

WAVERLEY BOROUGH COUNCIL

Overview and Scrutiny Committee (Services)

24 JANUARY 2022

Title: Carbon Neutrality Action Plan Annual update

Portfolio Holder: Cllr Steve Williams

Head of Service: Richard Homewood

Key decision: No

Access: Public

Note pursuant to Section 100B(5) of the Local Government Act 1972:

1. Purpose and summary

- 1.1 In December 2020 the Council adopted the Carbon Neutrality Action Plan (CNAP) 2020-2030 which contained a collection of actions that sets us on the path to deliver Waverley's net zero carbon by 2030 target. This report provides the first annual progress update against the priority areas within the plan.
- 1.2 The plan was adopted as a "live document" that will continually evolve to reflect further funding, policy and technological changes as well as opportunities for new projects. A year on, there has been progress in several areas that this report aims to celebrate. But also highlights the scale of work that is still required.
- 1.3 We have engaged APSE Energy, a carbon consultancy, to review our baseline and trajectory and give us a more accurate indication of the costs of becoming a net zero carbon council. Details of their findings will be presented in the next section on the report.

Trajectory and baseline review

- 1.4 In July 2021, APSE Energy begun a review of our baseline data and trajectory as set out in the CNAP. This work has helped identify errors in the data recording process, provided a financial projection in terms or the cost of delivering the Councils net zero carbon target, and helped prioritise and quantify certain initiatives. The review was a desktop exercise performed without any detailed knowledge of the building estate and was based on knowledge based estimates, guideline values and general industry experience. This work was focused on non-domestic

organisational emissions that are monitored through Waverley's Greenhouse Gas (GHG) emissions reporting mechanism.

- 1.5 The review took into consideration Waverley's GHG emissions for 2020/2021 as the latest year we have completed data for, and it should be noted that 2020/2021 was an unprecedented year and the significantly reduced emission figures in areas such as leisure centres and contractor mileage are more a reflection of the impact of COVID in Waverley services than any deliberate acts to reduce emissions.
- 1.6 One of the outcomes of this work is a set of excel tools have been provided that will help recalculate the trajectory annually and track progress against the action plan throughout the period of the CNAP. Recommended actions from this report have been incorporated within the version 2022 of the action plan.
- 1.7 The key conclusions and recommendations are summarised below:
 - The Council should develop a procedure for gathering and storing data. The benefit of this is that the carbon reporting process is streamlined and progress towards targets can be tracked more easily.
 - Detailed audit and feasibility studies are carried out for all assets to determine the site-specific initiatives. This will provide an indication of the realistic interventions that could be incorporated and the likely capital costs and carbon savings.
 - The action plan and trajectory should remain a live document and updated on a regular basis.
 - A detailed feasibility study is required to determine a more accurate projection for replacing the vehicle fleet with electric vehicles and to determine the most cost-effective procurement route e.g. owned, temporary hire or contract hire.
 - A feasibility study is carried out (perhaps in partnership with Biffa) to investigate the costs associated with ULEV refuse vehicles based on the collection routes for Waverley. Current contract is due for renewal in 2027.
 - During the review of the leisure centre contract options ensure that carbon saving targets form part of the contract so there is an incentive for all parties to reduce emissions and share the risk and rewards. This could be by splitting the energy costs 50/50 or setting up an Energy Performance Contract where the Council invests in energy efficient measures and 'sells' the leisure operator discounted energy.
 - It is recognised that there will be a need for offsetting a proportion of the emissions the cost of which relies on the offsetting path that is chosen. This could be done through energy generation that is not connected to a Waverley building, or tree planting schemes.

Action plan progress update

- 1.8 Over the past year officers have been developing projects and processes that support the delivery of the CNAP. The action plan is a continually evolving document. Annexe 1 of this report presents an update of each individual action including a RAG rating for quick reference of progress. The annual review has been focussed on the high level and short term targets.

- 1.9 Councils are required to monitor their Greenhouse Gas emissions and report on annual progress. This process is an essential element of monitoring progress on Waverley’s organisational emissions against the net zero carbon by 2030 target.
- 1.10 In terms of Waverley’s organisational emissions, 2020/21 the total net absolute GHG emissions were 2,858 tonnes CO₂e, a 46% reduction compared to the baseline year 2015/16 when the emissions were 5,172tCO₂e. However, this reduction reflects the disruption in services as a result of COVID, rather than the implementation of carbon reductions. These figures are compiled annually and presented in a report every summer.
- 1.11 Organisational emissions is only one theme amongst the seven contained within the CNAP. Some of the key achievements from each priority area are summarised in Table 1 below.

Organisational Emissions	Active Travel and Air Quality	Energy Generation
<p>Memorial Hall decarb project – installing ASHP and PV.</p> <p>Approved the design of a new Cranleigh Leisure centre to low carbon standards.</p> <p>Completed Borough Hall lighting replacement.</p> <p>77% reductions in staff journeys to the office during 2020/21.</p> <p>Climate Emergency Board has been established and had two meeting to date.</p>	<p>Guildford and Godalming Gateway project acquired CIL funding for approx. 50% of the total cost. Public consultation, in collaboration with SCC now completed.</p> <p>Installed 9 EV charges in car parks and 2 on-street through Housing. 5 further installed as part of a SCC project. A further 5 chargers at 2 sites are expected to be installed by April 2022.</p> <p>Taxi licensing review completed – ULEV to be required from 2024.</p>	<p>In the process of tendering a detailed feasibility assessment to explore:</p> <ol style="list-style-type: none"> Solar canopies in four Waverley car parks Rooftop Solar PV on three leisure centres Ground mounted solar on land in Farnham. <p>Exploring a District Heating scheme in Cranleigh through the Rural Community Energy Fund.</p> <p>Engaged with external organisations to explore finance options for solar PV on leisure centres.</p>
Built Environment	Waste and Resources	Land Use and Adaptation
<p>First phase of the Energy study work (part of the Asset Management Strategy) completed.</p> <p>New Housing Design Standards adopted committing new council homes to be net zero in operation.</p> <p>New Housing Delivery Strategy due to be completed in March 2022.</p> <p>Work on the climate change SPD has</p>	<p>Kerbside collection of textiles and WEE to commence December 2021.</p> <p>Engagement with the waste contractor has begun exploring low carbon vehicle options.</p>	<p>Pesticides Policy and Action Plan adopted in November 2020.</p> <p>Implemented and reviewed “No Mow May” initiative.</p> <p>Tree and Woodland Management policy due to be adopted in early 2022.</p> <p>Biodiversity Policy due to be</p>
	Green Economy	

<p>begun, due to be adopted Summer 2022.</p> <p>GREEN Jump and ECO Flex for Waverley Residents in 2020-2021: Efficiency upgrades in 47 properties in Waverley to date and over 500 Surrey wide.</p> <p>Green Homes Local Delivery 2 fund: successful participation in a bid to improve efficiency in 67 private or rented homes and 18 social houses within Waverley. Work on this is due to start shortly.</p> <p>Sustainable Warmth fund: Successful participation in a bid. Currently awaiting details on the level of funding available for Waverley residents.</p>	<p>Produced a Waverley food map.</p> <p>Launching a Carbon Literacy training for a number of local businesses.</p> <p>Promote the EM3 LEP low carbon business support function and one to one consultancy advice with a new green specialist associate.</p>	<p>adopted in early 2022.</p>
<p>Table 1. Key achievements</p>		

Revised Carbon Neutrality Action Plan

- 1.12 The CNAP was always intended to be a live document that continually evolves in terms of its delivery path while still retaining the vision of becoming a net zero carbon authority by 2030. Taking into account the work that has taken place over the past year and new actions that have been developed and planned for the year ahead a revised action plan as been produced and presented as part of this report.
- 1.13 Annexe 2 presents the 2022 version of the CNAP that includes an updated trajectory for the councils own, non-domestic emissions, as well as an updated actions table. The action plan features 13 new actions, while 12 of the original actions have been removed, either because they have been completed (7) or because their direct impact on the net zero carbon vision is unclear.

Forecast capital cost for delivering the action plan

- 1.14 According to the trajectory report produced by APSE Energy, the forecast capital cost to achieve net zero carbon for corporate assets, including Waverley owned vehicles but excluding leisure centres and contractor vehicle emissions, is of the region of £2.96million.
- 1.15 A further estimated £3.8 million will be required to reduce emissions of leisure centres. The majority of this cost is associated with replacing gas boilers with heat pumps.
- 1.16 The above costs are indicative and are based on some assumptions in order to demonstrate the scale of the investment required however it does exclude a major area of emissions which is contractor vehicles.
- 1.17 The waste contractor (Biffa) indicated that to switch all of their smaller vehicles to electric and to convert the refuse freighters to biofuel mid contract would cost the council around £450k capital (vehicles and charging infrastructure) and £50k per annum ongoing for higher biofuel costs. Changing at the start of the next contract or

an in house service would simply add comparative costs to the new service.

Finance and Budget updates

- 1.18 The climate emergency work has an allocated reserve fund of £200k which was approved in 2020. This was mainly to pump prime projects and to help with project development. £160k of this fund has been earmarked /committed to date. A breakdown of the funding allocation is provided in Annexe 3
- 1.19 In addition, there is a £100k ongoing budget that supports the delivery of the CNAP. The majority of this budget is allocated to staffing.
- 1.20 Where possible other sources of funding have been explored to support the delivery of the CNAP. Annexe 3 also provides a summary of additional sources of funding that have been secured to deliver projects that directly contribute to Waverley's climate emergency commitments.
- 1.21 Each project is assessed External funding opportunities are continually explored to maximise opportunities. The Public Sector Decarbonisation Scheme is the main government source of funding available at present. A sum of £63k has already been secured to decarbonise the Memorial Hall in Farnham. An additional funding bid to decarbonise Farnham Leisure Centre was submitted in November 2021 to the value of £2M. The outcome of this bid will be communicated early 2022.

Conclusions

- 1.22 Decarbonising heat is the greatest challenge to tackle currently as hydrogen technology is not mature yet. It will be the most costly and technically complicated to achieve for retrofit projects. It is essential that we plan the switch from gas to electric to provide heating over the next year, with detailed feasibilities and costed proposals that could be then put forward for external funding as soon as opportunities arise.
- 1.23 Energy generation is critical to achieving our net zero carbon target, either directly connected to Waverley assets or sold through a Power Purchase Agreement to a private recipient. Energy generated and sold can be claimed to offset Waverley's unavoidable emissions.
- 1.24 A whole building approach is the most efficient way of addressing energy reduction of individual buildings. Carrying out energy audits on our own building should be a priority over the next year. This will provide the true costs of decarbonising Waverley's estate as well as quantified carbon reductions of each project. Most importantly that will provide project proposals that are "ready to fund".
- 1.25 Significant investment and commitment will be required to fulfil the net zero ambition which cannot only rely on external funding sources. Each project that requires funding will be brought forward individually with a business case to support it.

2. Recommendation

That the Overview and Scrutiny Committee provides comments and observations to the Executive and Council on the following documents:

- a. Carbon Neutrality Action Plan annual update report
- b. Annexe 1 – Carbon Neutrality Action Plan working spreadsheet
- c. Annexe 2 - CNAP version 2022

3. Reason for the recommendation

To ensure that the O&S committee is up to date with the council's progress on its response to the Climate Emergency and to request support on the direction of travel over the next year.

4. Background

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5. Relationship to the Corporate Strategy and Service Plan

- 5.1 This report is directly linked to the delivery of the aims of the Climate Emergency, one of the Councils key priorities, which is also part of the service plan.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

The approved 2021/22 budget includes £100k for ongoing costs of delivery of the action plan. In the 2020/21 budget a £200k provision for one-off project costs was provided which continues to be drawn down from.

Currently, any further funding needs will require a supplementary estimate or Waverley will need to achieve external funding such as grants, S106 or CIL funding.

Some projects may offer savings to Waverley, therefore improving the financial situation of the council; the financial impacts of each project will be considered on a case-by-case basis.

Staff resource to support projects will be met within current staffing levels at this stage. Any additional requirements will be met from the project budgets. (Rosie Plaistow)

6.2 Risk management

Not directly relevant in this instance as the report is primarily for information. However, lack of progress in this area of work will have significant reputational consequences.

6.3 Legal

The Action Plan is a plan and not Council policy. Action taken in accordance with the Action Plan is subject to the requirements of any relevant legislation. While there are no direct legal implications arising from this report, further legal and other professional advice will be needed where future action is to be taken based upon the Action Plan.

6.4 Equality, diversity, and inclusion

There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

This report is directly related to the Climate Emergency declaration. The Carbon Neutrality Action Plan is the proposed path to achieving its target.

7. Consultation and engagement

7.1 This report is for information purposes and therefore no consultation or engagement has taken place in relation to the report.

8. Other options considered

8.1 Not applicable to this report.

9. Governance journey

9.1 The formal annual update will follow the indicative timetable below:

- O&S services – 24th January 2022
- Executive committee – 8th February 2022
- Full Council – 22 February 2022

Annexes:

Annexe 1 – CNAP working spreadsheet

Annexe 2 –CNAP Version 2022

Annex 3 – Expenditure summary

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Fotini Vickers

Position: Sustainability Manager

Telephone: 01483 523448

Email: Fotini.vickers@waverley.gov.uk

Agreed and signed off by:

Legal Services: Dan Bainbridge 14/12/21

Finance: Rosie Plaistowe: 8/12/2021

Strategic Director: 7/12/2021

Portfolio Holder: 2/12/2021

ANNEXE 3

EXPENDITURE SUMMARY

CURRENT COMMITMENT OF CLIMATE EMERGENCY RESERVE (£200K)

PROJECT	Amount
BIKE SHELTERS -ACTIVE TRANSPORT	£70,000
WOOLMER HILL PAVILION WORKS	£20,000
MEMORIAL HALL	£30,000
SPD WORK	£10,000
LCWIP CONTRIBUTION	£20,000
APSE ENERGY	£12,600
	£162,600

ADDITIONAL FUNDING ACQUIRED

PROJECT	Amount	Funding source
MEMORIAL HALL DECARBONISATION - ASHP AND PV	£63,000	Public Sector Decarbonisation fund
MEMORIAL HALL DECARBONISATION - ASHP AND PV	£52,000	Empty Homes Grant 2019/20 & 2020/21
BIKE SHELTER PILOT EXPANSION	£10,500	Empty Homes Grant 2019/20
HALE TRAIL CYCLE PATH FEASIBILITY	£25,000	Empty Homes Grant 2019/20
SOLAR FEASIBILITY	£20,000	Empty Homes Grant 2019/20
EV CHARGES IN 4 CAR PARKS	£57,000	Capital budget
GODALMING GATEWAY	£200,000	CIL contributions
HALE TRAIL CYCLE PATH IN FARNHAM PARK	£170,000	CIL contributions
SOLAR CANOPY FEASIBILITY - 4 CAR PARKS	£15,000	Empty Homes Grant 2020/21
EV CHARGERS ADDITIONAL FUNDING TO EXPAND EXISTING PROJECT	£25,000	Empty Homes Grant 2020/21
PV SYSTEM ON FARNHAM LC ROOF	£100,000	Empty Homes Grant 2020/21
POOL COVERS AT FARNHAM LC	£45,000	Empty Homes Grant 2020/21
LED LIGHTING AT THE EDGE LC	£14,500	Empty Homes Grant 2020/21
MOTOR REPLACEMENTS IN LC'S	£30,000	Empty Homes Grant 2020/21
EV CHARGER AT HLC	£30,000	Empty Homes Grant 2020/21
FIXED TERM OFFICER ROLE FOR 2 YEARS	£77,464	Empty Homes Grant 2020/21
	£934,464	