

Environment and Climate Change Portfolio - Summary

Performance Summary

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

- The County Council signed a pre-construction services agreement (PCSA) with Kier to complete the system design for the largescale battery storage site at Halewick Lane, Sompting. Kier will also provide support with a planning amendment to the South Downs National Park Authority (SDNPA): the footprint of the battery system now proposed will be smaller than the one outlined in the original planning application. Work to connect the site to the electricity grid at East Worthing is also nearing completion.
- Brighton Energy Co-op are supporting our work with Manor Royal BID to launch the Local Energy Community (LEC) on Manor Royal Business District. They have a contract until the end of the current financial year to work with businesses, generate interest in the LEC and identify potential energy projects.
- Six carbon literacy training courses were delivered with over 60 staff participating. Several hundred County Council staff have now received carbon literacy training and more are booked onto upcoming courses. The County Council also provided carbon literacy training for staff at Adur and Worthing District Council to support collaborative climate action in West Sussex.
- Recruitment to posts to support delivery of the Climate Change Strategy was successfully completed enabling progress to be accelerated in key action areas as outlined to the Communities, Highways and Environment Scrutiny Committee (CHESC) on 21st September 2022.
- The Council responded as a statutory consultee to the consultation on potential changes to the onshore cable route for Rampion 2, the extension to the Rampion Offshore Wind Farm. The County Council also responded as a statutory consultee to the non-statutory consultation on changes to the design of the A27 Arundel Bypass. Both schemes are Nationally Significant Infrastructure Projects that are being taken forward through the statutory Development Consent Order process. Responding to the consultations within the tight, externally imposed timeframes involved extensive partnership working internally and externally.
- The Council worked in partnership with UK Harvest to pilot "Community Food Hubs" to encourage surplus food rescue. The project aims to clarify common misconceptions about food rescue services and explain who support is available to, and to provide tips and guidance on how to reduce food waste. A total of 418 people attended the nine events, and 1,389 people were fed. Residents in Bognor, Broadfield and Crawley were informed on how they could cook simple recipes during a Christmas cooking demonstration and education sessions during December.

- A collaborative project has begun with Chichester and 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. 150 students were engaged at three events. The University Landlords Forum received a presentation and were given recycling bags and stickers. A waste composition survey has also been conducted, and the data is currently being analysed to determine next steps.

Our Council Performance Measures

- 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	Jun-22	Sep-22	Dec-22		G
			5,107 CO2te	8,556 CO2te	16,154 CO2te		
Performance Analysis: Dec-22: Recorded carbon emissions for the quarter total 7,598 tonnes, amounting to a decrease of 28% compared to the same baseline period. This reduction primarily results from reduced electricity and gas demand compared to that of the baseline period, however, there is an increase in transportation related emissions. Overall emission performance remains on track to meet the targeted annual reductions, though it should be noted that on average, the highest emissions sit within the Q4 months, 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%	Dec-21	Mar-22	Jun-22		A
			55.3%	53.7%	53.5%		
Performance Analysis: Dec-22: The recycling rate for the first quarter of 2022/23 decreased marginally (0.3%) 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. Compared to the previous 12-month rolling figure, total local authority collected waste has decreased slightly. 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. The final statistics for 2021-2022 will not be published until April/May 2023, so this figure is currently unaudited. 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.							

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	(£2.200m)	
Additional cost on waste contracts above budgeted inflation	£1.826m	Additional income from sale of recyclable material	(£1.650m)	
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	(£1.850m)	
Countryside Services – Inflation and demand pressures	£0.200m	One-off 2017/18 waste recycling contract settlement agreement	(£1.730m)	
Countryside Services – Delays in delivering saving	£0.020m			
Other minor variations	£0.030m			
Environment & Climate Change Portfolio - Total	£4.450m		(£7.430m)	(£2.980m)

Significant Financial Issues and Risks Arising

- There are no significant issues to raise this quarter.

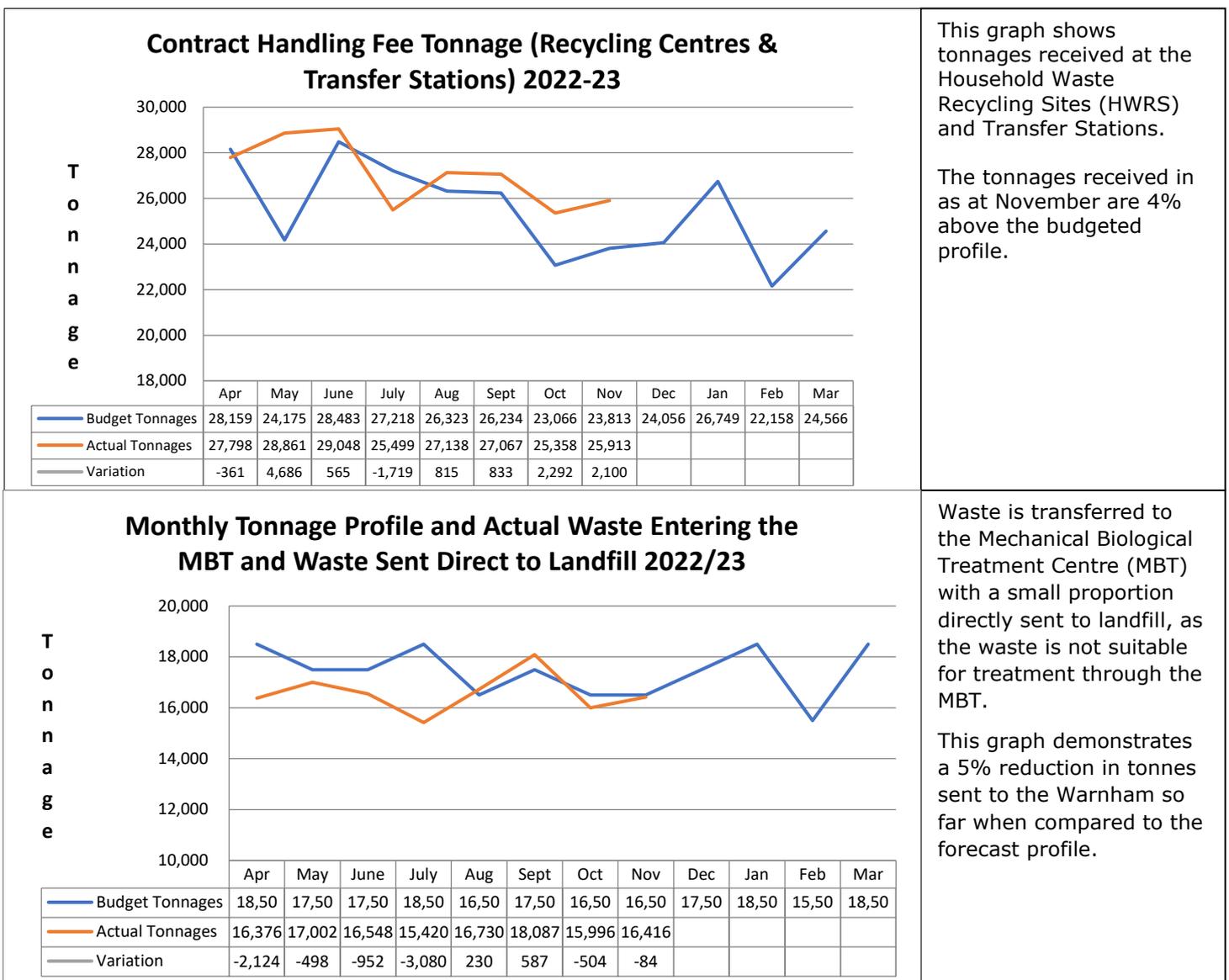
Financial Narrative on the Portfolio's Position

- The Environment and Climate Change Portfolio is currently projecting a £2.980m underspend, an increase of £0.880m when compared to the £2.1m underspend projected in September. The main variations are described below:
- Corporate Utilities.** Occupation of County Council buildings so far in 2022/23 is broadly similar to the 2021/22 occupation. Gas and electricity rates have risen sharply across Europe in the last year due to a combination of factors including the conflict in Ukraine which has added a considerable premium to market prices. The forward-buying strategy mitigated, to an extent, 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. Based on known prices but with some uncertainty over building occupation, a £2.0m overspend is currently projected for 2022/23.
- 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% for 2022/23. This has resulted in a £1.826m budget pressure.

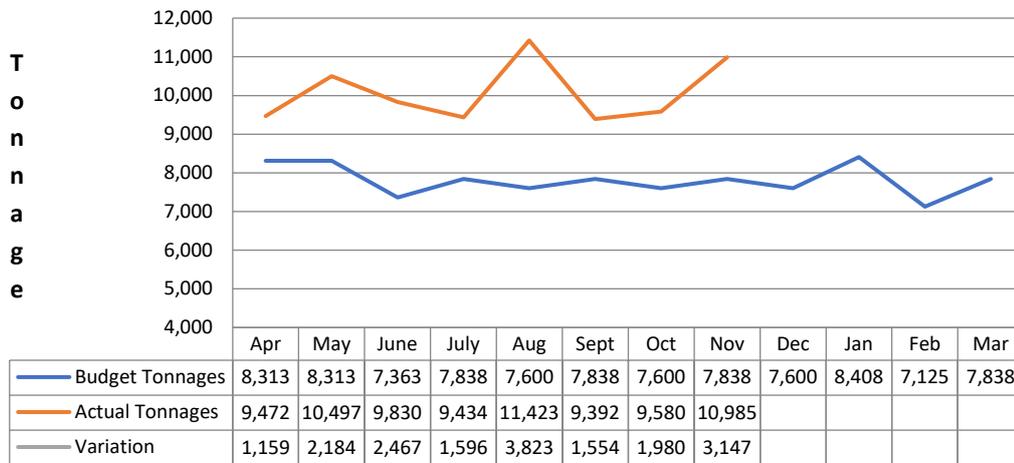
7. **Countryside Services.** In addition to the projected £0.2m overspend due to inflationary and increased demand pressures, the delivery of the planned £0.020m saving from a review of Countryside Fees and Charges will not be delivered until 2023/24. New charging processes are being introduced, but it is unlikely that additional income will be realised until next year due to the submission and consultation timescales associated with applications.
8. **Solar and Battery Storage.** Based on the current elevated solar sale prices, income from the solar and battery storage farms are forecasting a £2.2m surplus of income. This forecast has been revised down by £0.4m due to an adverse difference in the p/kWh unit rate received compared to the forecast for July and August. It is a particularly difficult time to forecast rates, but the expectation is that the rates will rebound back to prior forecasts. In addition, there has been some income loss due to a technical issue with the battery modules at the Westhampnett site. The forecast assumes that the battery will be fully operational and generating income again by the end of January. The weather conditions in 2022/23 have been generally favourable and have contributed to energy output above expectation. It is important to note that, corporately, any gain in income from the solar projects may be offset by the increased cost in corporate utilities arising from the higher unit rate.
9. **Recyclate Income.** 2021/22 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 the second half of the year saw sharp drops across virtually all 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 to a high of +£124 in August. Since August the value has decreased significantly each month to +£18 in November, its lowest level since August 2020 and an 85% drop in value since August.
 - Polypropylene plastic packaging - increased in value from +£625 per tonne in March to +£825 in August. This has then decreased in value significantly since, to a low of +£395 in November.
 - Aluminium cans values have decreased from +£1,507 per tonne in March to +£1,267 in August. As at November, the value has remained static at +£1,257.
11. Due to the previous high value of recyclable material generally (particularly waste paper) and income from the first five months we have assumed a £1.650m surplus of income, due to the currently declining recyclate values though this figure could reduce further.
12. **Waste Disposal and Recycling.** The household waste recycling sites (HWRS) have seen waste volumes around 4% above 2021/22 tonnages so far 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.

13. 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.
14. 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 June - August 2021 period. This large reduction in green waste has helped to mitigate the waste disposal pressure.
15. **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 is due to be received in February 2023 and is included within the forecast.

Cost Driver Information



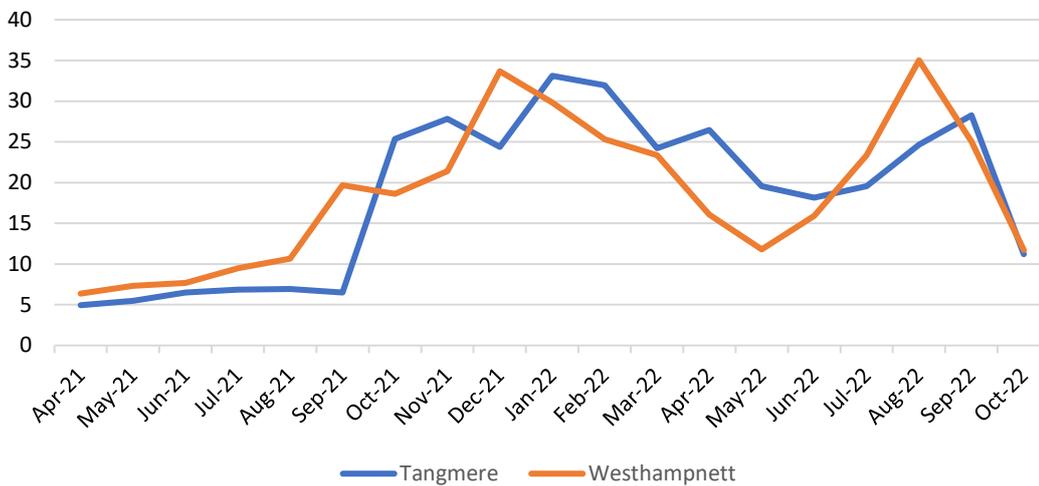
Monthly Profile and Actual Waste Tonnage Converted Into RDF 2022-23



This graph shows the Refuse Derived Fuel (RDF) production compared to the estimated levels.

RDF levels are around 29% (17,900 tonnes) above expectation contributing to the reduction in waste sent to landfill.

Solar Farm Income Unit Rate - Pence Per kWh



This graph demonstrates the average pence per kWh since April 2021.

As at October, Tangmere was generating £0.11p per kWh unit and Westhampnett £0.12p per kWh, however it is expected that rates will rise again during the winter period.

Savings Delivery Update

16. 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)	December 2022		Narrative	2023/24
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** On Track **B** Delivered

Capital Programme

Performance Summary - Capital

17. There are 10 schemes within the portfolio. Five of the schemes in delivery are rated green, indicating that the project is reporting to plan. Three projects are rated amber, indicating that there is an issue but that it could be dealt with by the 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:

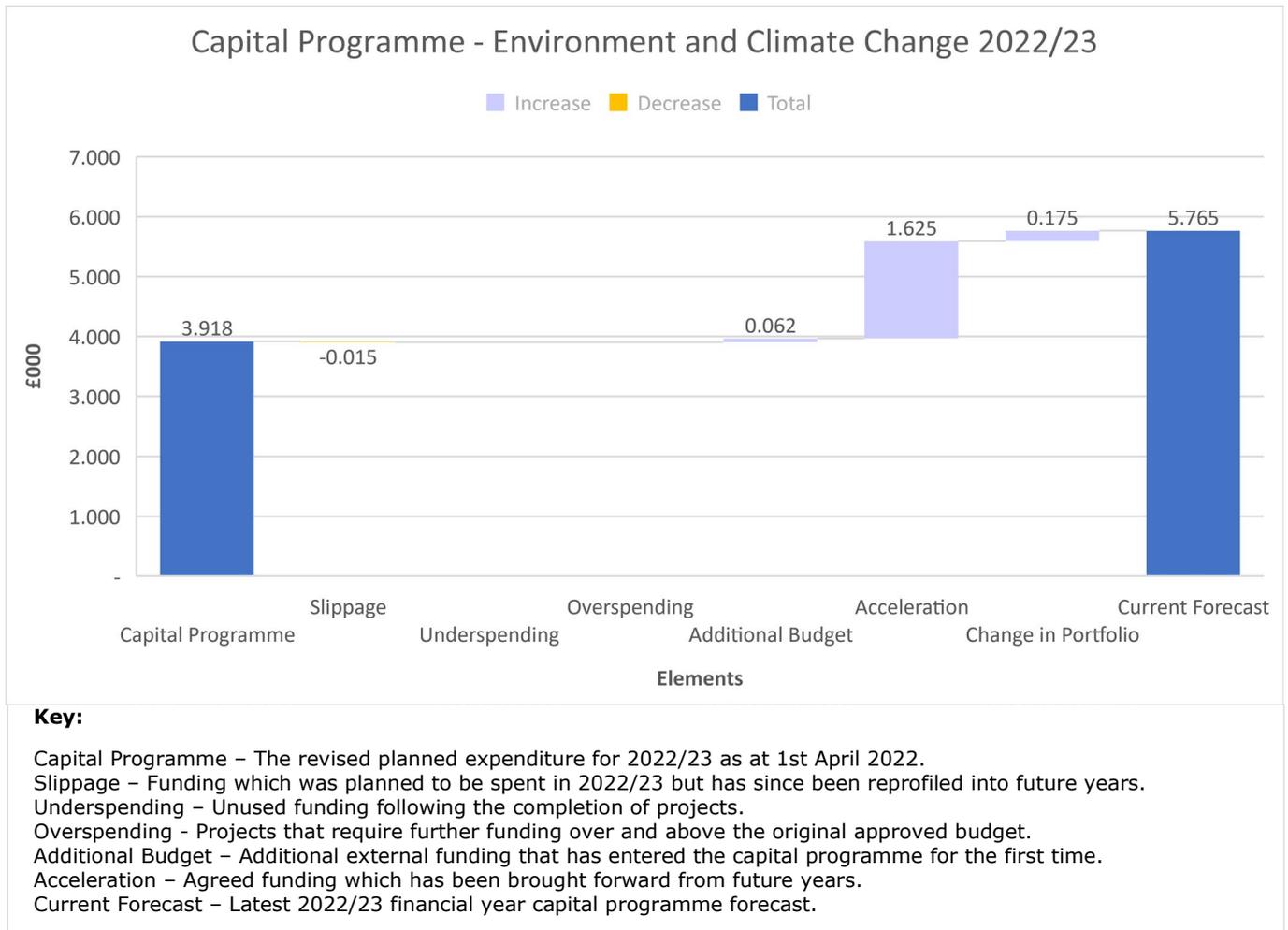
Scheme	RAG Status at Dec 2022	Reason	Latest RAG Status	Updated Position
Carbon Reduction (Salix Recycling Fund – CHP)	AMBER	Time delay – asbestos found	AMBER	
Halewick Lane Development	AMBER	Time delay	AMBER	Design proposals to be reviewed at Jan 2023 Project Board
Schools Solar PV Installation	AMBER	Quality issues caused by one installer has caused some disruption to the programme	AMBER	Options being considered and proposals expected to come forward in Feb 2023

Finance Summary - Capital

18. 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.

19. Since this time, the profiled spend has increased overall by £1.847m, to give a current year end projection for 2022/23 of £5.765m. Of this increase, -£0.015m relate to slippage, £0.062m relates to the allocation of additional budget, £1.625m relates to projects where funding has been accelerated from future years and £0.175m relates to a change in portfolio.



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

- **Slippage: (-£0.015m). Movement since Q2 report: (-£0.015m)**
 - **Carbon Reduction Programme: (-£0.015m).** Minor re-profiling based on the updated estimates for 2022/23.
- **Acceleration: £1.625m. Movement since Q2 report: £0.230m**
 - **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.

- **Closed Landfill Sites - General After Care Works: £0.025m.** Minor re-profiling based on latest expenditure.
- **Change In Portfolio: £0.175m. Movement since Q2 report: £0.175m**
 - **Transformation Projects (Waste): £0.175m.** Budget has transferred from Support Services and Economic Development following a realignment of projects.

21. 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.

Risk

22. 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

23. 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.