

Mr Martin Nicholls
Interim Chief Executive
City and County of Swansea Council
Civic Centre
Oystermouth Road
Swansea
SA1 3SN

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference: 3212A2022

Date issued: October 2022

Dear Martin

Assurance and Risk Assessment Progress Update – Carbon Reduction

Following on from our meetings earlier this year, we said that we would more formally feed back on some specific aspects of our assurance and risk assessment work that we have undertaken. This letter provides a progress update on the Council's arrangements for carbon reduction.

This work was undertaken as part of our 2021-22 Assurance and Risk Assessment (ARA) project to help discharge the Auditor General's duties¹.

¹ These duties include under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act). It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations (Wales) Act 2015.

This feedback provides a point in time assurance and risk progress update on the Council's arrangements in this area. 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 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

Context

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.

The following paragraphs set out the findings of our local audit work on the Council's decarbonisation action plan. These findings sit within the wider context of the Auditor General's July 2022 report that calls for increased pace and stronger leadership across Wales in reducing carbon emissions.

What we looked at

We undertook an assessment of the Council's arrangements to develop and deliver its Decarbonisation Plan between May and August 2022. We gathered evidence through interviews, document reviews and the Council's returned Call for Evidence for the Decarbonisation Baseline Review.

What we found

The Council declared a climate emergency in February 2019 and published its plan, 'Energy and Carbon Management Action Plan' (the Net Zero Plan) in June 2019. This plan is part of the Energy and Carbon Management Plan Framework. These plans outline the Council's approach and strategic aims and include a baseline measurement of emissions.

The desire to achieve net zero by 2030 is also included in the Council's Cabinet Vision Statement 2022-2027 and in the Council's Corporate Plan.

However, the Council is yet to publish a costed action plan that outlines all the activity required to meet the Welsh Government target of net zero emissions by 2030. Without a costed action plan that is consistent with its Medium Term Financial Planning, there is a significant risk that this target will not be met.

The net zero agenda sits within the Deputy Leader's portfolio for Service Transformation. There is an alignment of high-level internal strategies that reference the Council's net zero ambitions and show how they contribute towards achieving them. The integration of this agenda across Council services should help embed these ambitions.

Following the Local Government Elections in May 2022, the Council has agreed the new membership of its Carbon Reduction Programme Board and Steering Group, as well as of its Climate Change Corporate Development Committee (CDC). The CDC will cover a wider agenda that also includes nature and biodiversity. The work of the CDC sits mainly under the Council's Natural Environment Scrutiny Committee but may report to other Scrutiny panels where appropriate.

Work is ongoing to embed net zero and the wider climate change agenda within Council services, but there are no dedicated staff leading this work.

The Council is developing a Delivery Plan by March 2023 to support implementation of its net zero carbon emission strategy. This delivery plan will need to include the resources and finances required to achieve net zero emissions.

The Council also recognises that external partners can contribute to a wider aim for public sector organisations in the county of Swansea to become net zero by 2050. The Council has a dedicated post to support this work and a memorandum of understanding with public sector partners that outlines the Council's ambition for all public sector organisations in Swansea to achieve net zero emissions by 2050.

Recommendations

Exhibit 1: recommendations

The table below sets out the recommendations that we have identified for the Council following this review.

Recommendations	
R1	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.

Yours sincerely,

Audit Wales