

# Environment and Climate Change Portfolio - Summary

## Performance Summary

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

- A bid was made to the Government's Low Carbon Skills Fund (Phase 3) for a further £0.277m to deliver heat decarbonisation plans for schools and corporate sites. The plans will show where heating systems powered by fossil fuels could be replaced by low carbon alternatives. 50 heat decarbonisation plans have already been delivered this year under a previous funding bid worth £0.326m and this work is now being progressed. The outcome of the bid should be known by the end of July.
- £0.1m was secured from Coast to Capital LEP to fund work on water neutrality. The funding will play a key role in enabling partners to co-ordinate and accelerate its work in this area and ensure that new developments in the water-stressed North Sussex Water Supply Zone are water neutral. The funding will cover a dedicated project manager and supporting resources.
- The Energy Services Team supported businesses on Manor Royal to identify a preferred operating model for the Manor Royal Local Energy Community (LEC). The community will be established as a Community Benefit Society, which is a form of co-operative. Once established, the LEC will enable companies to invest in renewable energy technology together and generate, store and share locally generated power and heat. The County Council is supporting the initiative through the Interreg 2Seas-funded LECSea project.
- The WSCC-led Solar Together Sussex scheme to encourage residents to install domestic solar PV and battery systems reached 1,000 installations in June. This amounts to approximately 4MW of total installed generation capacity and a 1,000-tonne reduction in annual CO<sub>2</sub> emissions compared to non-renewable generation. The scheme is on track to deliver a further 500 installations by the end of quarter two.
- By the end of June, facilities for the deposit of hard plastic items were available at five of the 11 Recycling Centres. This 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. Five further sites will be added in quarter two. Unfortunately, the Midhurst Recycling Centre is too constrained for further receptacles of the size required.
- The Re-Use Shop at Billingshurst operated for its first full quarter. The number of donations at the site has picked up markedly and residents can purchase a wide variety of items. A further shop will be opened at one of the Southern Centres later in the year.
- The year-long '1-2-3 collections trial' in partnership with Arun District Council finished in May. The trial system had effectively halved the amount of residual waste for disposal and demonstrated recycling levels that would exceed the Government's 2030 target.

## 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.

Public Health and Wellbeing		2022/23 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis and Actions	Year End Forecast
22	Equivalent tonnes (te) of CO2 emissions from WSCC activities (CC)  Reporting Frequency: Quarterly, Accumulative. Showing Previous Data Annually  	22,910 CO2te	Dec-21	Mar-22	Jun-22		<p><b>Performance Analysis:</b> Jun-22: Recorded carbon emissions for the quarter totalled 5,107 tonnes, amounting to a decrease of 25% compared to the same baseline period. A reduction in operational buildings, activity within operational buildings and maintenance works have also contributed to these savings, as have comparatively warmer temperatures reducing gas demand. Transport related emissions remain at less than 60% of pre-Covid-19 levels.</p> <p><b>Actions:</b> Work continues on the actions set out in the Carbon Management Plan to achieve net zero carbon by 2030.</p>	G
			20,086 CO2te	30,400 CO2te	5,107 CO2te			
23	Household waste recycled, reused or composted (CC)  Reporting Frequency: Quarterly, Reported a quarter in arrears.  	55.0%	Sep-21	Dec-21	Mar-22		<p><b>Performance Analysis:</b> Jun-22: Data always runs around one 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%</p> <p><b>Actions:</b> 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.</p>	G
			55.4%	55.3%	53.7%			

## Finance Summary

### Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Unit price increase on energy tariffs, affecting corporate buildings	£1.700m	Additional Solar and Battery Farm income due to an increase in unit prices	(£1.000m)	
Additional cost on waste contracts above budgeted inflation	£1.826m	Additional income from sale of recyclable material	(£2.600m)	
Additional waste tonnage largely due to Adur and Worthing bin strike in March 2022	£0.374m			
Countryside Services – inflation and demand pressures	£0.200m			
<b>Environment &amp; Climate Change Portfolio - Total</b>	<b>£4.100m</b>		<b>(£3.600m)</b>	<b>£0.500m</b>

### Significant Financial Issues and Risks Arising

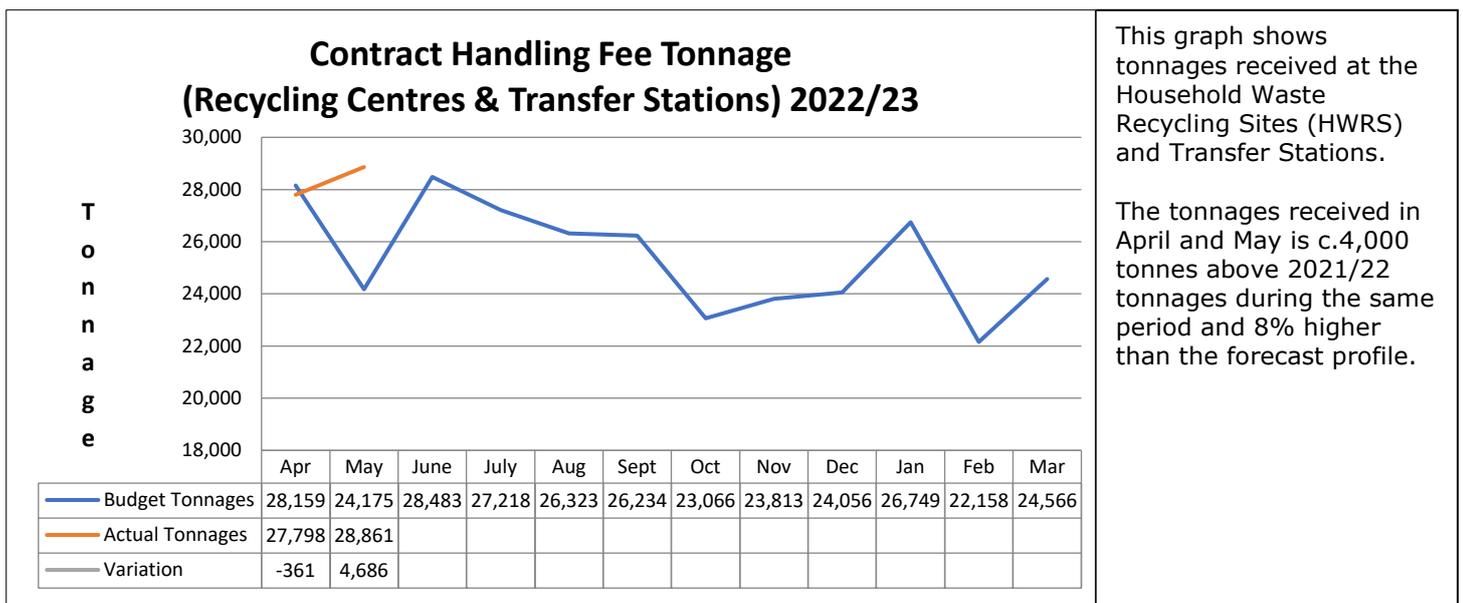
3. There are no significant issues to raise within this section.

### Financial Narrative on the Portfolio's Position

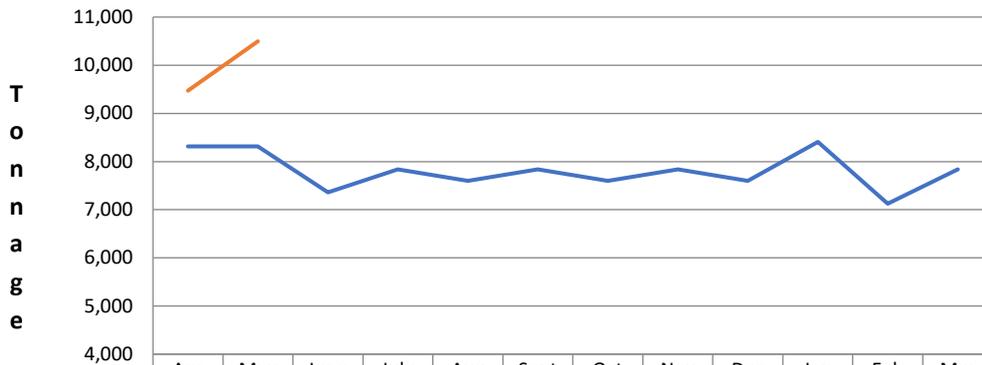
4. As at June, the Environment and Climate Change portfolio is projecting a £0.5m overspend. The main variations are described below:
5. Corporate utilities - Gas and electricity prices have risen sharply across Europe in the last year which has added a considerable premium to market rates. The County 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. The County Council's energy supply contract is not due to end until September 2024. Currently, a £1.7m overspend is forecast for 2022/23 which is based on known summer prices and service-estimated winter prices.
6. Solar and battery storage – At this stage of the year, based on the current elevated solar sale prices, we are forecasting a £1.0m surplus of income. The weather conditions so far in 2022/23 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
7. Waste contract inflation – The largest issue facing waste services is high inflation rates. The 2022/23 budget was set based on the September 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.

8. Waste recycling and disposal – The household waste recycling sites (HWRS) have seen an increase in waste tonnage volumes of around 8% 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. As at June, the Material Recycling Facility (MRF) continues to receive a higher than budgeted waste volume due to the increase in household waste recycling collected at the kerbside; this is in part due to changes in home-working arrangements. Overall, this has resulted in a projected £0.374m overspend.
  
9. Countryside Services – An overspending of £0.2m is projected due to a combination of inflationary and increased demand pressures. Cost increases to labour and materials are severely impacting the Public Rights of Way budget, with a projected overspending of £0.1m on scheduled maintenance and safety works. A similar level of overspending is projected on the Countryside Facilities budget where a range of pressures, including the continuation of the significant increase in the use of the countryside, which started during the pandemic, are leading to increased site and infrastructure maintenance costs.

## Cost Driver Information



### Monthly Profile and Actual Waste Tonnage Converted into RDF 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 small reduction in tonnes sent to the Warnham so far when compared to the forecast profile.

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Budget Tonnes	8,313	8,313	7,363	7,838	7,600	7,838	7,600	7,838	7,600	8,408	7,125	7,838
Actual Tonnes	9,472	10,497										
Variation	1,159	2,184										

### Savings Delivery Update

10. In addition to the £1.450m of 2022/23 planned savings, there remains £0.170m 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)	June 2022		Narrative
		Value	Status	
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	
Charge for monitoring travel plans	50	50	G	
Review Countryside fees and charges	20	20	A	Uptake to be monitored in 2022/23.

#### Savings Key:

R Significant Risk  
 A At Risk  
 G On Track  
 B Delivered

## Capital Programme

### Performance Summary - Capital

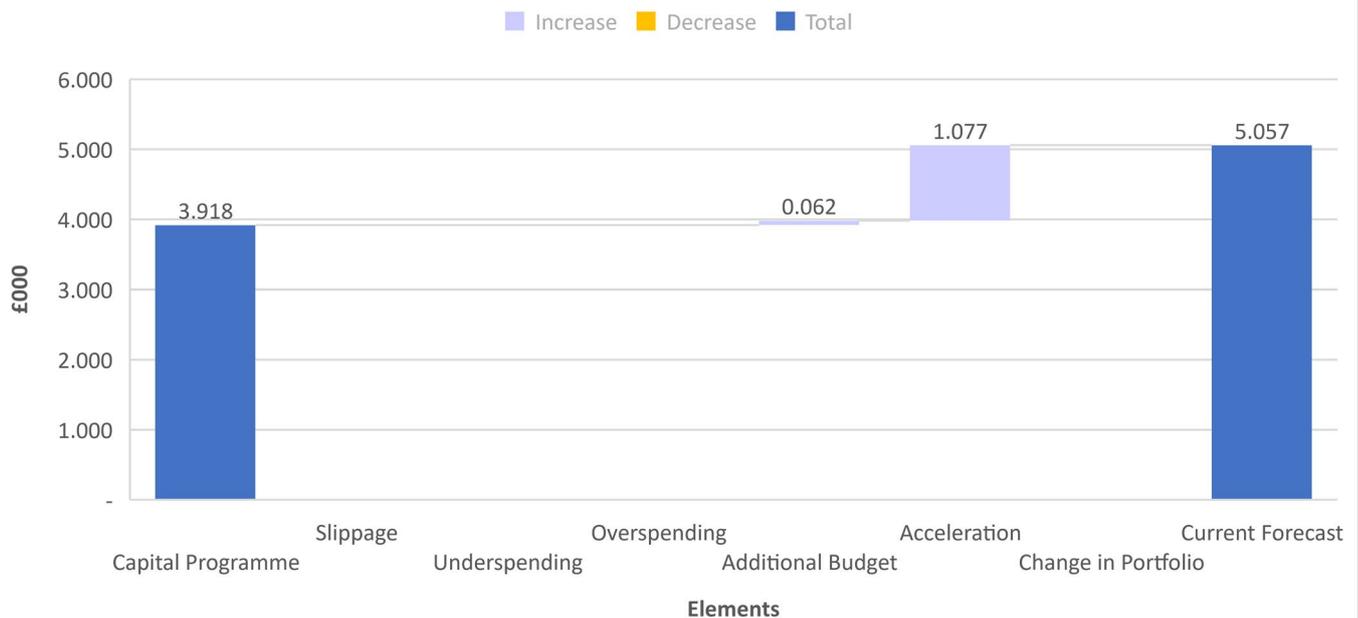
11. There are 10 schemes within the portfolio. Seven of the schemes in delivery are rated green, indicating that the project is reporting to plan and three projects are rated amber, indicating that there is an issue but that it could be dealt with by the project manager or project delivery team. An update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

Scheme	RAG Status at 30 <sup>th</sup> June	Reason	Latest RAG Status	Updated Position
Schools Solar PV Installation	<b>AMBER</b>	Rectification of quality issues caused by one installer has caused some disruption to the programme	<b>AMBER</b>	Remedial works in hand and compensation being sought
FM Climate Change	<b>AMBER</b>	Profiled spend is low	<b>AMBER</b>	None
Carbon Reduction	<b>AMBER</b>	Presence of asbestos at Parkside County Hall North	<b>AMBER</b>	Awaiting outcome of Building Control Report

### Finance Summary - Capital

12. 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
13. Since this time, the profiled spend has increased overall by £1.139m, to give a current year end projection for 2022/23 of £5.057m. Of this increase, £0.062m relates to the allocation of additional budget and £1.077m relates to projects where funding has been accelerated from future years.

## Capital Programme - Environment and Climate Change 2022/23



### 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.

Current Forecast – Latest 2022/23 financial year capital programme forecast.

14. Details explaining the financial profiling changes within the capital programme during the first quarter are as follows:

- **Additional Budget: £0.062m.**

- **Carbon Reduction: £0.062m.** Approval has been given for an additional £0.062m of funding to deliver further schemes within the block allocation.

- **Acceleration: £1.077m.**

- **Halewick Lane: £1.063m.** Approval has been given for an additional £12.063m of funding to increase the system size at Halewick Lane to 24MW. This will bring forward the planned latter phase for the site, leading to significant development cost savings and increased revenue from the site much sooner. The full cost of the system is £23.616m with £3.510m now profiled to be spent in 2022/23. Funding from the Your Energy Sussex (YES) Programme has been accelerated to fund this addition.
- **Waste General: £0.014m.** Works have progressed slightly quicker than first anticipated therefore funding has been accelerated from 2023/24 into 2022/23.

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

## 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 4** - Corporate Risk Register Summary.