

Waverley Borough Council

Report to: Executive

Date: 7 May 2024

Ward(s) affected: All

Report of Director: Transformation & Governance

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Report Status: Open

Key decision: Yes

Carbon Neutrality Action Plan Priority Projects

1. Executive Summary

A climate emergency was declared in September 2019. The climate motion stated that Waverley Borough Council aims to be net zero by 2030. It was recognised this was an ambitious target. The Carbon Neutrality Action Plan (CNAP) was adopted in 2020 with the target to be net zero by 2030 in our organisational emissions. Throughout the Covid 19 pandemic many services were reduced, and projects were delayed. As teams returned to business-as-usual many feasibility studies and energy reports have been produced and surveys carried out. We are now better placed to understand what is needed to be net zero in our organisational emissions by 2030. These are the emissions reported on in our Greenhouse gas report under scope 1,2 and 3 and those for which the Council can directly impact.

There are 6 years to reach this target and several challenges, including limited time, reducing budgets, resources in wider teams and new technology required. There is now an understanding of the extent to which offsetting carbon emissions e.g., tree planting or the generation of renewable energy might be required. As 91% of our emissions are Scope 3 and not directly deliverable by the council, we will need to collaborate with contractors to redefine how services are operated and build into new contracts the requirement to decarbonise fleets.

To maximise the progress the council can make in reducing emissions and focus our resources on the most productive projects it is proposed priority projects be introduced to our CNAP. For organisational emissions these will be our highest carbon emitters. Lead officers of priority projects will be asked to define a pathway to net zero by 2030 which will be included and updated in the CNAP. If a pathway to net zero is not possible, officers will be required to address the constraints to Net Zero by 2030, detailing them under the headings of:

- Financial constraints
- Technical constraints
- Capacity constraints - internal (e.g., WBC) or external (e.g., external contractors)
- Legal constraints
- Potential for offsetting (with costings)

This should include clear reference to how such constraints could become unblocked (e.g., by legal changes, government funding, new technologies or investment in capacity), and should be approved by the Waverley Council Executive.

The reports providing a pathway to net zero will be live documents which will be updated as new information becomes available. An example of how this could look is included in Appendix 1 – Path to Net Zero – Priority Projects.

Many of these priority projects will have financial implications and due to limited local authority funding, external opportunities should be explored

fully before funding through council budget is sought through business cases.

Additional priorities will include achieving progress towards the decarbonisation of the councils social housing stock, recognising this will not be achieved by 2030. A separate report will be prepared relating to the enabling projects listed in the CNAP which benefit the wider Waverley Borough in terms of carbon reduction, and a comparable approach will be adopted.

2. Recommendation to Executive

That the Executive approves:

2.1 The introduction of priority projects within the CNAP which will be updated in the annual review due in September/October 2024.

2.2 That where it is not currently feasible for individual priority projects to reach net zero by 2030 new dates should be set and approved by the Executive, following the production of the Constraints to Net Zero report.

3. Reasons for Recommendation:

3.1 Prioritising projects which will have the greatest impact on carbon reduction will enable the council to focus its limited resources on projects which will help us to reach the net zero objective.

3.2 Setting a revised timetable for individual projects which we know will be difficult to achieve by 2030 will manage expectations and demonstrate a realistic understanding of the processes needed to achieve net zero for all organisation emissions.

4. Exemption from publication

No

5. Purpose of Report

5.1 Identify and agree to prioritise projects in the CNAP which will have the greatest impact on reducing carbon emissions by 2030.

5.2 When net zero cannot be achieved on a project by 2030 a date is agreed and approved for individual projects and the constraints to net zero made absolutely clear.

6. Strategic Priorities

6.1 This report is directly linked to delivering the aims of the CNAP, one of the Council's key priorities which is part of the Service Delivery Plan.

7. Background

7.1 Since 2020 when the CNAP was adopted, departments across the council have been working on the projects identified in the CNAP. We now have a much better idea of what would be involved for the council to meet the target of net zero by 2030. To achieve the most effective progress towards this target, high impact projects need to be prioritised. Some projects may not be completed by 2030 and the council has the option of delaying the net zero date for individual projects where this is not currently feasible or increase the offsetting of carbon emissions to account for the delay.

7.2 The main challenges to achieving our net zero target include.

- Limited time until 2030 to complete projects.
- Lack of suitable central government or other funding to support our ambition, or the availability of sufficient local budgets to cover the cost of transition.
- Lack of project leaders in teams and supporting staff in key departments.
- Lack of readily available technology to achieve our goals.

- Where all practical decarbonisation measures are taken, but some emissions are still expected, a significant amount of offsetting will be required.
- Some properties are not suitable for current technology or would be extremely costly to decarbonise.
- Contractor commitment to decarbonising their fleets, or lack of funding availability from WBC to support this.
- The net zero target under the Climate Change Act and by SCC for Surrey is 2050 and is the target many stakeholders will be working towards. This is particularly relevant for wider Waverley decarbonising ambitions.

7.3 Lead officers of priority projects will be tasked with preparing a year-on-year programme to decarbonisation to 2030 or beyond, if necessary, with estimated funding requirements for each year, including offsetting where net zero is not otherwise possible. A separate priority action for offsetting has been included although this will be the last option after decarbonisation.

7.4 Decarbonisation of our social housing properties will be a priority but will have a revised date beyond 2030. Further work is required to produce a decarbonisation plan with realistic dates. This could cost in the region of £100m and the current Social Housing Decarbonisation Fund requires the Council to match fund 50%.

7.5 It is clear a significant amount of offsetting will be required to meet the net zero target, as a result a new action has been included as a priority action. This action will investigate opportunities for renewable energy generation on our leased properties.

8. Consultations

- 8.1 Consultation with the Executive Working Group for Climate Change.
- 8.2 Informal consultation with SCC and Guildford BC.
- 8.3 Consultation with the relevant departments within WBC.

9. Key Risks

9.1 A lack of progress in this area of work will have reputational consequence. This can be managed by setting achievable and staged targets that work towards net zero and highlight the external support necessary (e.g., from central government) that can support our net zero aspirations.

9.2 Reported emissions will increase if there is a rise in demand for services such as waste collection, leisure centres, and/or there is a lack of progress on decarbonisation. Prioritising projects will ensure those which have the greatest impact on reducing carbon emissions will have an achievable path to net zero despite any increase in service demand.

9.3 Contractors do not decarbonise their fleets and operations by 2030. Where this might be difficult due to technology, availability of suitable vehicles, or increased cost of the required vehicles this should be agreed, and a revised date approved.

10. Financial Implications

10.1 As highlighted in the budget setting report for 2024/25 both the HRA and the General Fund are facing a number of pressures relating to funding sources going forward. The MTFP is showing a budget deficit of £3m over the next 4 years and the HRA business plan requires additional borrowing of £23m over the next 7 years to balance and deliver current services.

10.2 Many of the costs within the document are unknown. Full costings and viability appraisals would need to be undertaken on each item.

However, for a project such as the aim for net zero on our social housing stock the cost of this will likely be unaffordable without government funding. The costs would run into the hundreds of millions, and this would not be possible by the current 2030 target even assuming some government funding (for example match funding).

10.3 Each project will need to be assessed for affordability on a case-by-case basis and considered alongside other budget items in the budget setting process each year going forward.

11. Legal Implications

11.1 The action plan is not a formal Council policy, although it is required as a result of the Council's policy direction enshrined in the Climate Emergency Declaration. Whilst the plan is a valuable enabling and monitoring tool it does not approve specific projects or actions, accordingly there are no direct legal implications arising from the plan.

11.2 The projects listed in the priority project document remain subject to the Council's decision-making framework.

12. Human Resource Implications

12.1 Staff resource to support projects will be met within current staffing levels at this stage. Any additional requirements will need to be met from project budgets. .

13. Equality and Diversity Implications

13.1 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. The greatest impact of climate change is often felt by the most vulnerable in the community and it is consistent with Waverley's corporate policy to ensure the cost of climate change measures does not fall more heavily on those who are least able to afford it.

14. Climate Change/Sustainability Implications

14.1 This report is directly linked to the delivery of the aims of the Climate Emergency, one of the Council's key priorities, which is also part of the service plan.

14.2 Where new properties or fleets are added to the portfolio, the greenhouse gas emissions for these will be included in our reporting and may increase the council's overall emissions.

15. Overview & Scrutiny

15.1 The Overview and Scrutiny Resources Committee on 19th March 2024 were asked for comments and observations on the contents of this paper and Appendix 1 - Path to Net Zero – Priority Projects.

15.2 The Chair enquired about the financial implications of the plan. Officers confirmed that most of the funding being sought is from central government, such as from the Public Sector Decarbonisation Fund, and that further work on stock surveys is being carried out to estimate the cost of decarbonisation across the entire social housing stock.

15.3 The Committee resolved to welcome greater clarity in the projects delivery decarbonisation, with priority given to the provision of greater detail in the plans for decarbonisation of social housing

16. Summary of Options

16.1 Prioritise projects which will have the greatest impact for the net zero trajectory by an agreed date.

16.2 Prioritise projects which will have the greatest impact for the net zero trajectory by 2030. This is the recommended option.

16.3 Continue to work on all projects on the CNAP for the net zero trajectory by 2030.

16.4 Revise the date for the Council to be net zero for all projects.

17. Conclusion

17.1 Since the adoption of the CNAP in 2020, a number of feasibility studies and energy reports have been produced and surveys carried out. The council now has a better understanding of what is required to reach net zero in our organisational emissions.

17.2 There are challenges to reaching net zero in 6 years due to lack of time, significant investment required, resources in the delivery teams and new technology required in some areas.

17.3 Setting priorities for projects which will have the greatest impact will ensure we maximise the rate of progress towards our net zero target.

17.4 It is evident a significant amount of offsetting will be required to be net zero. Highlighting this and adding it as a priority will further our ability to reach our net zero target.

17.5 Acknowledging the difficulty of reaching net zero by 2030 in all areas, setting new achievable targets for a net zero trajectory will demonstrate an understanding of what is involved.

17.6 The attached Appendix 1 demonstrates how the CNAP could look for these priority projects. Each will be split into stages with target dates, costs (estimated where these are not known) and reduction of emissions. Where offsetting is required, this too has been added. This is a template and if approved will be updated in the CNAP update process every year.

17.7 By not setting these priorities it is very likely we will fall well short of our carbon reduction target and in some areas, emissions will increase as the demand in the service areas increases.

18. Background Papers

18.1 CNAP Update 2023 V4 August 2023

19. Appendices

19.1 Appendix 1 – Path to Net Zero – Priority Projects

Please ensure the following service areas have signed off your report.
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Service	Sign off date
Finance / S.151 Officer	CK 31/01/2024
Legal / Governance	RT 26/1/24
HR	n/a
Equalities	n/a
Lead Councillor	Steve Williams 29/1/24
CMB	6 th Feb
Executive Briefing	5 th March
O&S Resources	19 th March
Executive	7 th May 2024