

Signed off by	Head of Corporate Policy
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To	Overview and Scrutiny Committee Executive
Date	Thursday, 8 September 2022 Thursday, 15 September 2022
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	Y
Wards Affected	(All Wards);

Subject	Environmental Sustainability Strategy: Annual Report
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Recommendations
<p>That the Overview & Scrutiny Committee:</p> <p>(i) Notes the Environmental Sustainability Strategy Annual Progress Report at Annex 1 and makes any observations to the Executive</p> <p>That the Executive:</p> <p>(i) Agrees the Environmental Sustainability Strategy Annual Progress report at Annex 1 for publication on the Council website</p>
Reasons for Recommendations
To enable the Council to publish an update on progress towards delivery of its Environmental Sustainability Strategy.
Executive Summary
This report provides a summary of the Council's progress in delivering its Environmental Sustainability Strategy (the ES Strategy) and Action Plan for the year 2021/22.

Since the ES Strategy was agreed in 2020, positive progress has been made on actions across all themes within the Strategy, and towards overall targets. This includes areas where the Council is able to take direct action (for example in relation to its own activities_, but also other areas where – although it cannot mandate or force action – it can provide a trusted source of information and advice (for example, to residents and businesses).

This covering report summarises key elements of our progress, challenges and next steps, with more detail about specific activities provided at Annex 1.

The Overview & Scrutiny Committee is invited to make observations to the Executive. It is recommended that the Executive approve the information set out in the report and Annex 1 for publication on the Council website.

Executive has authority to approve the above recommendations

Statutory Powers

1. Under the Local Government Act 2000, the Council has a duty to promote the social, economic and environmental wellbeing of its area. The Council also has related statutory duties around environmental health, waste, and planning.
2. The Climate Change Act 2008 and subsequent amendments sets out much of the UK's policy response to climate change; having left the European Union, the new Environment Act was enacted in November 2021 – this provides the new legal framework relating to environmental protection.

Background

3. In response to the growing climate challenge, the Government has set increasingly challenging targets to reduce greenhouse gases over the coming years, cumulating in a target for the country to reach net-zero carbon emissions by 2050.
4. Our own corporate plan, Reigate & Banstead 2025, commits the Council to reducing its own environmental impact, and supporting residents and businesses to do the same.
5. Following on from this commitment, in Summer 2020 the Executive agreed a new Environmental Sustainability Strategy (ES Strategy), with an accompanying Action Plan and performance indicators. This trio of documents sets out a range of measures to deliver a greater degree of sustainability within the Council and the Borough, and outlines that the Council itself will aim to achieve carbon neutrality by 2030 (based on scope 1 and 2 emissions¹).
6. At the county level, Surrey County Council has agreed its own Climate change Strategy and last year developed its first five year Climate Change Delivery Plan. This includes a goal of a 40% reduction in county-level local authority carbon emissions by 2025.
7. While the Council has the most direct control over its own operational emissions, these amount to less than 1% of total emissions in the Borough; it is therefore important that we also support residents and businesses to take steps to tackle

¹ Scope 1 emissions being direct emissions from fuel combustion, ie gas and vehicle fuel; scope 2 emissions being those generated indirectly from purchased electricity

climate change and sustainability issues, and work with partner organisations to make progress. It has to be noted, however, that there remain limits to our powers and sphere of influence, such that achieving national targets will require intervention across all tiers of Government.

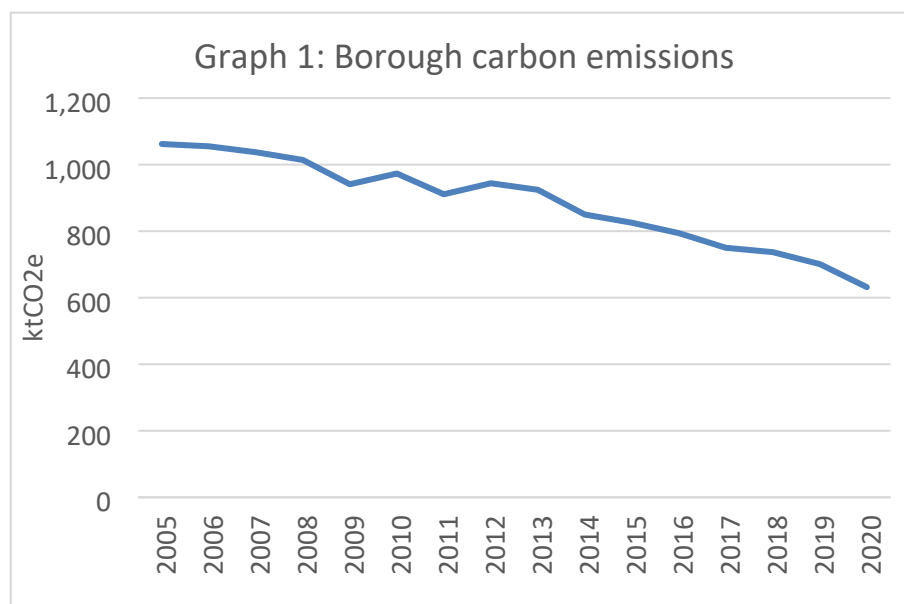
Key Information

Annual reporting

8. A progress report is prepared annually to summarise the work that is being undertaken towards delivery of the ES Strategy. Annex 1 provides an update on all relevant strategy actions and indicators for the year 2021/22.
9. Reflecting feedback from the Overview & Scrutiny Committee last year, the rest of this section of the covering report summarises progress on key priority topics, as well as summarising headline carbon emissions data. These priority topics were:
 - The Council's own assets and buildings
 - The Council's vehicle fleet
 - Rolling out electric vehicle charging infrastructure; and
 - Domestic retrofit
10. Annex 1 provides updates on these and the other workstreams that together comprise the ES Strategy.

Borough Carbon emissions

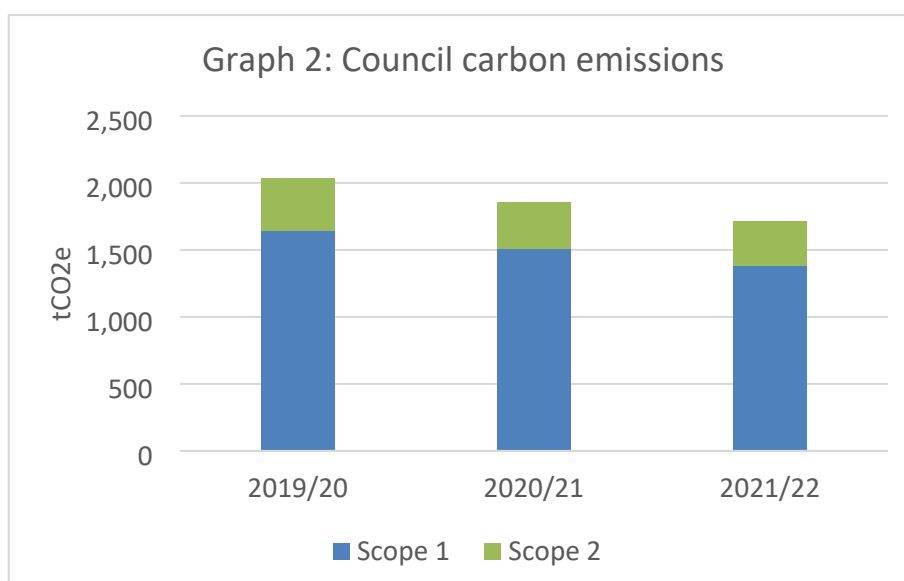
11. Borough-level carbon emissions continue to decline. Graph 1 below is based on the latest published information from the Department of Business, Energy & Industrial Strategy (BEIS).



12. Domestic and transport emissions per head of population in Reigate & Banstead remain higher than the national average, although slightly less than the Surrey average.

Council carbon emissions

13. The Council's operational (scope 1 and scope 2²) carbon emissions are also declining. Graph 2 shows progress since the 2019/20 baseline.



14. In the year 2021/22, the sources of the Council's carbon emissions were as follows:

- Fleet: 55%
- Building heating: 24%
- Electricity: 19%

Transmission and distribution losses account for the remaining 2%.

15. Note that for gas and electricity the data in Graph 1 reflects invoiced kilowatt hours and **does not** take account of the green tariffs and carbon offsetting arrangements that we have in place. As reported last year, in 2021/22 the gas and electricity that the Council purchased continued to be comprised of a combination of renewable energy tariffs (which account for around 1/3 of our energy use) and fossil fuel tariffs (the emissions from which are offset). In practice, this means that - for the energy we use which is not yet purchased as renewable energy (for example, from electricity contracts that have not recently come up for renewal) - our energy management company offsets the carbon emissions at no additional cost to the Council. These offsets are via contributions to specific UN certified emissions-reduction projects. This type of offsetting is an interim measure, and our focus remains to reduce our scope 1 and 2 carbon emissions as much as possible to minimise our reliance on offsetting.

Council assets and buildings

16. Reducing the overall energy usage and carbon emissions from our operational buildings represents an important component in getting to net-zero by 2030. Consultants have therefore been appointed to undertake building audits and work with our Property Team to identify the measures that need to be put in place, and to better understand the carbon savings, capital costs and potential revenue savings that such measures will generate.

² Scope 1 – emissions from direct combustion of fuel (eg diesel, gas); Scope 2 – emissions from the generation of electricity

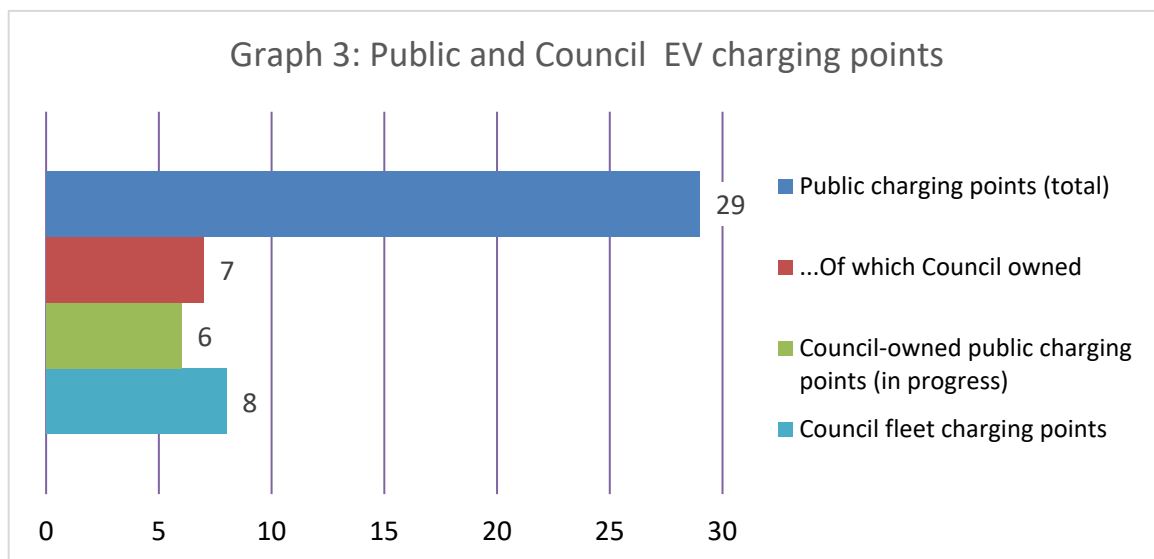
17. This work is still in progress, so outcomes cannot yet be reported, however more information will be provided to members once available.

The Council's vehicle fleet

18. 10% of the Council's vehicle fleet is comprised of electric or hybrid vehicles (13 vehicles in total). In 2021/22, the planned replacement of some vehicles was deferred which may allow for procurement of low carbon replacement vehicles as technology evolves and prices reduce. A trial of an electric refuse collection vehicle was carried out, however this indicated some reliability concerns. More trials are planned however, unfortunately, it remains the case that for the heavier vehicles in our fleet, low carbon replacement vehicles do not yet offer a viable or cost effective alternative.
19. However, technology is evolving quickly. The Transport team continues to explore options for transitioning of vehicles to electric as they come up for replacement as well as considering alternative low carbon fuels and technologies, with a full fleet review undertaken by the Energy Saving Trust in 2021/22 to assist with this process. Work is also underway to gather baseline data in relation to scope 3 transport-related emissions (eg from business travel/staff commuting).

Electric vehicle charging infrastructure

20. Graph 3 shows public and council electric vehicle charging infrastructure in the borough.

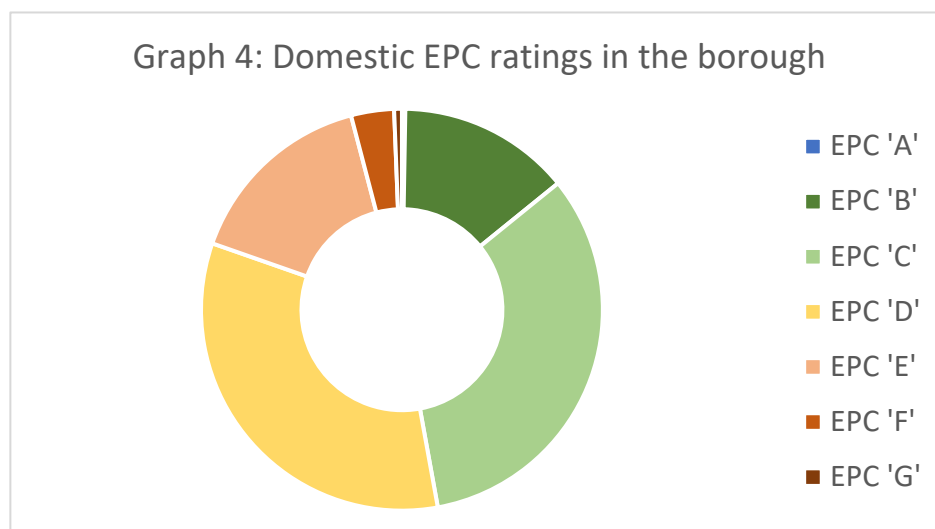


21. Surrey County Council is currently procuring a third party provider to roll out the installation of electric vehicle charging points on-street, and this Council has submitted an Expression of Interest to enter into that agreement to enable the roll out of charging points at Council car parks at scale as well. While the detail remains to be finalised, this model is likely to offer benefits including increased capacity to roll out charging points, securing economies of scale, and the ability to cross subsidise between installation locations ensuring that it is not just the most commercially viable sites that see charging points installed.

Domestic retrofit

22. Domestic carbon emissions make up around a third of the borough's total carbon emissions. Whilst these lie outside the direct control of the Council, the Executive last year agreed to make two additions to the ES Strategy action plan in relation to

domestic retrofit, the first in relation to energy efficiency measures and the second in relation to renewable energy measures. While Reigate & Banstead Borough has a greater percentage of homes performing at an acceptable standard (EPC rating C or above), Graph 4 (based on data from the Department of Levelling Up, Housing and Communities) illustrates how the majority of homes still fall below this standard.



23. In consultation with the cross party member steering group, it was agreed that Council activity in relation to domestic retrofit should focus on the following:
 - a. Increasing residents' access to grants
 - b. Increasing residents' knowledge of retrofit
 - c. Securing easy wins for residents
 - d. Working with social housing partners; and
 - e. Partnership working on skills and supply chain
24. 2021/22 has seen:
 - a. 90 low income households in hard to heat homes benefitting from the Green Homes Grant LAD1 scheme, saving around 120 tCO₂e per year, plus 27 additional low income households to benefit from the Green Homes Grant LAD2 scheme
 - b. 157 properties progressing with solar panel installation as a result of the Solar Together scheme, with 117 of these implemented (a total of 1,497 solar panels and 88 batteries)
 - c. Over £1.4m of funding secured from the Social Housing Decarbonisation Fund to delivery upgrades to 92 homes (26 of which are in Reigate & Banstead). Raven Housing Trust remains committed to leading the way on social housing retrofit with its ambitious net-zero carbon programme.
 - d. Promotion of energy efficiency and renewable energy advice via a range of communication channels including print, web, and social media
 - e. Ongoing work with East Surrey College including in relation to construction skills.

Communications, engagement and training

25. Communications, engagement and training are key elements of our ES work.

26. Our communications and engagement activity targets a range of audiences including councillors, staff, residents and businesses. In 2021/22 we have used a range of communications tactics (print, web, email, social media posts, face to face) to promote updates, advice, grant opportunities, encourage behaviour change and to signpost to trusted third parties.
27. 2021/22 also saw us undertake our first resident sustainability survey – this will be used as a means of measuring progress when it comes to awareness and behaviour change, gaining feedback and helping us target future activities.
28. In 2021/22 the Council was also certified as a Carbon Literate organisation, gaining the Bronze award. Over the course of the year, 20 officers (including senior managers) gained carbon literacy certification, and since the end of the reporting year, training has also been undertaken by 14 councillors.
29. Finally, it was reported in January that the campaign group Climate Emergency UK had ranked the Council 15 out of 181 district and borough councils for its strategy and action plan³.

Challenges and next steps

30. Annex 1 provides more information about some of the challenges faced with respect of particular elements of the ES Strategy Action Plan. These include:
 - a. Data availability
 - b. The availability of financial resources (particularly when it comes to tackling borough-level carbon emissions), and the Council's own financial sustainability challenges
 - c. The complexity and competitive nature of Government funding and grants regimes, and a lack of clarity when it comes to overall national strategy and the role of lower tier authorities
 - d. Capacity within services across the Council to deliver on particular strategy elements given competing priorities.
31. The Sustainability Team will continue to work with services across the Council and other partners to make progress on Strategy delivery and address the above challenges. This will focus on delivery of relevant actions within the published action plan, and include (subject to resourcing):
 - a. Ongoing investigation of fleet replacement options and other opportunities to reduce carbon emissions from our vehicle fleet
 - b. Development of a programme of works to reduce carbon emissions from our operational buildings
 - c. Further work to understand the Council's indirect and supply chain emissions
 - d. Development of a tree strategy for council owned land
 - e. Promotion of the forthcoming Sustainable Warmth Fund and other domestic retrofit opportunities, particularly for low income households and linking into other Council activity to tackle fuel poverty

³ Although it should be noted that officers have some reservations about the ranking methodology used.

- f. Ongoing work with SCC as the electric vehicle charging point procurement exercise progresses
- g. Work to promote active travel (walking and cycling) within local communities
- h. Support for small and medium businesses to understand what they need to do to reduce their own carbon emissions
- i. A new member sustainability champion scheme, to be launched this Autumn.

Options

32. The following options have been identified for the Executive:
- Option 1: Agree the ES Strategy Progress Update at Annex 1. This option is recommended as it enables us to publish a formal report on progress, ensuring transparency in relation to our continuing activity to lead local action to tackle climate change and other sustainability issues
 - Option 2: Do not agree the ES Strategy Progress Update for publication. This option is not recommended as it is important that we publicly report our progress on a topic that is of increasing local interest.

Legal Implications

33. There are no direct legal implications arising from this report. Any future statutory obligations arising from the Environment Act 2021 or other legislation or policy will be considered either separately or as part of a future ES Strategy annual report.

Financial Implications

34. The 2022/23 revenue budget includes funds for the implementation of the ES Strategy and currently comprises £20,000 for strategy promotion, communications, training etc and funding for one permanent Sustainability Project Officer
35. In addition, funding from the Environmental Sustainability Reserve is currently being used to fund one part time fixed term Sustainability Project Officer as well as contributing to the cost of other sustainability workstreams.
36. The approved Capital Programme includes an initial £0.250m allocation for investment in capital assets that support delivery of the ES strategy.
37. For many of the Council's ES initiatives, costs will be funded within the relevant Council department budgets (for example Fleet, Facilities etc), with the above sustainability budgets serving to provide 'top up' funding.
38. External funding opportunities are pursued wherever possible (either by the Council alone or working in partnership). In 2021/22 this has included via the Green Homes Grant Local Authority Delivery Fund, the Social Housing Decarbonisation Fund, the Local Authority Treescapes Fund, the UK100 Local Climate Engagement Programme and Surrey County Council's Empty Homes (gainshare) fund. Several streams of future activity have also been included in the Council's UK Shared Prosperity Fund Investment Plan which has been submitted to Government for approval.

39. Where additional funding requirements are identified, these will be pursued following established Council procedures. In some cases, there may be opportunities for savings and efficiencies related to investment in sustainability measures (for example savings on fuel bills from investment in energy efficiency or renewable heat measures or low carbon fleet solutions); it can also be expected that the costs associated with a business as usual approach will continue to increase over time (eg fossil fuel prices, taxes on polluting vehicles) which will likely enhance the business cases for such investment.
40. Statutory obligations may emerge for local councils via the 2021 Environment Act or other Government interventions which may introduce additional financial burdens on the Council, however the scope and potential financial implication of such additional obligations is currently unknown.

Equalities Implications

41. We have a statutory duty to consider equalities implications in all of our decisions.
42. Opportunities exist for sustainability activity to deliver linked benefits for the most vulnerable members of our communities, for example energy efficiency measures can result in savings on energy bills, activity to raise awareness and plan for climate change (adaptation) benefits those most vulnerable to the impacts of that climate change
43. This report does not recommend any specific decisions in relation to our sustainability activity; however it is confirmed that, when the Annual Report is published this will be done in accordance with Accessibility standards.

Communication Implications

44. In terms of the direct communications implications of this report, the progress reported in Annex 1 will be published on the Council website, supported with some associated communications activity, summarising (for a variety of audiences) key elements of our progress so far.
45. A briefing for members is being held on 13th September to update on key progress.

Environmental Sustainability Implications

46. Overall, implementation of the ES Strategy will have a positive environmental impact across the borough as well as contributing to national and global sustainability and climate objectives. It will continue to be important that the full range of potential environmental impacts of activities within the Strategy are considered in order to avoid or mitigate any unnecessary negative environmental consequences.
47. Work continues to improve the Council's access to appropriate data so that the direct impact of our activities can be monitored and reported on.

Risk Management Considerations

48. No specific risk management considerations have been identified in relation to the content of this report. Although outside the reporting period it is worth noting that a new strategic risk was raised in Quarter 1 of 2022/23 relating to climate change

impact, that is, the negative impacts that may result from a changing climate and the additional demands this may place on the Council. Information on this risk will be provided quarterly to the Audit Committee.

Consultation

49. This report has been discussed with members of the Executive. The Overview & Scrutiny Committee is invited to provide observations to the Executive – given the timing of meetings, these will be reported verbally.

Policy Framework

50. This report and its recommendations align with the commitments outlined in Reigate & Banstead 2025 and the adopted Environmental Sustainability Strategy.

Background Powers

1. Reigate & Banstead 2025 (Corporate Plan 2020 – 2025) - https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025
2. Reigate & Banstead Environmental Sustainability Strategy - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020
3. Reigate & Banstead Environmental Sustainability Action Plan - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020
4. Reigate & Banstead Environmental Sustainability Performance Indicators - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020