

Environment and Climate Change Portfolio - Summary

Performance Summary

1. The Portfolio has a number of performance highlights to report this quarter:
 - The County Council's bid to the Government's Low Carbon Skills Fund (Phase 3) for a further £277,000 to deliver 40 Heat Decarbonisation Plans has been successful. The new Heat Decarbonisation Plans will cover more of the county's schools and corporate sites and add to the 50 already completed following a successful bid into an earlier round of Government funding. The plans, which will be completed by March 2023, will show where heating systems powered by fossil fuels could be replaced by low carbon alternatives, complementing improvements to the energy efficiency of the buildings.
 - The Council have prepared a bid to the Public Sector Decarbonisation Fund to undertake decarbonisation works on 21 qualifying buildings including offices, libraries and fire stations to reduce emissions and dependency on fossil fuels.
 - A carbon literacy course for elected members was undertaken for the first time and participants included the Leader, Deputy Leader and other Cabinet Members. Several hundred staff have now undertaken carbon literacy training and more are booked onto upcoming courses.
 - Recycling efforts continue with facilities for the deposit of hard plastic items rolled out to five further Recycling Centres. The new waste stream, which includes garden furniture, children's toys, plant pots and plastic containers, will add c500 tonnes per annum to the recycling effort. All sites except Midhurst (which regrettably is too constrained by size) now have these facilities.
 - The '1-2-3 collections trial' in partnership with Mid Sussex District Council started early September aimed at working with residents to boost recycling and reduce the amount of general waste produced primarily through offering separate collection of food waste and Absorbent Hygiene Products (AHP). The trial features a '1-2-3' collection system - weekly food waste collections, fortnightly recycling collections and three-weekly general refuse collections. The trial covers around 3,000 households representing a mix of housing types and locations typical of Mid Sussex as a whole.
 - Buchan Country Park celebrates 40 years of being open to the public. The park is of national importance for its dragonfly populations and designated a site of Nature Conservation Importance. The practical conservation work that is carried out by our volunteers also helps to maintain the park's heathland, woodland, meadow and wetland habitats, and allows us to keep our Green Flag status, now held for 12 years.

Our Council Performance Measures

2. The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view,

with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

Environment and Climate Change		2022/23 Target	Performance Over The Last 3 Periods			DoT	Year End Forecast
22	Measure: Equivalent tonnes (te) of CO2 emissions from WSCC activities (CC) Reporting Frequency: Quarterly, Accumulative. 	22,910 CO2te	Mar-22	Jun-22	Sep-22	↑	G
			30,400 CO2te	5,107 CO2te	8,556 CO2te		
Performance Analysis: Sep-22: Recorded carbon emissions for the quarter total 3,449 tonnes, amounting to a decrease of 36% compared to the same baseline period. This reduction primarily results from reduced electricity demand compared to that of the baseline period, with fluctuations in heat related emissions understandably of minimal impact during the warmer months. Overall emission performance remains on track to meet the targeted annual reductions, though it should be noted that the majority of annual emissions sit within the remaining quarters, where both heat demand and streetlighting increase in response to colder temperatures and reduced daylight hours. Actions: Work continues on the actions set out in the Carbon Management Plan to achieve net zero carbon by 2030.							
23	Measure: Household waste recycled, reused or composted (CC) Reporting Frequency: Quarterly, Reported two quarters in arrears. 	55.0%	Sep-21	Dec-21	Mar-22	↓	G
			55.4%	55.3%	53.7%		
Performance Analysis: Jun-22: Data always runs around 1 quarter in arrears due to complexity of compiling and verifying data. Q4 is the most up to date figure. This figure is currently unaudited as Defra will not publish the final statistics for 2021-2022 until December this year. The 2021/22 year-end rate increased 0.6% on the year-end rate for 2020/21 of 53.1%. Actions: Our wood contractors stockpiled approx. 2,000 tonnes of recycling centre wood during the final quarter, which we could not count towards the recycling rate. They are recycling 90% of our material and sending the remaining 10% to Biomass. If waste volumes are too high and they cannot get the wood out for recycling, they will stockpile until they can do so, instead of sending it to Biomass. Our contractor was working hard to process the stockpile in the first few months of this financial year, so we can count it in our Waste Data Flow Returns for Q1 and Q2.							

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Corporate utilities - unit price increase on energy tariffs, affecting corporate buildings	£2.000m	Additional Solar and Battery Farm income due to an increase in unit prices	(£2.600m)	
Additional cost on waste contracts above budgeted inflation	£1.826m	Additional income from sale of recyclable material	(£2.800m)	
Additional waste tonnage largely due to Adur and Worthing bin strike in March 2022	£0.374m	Waste disposal volume reduction – favourable waste profile	(£0.600m)	
Countryside Services – inflation and demand pressures	£0.200m	Waste recycling volume reduction – largely driven by a reduction in green waste	(£0.500m)	
Environment & Climate Change Portfolio - Total	£4.400m		(£6.500m)	(£2.100m)

Significant Financial Issues and Risks Arising

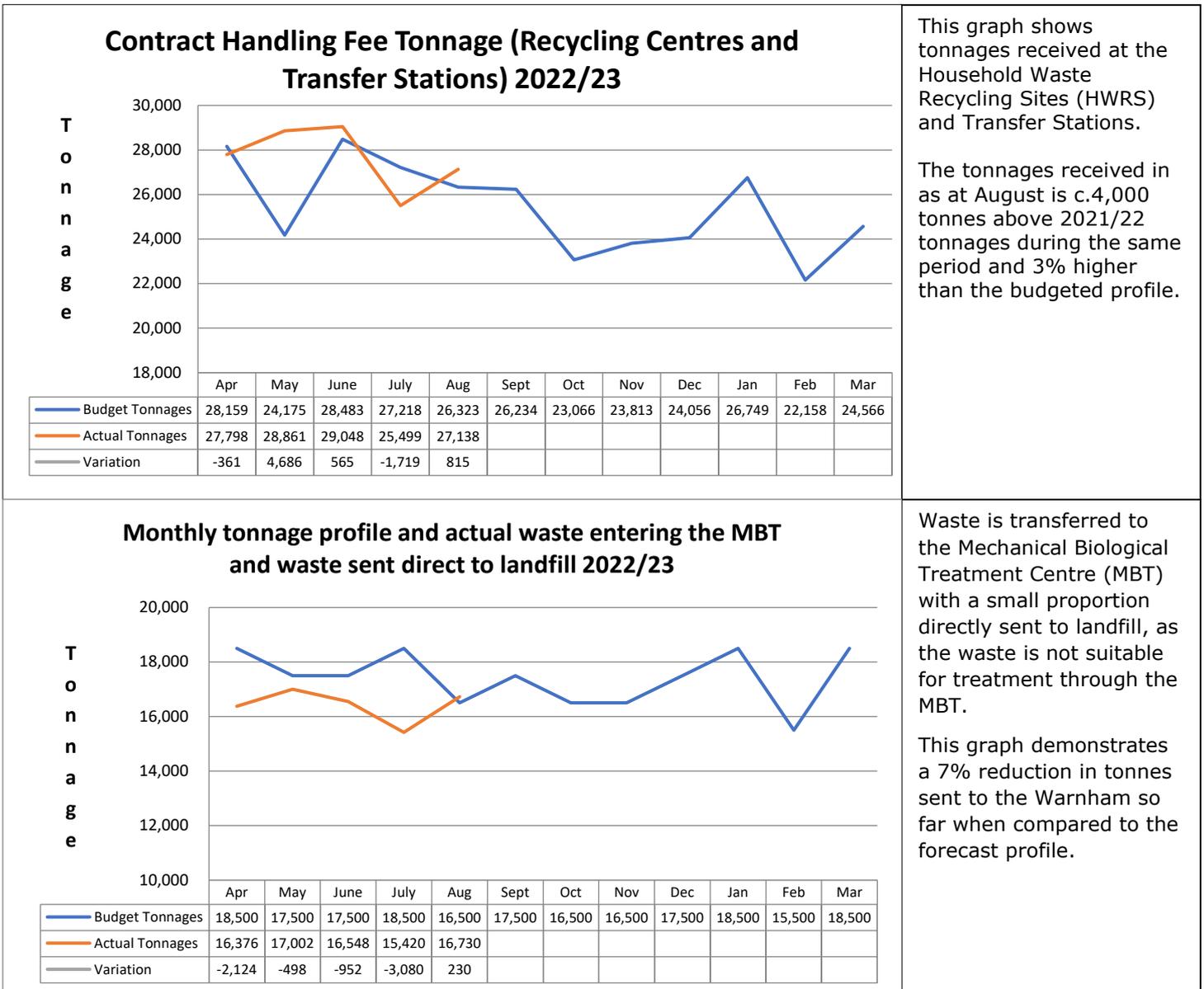
3. There are no significant issues to raise within this section.

Financial Narrative on the Portfolio's Position

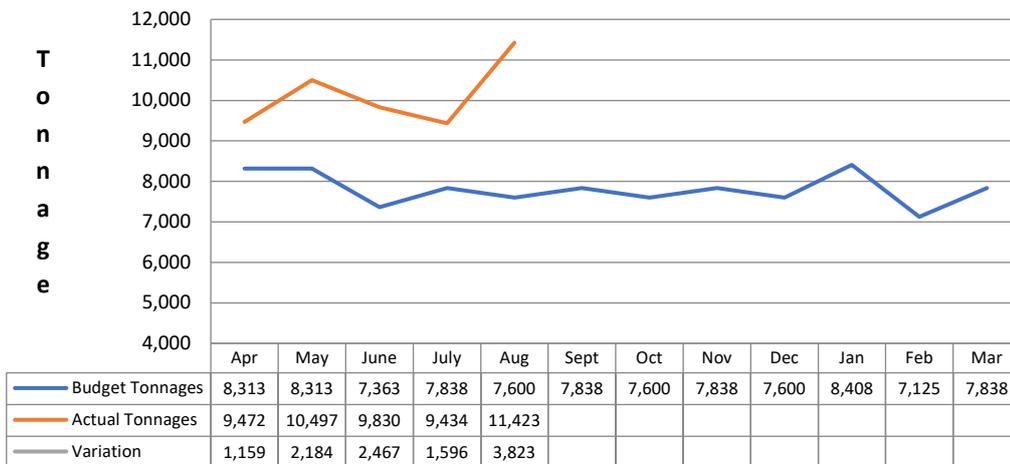
4. The Environment and Climate Change Portfolio is currently projecting a £2.1m underspend, £2.6m less than the £0.5m overspend projection reported in June. The main variations are described below:
5. **Corporate Utilities.** Occupation of County Council buildings is approximately 5% above the 2021/22 occupation for April to August. Gas and electricity prices have risen sharply across Europe in the last year which has added a considerable premium to market rates. The County Council's corporate energy contractor's forward-buying strategy mitigated the impact of the 2021/22 increases, however as the value of the commodities continue to increase, a hedging strategy cannot completely protect the Council from these rises in 2022/23. Currently, a £2.0m overspend is forecast for 2022/23 which is based on known summer prices and service estimated winter prices. The recent Government announced energy support package for businesses is unlikely to make an impact on the price of the main corporate contract as the energy purchase price is within the base floor rate of the announced scheme.
6. **Waste Contract Inflation.** The 2022/23 budget was set based on the September 2021 RPI rate of 5%, whereas the contracts are uplifted annually based on the February RPI, which equated to 8.2% in 2022/23. This has resulted in a £1.826m budget pressure.
7. **Countryside Services.** An overspending of £0.2m is projected due to a combination of inflationary and increased demand pressures.
8. **Solar and Battery Storage.** Based on the current elevated solar sale prices, we are forecasting a £2.6m surplus of income. The weather conditions to date have been favourable and are likely to contribute to energy output above expectation. It is important to note that, corporately any gain in income from the solar projects is likely to be offset by the increased cost in corporate utilities arising from the higher unit rate.
9. **Recyclate Income.** Due to the current high-level of recyclable material to date and increases in the recyclate rates, a £2.8m income surplus is currently projected; however, this is a volatile market which makes accurate forecasting difficult.
10. The largest driver of recycling income is waste paper; of which, the value of this commodity has strengthened from +£95 per tonne in March 2022 to +£118 in August. There has been a mixture of increasing and decreasing values across other recyclate streams in recent months including:
 - Polypropylene plastic packaging - increased in value from +£625 per tonne in March to +£825 in August.
 - Aluminium cans values have decreased from +£1,507 per tonne in March to +£1,267 in August.

11. **Waste Disposal and Recycling.** Waste disposal tonnage volumes continue to be below expectations; however, the household waste recycling sites (HWRS) have seen an increase in waste tonnage volumes of around 3% above the 2021/22 volume so far this year. Part of this increase relates to the impact of the delayed waste received following the Adur and Worthing GMB strike action which commenced in March 2022.
12. The prolonged period of hot dry weather has reduced the growing season considerably, seeing a reduction of around 8,000 tonnes of garden waste compared to the 2021 summer period (June – August).

Cost Driver Information

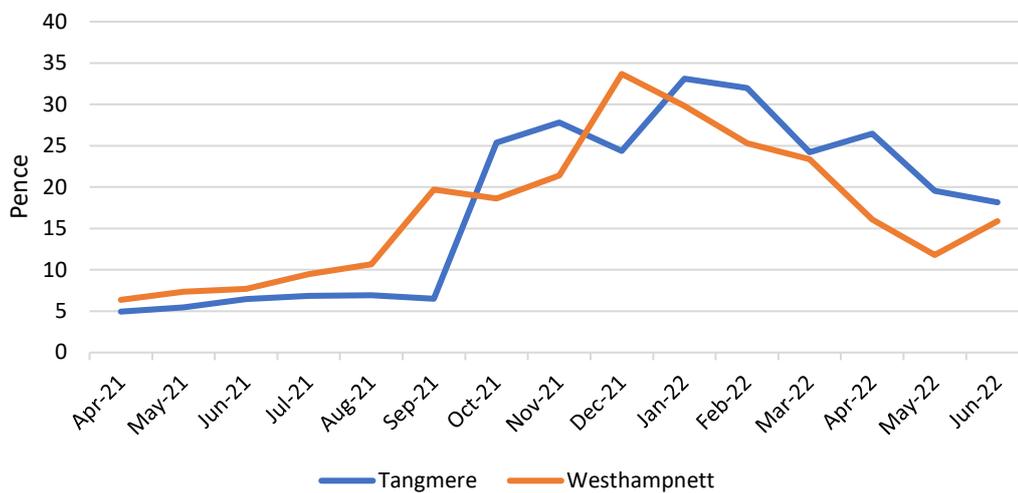


Monthly Profile and Actual Waste Tonnage Converted Into RDF 2022/23



This graph shows the Refuse Derived Fuel (RDF) production compared to the estimated levels. RDF levels are around 28% above expectation.

Pence Per/kWh - Unit Rate



This graph demonstrates the average pence per kWh since April 2021. As at June, Tangmere was generating £0.18p per kWh unit and Westhampnett £0.16p per kWh.

Savings Delivery Update

- In addition to the £1.450m of 2022/23 planned savings, there remains £0.120m of savings from the 2021/22 financial year which were not delivered on an on-going basis. To ensure that these savings are monitored and delivered, all of these savings are detailed in the table below:

Saving Activity	Saving to be Delivered in 2022/23 (£000)	September 2022		Narrative
Development of battery storage site	100	100	G	
Reduction in MBT Insurance	650	650	G	
Additional income from increased sales of recyclates	800	800	G	
Review Countryside fees and charges	20	20	A	Uptake being monitored during 2022/23.

Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

Capital Programme

Performance Summary - Capital

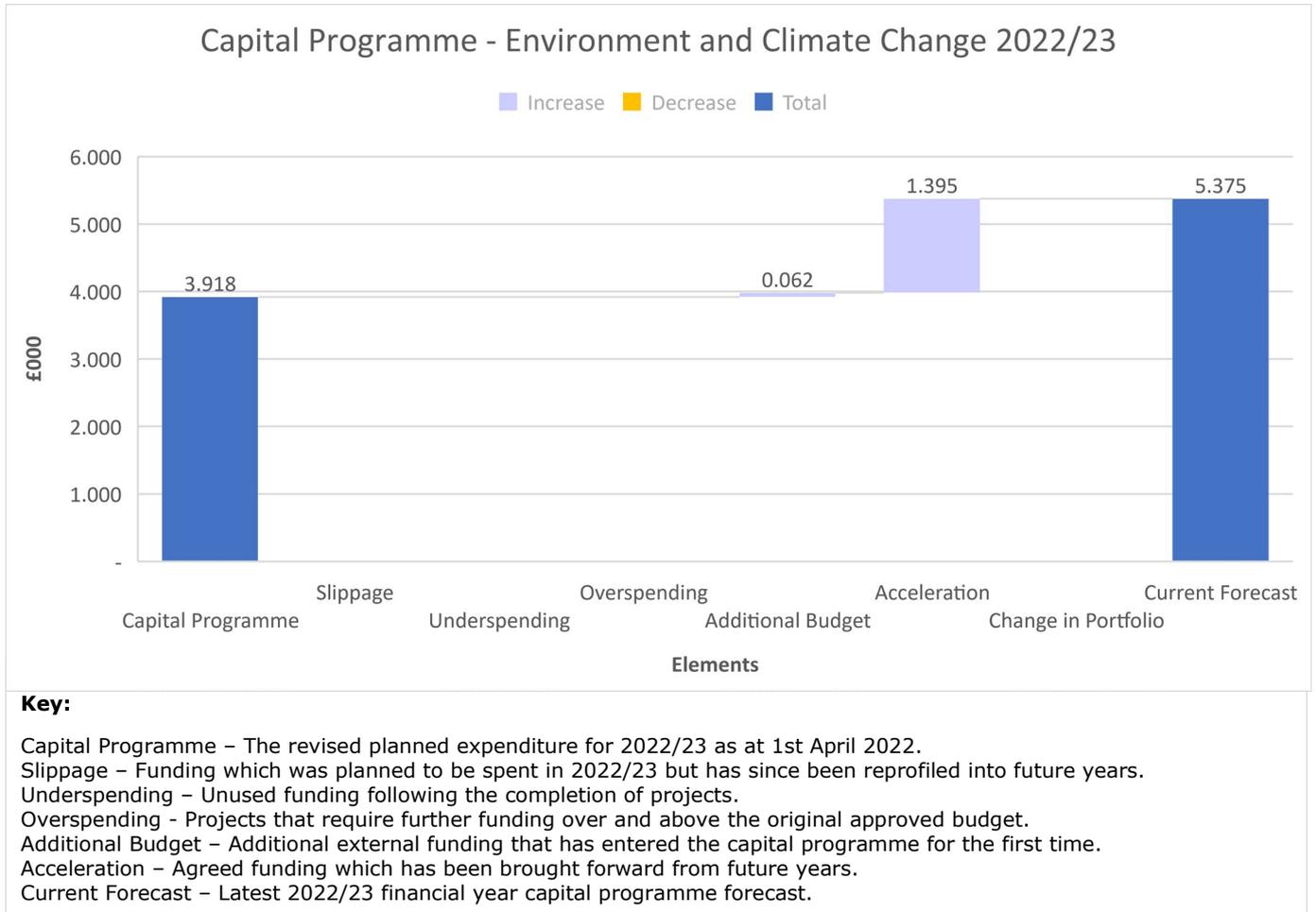
14. There are 10 schemes within the portfolio. Six of the schemes in delivery are rated green, indicating that the project is reporting to plan. Two projects are rated amber, indicating that there is an issue but that it could be dealt with by the project manager or project delivery team and two schemes are within their final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

Scheme	RAG Status at Sep 2022	Reason	Latest RAG Status	Updated Position
Carbon Reduction (Salix Recycling Fund – CHP)	AMBER	Issues with CHP not operating as expected	AMBER	
Schools Solar PV Installation	AMBER	Quality issues caused by one installer has caused some disruption to the programme.	AMBER	Rectification of works underway and dialogue regarding compensation is continuing.

Finance Summary - Capital

15. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £4.034m for 2022/23. £0.116m of budget, originally profiled to spend in 2022/23, was accelerated into 2021/22, revising this year's capital programme to £3.918m.

16. Since this time, the profiled spend has increased overall by £1.457m, to give a current year end projection for 2022/23 of £5.375m. Of this increase, £0.062m relates to the allocation of additional budget and £1.395m relates to projects where funding has been accelerated from future years.



17. Details of the financial profiling movements within the capital programme between July and September are as follows:

- **Additional Budget: £0.062m. Movement since Q1 report: £0.000m**
- **Acceleration: £1.077m. Movement since Q1 report: £0.318m**
 - **Climate Change, Climate Net Zero: £0.295m.** Works have progressed quicker than first anticipated therefore funding has been accelerated from 2023/24 into 2022/23.
 - **Faygate: £0.023m.** Works have progressed quicker than first anticipated therefore funding has been accelerated from 2023/24 into 2022/23.

18. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

19. The following table summarises the risks within the corporate risk register that would have a direct impact on the portfolio. Risks to other portfolios are specified within the respective portfolio sections.

Risk No.	Risk Description	Previous Quarter Score	Current Score
CR73	If there is a failure to adequately prioritise, finance and resource our efforts to deliver on WSCC Climate Change commitments (e.g., 2030 Carbon Neutrality), there is a risk that there will be insufficient capacity and capability to complete the necessary actions within the required timeframes. This will lead to prolonged variations in weather and adverse impacts on WSCC service provision.	12	12

20. Further detail on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.