



## Report of the Cabinet Member for Service Transformation

Cabinet - 15 December 2022

### Swansea Council – Net Zero 2030.

<b>Purpose:</b>	The report seeks to gain approval for a Swansea Council Net Zero 2030 delivery plan. To also acknowledge the work on Nature Recovery and Swansea Net Zero 2050 programmes.
<b>Policy Framework:</b>	Corporate Plan – Delivering on Nature Recovery & Climate Change
<b>Consultation:</b>	Access to Services, Finance, Legal. All service areas with responsibilities within the action plan
<b>Recommendation(s):</b>	It is recommended that Cabinet:  1) Approves the proposed Swansea Council Net Zero 2030 delivery plan, attached as Appendix 1.  2) Acknowledges the continuing work on Nature Recovery and Swansea Net Zero 2050 programmes which will require separate reports to Cabinet at a future date.
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#### 1. Introduction

- 1.1 This report is the third in a series presented to Cabinet on the Climate Change and Nature Recovery agenda and will focus in the main, on how Swansea Council proposes to deliver its Net Zero 2030 commitment.
- 1.2 Since the last report in November 2021, the Council has submitted three years of emissions data under the new Welsh Government 'Welsh Net

Zero' reporting guidelines for public sector bodies. The aim is to monitor progress towards meeting the collective ambition of a carbon neutral public sector by 2030. It is worth noting there are 60 plus public bodies reporting to in this manner.

- 1.3 The new reporting method covers six categories within the operational boundary. Two categories align with the previous Carbon Reduction Commitment data we have collated and reported on 2010. Data in these two areas is proven and robust.
- 1.4 The Environment (Wales) Act 2016 places a duty on Welsh Ministers to report consumption emissions, given the aim of the policy is to reduce emissions in a globally responsible way.
- 1.5 Swansea Council has reviewed its proposed approach with regional colleagues and the delivery plan recommended in this report aligns with all three regional councils (Pembrokeshire, Carmarthenshire and Neath Port Talbot).
- 1.6 To note the wider Net Zero Wales agenda, Welsh Government is embedding legislative foundations for a cleaner, fairer, stronger Wales, including through the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.
- 1.7 Audit Wales, have also recommended that Swansea Council publishes a costed delivery plan saying:

*Overall, we found that:*

*The Council has a strong grasp of the scale and complexity of the challenge to achieve net zero by 2030 and has ambitions for all public sector bodies in the county of Swansea to become net zero by 2050, but these plans are not costed and do not identify the funding and resources required to deliver all the identified activity*

*In July 2022, the Auditor General published Public Sector readiness for Net Zero Carbon by 2030, which looked at decarbonisation actions in 48 public bodies, including all councils. This report found uncertainty that the collective ambition for a net zero public sector by 2030 will be met. Our work identified significant, common barriers to progress that public bodies must collectively address to meet the collective ambition. We found that while public bodies are demonstrating commitment to carbon reduction, they must now significantly ramp up their activities, increase collaboration and place decarbonisation at the heart of their day-to-day operations and decisions.*

*In the report, the Auditor General makes the following five calls for action from Public Bodies:*

- *Strengthen your leadership and demonstrate your collective responsibility through effective collaboration;*

- Clarify your strategic direction and increase your pace of implementation;
- Get to grips with the finances you need;
- Know your skills gaps and increase your capacity; and
- Improve data quality and monitoring to support your decision making

## 2. Emissions reporting

2.1 A reminder of the Public Body route map set out by Welsh Government is as below:

# The Journey to net zero

### Moving up a gear 2021–2022

Where understanding the context and what needs to be done is vital, and where action needs to accelerate.

### Well on our way 2022–2026

Where there is an expectation that low carbon is becoming the norm and we are definitely on the way to a net zero Welsh public sector.

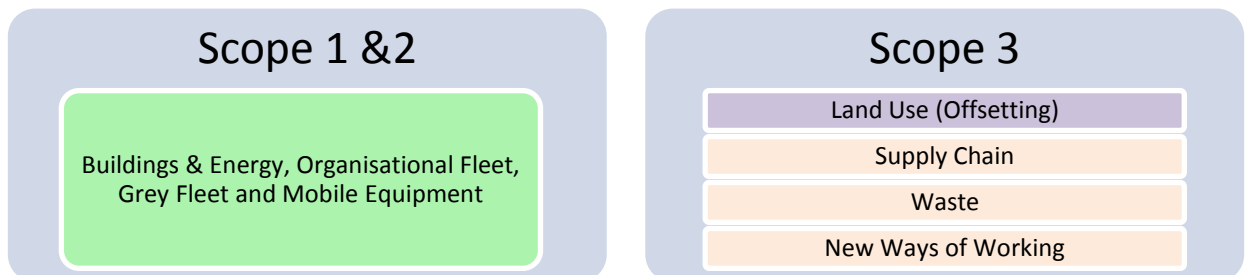
### Achieving our goal 2026–2030

Where choosing zero carbon has become routine, culturally embedded, and self regulating.

2.2 For the new reporting regime, there are six emissions categories within the operational boundary:

Buildings & Energy	Fleet & Other Mobile Equipment	Land Use (Offsetting)
Waste – Operational	New Ways of Working	Supply Chain

2.3 For the purposes of the new Welsh Net Zero reporting, the scope concept has continued to be used to support the operational boundary setting process.



Previously for the Carbon Reduction Commitment only scope 1&2 emissions were reported i.e. those under direct control.

Now all three scopes are being reported, and rightly so, as Swansea Council's organisational behaviour and policy will undoubtedly impact on them all. Whilst the Council can help influence scope 3 emissions reduction, we need to be mindful that they are causal and not directly within the Council's control.

Whilst measuring and reporting scope 3 emissions should be seen as good practice and the right move to demonstrate public bodies are leading by example, some of the data is currently not particularly accurate and likely inconsistent across public bodies. The '*Welsh Public Sector Net Zero: Baseline and Recommendations for Improvements Report*' (April 2022) which followed the first two years of reporting notes data accuracy is affected by emissions sources, classification, proxy activity data (e.g. Supply chain based on cost), emissions factors and the tier system.

The reporting templates were amended for 2021-22 data, and portray improved accuracy and more consistent information across the Public Sector.

Reporting data on the six categories within the organisational boundary will unquestionably help the Council move forward on all agendas, but the areas where the most significant impacts can be made by 2030 lie within scopes 1&2.

## 2.4 Renewables/Generation

In order to help the Welsh Government track the generation of renewable electricity and heat by public sector organisations, reporting on renewable generation is required within the Public Sector Net Zero report. Swansea Council provides this information under two reporting formats – Purchased Renewables and On Site Renewables Generation:

- **Purchased Renewables:** Swansea Council purchase 100% of their electricity supply through 'renewable for business' Crown Commercial Services procurement contract with EDF Energy, certified with an annual Renewable Energy Guarantees of Origin (REGO) certificate.
- **On Site Renewables Generation:** Total renewable electricity generated from Solar PV systems installed across Swansea Council corporate buildings and schools.

However, Welsh Governments current position from a net zero reporting strategy perspective, is that public sector organisations are unable to off-set any renewable generation from their carbon emissions footprint. Their ambition of being a net zero public sector organisation by 2030 is to decarbonise each building by reducing energy demand through energy efficiency and conservation measures, maximise opportunities to generate and use renewable energy on a small scale where it is a cost effective investment.

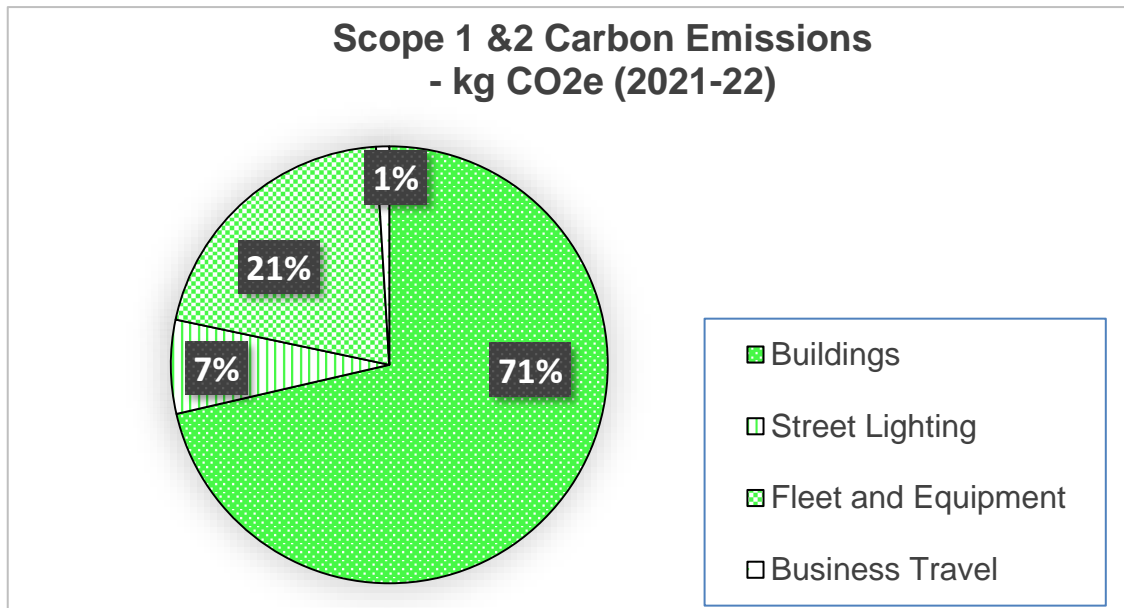
## 2.5 Natural Gas

Swansea Council currently purchase 100% natural gas through the Crown Commercial Services procurement contract with Total Gas and Power. There is the option to purchase 'green gas' or biomethane, produced from the recycling of natural waste, such as plant material and organic waste. There is a cost premium on top of the normal natural gas unit rate charged. 'Green Gas' certificates are issued annually as certification of its renewable nature. However, Swansea Council would not be able to off-set its carbon emissions footprint from purchasing 'Green Gas' unless Welsh Government change their current position on this issue.

## 3. Swansea Council Carbon Footprint

### 3.1 Scope 1 & 2

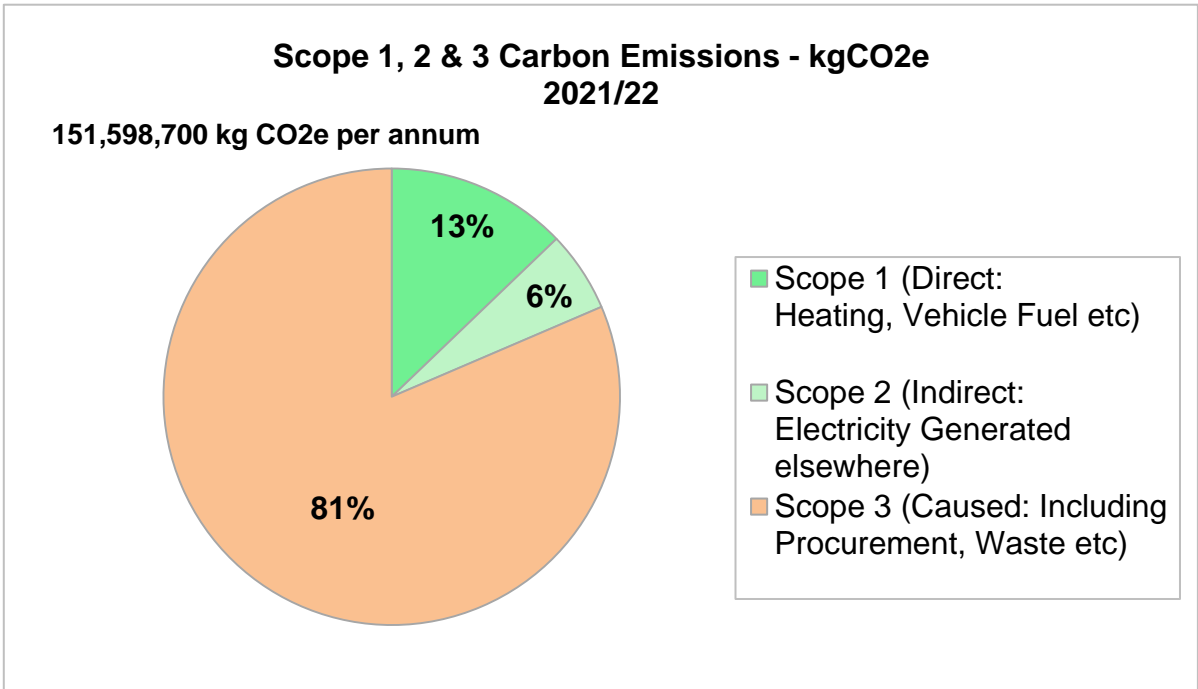
<b>Scope 1&amp;2 Emissions</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	kg CO2e	kg CO2e	kg CO2e
Buildings & Energy	22,086,463	19,229,106	21,031,594
Street Lighting	2,245,610	2,038,372	2,041,774
Fleet and Equipment	6,071,863	5,016,347	6,100,463
Business Travel	575,168	129,319	285,794
<b>Sub Total Carbon Emissions</b>	<b>30,979,104</b>	<b>26,413,144</b>	<b>29,459,625</b>
Land Based Emissions	-5,849,311	-5,849,311	-5,594,070
<b>Carbon Emissions</b>	<b>25,129,793</b>	<b>20,563,833</b>	<b>23,865,555</b>



To note, data fluctuations can be attributed to the Pandemic and improved data accuracy in 2021-22.

### 3.2 Scope 1, 2 & 3

Scope 1,2&3	2021-22
	KgCO <sub>2</sub> e
Scope 1 – Fleet, Grey Fleet, Street Lighting and Mobile Equipment	8,992,547
Scope 2 – Buildings & Energy	21,031,594
Scope 3 –Waste, Supply Chain, New Ways of Working	128,018,939
<b>Sub Total Carbon Emissions</b>	<b>157,192,770</b>
<b>Land Based Emissions</b>	<b>-5,594,070</b>
<b>Total Carbon Emissions kgCO<sub>2</sub>e</b>	<b>151,598,700</b>



To note, Scope 3 figures include municipal waste, new ways of working and supply chain. As a council currently supporting large redevelopment and investment programmes, along with a programme to build new homes, the supply chain figures are to be expected, and show parity with similar Welsh city's eg Cardiff.

**4. Swansea Council Net Zero 2030 - Proposed Delivery Plan**

4.1 Swansea Council is committed to reducing emissions in all six categories within the reporting organisational boundary. There is already much work being undertaken with the following plan indicating 30 key actions by 2030. See **Appendix 1**

## Swansea Council Net Zero – 30 Actions by 2030

Buildings & Energy	Fleet & Mobile Equipment	Land Use
<ul style="list-style-type: none"> <li>Decarbonise our public estate by reviewing our asset management strategy.</li> <li>Reduce the energy consumed across the council's buildings and estate.</li> <li>Encourage employee behaviour change through training and process improvement</li> <li><b>Decarbonise street lighting with more LED's</b></li> <li>Ensure all new buildings are constructed to the highest possible sustainability standards.</li> </ul>	<ul style="list-style-type: none"> <li><b>Transition the Council's fleet to zero emission equivalents in accordance with the Welsh Government's expectation of light commercial vehicles by 2025 and other vehicles by 2030</b></li> <li>Establish a fleet vehicle charge point infrastructure that supports this transition</li> <li>Optimise fleet vehicle use and efficiency</li> <li>Establish integrated data systems for GHG measurement</li> <li>Revise and approve the appropriate supporting policies, procedures and working practices</li> <li>Decarbonise Grey Fleet travel</li> <li>Decarbonise mobile plant equipment</li> </ul>	<ul style="list-style-type: none"> <li>LDP policy reviewed to protect land soils and habitats rich in carbon</li> <li>Increase terrestrial Central Area GI to 26%</li> <li>Tree planting areas mapped county wide <b>1000s new trees planted</b></li> <li>30% of protected sites (local nature reserves, etc.) in positive management for biodiversity</li> </ul>
Waste	New Ways of Working	Supply Chain
<ul style="list-style-type: none"> <li>Encourage circular economy values within Swansea Council – to minimise and prevent - reduce, reuse, recycle, wherever possible</li> <li>Reduce operational single use plastics wherever possible</li> <li>Reduce operational waste e.g. food, paper</li> <li>Encourage operational recycle and repair.</li> <li>Reduce Construction Waste</li> </ul>	<ul style="list-style-type: none"> <li>Develop emissions data monitoring processes</li> <li>Reduce commuting miles</li> <li>Deliver agile working policy</li> <li>Develop staff active travel plan</li> <li>Implement Healthy Travel Charter in Swansea Council</li> <li>Develop an Electric Vehicle Charging Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Commit to Net Carbon Zero in our supply chain by 2050</li> <li>Through forward planning and innovation develop new specifications for our contracts that deliver Net Carbon Zero</li> <li>Map and monitor our progress, with appropriate prioritisation and target setting</li> </ul>

4.2 However, it is proposed that Buildings & Energy and Fleet & Mobile Equipment continue to be the Councils key delivery commitment data for achieving Net Zero by 2030. (GREEN)

4.3 It is proposed that we continue to develop an understanding of our land use and that sequestration is used to offset. (LILAC)

4.4 It is proposed that we follow the 'Team Wales' approach to support emissions reductions in scope 3 categories in line with targets required of the Net Zero Wales Carbon Budget 2 (2021-2025) (ORANGE).

4.5 Please note the actions in RED are policy commitments

### 5. Delivering on Nature Recovery and Net Zero Swansea 2050

5.1 The Carbon Budget 2 (2021-25) sets out its ambition under the following headings. It will be Swansea Councils intention to not only lead by example on all these categories, but to work with citizens, climate charter signatories, PSB, businesses, community groups, schools etc. on the journey to Swansea becoming Net Zero by 2050.

**It is everyone's business.**

5.2 Please note the actions in RED are policy commitments.



**EXAMPLE Net Zero Wales  
Swansea 2050**

Electricity & Heat Generation	Transport	Residential Buildings
<ul style="list-style-type: none"> <li>• Complete first phase of Blue Eden</li> <li>• Develop Energy Parks e.g. Tir John Solar Farm</li> <li>• Support delivery of Regional Energy Plan</li> <li>• Support delivery of Local Area Energy Plan</li> </ul>	<ul style="list-style-type: none"> <li>• An integrated and affordable public transport system</li> <li>• Safe active travel networks across the county to recognise work and leisure hubs</li> </ul>	<ul style="list-style-type: none"> <li>• More EV charging points</li> <li>• Residents aware of and able to access advice and funding for home improvements to cut carbon emissions</li> <li>• More Homes built to Swansea Standard</li> <li>• Decarbonisation of Housing Stock</li> <li>• Create an Energy awareness hub</li> <li>• Aim for 30% of (non-residential) Council buildings with wildlife features</li> <li>•</li> </ul>
Industry & Business	Agriculture	Waste & Circular Economy
<ul style="list-style-type: none"> <li>• Engagement across the county using Swansea Project Zero branding with a strong support network that instils pride and creates a critical mass of businesses actively cutting carbon emissions and participating in the circular economy.</li> </ul>	<ul style="list-style-type: none"> <li>• More opportunity for healthy, local food production and sales</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve Welsh Government recycling targets</li> <li>• Promote the waste hierarchy and prevent, reduce, or reuse materials wherever feasible</li> <li>• Continue to monitor technologies and engagement with partners to recycle a wider range of waste material types</li> <li>• Plastic Free Swansea County to be promoted</li> </ul>
Education and Engagement	Enriching our Natural Resources	LULUCF
<ul style="list-style-type: none"> <li>• Engagement across the county using Swansea Project Zero branding to instil pride and create a critical mass.</li> <li>• All schools actively reducing their carbon and saving energy through behaviour change and educational initiatives</li> <li>• Collaboration with Youth Groups to enable the 'youth voice' to be heard</li> <li>• Environmental Project Partners successfully running projects on behalf of SC and actively engaging with citizens and community groups to increase community climate resilience and reduce community carbon emissions</li> <li>• All SC staff to be given training on CC&amp;NR as part of induction with service area/job role specific training available</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver Local Area Nature Recovery Action Plan</li> <li>• Deliver Biodiversity/Section 6 Plan</li> <li>• Deliver county wide green infrastructure strategy</li> </ul>	<ul style="list-style-type: none"> <li>• More land available for CSA and allotment use</li> <li>• More community orchards</li> </ul>

5.3 The Council is already collaborating with PSB, environmental partners, community groups, citizens, business, schools and climate signatories on the wider agenda and lots of good work is already being undertaken. It is therefore proposed that further reports are brought to Cabinet next year on both the Nature Recovery and Swansea Net Zero 2050 agendas.

5.4 Please note the additions of the new plans are now included in the Climate Change and Nature Recovery overarching Strategy. See **Appendix 2**.

- Section 3 - Additional Nature Recovery note (pg 4)
- Section 5 - Updated Governance graphic (pg 6)
- Section 7 – New 2030 action plan graphic (pg 10)
- Section 8 – New 2050 action plan infographic (pg 15)

All amends have been accepted via the delegated powers of the Cabinet Member for Service Transformation and the Director of Place, as per the approved process (Cabinet 18 Nov 2021).

## 6. Challenges

- 6.1 What is evident is that the picture is still incomplete in relation to the scale of the challenge facing Swansea Council. Welsh Government have recently set out a new Social Care route map which will undoubtedly lead to an increased requirement for more detailed carbon reduction reporting. There are likely to be future additions and amendments to the reporting requirements too. A good example here is, that currently supply chain emissions are recorded based on spend value, which does not give a true reflection of emissions. Welsh Government will be working with the Public Sector to improve reporting in this particular category.
- 6.2 In terms of capital investment to meet the Net Zero challenge they can be simply categorised within the scope 1&2 emissions heading. Those within scope 3 will undoubtedly need further funding but until reporting is deemed completely robust then the best approach will be to support reduction in line with the carbon budget 2.
- 6.3 To note the Waste team already have an approved and costed strategy.
- 6.4 Beyond all of the above, revenue resource will be required to properly and effectively manage the programme. Compared to neighbouring authorities Swansea has limited dedicated resource and those leading on the initiative are doing so in addition to their existing full time roles. This is not sustainable and if it is decided to progress with this delivery plan, then it needs to be accepted that the resource will need to be found.
- 6.5 The project must be recognised as a behaviour change initiative. Small wins can be achieved by officers simply acting differently, whether that's something big like adjusting premise heating systems by the business managers or something more simplistic like turning off lights when officers leave a room, or not photocopying.
- 6.6 Incentives will be required to encourage behaviour change and must be intrinsically linked to the new and emerging Transformation Strategy, Workforce Development Strategy and the Digital Service Strategy in particular.
- 6.7 Clashes of Policy will continue to present themselves, and will need to be addressed on a case by case basis. eg warm places and increased energy bills.

## 7. Costed plan

The full delivery plan can be seen in **Appendix 1**, but in summary for scopes 1 & 2 emissions:

## Scope 1&2

Category	Current t CO2e (21-22)	Spend already allocated	Projected t CO2 based on spend already allocated	Investment option A	Projected t CO2e Based on Inv A – Future Funding Ops	Investment Option B	Projected t CO2e Based on Inv B – further funds required.	Balance of t CO2e	Cost
Buildings & Energy	21,031	£1.3m retrofit, £26,400 ERF (Energy Sparks)	379  103 (1% of bills)	£7m retrofit (Salix Finance/WG Funding Programme) – 8 years payback on investment	4,438	£93m investment on building decarbonisation programmes	12,889	3,222	£101.5m million investment excluding cost of offsetting
Street Lighting	2,041	£1m approved	159	£800,000 required to complete.	118			1,764	£1.8million
Fleet & Mobile Equipment	6,100	£484,000 assigned to EV £300,000 grant for charging points. £40,000 plus annual fee for data base mgt – internal budget		£7m to 2027 only for light commercial vehicles. EV fleet charging points - £700,000 - £1m.		150 HGVs x price differential of £200k each +£30m  Further 200 light commercial @ +£8m  450 mixed coming around again @ before 2030 @ +£10m	Average of 760 t reduction per year	0	+£55m to 2030
Grey Fleet	285	£1.5m social care.					Average of 36 t reduction per year	0	£1.5m
<b>Total</b>	<b>29,457</b>								<b>£159.8m</b>
Land Use	-5,594							-5,000	£27.5m
<b>Total</b>	<b>23,863</b>								<b>£187.3m</b>

If all of the above can be funded and if the expected reductions could actually be achieved and accepted by WG has being allowable, this would leave net emissions for Swansea Council of approximately 5000 tonnes of CO2.

In order to establish the financial cost of offsetting this figure two scenarios are presented for information. The Council either assume that land could be identified and purchased in the Swansea boundary and, if allowable, be accounted for in its return to WG.

This could equate to circa 1,100 hectares of established forest ie for more than 20 years, or 4,166 hectares of grassland. Even if either could be identified this could be established as a likely capital cost of £27,500,000 based on current woodland values of approximately £25,000 per hectare.

Alternatively, in theory, carbon credits could be purchased at the current market rate of circa £78 per tonne per annum which generates an approximate revenue cost of £400,000 pa.

## **8. Integrated Assessment Implications**

- 8.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
  - Deliver better outcomes for those people who experience socio-economic disadvantage
  - Consider opportunities for people to use the Welsh language
  - Treat the Welsh language no less favourably than English.
  - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 8.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 8.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 8.4 This agenda does not present any negative impacts.
- 8.5 If we move in the right direction as a council aiming for net zero by 2030 , we can lead by example bringing citizens along with us on the 2050 journey, then all benefits could and should be very positive, eg reduction in fuel poverty, local food supply, improved health and well-being, reduced fire and flooding to name but a few.
- 8.6 Internal governance and multidisciplinary involvement is strong and has recently be ratified by the awarding of the Bronze One Planet Standard. Between the programme board and the communication group, every single service area of the Council is involved.
- 8.7 To note the Well-being of Future Generations is a pivot part of our project governance structure.



- 8.8 Risks are medium – We have the plan, but financially we will need to continue to lobby WG to ensure funding is available to make such changes – e.g. decarbonisation of homes and public buildings, transportation, active travel.
- 8.9 A brilliant and exciting opportunity to maximise the wellbeing of future generations and equality plan principles to make for a Greener Council by 2030 and a Greener Swansea by 2050.
- 8.10 The IIA screening form is included as **Appendix 3**

## 9. Financial Implications

- 9.1 The full financial cost of achieving Net Zero can only be considered an estimate at this stage and broad financial implications are noted in section 7 of this report.
- 9.2 The report sets out initial estimates of the costs of legal duties upon the Council. It remains unclear whether any financial assistance will be forthcoming from Welsh or UK governments to meet all or any of the costs given this Council like all others faces a plethora of other legal obligations and a stark outlook in real terms for public finances for the foreseeable future of the decade.
- 9.3 No meaningful future budgets have been provided for any of these indicative future costs to date to be met by the Council. This reflects the explicit presumption that the Council will not be expected to fund costs out of core spending, but that alternative external sources of finance will be

provided by national governments. However, consideration should be given to spend to save initiatives, for example future phases of the ReFit programme.

- 9.4 By way of potential context and scale only, if capital budgets were to be provided from now onwards over the forthcoming 7 years to 2030 it would be prudent to assume £25m per annum of additional capital obligations each year growing cumulatively to £175m This would be the most prudent, assuming zero support from government. It is likely to overstate the cost and risk as neither UK nor Welsh government could reasonably expect individual councils to meet the costs in isolation.
- 9.5 If this Council were expected to have to fully fund itself then at current likely rates and MRP this would cost coming on £2m per annum rising cumulatively to £12m by 2030 in capital financing costs. This broad estimate at today's prices and interest rate outlook and could vary significantly in practice.
- 9.6 Cabinet and Council will have to have due regard to this in all future budget setting and MTFP decision rounds. Its appetite for revenue versus capital spending decisions, the timing of those decisions and it's prioritisation of competing legislative obligations will be an undiluted challenge as the Audit Wales report acknowledges .The longer uncertainty persists over funding support or lack of support and the longer Council does not explicitly provide for any future costs the bigger the risk of inevitable end loaded costs if no external support is obtained.
- 9.7 It is clear in any scenario residual carbon emissions will remain even after action and, subject to the views of WG in terms of their carbon emissions reporting guidance, there could be planned for costs of offsetting in either the revenue budgets from 2030 onwards (minimum £0.5m at current prices) or before that further capital (£27.5m at current prices)
- 9.8 At present the budget presumption is repeated that this Council is assuming that 100% of all costs are met externally as they materially transcend its ability to afford them itself.

## **10. Legal Implications**

- 10.1 There are no legal implications associated with this report.

**Background Papers:** None

### **Appendices:**

- Appendix 1 – Swansea Council Net Zero 2030 Delivery Plan
- Appendix 2 – Climate Change & Nature Strategy 2022-30
- Appendix 3 – IIA Screening Form