

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

8 MARCH 2022

REPORT OF THE CORPORATE DIRECTOR - COMMUNITIES

BRIDGEND 2030 – NET ZERO CARBON STRATEGY

1. Purpose of report

- 1.1 The purpose of this report is to update Cabinet on work to develop the Bridgend 2030 – Net Zero Carbon Strategy and request approval from Cabinet to carry out a formal public consultation on the draft Bridgend 2030 – Net Zero Carbon Strategy.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-
- **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
 - **Helping people and communities to be more healthy and resilient** – taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
 - **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help deliver the Council's well-being objectives.

3. Background

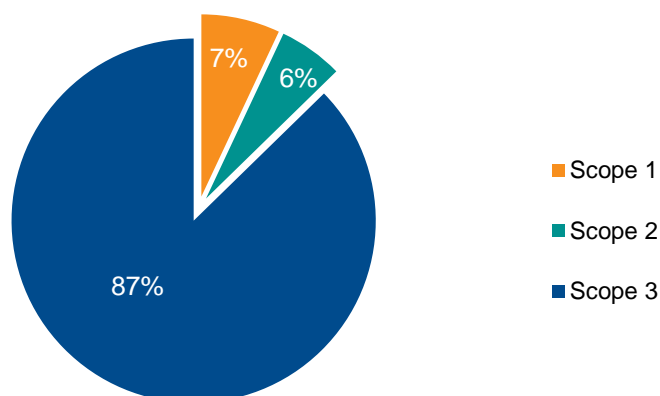
- 3.1 In October 2018, the United Nations Intergovernmental Panel on Climate Change (IPCC) produced a report on the state of global warming. The report identified that a continued warming of global temperatures will significantly increase the likelihood and resulting impact of floods, droughts and extreme heat. The report stated the importance of limiting global warming and a requirement for an unprecedented scale and speed of action.
- 3.2 In November 2018, the Councils of Bristol and Manchester were among the first to pass motions that declared a 'Climate Emergency' and set ambitious targets aiming to be carbon neutral by 2030 and 2038 respectively to support efforts to limit global warming.

- 3.3 Welsh Government declared a Climate Emergency in April 2019. Following this the Welsh Government has now committed to achieving a carbon neutral public sector by 2030.
- 3.4 In June 2020 Bridgend County Borough Council (BCBC) Cabinet approved a report that set out the crucial roles that BCBC has to play through the management of its own resources and assets and the way in which it works with and supports local residents, organisations and businesses to respond to the challenges set out in the IPCC report.
- 3.5 BCBC's latest Corporate Plan highlights 'decarbonisation and environmental sustainability' as a priority area for the Council up to 2023. Alongside this BCBC ensures that the climate is considered at an everyday decision-making level. This is underpinned by The Well-being of Future Generations (Wales) Act 2015 and the Bridgend Public Service Board Wellbeing Plan.
- 3.6 In 2021, the Environment (Wales) Act 2016 (Amendment of 2050 Emissions Target) Regulations 2021 were introduced which amended the initial target of net Welsh emissions account for the year 2050 from at least 80% to 100% lower than the baseline. The Climate Change (Interim Emissions Targets) (Wales) (Amendment) Regulations 2021 were also introduced which amended the Climate Change (Interim Emissions Targets) (Wales) Regulations 2018 so that the maximum amount for the net Welsh emission account for 2030 is 63% lower than the baseline instead of 45%.
- 3.7 A target for Local Authorities in Wales to be net-zero carbon must be met by 2030. In response, the Welsh Local Government Association (WLGA) with local government Leaders established a Decarbonisation Strategy Panel, supported by all 22 local authorities, Welsh Government, Natural Resources Wales (NRW) and Cardiff University. The Welsh Government published its Welsh Public Sector Net Zero Carbon Reporting Guide in May 2021. The timing of publication of the Welsh Public Sector net zero reporting guide and BCBC's work is such that BCBC has been advised by the Carbon Trust – a commissioned expert guide on the route to Net Zero, sharing experience from the climate change frontline; pioneers for more than 20 years, driving real change with leading businesses, governments and organisations - that it is the first Local Authority in Wales to be fully reviewing its base line and developing its Decarbonisation Strategy in line with the protocol.
- 3.8 Following appointment of the Carbon Trust to work with BCBC on the development of a Bridgend 2030 - Net Zero Carbon Strategy, officers have undertaken the following activities:
- Commence work – April 2021
 - Data gathering – April 2021 – June 2021
 - Scoping workshop Communities Directorate Management Team (DMT) – June 2021
 - A report and presentation to Scrutiny Committee 3 – July 2021
 - Initial headline figures presented to BCBC 2030 Programme Board – July 2021
 - Officer workshop series – September – October 2021
 - Draft Strategy officer workshops – January 2022
 - Corporate Management Board (CMB) presentation – February 2022
 - BCBC Decarbonisation 2030 Programme Board presentation – February 2022
 - Draft Bridgend 2030 – Net Zero Strategy presented to Cabinet – March 2022

4. Current situation/proposal

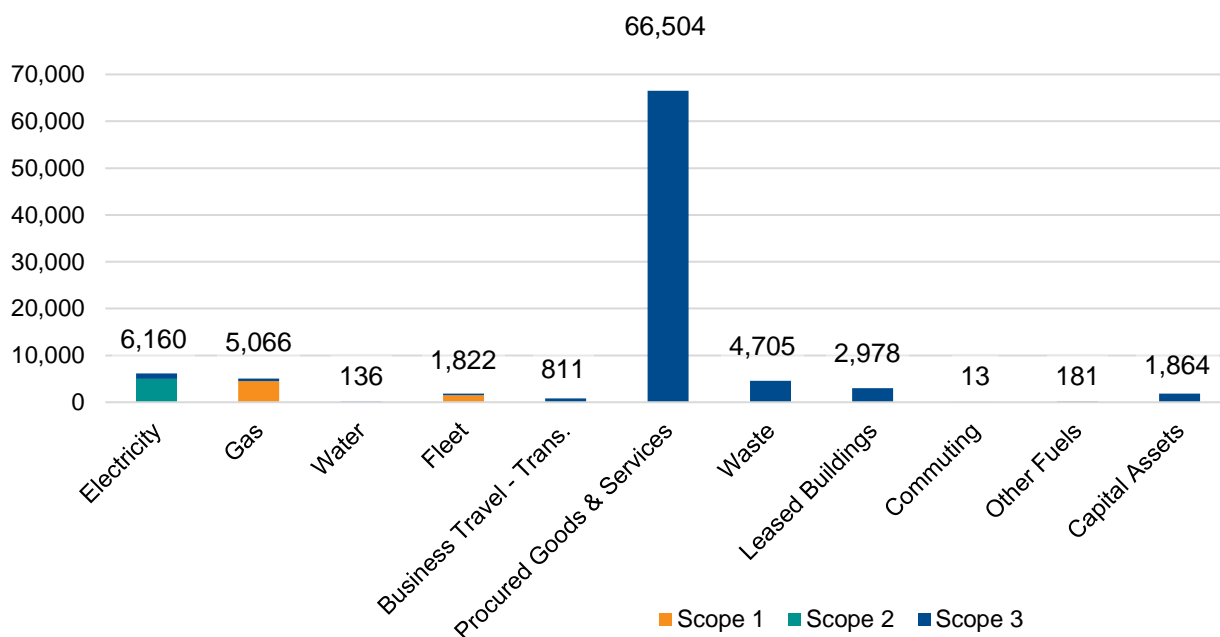
- 4.1 The draft Bridgend 2030 – Net Zero Carbon Strategy is attached to this report at **Appendix 1** and has been developed following an in-depth review of data in line with the Welsh Public Sector Net Zero Carbon Reporting Guide and extensive engagement with internal and external stakeholders. Importantly, this Strategy will not be the only driver for net zero. It will be a part of the Council's Corporate Plan, whilst policies, strategies and ongoing plans will all need to reflect the commitment to net zero. This will ensure it is fully embraced across the organisation. It is proposed that Cabinet gives approval to carry out a formal public consultation on the draft Bridgend 2030 – Net Zero Carbon Strategy. The consultation will last for 12 weeks and it is possible that the draft Bridgend 2030 – Net Zero Carbon Strategy will require amendment to respond to comments received through the consultation. Once the consultation period has ended, Cabinet will receive a further report to consider formally adopting the Bridgend 2030 – Net Zero Carbon Strategy.
- 4.2 The detailed scope and boundaries of the Welsh Public Sector Net Zero Carbon Reporting Guide emissions require a consistent calculation methodology to determine the degree to which public bodies are progressing towards reaching net-zero carbon. These are split into 3 'scopes' as summarised below:
- **Scope 1** – Direct Emissions - are those that occur from an organisation at source, for example by heating buildings or from the exhausts of vehicles.
 - **Scope 2** - Indirect Emissions – are those that occur mainly from electricity used in our activities but where generation and associated emissions are elsewhere.
 - **Scope 3** – All other indirect emissions – this covers emissions associated with areas such as procurement, staff commuting and direct waste.
- 4.3 Working with the Carbon Trust, it has been possible to calculate the total carbon emissions from activities in 2019/20 as a baseline figure of 90,241 tonnes CO₂e. This has been achieved by using actual measurements where they were available. However, some areas, like the current level of sequestration (carbon offset from natural features) across the Council owned estate, have not been possible to calculate at this point and have been estimated.
- 4.4 The diagram below illustrates what percentage of the Council's emissions are in which area of Scope. As is evident below, Scope 1 and 2 contain the lowest levels of carbon emissions, whilst 87% of the Council's emission are generated via Scope 3 - that is indirect emission in areas including the supply chain, business travel and commuting, use of products and direct waste.

Total BCBC Emissions by Scope 2019/20



4.5 The graph below shows further categorisation of the carbon footprint by emissions source, effectively outlining all areas of the Council's operations that are included within the carbon footprint calculations as directed by Welsh Government.

BCBC Carbon Emissions by Source (tCO2e)



4.6 It is recognised that it will not be practical or possible for BCBC to stop all carbon emissions entirely from its operations. This will be the same for many Local Authorities across Wales. The Council must strive to reduce its emission as far as possible before using offsetting measures as the final step to Net Zero.

4.7 The draft Bridgend 2030 – Net Zero Carbon Strategy sets out a series of proposed strategic commitments as presented below:

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|---------------------|---|
| Commitment 1 | The Council will demonstrate leadership and commitment to deliver the Bridgend 2030 Net Zero Carbon Strategy, to address the Climate Emergency as declared by Welsh Government, the Senedd and the Council. |
| Commitment 2 | The Council will integrate low and zero-carbon behaviours throughout the organisation and carbon impact will become a key consideration in all strategic decisions. |
| Commitment 3 | The Council will decarbonise its built estate by 2030 with a strong focus on energy efficiency, low carbon heating and on-site renewable generation. |
| Commitment 4 | The Council will undertake a programme of fleet renewal to ultra-low emission vehicles, such that all vehicles are ULEV by 2030. |
| Commitment 5 | The Council will promote active and low-carbon travel options throughout its own operations. |
| Commitment 6 | The Council will decarbonise its procurement activity by engaging the supply chain, supporting and mandating suppliers to decarbonise, and progressing sustainable, local procurement practices. |
| Commitment 7 | The Council will ensure its land holdings are developed and maintained to support Net Zero objectives through high levels of carbon sequestration and biodiversity. |
| Commitment 8 | The Council will decarbonise its waste streams by ending landfill use and adopting a reuse culture alongside sustainable methods of disposal. |

4.8 The draft Bridgend 2030 – Net Zero Carbon Strategy also sets out a series of proposed initiatives in relation to the themed areas as follows:

- Mobilisation and Management
- Carbon Management
- Buildings
- Transport
- Land use
- Procurement
- Waste

- 4.9 Governance and engagement are essential to successfully deliver the strategy. Organisational change is required to maintain a focus on long-term decarbonisation and carbon management.
- 4.10 The Decarbonisation 2030 Programme Board (“Programme Board”) will oversee and track progress to Net Zero Carbon by 2030. The Programme Board will be chaired by the Cabinet Member for Communities and led by the Corporate Director for the Communities Directorate. Each themed area will be assigned a ‘Carbon Lead’ to ensure that every area is represented across the organisation. As the strategy is finalised, carbon leads will review progress against action and report back to the Programme Board. Carbon leads will also be required to drive and empower decarbonisation initiatives.
- 4.11 It is recognised that the decarbonisation sector is developing rapidly. It is likely that in the time up to 2030 new innovative technologies and solutions will come into the mix that may have not been considered today.
- 4.12 It has become clear that the rapidly developing decarbonisation sector is recognising the important role that the use of Hydrogen technology can play in both energy use and transportation. In 2021, Welsh Government were approached by the Japanese Consortium Marubeni, global specialist in renewables and hydrogen projects, to ask if they were interested in an investment opportunity for a Hydrogen Demonstrator Project in Wales. The Japanese Government’s New Energy and Industrial Technology Development Organisation (NEDO) has pledged some £13m to co-fund Hydrogen Power Demonstrators Projects with the Marubeni Corporation in the UK. The key to this project was the supply of Green Hydrogen power for heat and transportation using green energy sources.
- 4.13 After considering other sites within the UK, including at Sheffield and Aberdeen, Bridgend County was selected by Marubeni as their chosen location to develop this NEDO Hydrogen Investment Project. Welsh Government were pleased with this investment decision as it complements their Decarbonisation and Hydrogen ambitions and provides an opportunity to test new technologies. Similarly, it also provides a significant opportunity for Bridgend County to look to possibly decarbonise its corporate fleet and to look further at Hydrogen Energy applications. It is clear that the project could also provide potential benefits for other LAs in the region, in addition to public sector partners such as the South Wales Police and Welsh Ambulance Service.
- 4.14 In order to move the development of this possible investment project forward, BCBC now needs to work alongside the Marubeni Corporation to both design and develop the project. This will outline the precise components of the project, whether it be power or heat, the benefits to Bridgend and other public sector partners and any financial commitments that are required, such as the new Hydrogen Demonstrator Vehicles. Cabinet is now asked to delegate authority to the Corporate Director of Communities to undertake this feasibility work, to engage specialist legal advice where required, utilising resources that will be made available from the Communities Directorate Earmarked Reserve (EMR) 2020-21 for implementing Bridgend 2030 Decarbonisation Strategy at an initial anticipated value of £30,000, and to report back to Cabinet at a future date on the Project Details, Benefits and any potential funding requirements.

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the Council's Policy Framework or Procedure Rules as a result of this report.

6. Equality Act 2010 implications

6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh language. It is therefore not necessary to carry out a full EIA on this policy or proposal at this stage.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The Bridgend 2030 – Net Zero Carbon Strategy demonstrates the sustainable development principle by ensuring that by meeting the needs of the present they do not compromise the ability of future generations to meet their own needs. This is evidenced through the 5 ways of working as follows:

- **Long Term:** A Bridgend 2030 – Net Zero Carbon Strategy will provide the pathway for Bridgend County Borough to develop a decarbonised, digitally advanced transport, buildings power and heat systems and green space enhancements that meet the UK decarbonisation targets that are supported by BCBC's Local Area Energy Strategy and Smart Energy Plan and Green Infrastructure Plans.
- **Prevention:** A Bridgend 2030 – Net Zero Carbon Strategy will provide an opportunity for all to benefit from the decarbonisation transition and ensure that solutions are designed and available for everyone within Bridgend County Borough.
- **Integration:** A Bridgend 2030 – Net Zero Carbon Strategy offers an opportunity to develop a range of transport, buildings power and heat systems and green space enhancements options to communities, public and business partners offering carbon reductions, reduced fuel bills and create economic opportunities through a clearly identified value chain for the area.
- **Collaboration:** BCBC will continue to work in partnership with our communities, public sector partners and UK and Welsh Government and private sector partners to deliver a Bridgend 2030 – Net Zero Carbon Strategy.
- **Involvement:** Creating and delivering a Bridgend 2030 – Net Zero Carbon Strategy has, and will continue to, involve working with a variety of stakeholders, notably local public service partners, to jointly deliver sustainable solutions.

8. Financial implications

8.1 The resource challenge faced by all public bodies in Wales in their efforts to achieve net-zero carbon by 2030 is significant. Whilst the process for developing the Bridgend 2030 – Net Zero Carbon Strategy has been led by the Communities Directorate there has been a Council wide approach towards its creation and its

delivery must be seen as a corporate responsibility. Delivery will also require an on-going partnership approach with key external stakeholders and a wide range of funders.

- 8.2 Much has been achieved by BCBC in securing external resources to date, often matched on a case-by-case basis with BCBC resources, for a number of the early phase actions being delivered to support the Council to reach net-zero carbon, such as the Bridgend District Heat Scheme, active travel and the Re:Fit scheme.
- 8.3 Like these schemes, many of the initiatives in future years will require feasibility funding to finalise their detailed cost and delivery profiles. Such funding is available on an annual basis via bids to BCBC's Corporate Feasibility Fund.
- 8.4 As initiatives that require additional resources are taken forward it is noted that the Corporate Director Communities, in consultation with the Corporate Director – Education and Family Support, Chief Officer – Legal and Regulatory Services, HR and Corporate Policy and Chief Officer – Finance, Performance and Change will submit proposals to secure external resources to fund 2030 initiatives through appropriate funds. As initiatives are developed, each one, including their potential resource requirements and carbon reduction potential, will be considered based on the information available at the time.
- 8.5 It is noted that, depending on fund criteria, an element of match funding may be required from BCBC. As the specific detail of individual funding packages are not yet known at this stage it is considered that any match funding requirement would be highlighted by the Corporate Director Communities, and the most appropriate source of match funding identified, which could require further reports to Cabinet and Council, particularly if capital match funding is required.
- 8.6 BCBC does not currently have a dedicated capital resource to deliver the 2030 programme in its entirety within its capital programme. The Council is facing a number of capital pressures which it needs to address, as outlined in the latest reports to Cabinet and Council on the capital programme, and if a specific ringfenced fund was to be created within the current Capital programme solely for decarbonisation then it may prevent other pressures being funded.
- 8.7 A core revenue budget has been created to employ a Decarbonisation Programme Officer. This role will provide support for the Decarbonisation Programme Manager.

9. Recommendation.

- 9.1 It is recommended that Cabinet:
 - 9.1.1 notes the progress to develop a Bridgend 2030 – Net Zero Carbon Strategy;
 - 9.1.2 gives approval to carry out a formal public consultation on the draft Bridgend 2030 – Net Zero Carbon Strategy, set out in **Appendix 1 to this report**;

- 9.1.3 notes that a further report shall be received following the end of the consultation period to consider formally adopting the Bridgend 2030 – Net Zero Carbon Strategy, and;
- 9.1.4 Delegates authority to the Corporate Director of Communities, in consultation with the Chief Officer – Finance, Performance and Change and Chief Officer - Legal, HR and Regulatory Services, to work with the Marubeni Corporation to design and develop the Hydrogen Demonstrator Project, to commission specialist legal advice utilising resources that will be made available from the Communities Directorate Earmarked Reserve (EMR) 2020-21 for implementing Bridgend 2030 Decarbonisation Strategy at an initial anticipated value of £30,000, from the Communities Directorate budget as required and to report back to Cabinet on the full project proposal.

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Background documents

None