

**Monday 26 September 2022**

**Report of the Leader of the Council**

**Net Zero Carbon - baseline reporting**

**Exempt Information**

None

**Purpose**

To update Scrutiny Committee on progress made towards achieving Net Zero Carbon.

**Recommendations**

It is recommended that:

1. The baseline assessment is endorsed.
2. An action plan is prepared.

Following a discussion at the Infrastructure Safety and Growth Committee a further recommendation was put forward:

3. That the Action Plan be prepared by 31 December 2024.

**Executive Summary**

A report taken to Cabinet on the 18 February 2021 provides a road map setting out the steps necessary to support the ambition of the Council's target of becoming net-zero carbon for its activities by 2050, with an aspiration to achieve 2030 should the council be financially able to do so.

The road map has two key steps, the **First Step** seeks to deliver a baseline report which will provide the Net Zero Carbon target for the authority. The baseline report makes initial recommendations on how the authority can embed climate change into all areas and how the impact of climate change and the environment when adopting and reviewing policies is undertaken. In addition, the baseline report has provided supporting information regarding the level of investment in the fossil fuel industry that any of our pension investments have.

The baseline report, and the subject of this committee report provides a good foundation upon which focus ongoing workload. The **Second Step** in the road map seeks to establish the feasibility of solution(s) and provide cost/benefit analysis to assess the financial implications along with the effectiveness of potential solution to inform future investment strategies. The additional work associated with step 2 will support and assist with future budget cycles and the investment strategy to take into account the actions the council will take to address the climate change emergency.

The Cabinet recommendations dated 18 February 2021 are as follows:

1. To approve the release of contingency money to deliver Step 1 in the approach outlined in the report;
2. To approve the procurement and appointment of specialist advice;

3. To designate a Portfolio lead for Climate Change;
4. To designated a Member Champion for Climate Change; and
5. To report back to Cabinet on the outcomes of Stage 1.

Bullet points 1, 2 and 5 have been completed and the output from the commissioned work forms the basis of this update to committee.

Bullet points 3 and 4 have also been completed. The Leader of the Council is the Portfolio Lead for climate change work however due to the importance and cross-cutting nature of the issue it has been added to all of the portfolio holder's responsibilities.

### **The Baseline Report**

Aether, SE<sup>2</sup> and CAG Consultants were commissioned by the Borough Council to assist the council in understanding the current Green House Gas (GHG) emissions associated with the council operations and to provide recommendations on future opportunities to reduce the council's carbon emissions. **Appendix 1** provides the baseline report.

A GHG inventory is a dataset which presents estimates of emissions of various greenhouse gases from a wide range of activities in an organisation, country or other geographical area. The first year an emission inventory is compiled is referred to as a baseline year and is used as a reference point to track progress through time. The baseline year for the council is 2019/20. For detail on the input data and methods used to compile the inventory, including the choice of baseline year, please refer to section 12 in the baseline report.

When reporting emissions, it is important to consider which sources to include. The Greenhouse Gas Protocol provides a widely used set of standards which describe emission sources and "scopes" which should be considered as part of a local carbon accounting process; the definition of the three scopes and how they are applied to the 2019 inventory for the council is represented in Table 5 and Figure 7 on page 60 of the baseline report.

Tamworth Borough Council's GHG emissions for 2019/2020 were estimated to be 1,783 tCO<sub>2</sub>e. Figure 2 on page 7 shows that in 2019/20 the most significant emissions sources are council housing and council waste collection, both comprising 31% of the total emissions.

On an annual basis GHG emissions will change. Table 3 on page 10 of the baseline report seeks to provide a direction of travel on the various GHG sources from the inventory for the financial year 2020/21. It can be seen that there is a mixed bag with some emissions decreasing from sources, some increasing and some staying the same. Where data is not available estimates have been made.

It will continue to be the case that as the organisation changes its priorities or changes the way in which it operates or the activities that are undertaken, that there will be an impact on GHG emissions. Impacts could increase or decrease GHG emissions thus impacting upon the Borough Council's Net Zero target.

The report in addition to providing the baseline carbon emissions for the authority also sets out a series of recommendations against each of the GHG sources that were identified within the baseline carbon emissions. The recommendations were informed through a series of workshops with CMT officers and Cabinet members and have been developed to provide possible options for further investigation by the Borough Council.

As set out in the background information one of the recommendations that accompanied the Climate Change Declaration in 2019 was to identify the level of investment in the fossil fuel industry that any of our investments have.

While Tamworth Borough Council does not have any direct investments in the fossil fuel industry, it does place investments with banks, other local authorities and Money Market and property funds. However, in February 2021, UK Divest published data on the proportion of

local authority pension funds that are invested in fossil fuel industries. UK Divest report that Tamworth Borough Council's current pension fund, part of the Staffordshire Pension Fund managed by Staffordshire County Council, is investing 3.3% of its assets into fossil fuels, compared to the UK average of 3%. This equates to £146 million. Figure 4 Page 51 of the report sets out the published data and reveals the largest 10 direct and indirect fossil fuel investments as part of the Staffordshire Pension Fund. The pension fund do have a Climate Change Strategy with targeted reductions in such investments:

[Staffordshire Pension Fund - Climate Change Strategy \(staffspf.org.uk\)](http://staffspf.org.uk)

## The Next Steps

**Step 2** is the delivery of an action plan which seeks to:

- a) establish the feasibility of the solution (s)
- b) Provide a cost/benefit analysis assessing financial implications along with the effectiveness of potential solutions to inform future investment strategies.
- c) A timeline of how the Council will achieve its net-zero carbon status by 2050 indicating key decision milestones necessary to achieve Government Targets;
- d) Deliver against bullet points 1, 5 and 6 from the November 2019 recommendation namely to:
  - o Make the Council's activities net zero carbon by 2050 with an aspiration to achieve 2030 should the council be financially able to do so;
  - o Provide supporting information that will assist with future budget cycles and the investment strategy to take into account the actions the council will take to address this emergency.
  - o The quantification of budget requirements fulfils bullet point 6.

The timeline for the delivery of **Step 2** will be dictated by the complexity of the action plan and the resources required to prepare it alongside other corporate priorities, see resources section.

**Step 2** will be delivered by an external consultancy, procured through a competitive tendering process, see resources section.

## Options Considered

N/A

## Resource Implications

To enable stages 1 and 2 to be progressed, financial resources are necessary. This is a Corporate Project and as such it is not considered appropriate to utilise existing funds allocated to specific services. A climate change reserve pot PM1579 comprising £75K is to be used initially to fund the delivery of the climate change declaration.

The climate change reserve pot will fund step 2 which is the delivery of an action plan. This report will form the basis for preparing future budget and investment strategies that will, long term, derive the financial resources required to achieve a Net Zero Carbon strategy across the authority. Until step 2 has been delivered the financial resources to achieve the Borough Council's Net Zero strategy cannot be quantified.

An important component of any future strategy will be the ability to identify funding streams including grants and government funding.

In terms of staffing resource, the AD G&R will be submitting a policy change in the autumn for a dedicated post that will assist in delivering against Net Zero committee recommendations.

### **Legal/Risk Implications Background**

Failing to achieve the Net Zero target and so understand and reduce the Council's Greenhouse Gas emissions poses risks to council business, and council business affects the climate. For example a disrupted climate may have catastrophic effects on the council's ability to achieve its objectives – in particular, its ability to deliver services to the community. Furthermore, making limited progress towards reducing greenhouse gas emissions and failing to have a net-zero strategy in place will likely result in significant criticism from the community and may amount to negligence on the Council's behalf.

### **Equalities Implications**

None.

### **Environment and Sustainability Implications (including climate change)**

Through failing to adopt the recommendations of this report, the Council will not be able to achieve its Net Zero Carbon target and deliver on its Climate Change Declaration.

The preparation of a Net Zero Carbon target provides the basis upon which the Council can take action. However, an action plan is essential to provide the framework to improve the Council's ability to develop informed policies, make informed decisions and undertake financial planning and budget setting.

### **Background Information**

At Full Council in November 2019 it was resolved that Tamworth Borough Council:

Declares a Climate Emergency' that requires urgent action:

1. Make the Council's activities net-zero carbon by 2050 with aspiration to achieve 2030 should the council be financially able to do so;
2. Ensure that political and chief officers leadership teams embed this work in all areas and take responsibility for reducing where practicable, as rapidly as possible, the carbon emissions resulting from the council's activities;
3. The Council (including the Executive and Scrutiny Committee) consider the impact of climate change and the environment when adopting and reviewing Council policies and strategies;
4. Receive a report to the relevant scrutiny committee regarding the level of investment in the fossil fuel industry that any of our investments have;
5. Ensure that all reports in preparation for the 2021/2022 budget cycle and investment strategy will take into account the actions the Council will take to address this emergency;
6. Ask council to note there will be an as yet undefined financial impact to any plan to achieve net zero carbon operations.

**Report Author**

Anna Miller – Assistant Director – Growth & Regeneration

**List of Background Papers**

- Cabinet 21 February 2021
- Full Council 19 November 2019

**Appendices**

- Net Zero Tamworth: Embedding Climate Change in Council Activities, May 2022

This page is intentionally left blank