate response following the internationally recognised carbon footprint format. This included data for greenhouse gas emissions for council's baseline year of 2019/20 and the subsequent year of 2020/21.
- 2.3 The data, which is summarised in the performance data and information section of this report (section 6.1), is divided into three scopes. Our organisational boundaries include all emissions from assets, such as buildings and vehicles that we have day-to-day operational control of, whether we own or lease them (Scope 1 and 2 emissions). Our wider operational boundaries include emissions both up and downstream, which are the result of our procurement and other organisations delivering services on our behalf (Scope 3 emissions). Sequestration represents the annual change in the net amount of carbon stored in the different land-use types.
- 2.4 The council has previously calculated a carbon footprint for the baseline year of 2019/20 utilising a method based on the Carbon Positive approach developed by Natural Resources Wales. The revised calculation using the Welsh Government Net Zero method reflects some fairly small variations in the organisational boundaries and emissions factors used, but are broadly similar.

- 2.5 The data shows that 2020-21 has seen a fall of 3,292 tonnes CO2e in our carbon footprint, which equates to 6%. COVID 19 has likely contributed to this fall in some areas such as staff commute.
- 2.6 Furthermore, on responding to Welsh Government, commentary of progress made against our Decarbonisation Plan 2020 to 2030 was included to show our progress as we aim to make our full contribution to the ambition of a Net Zero Public Sector in Wales by 2030.
- 2.7 The report submitted to Welsh Government is provided at Appendix 1.

Responding as a Council to the Blaenau Gwent Climate Assembly

- 2.8 As reported earlier in the year, the Blaenau Gwent Climate Assembly was the very first of its kind in Wales to meet in March 2021 and made a number of recommendations for consideration.
- 2.9 The council continues to take an active role in responding with our partner organisations from the Public Services Board, and work continues to develop on the collective response provided to assembly members earlier in the year, with a focus on action this Autumn around the main five recommendations.
- 2.10 Furthermore, as a key local public service provider, it is important that the Council as an organisation consider the recommendations in relation to our own organisation. To take this forward, on 8 October 2021, the Managing Director hosted a specific session with members of Wider Corporate Leadership Team and the Board to consider the recommendations and to begin developing our first organisational response.
- 2.11 The sessions proved valuable in engaging key officers from across the council, and in particular gleaned some useful insight into work already being carried out on some of the issues raised by the Climate Assembly. It also provided a useful forum for initial discussions on what more could be done to respond to the Climate Assembly recommendations.
- 2.12 Feedback from the session has been used to develop our first organisational response, which is provided at Appendix 2. The response, focusing on providing an overview of the Council's position with climate change e.g. the declaration of a climate emergency, our decarbonisation plan and partnership work through the PSB mitigation group, and provides a high level response on the areas where we as the council can have the greatest direct influence.
- 2.13 The response notes our broad support the five main Assembly recommendations as outlined in the previous collective partnership response, but also notes the remaining 19 recommendations many of which received the support of a substantial majority, and cover a range of other issues that are very important for residents. Therefore, they represent an important basis for developing future climate actions, which should not be lost.
- 2.14 The response concludes by noting that the council is keen that Assembly members and wider residents continue to be engaged in developing these actions and response to climate change, by looking to seek participation of assembly members into the future.

Further Progress on Decarbonisation Plan Transitions

- 2.15 The [Decarbonisation Plan](#) set out how we would deliver our commitment to the ambition of the Welsh Public Sector to achieve net Zero by 2030. It outlined how we could reduce our organisational emissions across nine transitions.
- 2.16 Since the plan was adopted a Decarbonisation Board (the Board) was set up and has agreed to carry out readiness assessments for each transitions to understand what was already being done, and to identify the key actions we need to take to progress. This process is being based on good practice from the Place-based Climate Action Network (PCAN) at Leeds University.
- 2.17 As reported in September 21 to the Committee, the Board agreed that the first readiness assessment to be examined would be 'Transport Direct' making up 8% of our carbon emissions, and was moving forward with a piece of work on 3 transitions related to 'buildings' covering three transitions: Electricity, Heating and Procurement (Works). These collectively make up 22 % of our gross carbon emissions.
- 2.18 Emissions from buildings can be divided into two main types:
- Operational energy use (heating, lighting, computers etc.)
 - Life-cycle embodied emissions (construction, (non-energy) use and maintenance, and demolition or disassembly etc.)

Both these types of emissions will ultimately be eliminated through the use of zero carbon energy. The difference is that the choice to use zero carbon energy is in our direct control for operational energy emissions, but is outside our direct organisational control for life-cycle emissions. However, we can address these life-cycle emissions by (i) using our (and collective public sector) purchasing power to encourage the market to move towards zero carbon energy based products and (ii) where possible by reducing our total consumption (e.g. product miles, material throughput (the total volume of materials used)).

- 2.19 Transition 6 Procurement Works (10% of carbon footprint) is the life-cycle embodied emissions from our buildings. Transition 8 Heat (6%) and Transition 7 Electricity (5%) include our operational energy use from our buildings. Electricity also includes some non-buildings emissions, mainly street lighting which is about a third of our electricity emissions, which have also been included in this readiness assessment.
- 2.20 The Buildings Readiness Assessment was considered by the Board and CLT in October 2021 with a number of high level actions agreed. These are outlined below with organisational leads identified:

Energy Use

1. Strategic Heating Decarbonisation Plan. Develop a plan for replacement of existing heating systems and associated retrofitting of buildings with zero carbon alternatives by 2030 (in line with Welsh Government policy), including the investment required. **(Lead: Property Services)**
2. Energy Policy- Review the existing policy to ensure energy demand reduction is aligned to the Council's Zero Carbon commitment. **(Lead: Property Services)**
3. Procurement (Energy-Use). Commit to using carbon data (energy standards and life-cycle costs) to inform procurement decisions. Review

Procurement Strategy and arrangements to align to the Council's Zero Carbon commitment. **(Lead: Commercial Services)**

4. Street Lighting Strategy – Develop a plan and targets for future energy reductions including reaching 100% LED lighting no later than 2030. **(Lead Neighbourhood Services)**
5. Zero Carbon Electricity. Develop a plan and targets for ensuring the Council maximises its use of renewable energy, through installing renewables and through procurement. **(Lead: Regeneration)**
6. District Heating Networks. Set date for future review of whether developments in technology allow for additional networks in Blaenau Gwent. **(Lead: Regeneration)**

Construction

1. Commit that all new builds will be built to Net Zero Standards. How this will be achieved, and any barriers to delivery, will be set out in detail in the Strategic Outline Case and only in exceptional circumstances will projects proceed without these being fully addressed. **(Lead: Property Services / Commissioning Departments)**
 2. Procurement (Works). Commit to take into account carbon costs (the emissions associated with undertaking works) in procurement of building and maintenance works, including setting appropriate carbon standards. Integrated into decision making as part of procurement review. **(Lead: Property Services /Procurement)**
- 2.21 This list summarises these actions, with more detailed description of these transitions and the rationales for the actions provided in Appendix 3.
- 2.22 It is anticipated that all of the transitions will have been subject to a readiness assessment with high level actions identified for each during this financial year 21/22. The Board signed off the next transition to be Waste, followed by Sequestration in the new year and will be brought to the Committee as part of its forward work programme.
3. **Options for Recommendation**
- 3.1 This report will be considered by the Regeneration Scrutiny Committee on 8th December and any feedback will be provided verbally to the Executive Committee.

Option One

That the Committee considers the progress made and supports the response to the Climate Assembly.

Option Two

That the Committee considers the progress made and provides specific comments on the response to the Climate Assembly.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

Welsh Government published their 2nd delivery plan [Net Zero Wales Carbon Budget 2](#) in October 2021 which sets out the ambition for the Welsh public sector to be carbon neutral.

In September 2020, Council has approved an evidence based Decarbonisation Plan for the organisation. The Decarbonisation Plan is an important element of the Council providing public leadership on climate change. 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.

5. **Implications Against Each Option**

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

At this moment in time the Council has taken a business as usual approach to resourcing the Decarbonisation Plan. That said, as each transition is progressed and high level action agreed, costs will be identified to make this work happen and will, moving forward, form separate reports from business leads for consideration of any investment required. It is anticipated that investment decisions will need to be taken by the Council, Welsh Government and wider partners to enable local action.

5.2 ***Risk including Mitigating Actions***

Having declared a climate emergency reputational damage is a risk if we do not respond to the challenges facing us as we implement our agreed Decarbonisation Plan. The systematic way in which we are approaching the transition work should enable us to arrive at well informed proposals on the actions we need to take to move towards Net Zero. These actions will though need to be fully integrated into our business planning processes and closely monitored to ensure progress is maintained.

5.3 ***Legal***

The legislative context around climate change is evolving with both UK and Welsh Government announcing new, more ambitious emissions reductions targets.

5.4 ***Human Resources***

The full human resources implications in implementing the plan are not yet fully known. These will become clearer as leads take forward actions that emerge from the readiness assessments. These might include the need for officers with specialist skills and knowledge to deliver key elements. It is also highly likely that staff engagement will be a key enabler in what is really a programme of transformational change.

6. **Supporting Evidence**
 6.1 **Performance Information and Data**

The Welsh Government Net Zero Carbon Reporting is using 2019-20 as baseline year for monitoring progress towards ambition of Net Zero Public Sector by 2030. We had already calculated our 2019-20 carbon footprint using a broadly similar method but this recalculation led to a significantly lower figure:

BGCBC Base Year Greenhouse Gas Emissions (2019/20)	BGCBC Old Method 19-20	WG Net Zero 19-20	Difference
Carbon Footprint Total (tCO₂e)	71,346	53,526	-17,820

Although there were some differences due to the inclusion of elements of our footprint that we had not previously includes, most notably the energy usage of the Aneurin Leisure Trust and a larger proportion of our land holdings, the large majority of this difference was due to the use of slightly more recent (2012 rather than 2009) carbon factors to calculate our emissions from procurement.

	BGCBC Old Method 19-20	WG Net Zero 19-20	Difference
Purchased Goods and Services	60,921	40,992	-19,929

This decline reflects the limitations of calculations of procurement emissions, as even small changes in emissions factors, which are based on national averages for product categories, will have large effects when applied to large amounts of organisational spend, regardless of whether or not the organisation has taken action. The downward change in this figure reflects that the ongoing decarbonisation of the national grid is reducing the carbon intensity of activity across most sectors. (If more up to date emission factors were available our procurement emissions figure would almost certainly be significantly lower again). This highlights that while procurement footprint figures can give a reasonable idea of the scale of procurement emissions, relative to other elements of our footprint. However, unlike other elements such as energy or transport, they are no suitable for monitoring progress.

Emissions Trends

The Council's Base Year Greenhouse Gas Emissions (2019/20) and current year (2020/21) are provided in detail in Appendix 1. The table below summarises:

	19-20	20-21	Difference	Difference %
Carbon Footprint Total	53,655	50,359	-3,297	-6%

The table above shows overall there is a small fall in our carbon footprint from 2019-20 to 2020-21, but further analysis shows a more complicated picture.

Firstly, for the reasons outlined above, any changes in figures for procurement reflect our level of spend, rather than carbon performance, and as a result this figure is essentially unchanged. Removing purchased goods and services, which make up well over half of our footprint, reveals a much larger fall in our carbon footprint in the other areas where the figures do reflect year-on-year changes in carbon emissions.

	19-20	20-21	Difference	Difference %
Total Excluding Purchased Goods and Services	12,663	9,788	-2,875	-23%

There is also substantial variation within these non-procurement emissions, largely due to the extent to which COVID has impacted our operations. For example, in electricity there has been a 9% fall in the carbon intensity of the grid, so we would expect our emissions to fall by this amount even if we used the same amount of electricity in the previous year. This is largely the case for street lighting which has not been effected by COVID, however, our emissions from electricity use in buildings has fallen by significantly more, while the fall for Aneurin Leisure buildings has been even greater, likely due to more of their estate being shut during lockdown.

	19-20	20-21	Difference	Difference %
Grid Carbon Intensity				-9%
Unmetered - Street Lighting	968	870	-98	-10%
Metered - Buildings	1,792	1,272	-520	-29%
<i>Metered - Buildings Aneurin Leisure</i>	<i>572</i>	<i>279</i>	<i>-293</i>	<i>-51%</i>

Similar trends occurred across a number of areas with falls in emissions from heating not being as large (possibly due to increased heat use where windows were kept open for increased ventilation), while falls in staff travel were even larger.

	19-20	20-21	Difference	Difference %
Natural Gas Heating	3,942	3,725	-217	-5%
<i>Natural Gas Heating Aneurin Leisure</i>	<i>1,152</i>	<i>798</i>	<i>-354</i>	<i>-31%</i>
Water	46	42	-4	-9%
<i>Water Aneurin Leisure</i>	<i>22</i>	<i>12</i>	<i>-10</i>	<i>-47%</i>
Staff Commute	1,733	1,039	-694	-40%
Business Travel	279	118	-161	-58%
<i>Business Travel Aneurin Leisure</i>	<i>11</i>	<i>2</i>	<i>-9</i>	<i>-82%</i>

Waste related transport saw only small falls in emissions, again reflecting that this service continued during COVID.

	19-20	20-21	Difference	Difference %
Fleet Total	964	945	-19	-2%
Downstream Transportation and Distribution - Silent Valley	216	209	-7	-3%

Looking at 4 year trends, up to 2019-20, prior to COVID there has been a large fall in our emissions from electricity, whereas there has been no change in emissions from heating, reflecting that this is a more challenging transition.

	Difference
Electricity Buildings (Carbon)	-44%
Electricity Buildings (Energy Demand)	-9%
Fleet	-9%
Heating (Excluding Energy Centre)	0%

One area, which is not part of our carbon footprint, but where we have had a very large impact is the very substantial increase in carbon emissions that have been avoided due to the increase in recycling and reduction in waste going to landfill.

Waste	16-17	17-18	18-19	19-20	Difference
Tonnes	45,119.01	45,038.22	42,136.79	42,297.53	-6%
Carbon Impact	-4,076.93	-4,847.34	-7,421.34	-8,215.79	-102%

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

The Climate Assembly provided an excellent representative opportunity for the members of the public to help shape recommendations set around the key topic:

“What should we do in Blaenau Gwent to tackle the climate crisis in a way that is fair and improves living standards for everyone?”

The findings will play a crucial role in shaping action from partner organisations collectively and responding locally to the climate change emergency.

Furthermore, the Decarbonisation Plan helps 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)***

The development of the readiness assessments has its core the involvement of key stakeholders from the relevant service areas. The Blaenau Gwent Climate Assembly built on our existing public engagement with environmental issues, including recycling, nature areas and eco councils in schools.

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

The Decarbonisation Plan and the readiness assessment approach fully recognises the long term nature of some of the high level actions that will emerge from this process.

6.5 ***Preventative focus***

Addressing increasing revenue costs from rising energy prices and a reliance on fossil fuels. It is important that decarbonisation and whole life cycle costs (both financial and carbon) are considered in all capital spending decisions, so that the Council is not locked into new carbon intensive infrastructure with high long-term running costs.

6.6 ***Collaboration / partnership working.***

We are working with partners on climate change in Blaenau Gwent through the PSB Climate Mitigation Steering Group and Well-being Plan and at the regional level through Climate Ready Gwent. Work on regional projects is already underway, where public bodies in Gwent face similar challenges and can pool resources, such as EV charging and Fleet Review. Procurement is a major element of our carbon impact and many of our suppliers also supply other local public sector organisations, so collaboration will be key to engaging them with cutting their carbon emissions.

We successfully worked with Aneurin Leisure Trust to identify those emissions we needed to include within carbon footprint in-line with recent Welsh Government reporting.

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

Integration remains a key element of the Decarbonisation Plan and our plans in tracking agreed actions through service area business plans demonstrates this.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

The Decarbonisation plan is central to the Council's contribution to the Welsh Government ambition of a carbon neutral public sector by 2030, and responding to the Climate Assembly, and considering on-going involvement will be crucial.

6.9a ***Socio Economic Duty Impact Assessment***

Not required as this is a progress report and does not relate to strategic decisions.

6.9b. ***Equality Impact Assessment***

An EQIA was carried out for the Decarbonisation Plan and separate EQIA's will be carried out for major decarbonisation actions by relevant business leads as part of usual reporting arrangements.

7. ***Monitoring Arrangements***

The Board will oversee progress against the transitions, and reporting accordingly through the Managing Director to CLT.

Key actions agreed by the Board will be built into the service area business plans. This will ensure Decarbonisation actions are integrated into the Council usual performance management arrangements.

The Council reported appropriately to Welsh Government at the end of October in-line with their Net Zero Reporting arrangements.

Background Papers

Appendix 1 – Net Zero Report 2020/21

Appendix 2 – BGCBC Response to Climate Assembly

Appendix 3 – Building Readiness Assessment