

Report to Communities, Communities, Highways and Environment Scrutiny Committee

21 September 2022

Climate Change Strategy – Delivery Update

Report by Steve Read, Assistant Director (Environment and Public Protection)

Summary

The report updates the Committee on key workstreams to deliver the Climate Change Strategy (CCS) and in particular focuses on the following issues.

- 1) Updating the West Sussex County Council (WSCC) carbon emissions baseline for the purpose of targeting and prioritising decarbonisation actions and forecasting the likely scale of need for carbon sequestration to achieve carbon neutrality by 2030.
- 2) Moving forwards with a long-term strategic programme of work to minimise emissions and reduce dependency on fossil fuels in the corporate estate, including an imminent bid to the Public Sector Decarbonisation Scheme (PSDS)¹.
- 3) Defining priorities for the use and governance for the deployment of the £20m Climate Change Fund allocation in the Capital Programme.
- 4) The approach taken to carbon metrics in the continuing, widely acknowledged absence of common methodologies.

This report notes the strong interaction, and largely complementary objectives of the CCS with:

- 1) The corporate Smarter Working initiative, and
- 2) The need to prioritise energy efficiency measures in view of rising energy costs in so far as they relate to the decarbonisation of the corporate estate.

¹ PSDS is a competitive grant funding programme to which local authorities may bid for capital funding contributions towards specific building projects. PSDS is inviting bids in September 2022 for works to be conducted over 2023/24.

Focus for Scrutiny

The Committee is asked to:

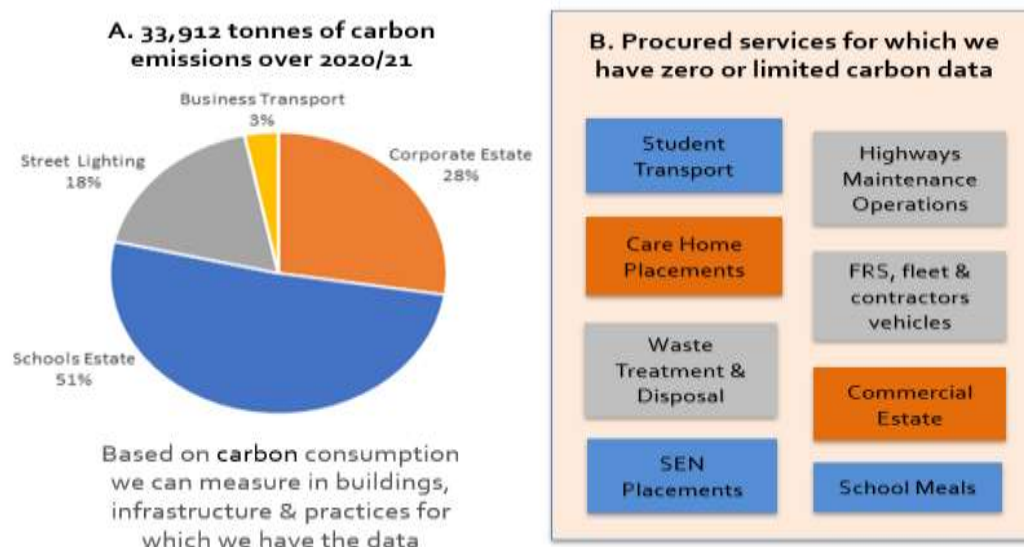
1. Scrutinise the linkages between the individual workstreams projects, and their value for targeting and prioritising carbon reduction.
2. Consider, with reference to the proposed revisions to the WSCC emissions baseline, the decarbonisation programme and the potential role of off-setting, whether the timetable for making the authority carbon neutral by 2030 is realistic.
3. Consider whether the accumulating evidence base is sufficient and appropriate to guide future decision making in respect of strategic direction and prioritisation.
4. Consider the next steps outlined in section 5.

1. Background

- 1.1 At a Council member workshop on 22 June 2022, County Councillors received an update on mobilisation to deliver the Climate Change Strategy (CCS). A series of progress points were highlighted as follows:
 - 1) Generating a long-term CCS delivery plan across 4 identified categories of action to integrate into 2023/24 and ongoing business planning processes.
 - 2) Work to identify all the Council's carbon emissions and determine which are in scope of CCS for the purpose of the carbon neutrality target.
 - 3) Work to identify and prioritise buildings in the corporate estate for decarbonisation investment and to create a strategic decarbonisation programme to execute over 2022-30.
 - 4) Generate options for an Education Climate Change Initiative.
 - 5) To undertake a feasibility study to establish how the Council could most efficiently off-set its residual carbon emissions and secure other co-benefits.
 - 6) The identification of £20m within the Council's Capital Programme to optimise contribution to CCS goals and mitigate any misaligned initiatives.
 - 7) Development of government lobbying positions to resolve contradictory policies and seek appropriate funding for local climate change delivery.
- 1.2 This report updates the Committee on progress, focussing on three issues of near-term priority and action, as set out in sections 2-4 below.
- 1.3 Although formal decisions have not been required at this point of delivery, Cabinet has been appraised of progress and support the direction of travel.

2. Verifying the Carbon Emissions Baseline

- 2.1 The carbon emissions baseline produced for the WSCC Carbon Management Plan was defined in late 2019 including only those emissions for which data was then practically available i.e. billing data for specific premises. This convention has since been used for the ongoing measurement of carbon emissions, but it does not include all the emissions generated by Council operations and thus falling into scope of the CCS target to achieve carbon neutrality by 2030.



- 2.2 Therefore work has continued to identify further categories of carbon emissions and to estimate the scale of these emissions. The emissions data is of variable quality as there is not direct data available for all categories, so estimates have been employed with varying levels of dependability. So, categories have been characterised according to accuracy and proposals are being developed to improve data capture.
- 2.3 The Council deploys a large amount of expenditure to services and operations delivered by third parties on a procured basis. This amounts to thousands of transactions in any given year and there is very little current direct data to measure the carbon emissions or other environmental impacts arising on a case-by-case basis. The estimate below is therefore based on a methodology published by government in 2010 to calculate carbon emissions from procured services where carbon estimates are derived per £ spent for certain categories of procurement (for lack of a more recent method). This estimate should be treated with caution and is likely to far exceed the reality. Work is underway to improve data for this significant category (see 2.5).

Carbon Emissions Sources	Reported To Date?	Data Confidence	2019/20 Emissions tonnes of CO ₂ e	2021/22 Emissions tonnes of CO ₂ e
A. Corporate Estate				
1. WSCC Occupied Buildings	Yes	High	8,795	6,405
2. Commercial Assets (Not WSCC Occupied)	No	Low	5,439	4,483

Carbon Emissions Sources		Report- ed To Date?		Data Confidence		2019/20 Emissions tonnes of CO2e	2021/22 Emissions tonnes of CO2e
3. Streetlighting (WSCC Owned & Powered)		Yes		High		5,779	5,686
4. Streetlighting (WSCC Powered Only)		Yes		High		118	116

B. Education Estate							
1. WSCC Maintained Schools		Yes		High		9,927	10,026
Academies & Voluntary Aided Schools:							
2. Receiving WSCC Procured Energy		Yes		High		6,992	6,550
3. Sourcing Energy Independently		No		Low		4,957	5,658

C. Other Sources							
1. WSCC Operated Transport		Partial		Medium- High		3,593	2,415
2. Employee Commuting		No		Low		454	129
3. Working From Home Emissions		No		Low		0	1,393
Waste Management:							
4. Office Waste		No		tbc		tbc	tbc
5. Waste Facilities (Warnham MBT)		No		Medium		2,901	2,934
6. Waste Transport		No		Medium		4,236	4,236
7. Waste Disposal		No		Medium		37,507	37,507
8. Closed Landfill Emissions		No		Low		28,439	25,713

Sub Total EXCLUDING Procured Services:	119,137	113,252
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9. Procured Services (excluding procured waste management)		No		Low		290,784	290,784
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Grand Total including all categories listed above:	409,921	404,036
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High	Direct data sources
Medium-High	Direct data sources & generalisations to produce carbon volume
Medium	Estimate produced using partial or indirect data
Low	Estimated using comparable data, statistical methodology or aged data

2.4 The following assessments have been made in relation to each category of newly identified emissions (those marked 'no' in the column 'reported to date' in the table above) and recommendations as to their inclusion in the scope baselines relevant to the carbon neutrality target:

Emissions Source	Assessment	Scope
A2 - Commercial Assets not WSCC occupied e.g. farm land, buildings let to third parties	WSCC holds a wide variety of assets with differing uses and under varying contractual conditions. More work is required prior to making an assessment for this category.	To be determined
B2 & 3 - Academies & Voluntary Aided schools	WSCC has no direct duty nor funding to decarbonise non-maintained schools	Out
C1 - WSCC Operated Transport	Arises as part of WSCC operations	In
C2 - Employee Commuting		
C3 - Working From Home		
C4 -Waste Management – Office Waste		
C5 -Waste Management - Facilities	Emissions associated with household waste collection and processing are mainly determined by how much waste householders produce and the extent to which they separate it for recycling.	
C6 - Waste Management - Transport		
C7 - Waste Management - Disposal	<p>While the Government can exert some influence through policy and WSCC can have some control through specification of how and where waste is taken and processed, recent work commissioned by WSCC has shown that, so long as landfill is avoided for organic waste, relative levels of emissions are not greatly influenced by choice of available disposal methodology or location.</p> <p>Emissions should be attributed to householders.</p>	Out
C8 - Waste Management – Closed Landfills	The emissions are not economically recoverable, will decline over time and do not form part of WSCC operations	Out

Emissions Source	Assessment	Scope
C9 - Procured Services & Operations	Arises as part of WSCC operations	In

2.5 Although acknowledging that the emissions arising from procured services and operations fall within the scope of the carbon neutrality target, it is not proposed to include the estimated data into the baseline yet as the data is known to be unreliable. An action plan is currently being developed with the Procurement Team to further improve data, identify the largest sources of emissions according to contract value and directorate, taking into account current contractual commitments and the pipeline of intended procurements (in varying stages of service design, conception and implementation). This will require consultation with directorates and take some time to complete.

2.6 Based on the above analysis it is proposed to work to the following baseline as the basis of future decarbonisation planning and forecasting of off-setting requirements to achieve carbon neutrality by 2030.

Carbon Emissions Sources		Data Confidence		2019/20 Emissions tonnes of CO2e	2021/22 Emissions tonnes of CO2e
A. Corporate Estate					
1. WSCC Occupied Buildings		High		8,795	6,405
2. Streetlighting (WSCC Owned & Powered)		High		5,779	5,686
3. Streetlighting (WSCC Powered Only)		High		118	116

B. Education Estate					
WSCC Maintained Schools		High		9,927	10,026

C. Other Sources					
1. WSCC Operated Transport		Medium-High		3,593	2,415
2. Employee Commuting		Low		454	129
3. Working From Home Emissions		Low		0	1,393
4. Office Waste		tbc		Tbc	tbc
5. Procured Services (excluding waste management)		Low		290,784	290,784

Grand Total including all categories listed above:	319,450	316,954
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Total excluding Procured Services:	28,666	26,170
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N.B. The total for Procured Services is likely to reduce as calculated estimates are replaced with more direct and accurate data sources.

2.7 The majority of UK local authorities have now adopted a climate change policy or equivalent with a wide variation in relative priorities, targets and timelines. Work is underway to assess how other comparable upper tier

authorities are defining their scope of responsibilities for decarbonising their own operations. Within the South East 7 group (SE7), the most relevant group for benchmarking WSCC, there is a variation in approach in relation to targets and scope:

South East 7	Area-Wide Net Zero Target Date*	Council Operations Target Date
1. Brighton & Hove City Council	2030	Incorporated to area
2. East Sussex County Council	By 2050	By 2050 or earlier
3. Hampshire County Council	By 2050	By 2050 or earlier
4. Kent County Council	By 2050	By 2030
5. Medway Council	By 2050	Incorporated to area
6. Surrey County Council	By 2050	By 2030
7. West Sussex County Council	Not set**	By 2030

* "Area Wide Net Zero" is a loosely defined term, often understood to apply to all emissions from all sources within all sectors within the geographical area of the Council - but see 2.9 below.

** 2050 is the UK Government's target date for National Net Zero set out in its [Net Zero Strategy](#). See also 2.8 below.

- 2.8 Officer level interactions suggest all councils are currently grappling with similar challenges in relation to decarbonisation scope and determining the feasibility of off-setting residual emissions to achieve carbon neutrality. The absence of standard metrics has been identified as a key issue by the Local Net Zero Forum, formed under a government commitment in the Net Zero Strategy, which brings together national and local government senior officials to discuss policy and delivery options on net zero.
- 2.9 A meeting is being convened amongst SE7 climate change leads to identify specifically how each authority is defining their scope of responsibility for emissions arising from their operations and their approaches to off-setting.
- 2.10 The above baseline analysis enables the attribution of emissions to specific service areas and prioritisation of decarbonisation works according to scale. These insights will enable better operational planning across the organisation for the purpose of CCS delivery and inform the improvement of data gathering, for example by integrating emissions data into procurement processes.

3. A strategic programme to decarbonise the corporate estate

- 3.1 The emissions from buildings in the corporate estate are amongst the most identifiable and can be addressed to reduce the Council's emissions footprint, either by removing the buildings or undertaking works on them. Having conducted detailed studies of the 50 largest sites² and considering the future demand for office accommodation across the estate (as informed by the surveys undertaken under the Smarter Working programme) the following actions are proposed:
- a) The Smarter Working Programme Board is indicating that the long-term office accommodation strategy for County Hall, Chichester campus; Parkside, Horsham; and Durban House, Bognor are yet to be settled as part of that project. Therefore no decarbonisation work will be commissioned at these sites until this work and its planning are completed.
 - b) Delivery of a long-term programme of works to decarbonise the remainder of the corporate estate which is intended to be retained in the long term. This will initially include 47 buildings; the County Records Office, 17 fire stations, 14 social care sites and 15 libraries. A bid for capital funding to the PSDS is being formulated for submission in September 2022.
- 3.2 Neither Bridge House or Centenary House, both in Durrington are within scope of this programme as Bridge House occupancy by WSCC is expected to cease by Spring 2026 and options are being developed for the recently vacated Centenary House site.
- 3.3 Work is underway to generate a detailed delivery plan for the decarbonisation of the 47 buildings below. This will blend aspects of the Smarter Working initiative and the existing maintenance and estate development programme. The programme of works will be extensive and likely be delivered over a minimum of 3 years. All service areas will be consulted over the phasing of works as it relates to specific workplaces to minimise disruption and ensure continuity of service delivery. The achievement of the carbon reductions identified would constitute delivery against Our Council Plan target for carbon emissions reduction. The sites currently included within the programme are listed below but further may be added as more detailed site assessments are undertaken³.

² WSCC secured £362k of grant funding in Summer 2021 to deliver these detailed site-specific studies which were completed by Spring 2022.

³ WSCC submitted a successful bid in June 2022 to the SALIX programme and has been awarded £263k for further heat decarbonisation studies for the remaining buildings not yet investigated in the corporate estate and a selection of WSCC maintained schools.

	County Records Office	14 social care sites	15 libraries	17 fire stations
Carbon reduction	-29%	-50%	-38%	-47%
Fossil fuel dependency post work	12%	16%	2%	3%
Emissions post work	153tpa.	509tpa.	399tpa.	tbc
Gross costs of works	£331k	£5.29m	£3.97m	£4.89m
Cost per tonne of emissions reduction	£5,424	£10,440	£16,202	£16,202
Total Capital Cost	£14.48m			

- 3.4 The purpose of the decarbonisation programme is not only to reduce the direct emissions of the sites (by making them more efficient thereby minimising energy demand) but also their level of dependency on fossil fuels by electrifying the buildings as much as possible. Therefore, in time, further decarbonisation will be possible as the national grid electricity supply system transitions away from fossil fuel generation towards a greater proportion of domestic renewably generated electricity (which has inherently lower emissions). In addition, the Council may choose to supply its buildings with renewably generated electricity sourced from capacity it develops through its own energy development programme. By a combination of the above measures the Council may be able to better insulate itself better from future volatility in international energy markets (particularly in relation to imported oil and gas) and thereby reduce its long-term energy costs and achieve greater budgeting predictability over a core operating cost.
- 3.5 The Council has already earmarked £20m towards the capital costs of CCS delivery over and above funds for the ongoing maintenance of buildings in the corporate estate. In July the government announced its intention to hold a further competitive bidding round of the Public Sector Decarbonisation Fund (PSDS). A bid is currently being formulated to what is expected to be a heavily over-subscribed competition. Under PSDS scheme criteria around 20 of the 47 buildings are considered potentially eligible and will be included in the bid on which a decision is anticipated in early 2023. If successful, the bid will provide a substantial proportion of the capital funding required, with WSCC meeting the balance, for works to be completed by Spring 2024.
- 3.6 It is intended to fund the overall costs of this decarbonisation programme from a blend of the above sources. The programme will be phased according to the criteria listed above and the availability of funding within a given period. Business cases for each phase of delivery will be handled via the existing capital governance process to ensure they are fully considered prior to a final spending decision and overall operational progress monitored by the Climate Change Board on behalf of ELT. Progress will be reported to Members via the quarterly Performance and Finance Report.

- 3.7 A critical and material barrier to the delivery of this programme is the pressure on people resources within the Property and Assets function of the Place Services Directorate. It is estimated that the additional resources required to deliver the property related aspects of the overall programme amount to approximately 10FTE roles.

4. Climate Change Fund

- 4.1 A sum of £20m has been allocated within the Capital Programme to fund activities constituting delivery of the CCS. At this stage there is no clear estimate of the total cost of delivering the CCS and specifically the goal of becoming carbon neutral in the Council's operations by 2030. However, the main categories where investment will be required are known; decarbonisation of buildings and infrastructure, adaptation of services to minimise carbon emissions and sequestering carbon to off-set residual emissions from 2030.
- 4.2 While a comprehensive and fully costed CCS delivery plan is being generated and currently forecast to be in place by the completion of the 2023/24 business planning cycle, it is prudent to ensure that the £20m is targeted in proportion to the intended uses and to ensure necessary expenditure does not go inadvertently unsupported. The following working assumptions are therefore proposed for the capital allocation:

Spend Category	Description	Amount
a) Estates Decarbonisation	Physical works to improve buildings and infrastructure efficiency, remove emissions and reduce dependence on fossil fuels across the corporate and education estates.	£15m *
b) Operational Innovation	Supporting the incremental capital costs of adapting wider service delivery and operations to operate on a lower carbon basis and trialling innovative solutions on a jointly funded basis with third parties.	£3m
c) Carbon Sequestration	Investing in carbon sequestration projects such as tree planting on WSCC land or in partnership with others across West Sussex.	£2m

* Estates decarbonisation works to a value of £2.4m have already commenced and further works with a total value of £2.6m are under consideration.

- 4.3 The Council's capital expenditure governance will apply to the programme and the Capital and Assets Board (CAB) will consider business cases. The Climate Change Board will maintain a register of the following:
- a) A pipeline of emerging proposals for revenue and capital expenditure for CCS delivery by spend category.
 - b) A tracker identifying the progress of specific spending proposals across the various internal governance processes.

- c) A tracker identifying external funding opportunities relevant to CCS delivery.
 - d) A record of business cases and delivery plans for agreed expenditure.
 - e) Analysis of the impact and relative value for money of expenditure.
- 4.4 To extend the impact of the £20m fund an active principle will be to encourage the identification of co-funding, such as via subject specific grants or other funding offered by government. Also, to seek the opportunity to repurpose existing revenue funding (by taking account of CCS delivery in existing service delivery) or working innovatively to jointly fund CCS delivery with third parties (public and private). The latter may be particularly relevant to renewable energy assets, carbon sequestration projects and testing innovative lower carbon alternatives to conventional practices e.g. trialling new vehicles.

5. Next Steps

- 5.1 The Committee is invited to comment on the approach set out in this report noting that the following next steps are proposed:

a) Verifying the carbon emissions baseline

Amend the WSCC emissions baseline as proposed, to continue work to better quantify emissions from procured services and operations, complete an evaluation of the emissions from commercial assets and target future decarbonisation works according to the revised baseline.

b) A strategic programme to decarbonise the corporate estate

To devise a long-term delivery plan for the decarbonisation of the buildings identified and undertake preparatory work to ensure the Council can submit a competitive bid to the next round of the Public Sector Decarbonisation Scheme.

c) Climate Change Fund

Comment on the proposed priority allocations for the £20m climate change capital allocation and the governing principles laid out above.

d) Refresh of the CCS

The Climate Change Strategy adopted in May 2020 set a policy direction based on the imperative and call to act. It was accepted at the time there was insufficient data to inform a clear route-map to meet the primary target of carbon neutrality by 2030.

The Council now has an improved, although not yet complete, understanding of the impact across the full extent of the services it provides and has implemented programmes and priorities described in this paper. A refresh in spring 2023, some three years after the original was published is planned.

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Appendices & Background Papers - None