



## ENVIRONMENT, CLIMATE EMERGENCY AND TRANSPORT COMMITTEE

Monday, 14 June 2021

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| <b>REPORT TITLE:</b> | <b>CARBON BUDGET PERFORMANCE REPORT 2020/21</b> |
| <b>REPORT OF:</b>    | <b>DIRECTOR OF REGENERATION AND PLACE</b>       |

### REPORT SUMMARY

This is the first annual Carbon Budget Performance Report and covers the 2020/21 financial year. It shows actual emissions compared against the 2020/21 Carbon Budget Target. This allows the Council to measure progress towards its target of carbon net zero by 2030 as included in the Environment and Climate Emergency Policy.

Annual Carbon Budget Targets and performance to date is shown in the table below.

| <b>Financial Year</b> | <b>Annual Carbon Budget (tonnes CO<sub>2</sub>e)</b> | <b>Actual Emissions (tonnes CO<sub>2</sub>e)</b> |
|-----------------------|--|--|
| 2019/20               | 13,656 (Baseline)                                    | 13,656   |
| 2020/21               | 10,349 (Mobilisation year)                           | 9,424  |
| 2021/22               | 7,843  |  |
| 2022/23               | 5,944  |  |
| 2023/24               | 4,505  |  |
| 2024/25               | 3,414  |  |
| 2025/26               | 2,587  |  |
| 2026/27               | 1,961  |  |
| 2027/28               | 1,486 (Re-baselining due)                            |  |

The Carbon Budget Target for 2020/21 was 10,349 tonnes CO<sub>2</sub>e. Actual emissions were 9,424 tonnes CO<sub>2</sub>e. The target has been exceeded by 925 tonnes CO<sub>2</sub>e.

The reduction in emissions over 2020/21 have been achieved because of reduced use of Council assets due to the pandemic. Emissions associated with use of electrical energy have also reduced because of continuing 'decarbonisation' of grid electricity.

Actions to preserve current performance and achieve further reductions are described. Steps to include more emissions sources for the next re-baselining are noted and documented. Longer-term issues that will have to be addressed to meet the 2030 target are briefly explored.

This matter affects all Wards within the Borough although it only applies to Council-owned Assets.

This is not a key decision.

**RECOMMENDATION**

The Environment, Climate Emergency and Transport Committee is recommended to note the content of this report.

## SUPPORTING INFORMATION

### 1.0 REASONS FOR RECOMMENDATION

- 1.1 On 15 July 2019 Council Members declared an Environment and Climate Emergency that included an instruction to reinstate Carbon Budget reporting. An annual Performance Report, provided as soon as practical after the end of the Municipal Year, is considered necessary to document actual performance against the targets and allow the early formulation of practical strategies to reduce emissions.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 There is an instruction from Members to reinstate Carbon Budget reporting so no other options were considered. The report is annual because the impact of seasonal variation renders anything other than a 12 month interval impractical and potentially misleading.

### 3.0 BACKGROUND INFORMATION

- 3.1 Performance information has been gathered and compiled using the same approved methods that were used to develop the baseline. Continued use of the Local Partnerships calculation toolkit allows comparison over time. A copy of the 2020/21 calculation tool is included at Appendix 1.

#### 3.2 Measured Performance

- 3.2.1 The Carbon Budget Target for 2020/21 was 10,349 tonnes CO<sub>2</sub>e. Actual emissions were 9,424 tonnes CO<sub>2</sub>e. The target has been exceeded by 925 tonnes CO<sub>2</sub>e. Carbon Budgets and performance to date are tabulated below.

| Financial Year | Annual Carbon Budget (tonnes CO <sub>2</sub> e) | Actual Emissions (tonnes CO <sub>2</sub> e) |
|----------------|---|---|
| 2019/20        | 13,656 (Baseline)                               | 13,656                                      |
| 2020/21        | 10,349 (Mobilisation year)                      | 9,424                                       |
| 2021/22        | 7,843   |   |
| 2022/23        | 5,944   |   |
| 2023/24        | 4,505   |   |
| 2024/25        | 3,414   |   |
| 2025/26        | 2,587   |   |
| 2026/27        | 1,961   |   |
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- 3.2.2 Reporting convention requires that emissions be classified according to their defined scope. The table overleaf shows measured emissions for 2019/20 and 2020/21 as well as the percentage change.

| Scope                  | Emissions Type                     | 2019/20 Baseline Emissions (tonnes CO <sub>2</sub> e) | 2020/21 Actual Emissions (tonnes CO <sub>2</sub> e) | Percentage change from baseline |
|------------------------|------------------------------------|---|---|---------------------------------|
| <b>Scope 1</b>         | Heating                            | 5,994.67  | 4,367.77  | -27.14%                         |
|                        | Authority's Fleet                  | 599.99  | 268.32  | -55.28%                         |
| <b>Scope 2</b>         | Electricity                        | 5,924.40  | 4,159.65  | -29.79%                         |
| <b>Scope 3</b>         | Staff Travel                       | 482.03  | 156.38  | -67.56%                         |
|                        | Transmission & Distribution Losses | 502.97  | 357.77  | -28.87%                         |
|                        | Water                              | 151.94  | 114.5   | -24.64%                         |
| <b>Total Emissions</b> |                                    | <b>13,656.00</b>                                      | <b>9,756.07</b>                                     | <b>-30.99%</b>                  |

3.2.4 The calculated emissions show a year-on-year reduction of 30.99%. Whilst this is very encouraging it must be appreciated that 2020/21 was highly unusual and this performance is unlikely to continue unless the conditions are repeated.

### 3.3 What has affected 2020/21 emissions?

3.3.1 The most significant factor that has affected emissions is the 'lockdowns' that were necessary because of the Covid-19 pandemic. Energy and water use in Council Assets has reduced significantly as have business mileage claims. It should be noted that essential services had to be maintained for health and safety considerations. It is anticipated that energy use will rise in 2021/22 as Council Assets re-open. It is not certain what the long-term impact of the pandemic on working practices will be so any projection would be highly speculative until details of the Green Recovery Plans emerge.

3.3.2 It must be acknowledged that with many Officers working from home for most of 2020/21 some emissions will be displaced to individual homes. In time this will be reflected in national statistics and will be significant for the Borough and the Wirral Cool 2 aim of reaching carbon net zero by 2041. If home working is going to become a permanent feature of working practice, a robust method of estimating the associated Scope 3 emissions will have to be devised.

3.3.3 Emissions associated with the production of electricity have reduced and this is reflected in the annual conversion factors that are used to calculate emissions. This is a technical adjustment that reflects an increase in low carbon generation assets that feed into that national grid.

### 3.4 Council Actions over 2020/21

3.4.1 The Council has been dealing with challenges because of the Covid-19 pandemic. Despite the obstacles it has reinstated the Carbon Budget and completed a re-baselining exercise in September 2020 which set the targets for this performance report. The Council has also developed its Climate Emergency Action Plan and its Environment & Climate Emergency Policy.

### **3.5 Planned/Implemented Actions for 2021/22**

3.5.1 Detailed actions for the coming year are included in the Climate Emergency Action Plan (CEAP) and cover the diversity of the Council's activities that are not yet reported. A small number of initiatives that will impact on emissions in the short term are:

- Purchase of 'green' electricity from 1 April 2021 will reduce emissions by 42% of 2020/21 levels. Actual reduction will depend on the amount of electricity purchased by the Council.
- A £1m capital programme to improve energy efficiency in Council buildings is being developed. The programme will reduce emissions.
- The Council is working with local Consultants to develop emissions reduction plans at two office buildings and five leisure centres. This is grant funded from the Public Sector Low Carbon Skills Fund.
- The Public Sector Decarbonisation fund presents the opportunity to bid for grant funding through Salix Finance. In the first two phases timescales have been difficult to achieve if there was not a pipeline of developed proposals. The Council is working on the development of such a pipeline in consultation with colleagues from the Combined Authority.

### **3.6 Increasing Reporting**

3.6.1 One of the recommendations made by Local Partnerships was to add to the list of emissions being reported in cases where reliable reporting threads can be established for measures that may be converted to Carbon Dioxide equivalent (CO<sub>2</sub>e). Most of these emissions will be 'scope 3' (sometimes called Other indirect) which are incurred when the Council uses a product or a service but cannot influence the emissions associated with it.

3.6.2 Where reliable and coherent reporting is established, the annual performance report will record the annual emissions until they can be incorporated into the Carbon Budget. These processes are at a very early stage so it is not possible to provide detail. At this time the following possibilities are being explored:

- Fugitive Emissions are Scope 1 emissions that the Council has not been able to report because of resource constraints. If the necessary resource is made available, this reporting thread may be established.
- The Council reports waste to Government on a regular basis. Preliminary discussions have been held to establish whether it is possible to express the tonnages as CO<sub>2</sub>e.
- The Local Partnerships 2020/21 reporting template includes a new section called 'Outsourced Fleet' which might be useful if it is possible to obtain regular information in a consistent manner from Contractors. It may be necessary to consider estimation as the only practical way of including some emissions sources.
- It is understood that colleagues in Procurement have been examining the possibility of reporting emissions. This is a complex area that could have legal implications so detail is unclear.
- The tree planting strategy will, over time, provide a means of removing carbon from the atmosphere. Often called 'sequestration', a strategy will have to be developed to provide robust measurement.

3.6.3 It should be appreciated that whilst the Council is very willing to increase the emissions it reports, resource and cost considerations have to be balanced against the potential significance of the enhanced reporting.

### **3.7 Long term Issues**

3.7.1 The Council has set an ambitious target of achieving carbon net zero by 2030 and whilst this is possible, it would be wise to initiate programmes to address some issues that will inevitably take some time to make an impact on emissions. These include but are not limited to:

- Reducing use of fossil fuels which can be achieved by improving the thermal performance of the Estate and by replacing fossil fuel fired systems with an alternative low carbon energy source. Heat pumps are an option but given that electricity is significantly more expensive than natural gas, ways to reduce the heat demanded need to be examined.
- Most of the Council vehicles, including those against which vehicle mileage is claimed, are either diesel or petrol-driven. It has been recommended that the Council examine ways of increasing the use of electric vehicles. The author is not in a position to comment on the initiatives being developed but they are significant in respect of emissions reporting.
- Management of water will not have a major impact on emissions but undetected leaks and malfunctioning equipment will add significantly to costs.
- Council buildings are occupied and operated by people. It is vital that all staff are aware of and support the Council's aims regarding emissions – as well as the role they play. Programmes are in development and some staff have been fortunate enough to take part in Carbon Literacy Training sessions

## **4.0 FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications associated with setting annual Carbon Budgets nor for reporting of progress toward the corporate goal of achieving net zero emissions by 2030. The reduction of emissions will be achieved through the implementation of the Climate Emergency Action Plan (CEAP) which will be overseen by the Environment and Climate Emergency Action Group. There will be financial implications associated with delivery of the CEAP.

## **5.0 LEGAL IMPLICATIONS**

5.1 There are no direct legal implications arising from this report which reports annual emissions against the targets set in the Carbon Budget. This will assist the Council to meet its aim of achieving carbon net zero by 2030. The establishment of annual Carbon Budgets against which actual performance is compared and reported demonstrates that the Council is taking tangible action to address the issues raised by the Environment and Climate Emergency Declaration of July 2019.

5.2 It should be noted that the adequacy and action of both national and local government is under scrutiny by environmental interest groups with the threat of potential legal challenge. Several local authorities have been criticised for not putting their climate emergency declarations into action and are the subject of scrutiny and challenge for not doing so.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 The Carbon Budget Performance reports are delivered through existing staff resources using the existing energy management database to report energy and water consumption. Although there are no staffing implications arising directly from this report it should be noted that employees' efficient and effective use of energy is vital to reducing measured emissions.
- 6.2 There are no IT implications arising directly from this report. However, it should be noted that IT systems and infrastructure contribute directly to emissions as they use energy.
- 6.3 This report quantifies the emissions associated with Council Assets. Energy and water use in Council assets accounted for over 92% of CO<sub>2</sub>e emissions in 2020/21. Whilst the measurement of emissions does not have a direct impact on the operation of Council Assets, analysis of the source data allows cost-effective reduction actions to be identified and prioritised.

## **7.0 RELEVANT RISKS**

- 7.1 The Council has made a series of public commitments to act on climate change including the declaration of an Environment and Climate Emergency in July 2019 that included an instruction to reinstate the Carbon Budget. A failure to demonstrate action and commitment to change would present a reputational risk. There are local authorities across the country who, having declared a climate emergency, are now under scrutiny for having apparently done little to turn their declaration into action.
- 7.2 The Council's corporate risk register has been updated to reflect the environment and climate emergency declaration and the identification of the risk climate change has on the Council, Wirral as a place and its residents. The delivery of the Environment & Climate Emergency Policy and working jointly with partner organisations and communities forms the mitigation to such risk. The risks associated with the effective delivery of the Environment & Climate Emergency Policy have been identified and mitigated. The Environment and Climate Emergency Action Group will monitor these risks as part of their management of the Environment & Climate Emergency Action Plan.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The Carbon Budget reporting process was developed in conjunction with recognised expert Local Partnerships. The Council worked with Local Partnerships on the carbon reduction trajectory which was assessed as ambitious but achievable. The performance report shows progress towards the Council's goal of achieving carbon net zero by 2030 and will be available for public scrutiny.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 The potential impact of the proposal has been reviewed with regard to equality and it has been concluded that there is no relevance to equality.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 Reporting of annual emissions against the year's Carbon Budget is an integral part of the Council's response to the Environment and Climate Emergency declaration and provides a robust, reliable and consistent means of establishing annual emissions targets against which it enables measurement of progress towards the corporate 2030 Carbon Net Zero target.

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## **APPENDICES**

Appendix 1 – Carbon Budget Performance 2020-21

## **BACKGROUND PAPERS**

Wirral Council Climate Emergency Action Plan 2020: Establishing a baseline, carbon budget, emissions reduction trajectory and priority areas for action', Local Partnerships 14/10/20

## **SUBJECT HISTORY (last 3 years)**

| <b>Council Meeting</b>  | <b>Date</b>         |
|---|---------------------|
| <b>Council – Extraordinary Meeting – Declaration of Environment and Climate Emergency (Minute 21)</b> | <b>15 July 2019</b> |