

Environment and Climate Change Portfolio - Summary

Performance Summary

1. The Portfolio has a number of performance highlights to report this quarter:


- The County's first business-led local energy community launched in March 2023. Working with the Manor Royal BID, the County Council played a key role in creating Re-Energise Manor Royal which has been established as a Community Benefit Society and is working on behalf of its member businesses to invest in clean energy and increase the amount that is generated, shared and used across the business district. The County Council has been shortlisted for a national Association of Decentralised Energy (ADE) award for its role in the project.
- Since January, 43 more staff have attended Carbon Literacy training bringing the total number of certified staff and members to almost 300 and making the County Council one of the few Bronze-level recognised local authorities by the Carbon Literacy Project. The Sustainability Team is working with Learning and Development to develop e-learning modules to help even more officers, executive leadership and members complete the training.
- The County Council has agreed on a policy framework to advance its climate-positive investment work. This framework will drive the upcoming feasibility study and land use policy that will ensure the council can achieve its carbon net neutrality and climate resilience objectives. This has involved close collaboration with officers and leaders across the County Council and represents a new area of work for local authorities.
- The County Council helped to coordinate the update to the Sussex-Air Breathing Better Air Quality Report. This involved identifying where and how the partnership, which included districts and borough councils, have taken action to address poor air quality across West Sussex. A number of significant actions have taken place that minimise air pollution including the continued expansion of community EV charge points, undertaking of three Active Travel Fund schemes in Findon, Shoreham and Drayton, and updated business travel policies that aim to reduce staff business mileage.
- A collaborative project has continued with Chichester College, Crawley College and Chichester University to improve the engagement and reach of 15–24-year-old residents, to inspire waste prevention and empower students and staff to demonstrate positive recycling and waste reduction behaviours. Due to the consistency between recycling on campus and recycling at home, this project will have a greater impact on waste prevention and recycling practice in West Sussex homes. Key updates include installing free battery collections across all sites, the trial of disposable vape bins, free coffee pod collections, and the swapping of takeaway containers to reusable crockery. Workshops have also been delivered to students and staff.
- The Environment Agency published new guidance in December 2022 on the collection, storage and disposal of fabric-covered soft furnishings containing


chemicals classed as persistent organic pollutants (POPs), which should not be disposed of in a landfill. The main impact of this change is for the County Council to segregate this material at the Recycling Centres and find alternative disposal routes to ensure that all upholstered waste domestic seating is incinerated, unfortunately this comes at a higher cost than the previous disposal route, which was landfill. The Recycling and Waste Team have been engaging with officers from district and borough councils over the change and provided advice as required. Working with our contractor, we were able to secure an alternative route for the material and are in compliance with the guidance.

- West Sussex County Council has been ranked 4th out of 29 disposal authorities for 2021/22; up one place from previous year and up 0.6% to 53.7% of waste reused, recycled, or composted. Data shows authorities recycle percentages ranged from 58.2% down to the lowest at 25.5%. For residual waste per household West Sussex County Council remain in 5th position out of 29 with 467.3 kgs/household but have decreased by 5.3kgs/household since last year. Lowest is Oxfordshire at 413.1kgs and highest is East London Waste Authority at 709 kgs. The landfill percentage for West Sussex is at its lowest rate since records began at 7%.
- During the quarter, officers continued to engage in the development of three Nationally Significant Infrastructure Projects, which will require approval from the relevant Secretary of States under the statutory Development Consent Order process; the County Council is a statutory consultee in the process. This has included working with Gatwick Airport Limited on the Northern Runway Project, which seeks to bring the standby/maintenance runway into routine use; the application for consent is due to be submitted in the summer. Officers responded to the further consultation on the onshore cable route for Rampion 2, which is the proposed extension to the existing wind farm off the Sussex coast; the application for that scheme is also due to be submitted in the summer. Work on the A27 Arundel Bypass continued until the scheme was paused by the Government in March 2023.

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
22	Measure: Equivalent tonnes (te) of CO2 emissions from WSCC activities (CC) Reporting Frequency: Quarterly, Accumulative. 	29,910 CO2te	Sep-22	Dec-22	Mar-23	
			G	G	G	
			9,742 CO2te	17,798 CO2te	27,442 CO2te	↓

Environment and Climate Change		2022/23 Target	Performance Over The Last 3 Periods			DoT
<p>Performance Analysis: Mar-23: Recorded carbon emissions for the quarter total 9,644 tonnes, amounting to a decrease of 14% compared to the same baseline period. This reduction primarily results from reduced electricity and gas demand compared to that of the baseline period. This was largely due to electricity grid decarbonisation, building decarbonisation works and a warmer winter period which resulted in reduced heating demands. However, there was an increase in transportation related emissions largely due to improved data recording (e.g., the inclusion of hired car mileage into our corporate fleet emissions tracking). Overall emission performance for the 2022/23 (27,442t CO2e) year met the targeted annual emissions outlined in our council plan (29,910t CO2e). Previous quarters have been reconciled and updated.</p> <p>Actions: Work continues on the actions set out in the Carbon Management Plan to achieve net zero carbon by 2030.</p>						
23	<p>Measure: Household waste recycled, reused or composted (CC)</p> <p>Reporting Frequency: Quarterly, Reported two quarters in arrears.</p> 	55.0%	Mar-22	Jun-22	Sep-22	
			53.7%	53.5%	52.9%	↓
<p>Performance Analysis: Mar-23: The recycling rate for the second quarter of 2022/23 decreased (2.96%) when compared to the same quarter in 2021 but the difference is within the margins expected through variables, notably volumes of wood stockpiled prior to offtake into the wood products market.</p> <p>Compared to the previous 12-month rolling figure, total local authority collected waste has also decreased. The return to pre-pandemic waste levels may be a result of either reduced working from home and / or the increases in the cost of living.</p> <p>The final statistics for 2021-2022 were released by DEFRA on 24th March 2023 and therefore the 53.7% for March 2022 is now an audited figure.</p> <p>Actions: Our contractor has informed us that the current stockpile is in the process of being cleared and has significantly reduced between September and November 2022, with the goal of being cleared entirely by March 2023.</p>						

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 less recharges to third parties	£1.394m	Additional Solar and Battery Farm income due to an increase in unit prices	(£2.159m)	
Additional cost on waste contracts above budgeted inflation	£1.826m	Additional income from sale of recyclable material	(£1.693m)	
Additional waste tonnage largely due to Adur and Worthing bin strike in March 2022	£0.374m	Net waste disposal and recycling volume reduction – favourable waste profile	(£1.801m)	
Countryside Services – Inflation and demand pressures	£0.150m	One-off 2017/18 waste recycling contract settlement agreement	(£1.730m)	
Countryside Services – Delays in delivering additional income saving	£0.020m			
Other minor variations	£0.186m			
Environment & Climate Change Portfolio - Total	£3.950m		(£7.383m)	(£3.433m)

Significant Financial Issues and Risks Arising

3. There are no significant issues to raise this quarter.

Financial Narrative on the Portfolio's Position

4. The 2022/23 financial outturn position for the Environment and Climate Change Portfolio is an underspending of £3.433m. This is an increase in underspending of £0.453m when compared to the £2.980m underspend forecast in December. The main movement during this quarter relates to a reduction in the expected cost of corporate utilities expenditure.
5. In relation to **corporate utilities**, occupation of County Council buildings in 2022/23 was broadly similar to the 2021/22 usage. Gas and electric rates rose sharply across Europe in-year due to a combination of factors including the conflict in Ukraine which added a considerable premium to market prices. The council's forward-buying strategy mitigated, to an extent, the impact of the 2021/22 increases, however as the value of the commodities continued to increase, a hedging strategy could not completely protect the County Council from these rises in 2022/23. The Government's Energy Bill Relief Scheme (EBRS) covering the period October 2022 to December 2023 has helped to partially mitigate the rising costs in year. In addition, some of our buildings are used by third party organisations, therefore a number of charges for the use of utilities have been raised. All these factors have resulted in a £1.394m net overspend on corporate utilities.
6. The 2022/23 the **waste contract inflation budgets** were set on the September 2021 RPI rate of 5%, whereas the contracts are uplifted annually based on the February RPI, which equated to 8.2% for 2022/23. This resulted in a £1.826m budget pressure.
7. **Countryside Services** have experienced inflation and demand pressure of £0.150m this year and a £0.020m undelivered saving relating to fees and charges.
8. Due to a combination of favourable weather conditions and unit prices, **Solar and Battery projects** provided a £2.159m surplus income in 2022/23. This is despite some income loss due to a technical issue with the battery modules at the Westhampnett site between mid-September 2022 and early January 2023.
9. The 2021/22 financial year saw then-record **recyclate rates** with values largely continuing to rise throughout the year. The start of 2022/23 saw further increases in the rates but in the second half of this year, a sharp drops occurred across virtually all material streams with values heading back towards or even below pre-pandemic values.
10. The largest driver of recycling income is waste paper and the value of this commodity strengthened from +£95 per tonne in March 2022 to a high of +£124 in August 2022. However, the value then decreased significantly, falling to +£18 in November 2022, its lowest level since August 2020 and an 85% drop in value since August 2022. Waste paper has since strengthened slightly back to +£25 per tonne in March 2023. Due to the high value of recyclable material generally (particularly waste paper) during the first half of the year a £1.693m surplus of income was achieved in 2022/23.

11. The **Household Waste Recycling Sites (HWRS)** have seen waste volumes around 3% above 2021/22 tonnages this year. Additional waste came through the system in the early part of the year due to the impact of the delayed waste received from Adur and Worthing as a result of GMB strike action between 12th March 2022 and 12th April 2022.
12. The **Material Recycling Facility (MRF)** has seen 5% higher than budgeted waste volume due to the increase in household waste recycling collected at kerbside in part due to continued home working arrangements. This has however decreased from around 11% in the period to June.
13. However, the prolonged period of hot, dry weather has reduced the growing season considerably. This summer, there was a reduction of c.8,000 tonnes of garden waste compared to the same period in 2021. This large reduction in green waste helped to mitigate the waste disposal pressure and produce a net underspend of £1.801m.
14. **2017/18 Waste Recycling Contract Settlement.** Following a review by the Waste Team of the contractual and accounting obligations under the Recycling and Waste Handling Contract, it was agreed that a £1.730m repayment was due to the County Council relating to the year-end cash position of the service provider in 2017/18. This repayment was received in February 2023.

In-year Revenue Grant Update

15. Since the creation of the 2022/23 Budget, a number of new grants have been awarded. Details of new grants are added to quarterly Performance and Resources Reports throughout the year.
16. These additional funds have/will be utilised in accordance with the grant determination.

New In-Year Grant - Name and Details	(£)
Local Nature Recovery Strategy - Grant funding has been provided by Defra to build capacity to deliver the new responsibilities on Planning Authorities under the Environment Act 2021.	£32,500
Biodiversity Net Gain Grant - Funding has been provided by Defra to build capacity to deliver the new responsibilities on Planning Authorities under the Environment Act 2021.	£26,800

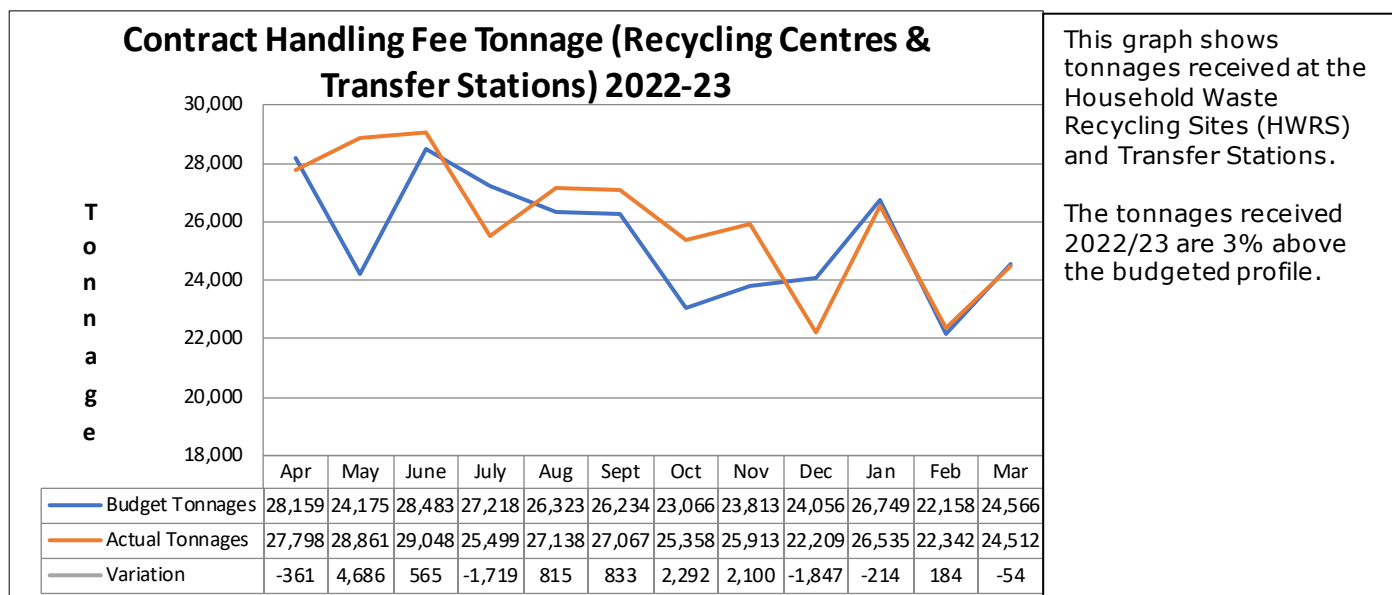
Proposed Carry Forward Requests

17. A number of carry forward requests have been processed during the closure of the accounts, including the following item within the Environment and Climate Change Portfolio:

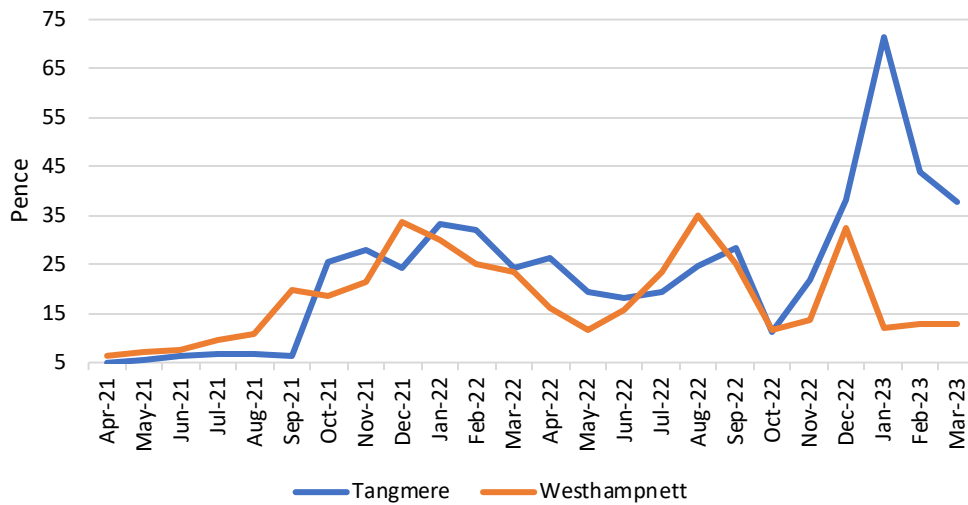
2022/23 Carry Forward Requests	Amount
Planning Services - Local Nature Recovery Strategy - Grant funding has been provided by Defra to build capacity to deliver the new responsibilities on Planning Authorities under the Environment Act 2021, which are expected to be rolled out during 2023. Local Nature Recovery Strategy funding was received in January 2023.	£32,500
Planning Services - Biodiversity Net Gain Grant - Funding has been provided by Defra to build capacity to deliver the new responsibilities on Planning Authorities under the Environment Act 2021, which are expected to be rolled out during 2023. Biodiversity Net Gain funding of £26,807 was received in March 2023. The funding is given to develop new systems of planning for nature and biodiversity, which will be undertaken collaboratively with neighbouring authorities.	£26,800
Planning Services - Flood Risk Management - External funding has been provided by the Environment Agency to facilitate flood risk investigation works in Chichester (Parklands Estate) that is needed to inform future works.	£34,800

18. It should be noted that all carry forward balances have specific plans in place and can demonstrate the need of funding over and above set budgets. Any carry forward balance which remains unspent at the end of 2023/24, unless specifically agreed otherwise, will be withdrawn from the carry forward reserve and made available to assist the overall financial position.

Cost Driver Information



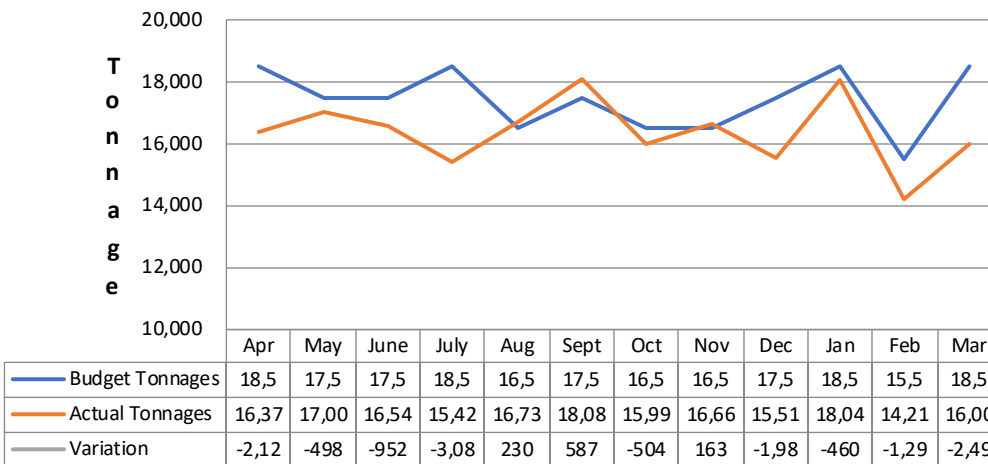
Solar Farm Income Unit Rate - Pence Per kWh



This graph demonstrates the average pence per kWh for both Tangmere and Westhampnett Solar Farms (February 2023 and March 2023 are estimates).

Tangmere’s power is all hedged in advance whereas Westhampnett is never fully hedged due to the battery and is instead subject to a blend of hedging and System Sell Price (intraday market). This difference can produce distinct pricing variations.

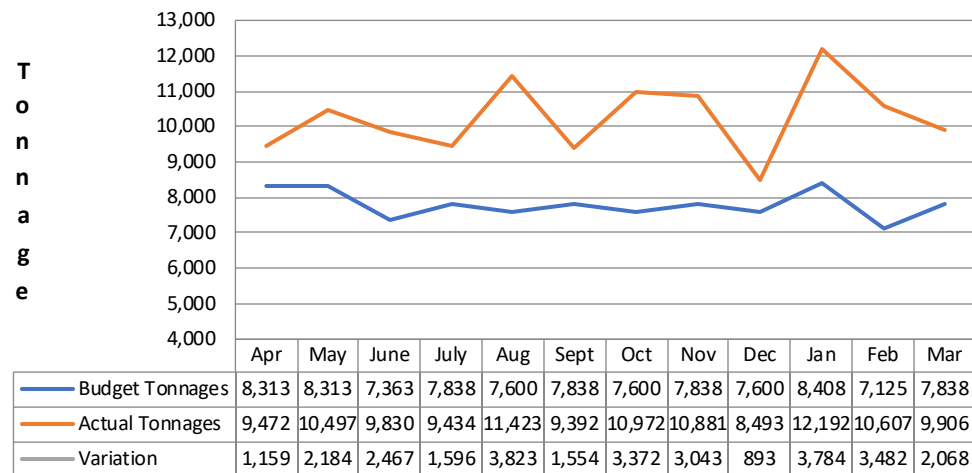
Monthly Tonnage Profile and Actual Waste Entering the MBT and Waste Sent Direct to Landfill 2022/23



Waste is transferred to the Mechanical Biological Treatment Centre (MBT) with a small proportion directly sent to landfill, as the waste is not suitable for treatment through the MBT.

This graph demonstrates a 4% reduction in tonnes sent to the Warnham so far when compared to the forecast profile.

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 were around 31% (29,000 tonnes) above expectation contributing to the reduction in waste sent to landfill.

Savings Delivery Update

19. In addition to the £1.450m of 2022/23 planned savings, there remained £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)	March 2023		Narrative	2023/24 Outlook
		Value	Status		
Development of battery storage site	100	100	G		G
Reduction in MBT Insurance	650	650	B		B
Additional income from increased sales of recyclates	800	800	G		G
Review Countryside fees and charges	20	20	R	Expected to be delivered in 2023/24.	G

Savings Key:

R Significant Risk	A At Risk	G Delivered/ Mitigated In Year	B Delivered On An Ongoing Basis
---------------------------	------------------	---------------------------------------	--

Capital Programme

Performance Summary - Capital

20. There are 13 schemes within the portfolio. Seven of the schemes in delivery are rated green, indicating that the project is reporting to plan. Three schemes are rated amber, indicating that there is an issue but that it could be dealt with by the project delivery team. One is rated red indicating that there are significant issues with the project, requiring corrective action and two schemes are within their final retention phase. An update on the progress of the schemes are detailed in the table below:

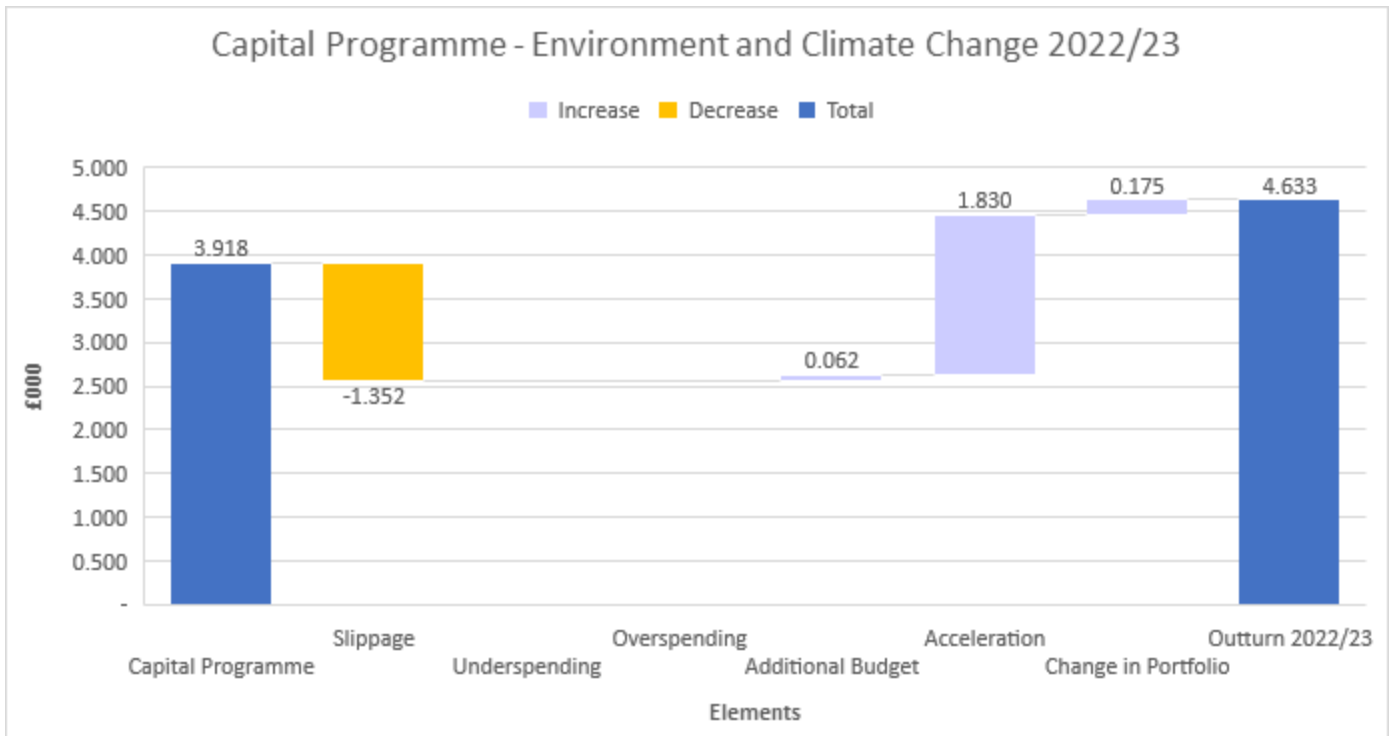
Scheme	RAG Status at Mar 2023	Reason	Latest RAG Status	Updated Position
Asset Decarbonisation - Carbon Net Zero	RED	Value for money to be reconsidered (pending).	RED	Survey and design activity is to programme, but as full review is now required this directly impacts the ability to procure and heightens the risk of completing beyond the deadline set out in the SALIX grant.

Scheme	RAG Status at Mar 2023	Reason	Latest RAG Status	Updated Position
Carbon Reduction (Salix) Programme	AMBER	Survey works ongoing at four schools	AMBER	Further three schools to be surveyed during Summer and October Half Term.
Faygate Site Improvements	GREEN	Investigations on land drains ongoing.	GREEN	Plan remains on target for chamber modifications.
Flood Management	GREEN	Annual programme of works.	GREEN	Not applicable.
Property Maintenance - Carbon Net Zero	GREEN	No issues identified with the Block of 45 Building and Engineering schemes contributing to WSCC net zero target.	GREEN	Progressing to plan.
Your Energy Sussex (YES) - Halewick Lane	AMBER	The process to select a manufacturer and design of the battery system must be restarted as the original proposal was non-compliant.	AMBER	Decision expected in May 2023 for selecting BESS supplier and awarding full contract for delivery.
Operation Watershed	GREEN	Annual programme of works.	GREEN	Funding slipped into the 2023/24 programme.
Your Energy Sussex (YES) - Schools Solar PV Programme	AMBER	Quality issues caused by one installer has caused some disruption to the programme.	AMBER	Solution to rectify the installations at six schools currently under review and expected to be agreed in May 2023.
Your Energy Sussex (YES) - Solar Battery PV corporate sites and schools	GREEN	Programme Team being mobilised. 37 schools have indicated interest.	GREEN	33 further school sites on waiting list.
General After Care Works - Waste	GREEN	This programme of works has been completed for 2022/23.	GREEN	Not applicable.
Waste Transformation Capital Receipts Funding	GREEN	Funding from capital receipts.	GREEN	Not applicable.

Finance Summary - Capital

21. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £4.034m for 2022/23. Budget of £0.116m, originally profiled to spend in 2022/23, was accelerated into 2021/22, revising this year's capital programme to £3.918m.
22. During the year, the Environment and Climate Change Portfolio spent £4.633m on its capital programme, a reduction of £1.132m when compared to the profiled spend reported in December 2022. Investment in the year focussed upon the Halewick Lane Battery Storage Farm and Carbon Net Zero Property Maintenance

projects which will both contribute towards the County Council’s net zero carbon target.



Key:

Capital Programme – The revised planned expenditure for 2022/23 as at 1st April 2022.
 Slippage – Funding which was planned to be spent in 2022/23 but has since been reprofiled into future years.
 Underspending – Unused funding following the completion of projects.
 Overspending – Projects that require further funding over and above the original approved budget.
 Additional Budget – Additional external funding that has entered the capital programme for the first time.
 Acceleration – Agreed funding which has been brought forward from future years.
 Outturn 2022/23 – Total capital programme expenditure as at 31st March 2023.

23. Details of the main movements since December are as follows:

- **Slippage: (-£1.352m). Movement since Q3 report: (-£1.337m)**
 - **YES Schools Solar PV Programme – (-£0.272m)** – Balance of funding held within project whilst a review is conducted with the possibility of an underspend being declared in the future.
 - **Operation Watershed – (-£0.367m)** – Payments of £0.2m expected to be made in April 2023 following decisions taken on the applications for funding. The remaining balance will be utilised in future years.
 - **Waste Transformation Capital Receipts Funding – (-£0.256m)** – Following a review of the current active projects with district and boroughs, some project funding has been returned in year.
 - **YES - Halewick Lane – (-£0.245m)** – A re-run of the competitive tender process to select a battery designer and manufacturer has led to a delay. The re-run of the tender process is now complete, however as a result of this delay, the phase two civil works contract has been

paused. Consequently, £0.245m of funding has been reprofiled into future years.

- **Additional Budget: £0.062m. Movement since Q3 report: £0.000m**
- **Acceleration: £1.830m. Movement since Q3 report: £0.205m**
 - **Climate Change, Climate Net Zero: £0.205m.** Works have progressed quicker than first anticipated therefore funding has been accelerated from 2023/24 into 2022/23.
- **Change In Portfolio: £0.175m. Movement since Q3 report: £0.000m**

24. The latest Capital Programme Budget Monitor is reported in **Appendix 3** and full details of all individual schemes are set out in the [Budget Report](#) published in February 2022.

Grants Update - Capital

25. Since the approval of the Capital Programme in February 2022, a number of grants have been awarded. These allocated are required to go through governance and will ultimately be added to the five-year Capital Programme. In recent months, the County Council has been notified of the following grant.

New Capital Grant Notification	Value (£)
Public Sector Decarbonisation Fund – An application for further funding was accepted towards heat decarbonisation and energy efficiency measures.	£2,364,000

Risk

26. 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.

27. Although there were no overall changes to the scores during the period 1st January – 31st March 2023, a number of updates have arisen since this time and are included within the Corporate Risk Register Summary in **Appendix 4** and summarised below. These updates will be presented to the Regulation, Audit and Accounts Committee at their next meeting on 17th July 2023.

Risk No.	Risk Description	Previous Quarter Score	Current Score
CR73	<p>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.</p>	12	Risk closed – superseded by CR73a and CR73b
CR73a	<p>Climate Change Mitigation - If there is a failure to adequately prioritise, finance, resource and embed into BAU our efforts to decarbonise in alignment with the commitments made in the Council's Climate Change Strategy, there is a risk that there will be insufficient capacity and capability to fully deliver the necessary actions within the stated timeframes. This will lead to additional resource strain, higher demand on capital programmes and threaten organisational reputation.</p>	-	12
CR73b	<p>Climate Change Adaptation - West Sussex faces the high risk of increasing impacts of climate change including extreme heat, severe storms, flooding and sea level rise, among others. Without proactive consideration of and preparation for these impacts, WSCC assets, service delivery and West Sussex residents are at increased risk of damage, disruption and injury. This will lead to protracted service disruptions, dangerous conditions and increased reliance on emergency services. In the longer term this could lead to displacement of residents and businesses in vulnerable, lower lying areas.</p>	-	12

28. Further detail on all risks can be found in **Appendix 4** - Corporate Risk Register Summary. Full details of the latest Risk Register, including actions and mitigations can be found under the County Council's [Regulation, Audit and Accounts Committee Agenda](#) website.