



Report of the Cabinet Member for Service Transformation

Climate Change Scrutiny Performance Panel – 10th January 2022

Swansea Council – Net Zero 2030

Purpose	To provide a briefing requested by the Panel on the Council Action Plan for net zero by 2030 and the Council Response to the WAO report: Public Sector readiness for net zero carbon by 2030.
Content	This report includes a summary of the recently approved Cabinet report on the Swansea Council Net Zero 2030 costed delivery plan and its response to the WAO report: Public Sector readiness for net zero carbon by 2030.
Councillors are being asked to	<ul style="list-style-type: none"> • Consider the conclusion of the 15th December Cabinet report – Swansea Council - Net Zero 2030 • Consider the Swansea Council response to the WAO report Public Sector readiness for net zero carbon by 2030.
Lead Councillor(s)	Councillor Andrea Lewis, Deputy Leader and Cabinet Member for Service Transformation
Lead Officer(s)	Interim Director of Place – Mark Wade and Head of Property Services – Geoff Bacon.
Report Author	Rachel Lewis – Place Directorate Project Manager
Legal Officer	Debbie Smith
Finance Officer	Ben Smith
Access to Services Officer	Rhian Millar

1. Background

1.1 A third report iteration of Climate Change progress, focusing on how Swansea Council plans to achieve net zero by 2030 was presented to Cabinet this autumn. This includes a costed delivery plan. **See Appendix 1**

1.2 Alongside the preparations for this report, interviews took place with relevant officers by the Welsh Audit Office to determine progress on the public bodies' 'Readiness for net zero carbon by 2030'.

1.3 The Welsh Audit Office produced a subsequent report advising public bodies:

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*

1.4 A further letter was received by the Council in September 2022 recommending that delivery plans should be costed:

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 order to meet its net zero ambition the Council needs to fully cost its action plan and ensure that it is aligned with its Medium Term Financial Plan.

2. Outcomes

- 2.1 Swansea Council has since published a detailed delivery plan for scope 1 and 2 emissions. **See Appendix 2**
- 2.2 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).
- 2.3 The costs amount to £187m.
- 2.4 Swansea Council has clear direction on all five actions resulting from the Welsh Audit Office report which are covered in the 15th December Cabinet report and explanations included in our response to the Welsh Audit Office. **See Appendix 3.**
- 2.5 During Swansea Council's recent bronze One Planet Standard accreditation (The first within the UK), the Council was commended by the assessor saying that she was *'surprised and delighted' by the genuine commitment and passion shown by senior leaders and officers*. She was impressed by the innovation and creativity with which the Council is approaching different aspects of work in this field and mentioned particularly the use of benchmarking to help us in our journey.

3. Conclusion

- 3.1 Swansea Council has acted on both the requests of Welsh Government and the Welsh Audit Office to publish a costed Net Zero 2030 delivery plan.

4. Legal implications

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

5. Finance Implications

- 5.1 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 the 15th December Cabinet report.
- 5.2 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.

- 5.3 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.
- 5.4 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.
- 5.5 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 is at today's prices and interest rate outlook and could vary significantly in practice.
- 5.6 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 its 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.
- 5.7 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)
- 5.8 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.

6. Integrated Assessment Implications

- 6.1 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.

6.2 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'.

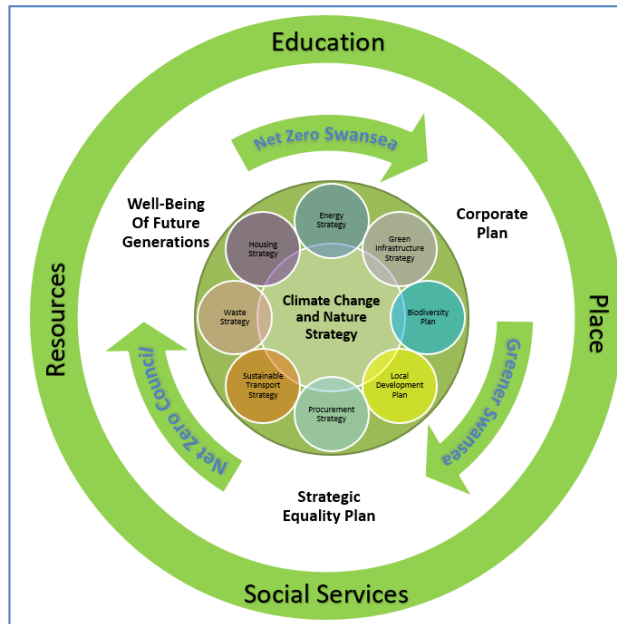
6.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

6.4 This agenda does not present any negative impacts.

6.5 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.

6.6 Internal governance and multidisciplinary involvement is strong and has recently been 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.

6.7 To note the Well-being of Future Generations is a pivotal part of our project governance structure.



- 6.8 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.
- 6.9 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.
- 6.10 The IIA screening form is included as **Appendix 4**

Background papers: *None*

Appendices:

- Appendix 1 – 15th December Cabinet report – Swansea Council – Net Zero 2030
- Appendix 2 – Net Zero 2030 Delivery Plan
- Appendix 3 – Response to Welsh Audit Office
- Appendix 4 - IIA