

# Environment and Climate Change Portfolio - Summary

## Performance Summary

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

- West Sussex County Council responded as a statutory consultee to the formal consultation by National Highways on the A27 Arundel Bypass, a nationally significant infrastructure projects that is being taken forward under the statutory Development Consent Order (DCO) process. Responding to the consultation within the tight externally imposed timeframe involved extensive partnership working internally and externally with other consultees and key stakeholders in the DCO process.
- The County Council also responded to a number of formal and informal consultations by the Government relating to matters in the Environment Act 2021, including Biodiversity Net Gain, Local Nature Recovery Strategies (LNRS), and Protected Landscapes. Responses were also being prepared to consultations on related matters including a Nature Recovery Green Paper and proposed targets for waste, water, air quality and biodiversity.
- The County Council was provisionally appointed by the Government to prepare a Local Nature Recovery Strategy (LNRS) for West Sussex, which will involve extensive partnership working over coming years with partners authorities, East Sussex County Council and Brighton and Hove City Council, and key stakeholders, including the District and Borough Councils, the South Downs National Park Authority, the Sussex Nature Partnership, the Sussex Wildlife Trust, Natural England, and major landowners.
- A revised business case for the Halewick Lane battery site was also approved. A combination of the expanded system size (24MW) and a change to new, or 'first life' batteries rather than recycled 'second life' units will improve value for money. Having secured the £23.6m investment, the County Council is procuring a contractor for detailed design and build.
- Heat Decarbonisation Plans have been produced for 50 County Council buildings, including County Hall and Parkside, to show where fossil fuel systems could be replaced by low carbon technologies such as heat pumps. The plans were funded by a successful £326,000 bid to the Government's Low Carbon Skills Fund.
- The Energy Services Team acted swiftly to put in place temporary arrangements for the operation and maintenance of the Council's Tangmere and Westhampnett solar farm sites after its contractor, unexpectedly went into administration. An interim contract was let while permanent arrangements are finalised. The rapid response ensured the performance of the solar farms was not affected.
- Work commenced on a long-term programme of decarbonisation works prioritising amongst 50 sites on the basis of the potential emissions savings, avoiding disruption to the ongoing delivery of council services and value for

money. This will also consider the future arrangements for council employees to undertake office-based working as part of the council's Smarter Working initiative. A similar set of studies is in the pipeline to assess carbon savings potential across a representative set of West Sussex schools.

- Work commenced to evaluate and prioritise amongst the many procurements the council undertakes to identify the most carbon intense activities, assess the viability of reducing their impact and what the market can deliver. This will result in a long-term programme of action to design services on a lower carbon basis, incorporate environmental criteria into procurement specifications and supplier contracts.
- Following Public consultation in quarter three, Cabinet approved that the pilot Recycling Centre booking system at the Bognor Regis, Crawley, Horsham, Littlehampton, Shoreham, and Worthing sites, in place since April 2021, should be made permanent. Same day booking was trialled as a service enhancement at Worthing and rolled out to all booking scheme sites in March.
- Cabinet gave approvals for the future variation of the Materials Resource Management Contract to allow for the processing of source-segregated food waste and the production of loose Refuse Derived Fuel (RDF) at the Mechanical Biological Treatment facility located at Warnham, Horsham. The commencement of a procurement for the disposal of RDF until 2035 (with possible extension until 2040) was also approved.

## Our Council Performance Measures

Environment and Climate Change		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
22	Equivalent tonnes (te) of CO2 emissions from WSCC activities (CC)  Reporting Frequency: Quarterly, Accumulative. Showing Previous Data Annually	30,521 CO2te	Sep-21	Dec-21	Mar-22		Mar-22: • Carbon emissions for Q4 totalled 10,314 tonnes of CO2e, -9% vs 20/21 and -8% vs the 19/20 baseline. This retains performance in-line with targeted 2021/22 total emissions volume. • Heat demand was the primary emission source, owing to the winter months covered within this quarter. Demand was though reduced compared to 20/21, in part due to warmer external temperatures. • Recorded 21/22 carbon emissions have matched our targeted KPI of a 10% reduction against the 19/20 baseline. • Heat demand from the Schools Estate remained the largest recorded source of carbon emissions. • Total carbon emissions from the Schools Estate rose marginally, with onsite activity increasing as the impact of covid restrictions dissipated. This increase was partly offset by reduced emissions within the Corporate Estate. • Business Transport related emissions showed a minor increase across the year as activity returned post Covid-19 restrictions, though remains significantly lower than pre Covid-19 levels.	Work continues on the actions set out in the Carbon Management Plan to achieve net zero carbon by 2030.
			10,733 CO2te	20,086 CO2te	30,400 CO2te	↗		

Environment and Climate Change		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
23	Household waste recycled, reused or composted (CC)	54.0%	Jun-21	Sep-21	Dec-21		Mar-22: Performance for the 12 rolling months ending December 2021, has exceeded the target for 2021-2022. The recycling rate usually falls back during quarters 3 and 4, and for quarter 3 the rate only dropped 0.1% compared to quarter 2. Total household waste, and household waste sent for recycling, reuse or composting has decreased very slightly when compared to the previous 12 month rolling figure. Waste Collection Authority and Recycling Centre recydate has dropped at a marginally higher rate than residual tonnages, explaining the very small decrease on the September 2021 rate. The increase in the cost of living is highly likely to reduce household waste levels going forward, although the impact on the recyclable proportion is harder to predict.	The 55.3% reported for December 2021 is the highest rate for West Sussex since Waste Data Flow records began and continues to exceed the 2022 target of 54%. Work continues to sustain the high levels of wood recycling achieved over the past few years at the RCs. In addition to this hard plastics are now being accepted for recycling at a number of RCs and a reuse centre is running successfully at Billingshurst with the potential for expansion. Improvement Projects with the District and Boroughs continuously seek ways to improve performance including, in some areas, implementing the separate collection of waste electrical and electronic equipment, textiles and batteries. Uncertainty prevails for when Local Authorities will be required to arrange for the separate collection of food waste from households. Once clarity is received, further fundamental work can be undertaken to ensure that West Sussex complies with the policies stated in the Environment Act 2021.
			53.8%	55.4%	55.3%			

## Finance Summary

### Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure	£0.233m	Funding from Covid-19 grant	(£0.233m)	
Unit price increase on energy tariffs, affecting corporate buildings	£0.515m	Increase in recydate income	(£2.150m)	
Net increase waste tonnages	£0.260m	Additional Solar and Battery Farm income due to an increase in unit prices	(£1.030m)	
Other minor variations	£0.168m	In year underspending from homeworking/underspend on corporate utility usage – (reduced usage within Corporate buildings)	(£0.300m)	
		Increase in planning income	(£0.120m)	
<b>Environment &amp; Climate Change Portfolio - Total</b>	<b>£1.176m</b>		<b>(£3.833m)</b>	<b>(£2.657m)</b>

### Significant Financial Issues and Risks Arising

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

### Financial Narrative on the Portfolio's Position

- The 2021/22 outturn position for the Environment and Climate Change Portfolio is an underspend of £2.657m. This is an increase in the underspending position of £0.292m when compared to the £2.365m underspend forecasted in December. The main movements during this period relates to an increase in

waste recycle income and additional income generated by our solar and battery storage farms due to an increase in unit prices.

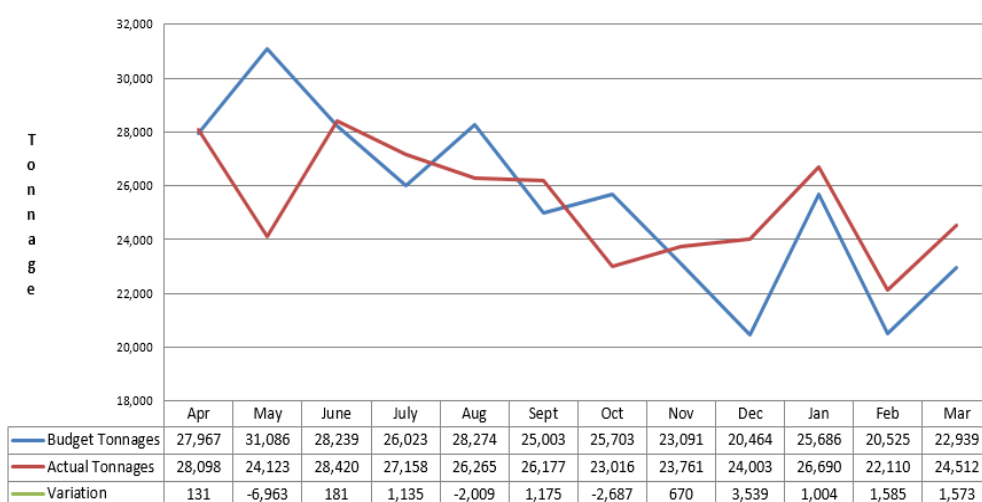
## **Review of the 2021/22 Financial Year**

4. The Waste Service experienced a more stable year in 2021/22, with the avoidance of significant restriction and the national lockdowns of the previous year. Overall waste volumes have been slightly lower than in 2020/21 due to a number of factors including:
  - the implementation of the booking system at a number of Recycling Centres,
  - residents returning to their workplaces in greater numbers
  - the lifting of Covid-19 restrictions which has enabled residents to undertake activities outside of the home.
5. The Household Waste Recycling Sites have seen overall waste volumes in line with budgeted tonnages. The data shows that the Material Recycling Facility (MRF) has received around 7,500 tonnes (10%) more than estimated due to the increase in household waste recycling collected at kerbside in part due to continued home working arrangements.
6. Waste disposal tonnage volumes have been around 4% above budget. This increase in waste is largely due to residents disposing of more waste at home, rather than workplaces and other business venues due to Government Covid-19 restrictions. Overall, the overspend on net waste tonnage in 2021/22 due to the increased volumes was £0.260m.
7. As at the end of 2021/22, we generated £2.150m of additional recycle income due to the strong value of commodities and a small increase in the volume of recycling. Overall, we have seen a general upward movement in the value of recycle. The largest driver of recycling income is waste paper and the value of this commodity strengthened from +£55 per tonne in March 2021 to a high of +£102 in September 2021. The value of this commodity has since fallen away slightly to £88 per tonne in February 2022, reminding us of the volatility of these markets. Other paper and card product values have stabilised or increased slightly over the past couple of months.
8. Prices for recycle continue to be subject to global market influences reflecting the international nature of commodity supply and demand. The easing of pandemic restrictions and subsequent behavioural changes may also impact the volume of recyclables in the system, and we will continue to review values and volumes into the new year.
9. The value of energy generated by our Solar and Battery Storage Farms has been increasing steadily since the end of 2020/21 and has seen sharp upward movement in recent months. An additional £1.030m of additional income has been generated this financial year as a result of market forces. It is important to note that, corporately, some of the gain in income from the solar projects has offset the increased cost in corporate utilities arising from the higher unit rate.

10. Although most County Council buildings have been operating with reduced occupancy and consumption during the year, the utilities budget has overspent, with price increases of 20% on electricity and 40% on gas leading to a £0.515m overspend. This has been partly mitigated from savings of £0.300m following a reduction in building occupancy as staff worked from home in accordance to government guidelines. It is important to note that the hedging strategy adopted by our broker LASER Energy Buying Group has likely resulted in a circa.40% cost avoided on prevailing power prices and circa.52% on prevailing gas prices.

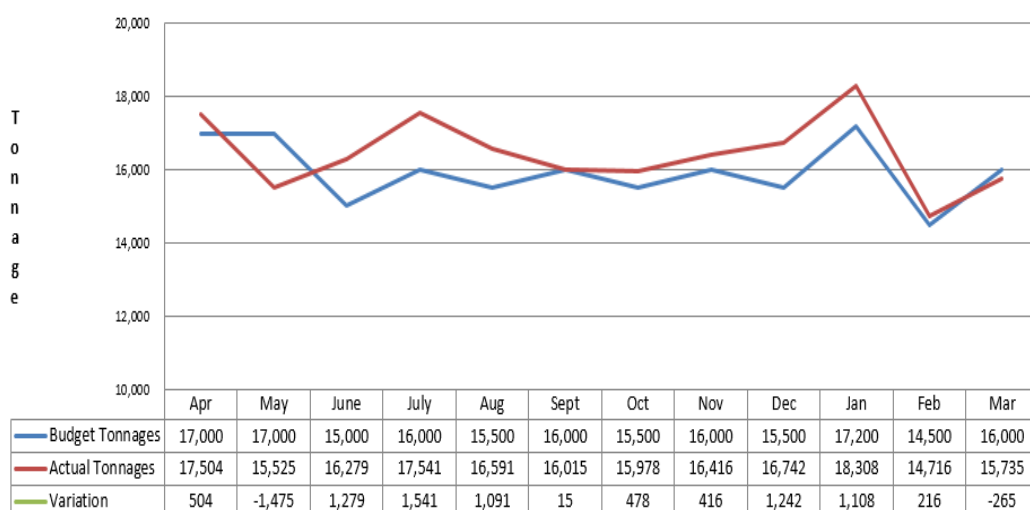
## Cost Driver Information

**Contract Handling Fee Tonnage (Recycling Centres & Transfer Stations) 2021-22**



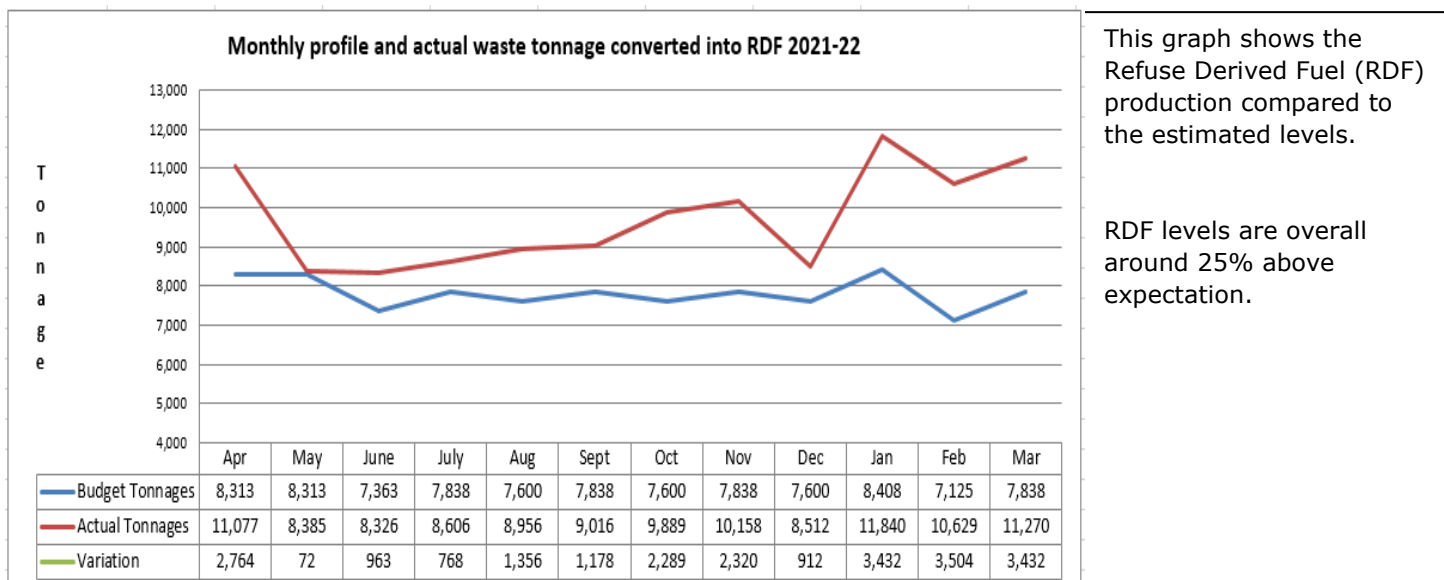
This graph shows tonnages received at the Household Waste Recycling Sites (HWRS) and Transfer Stations.

**Monthly tonnage profile and actual waste entering the MBT and waste sent direct to landfill 2021-22**



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 tonnes sent to the Warnham Mechanical Biological Treatment site for each month compared to the forecast profile and shows volumes at 4% higher than budgeted.



## Savings Delivery Update

11. The portfolio has a number of 2021/22 savings included within the budget. Details of these savings are included in the table below:

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Review Countryside Fees and Charges	20	20	G	Shortfall mitigated within the budget in 2021/22 Uptake to be monitored in 2022/23.	G
Community support for the mobile Household Waste Recycling Sites (HWRS)	50	50	B		B
Restructure of Waste Prevention budgets	128	128	B		B
Restructure of Electricity Budget	190	190	B		B
Development of battery storage site	100	100	G	The pandemic has led to some timing delays on the Halewick Lane project. This specific project is now expected to be completed in May 2022. Additional solar income during 2021/22 has enabled this saving to be delivered this year.	G
Charge for monitoring travel plans	50	50	G	New charge unlikely to deliver additional income until 2022/23 due to timescales associated with developer agreements. Shortfall is currently mitigated through over-achievement of other planning income within the budget.	G
Review of agency staff	2	2	B		B

### Savings Key:

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

## Capital Programme

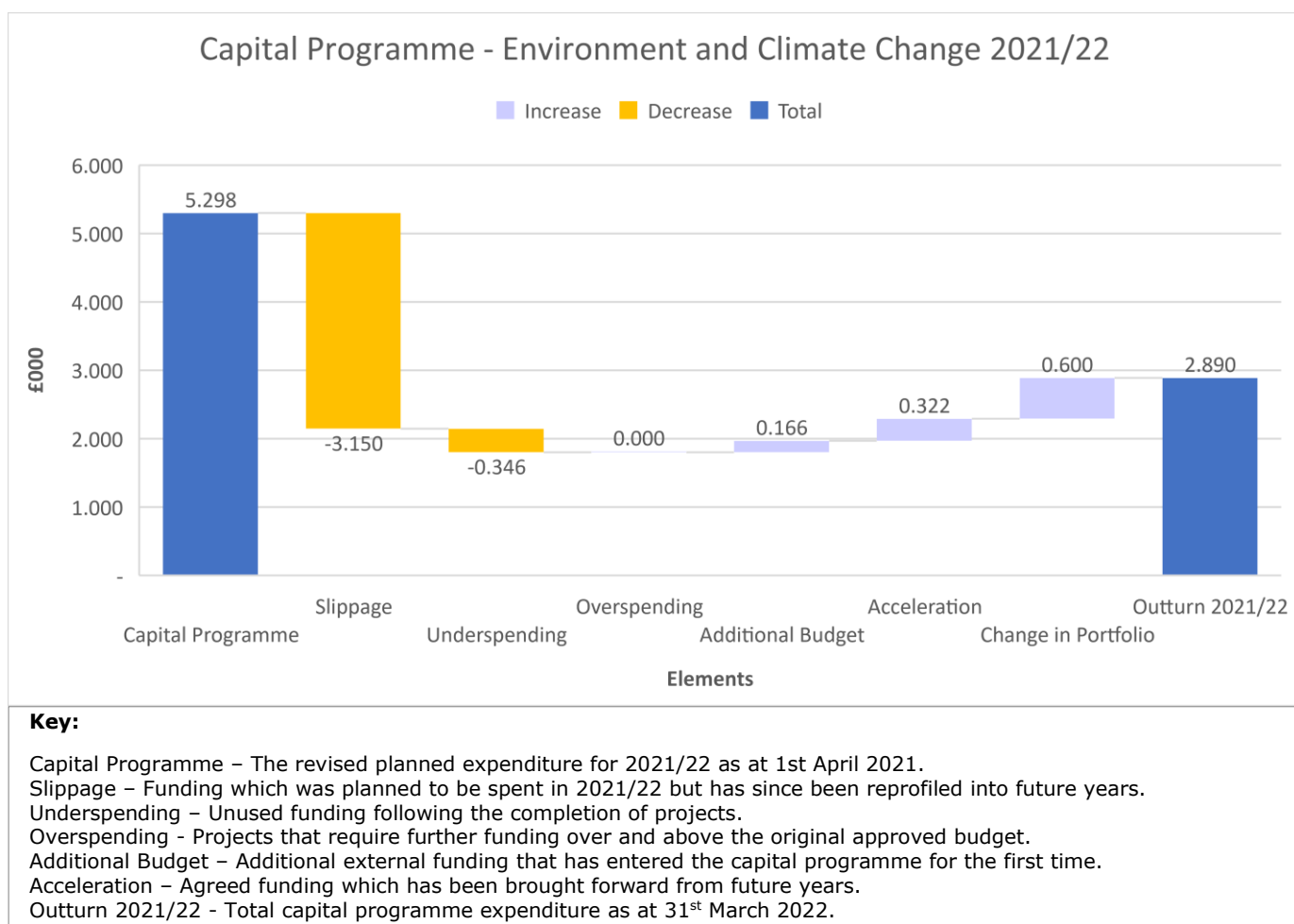
### Performance Summary - Capital

12. There are 11 schemes within this portfolio; nine of the schemes in delivery are rated green, indicating that the schemes are progressing as planned, and two is rated amber indicating that there is an issue but that it could be dealt with by the project manager or project delivery team. An update on the progress of the scheme not rated green is detailed in the table below.

Scheme	RAG Status at 31 <sup>st</sup> March	Reason	Latest RAG Status	Updated Position
Schools Solar PV Installation	AMBER	Rectification of quality issues caused by one installer has caused some disruption to the programme.	AMBER	Remedial works in hand and compensation being sought.
Carbon Reduction	AMBER	Defects with Parkside Combined Heat and Power unit.	AMBER	Revised remedial programme received from contractor. Expected resolution date Apr 2022.

### Finance Summary - Capital

13. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £4.613m for 2021/22. £0.685m of expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £5.298m.
14. During the year, the Environment and Climate Change Capital Programme spent £2.890m, a reduction of £1.873m when compared to the profiled spend in December 2021.



15. Details of the movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£3.150m). Movement since Q3 report: (-£2.415m).**
  - **Halewick Lane (YES) – (-£1.320m)** – A delay has occurred due to negotiations for land consent whilst a Decision is also required to move into Phase Three of the procurement. The Decision is currently progressing through the governance process; therefore, the funding has been reprofiled into future years.
  - **Climate Change Net Zero - (-£0.632m)** – This block allocation of works has not progressed as first anticipated, surveys are ongoing and once received will inform the works that will take place in 2022/23. The funding has been reprofiled.
  - **Flood Management – (-£0.159m)** - Angmering works have been delayed due to ongoing negotiations with the developer for additional funding towards the scheme therefore the funding has been reprofiled into future years.
  - **Operation Watershed – (-£0.138m)** – Internal service governance required for capital grants has meant timings have slipped to April therefore the funding has been reprofiled.



- **Faygate – (-£0.047m)** - Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
- **Schools Solar PV Programme (YES) – (-£0.036m)** - This project is close to completing. £0.016m has been reprofiled into 2022/23 to complete the remaining snagging on the programme.
- **Westhampnett Solar Farm (YES) – (-£0.034m)** - Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
- **Waste General After Care Works – (-£0.028m)** - Scope of works at Sompting gas field site are to be established and quotations sourced, therefore funding has been reprofiled into future years.
- **Schools Solar PV Programme (YES) – (-£0.012m)** - Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
- **Fairbridge Waste Transfer Site - Japanese Knotweed – (-£0.009m)** - This project is close to completing. £0.009m has been reprofiled into 2022/23 whilst the final payments are negotiated.
- **Underspending: (-£0.346m). Movement since Q3 report: (-£0.097m).**
  - **Various Schemes (YES) – (-£0.097m)** – Design expenditure on allocated sites has been completed therefore the remaining funding has been returned to the YES pipeline budget to fund future YES projects
- **Additional Budget: £0.166m. Movement since Q3 report: £0.017m.**
  - **Carbon Reduction: £0.017m.** A small amount of additional budget was required for this project in year.
- **Acceleration: £0.322m. Movement since Q3 report: £0.322m.**
  - **Waste Transformation: £0.300m.** In total, £0.600m of waste collection and disposal efficiency improvements have been undertaken this year meeting the qualifying criteria for capitalisation under the Flexible Use of Capital Receipts regulations. £0.3m had been assumed within the annual profile to be funded in year, leading to a further £0.3m requiring acceleration from 2022/23.
  - **Carbon Reduction: £0.022m.** Funds have been accelerated into 2021/22 as project is progressing quicker than first anticipated.

- **Change In Portfolio: £0.600m. Movement since Q3 report: £0.300m.**
  - **Waste Transformation Project - £0.300m** – Spend in relation to the waste services transformation project, identified as an eligible project under the Flexible Use of Capital Receipts funding, was held in the Support Services and Economic Development Portfolio. All spend relating to this project is now recorded under this portfolio.

## Risk

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

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 <b>insufficient capacity and capability to complete the necessary actions within the required timeframes</b> . This will lead to prolonged variations in weather and adverse impacts on WSCC service provision.	12	12

17. Further detail on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.