

Brighton & Hove City Council

Policy & Resources Committee

Agenda Item 11

Subject: Carbon Neutral Programme Reporting and Carbon Neutral Fund

Date of meeting: 7 July 2022

Report of: Executive Director, Economy Environment & Culture

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

1.1 The 2030 Carbon Neutral Programme is one of the council's key commitments with an ambitious target to become a carbon neutral city by 2030. The 2030 Carbon Neutral Programme Annual Report 2021-22 reports on progress in the first year of the formal programme. The committee is asked to note progress to date, and proposed developments for 2022-23.

1.2 From 2019, the city council's Carbon Neutral Fund has been an important tool to support and accelerate climate and biodiversity action by council services. This report provides a progress update on previously approved projects and sets out the approach for agreeing the next phase of two-year Carbon Neutral Fund projects.

2. Recommendations

2.1 That the committee notes the progress made on the 2030 Carbon Neutral Programme during 2021-22, as set out in the Annual Report at Appendix 1 and agrees further developments to the Programme in 2022-23 set out in paragraphs 3.8-3.11.

2.2 That the committee agrees the following capital funding allocations from the £14.000m Carbon Neutral Fund approved at Budget Council in February 2022 for 2022/23 and 2023/24, based on the approach agreed at that committee (set out in paragraph 3.16) for the identified priority carbon neutral capital projects as follows:

- Air Quality – Two Automatic Analyser Stations and continued diffusion tube monitoring: £0.050m in 2022-23 and £0.150m in 2023-24
- Expanding Liveable Neighbourhoods: £1.100m in 2022-23 and £1.000m in 2023-24
- Carbon reduction measures to operational buildings: £1.500m in 2022-23 and £2.00m in 2023-24 (£1.5m in each year will be on a spend to save basis)
- Carbon Neutral Fund prioritisation process for the remaining £8.200m as set out in paragraphs 3.20 to 3.21.

2.3 That the committee notes the progress of Carbon Neutral Fund projects in delivery, as set out in paragraphs 3.13-3.15 and agrees the process for the Carbon Neutral Fund in 2022-23, as set out in paragraph 3.20-3.21.

2.4 That the committee notes that a further report will be brought to Policy & Resources Committee in October 2022 to agree the allocation of Carbon Neutral Fund to projects for delivery in 2022-23 and 2023-24.

3. Context and background information

Annual Report on 2030 Carbon Neutral Programme

3.1 In December 2018, Brighton & Hove City Council declared a climate and biodiversity emergency with cross-party commitment. The council held a [Climate Assembly](#) and local young people delivered a Youth Assembly, both on the topic of travel and transport in autumn 2020. Ongoing development of climate action work was brought together in the [2030 Carbon Neutral Programme](#) and approved by Policy & Resources Committee in March 2021, with a commitment to bring annual reports to committee. Quarterly Key Performance Indicator progress is reported within Directorates.

3.2 The strategic aims of the 2030 Carbon Neutral Programme are to:

- Cut greenhouse gas emissions from the city by 12.7% annually by reducing emissions from BHCC's corporate property and operations (tracked through a corporate KPI);
- Working with partners to cut emissions across the city; and remove carbon from the atmosphere through nature-based projects
- Enhance biodiversity
- Reduce material use through circular economy principles and targets set out in the Circular Economy Strategy and Action Plan

3.3 The current corporate programme is a collection of projects which are owned by teams across the council. This broad approach has been important in embedding climate action in different services. The Sustainability Team supports, promotes, manages and monitors the programme but does not directly deliver the projects.

3.4 The Carbon Neutral Programme Annual Report 2021-22 (**Appendix 1**) will be refined and published on the council website in August 2022. In addition,

a short summary will be prepared for use in communications and press releases.

3.5 2021-22 highlighted achievements of the Carbon Neutral Programme across BHCC teams include:

- Rollout of carbon literacy training to all staff and senior leadership, mainstreaming knowledge of climate change impacts across teams and Directorates, and helping to ensure that services and projects are developed to include sustainability, biodiversity, and carbon-cutting actions.
- Over 300 Electric Vehicle chargepoints installed plus 3 on-street rapid taxi charging hubs; ongoing programme of actively pursuing funding for additional chargepoints. BHCC is now in the top 5 councils across the country for expanding access to EV chargepoints. Two BHCC electric refuse trucks are now in operation, with more on order. Switching to electric-powered vehicles is one of the most significant actions to cut emissions from transport.
- A programme to improve energy efficiency and install renewable energy, solar and air source heat pumps in BHCC's council homes. Range of projects to assist people living in cold homes in the private sector, who are vulnerable and / or on low incomes.
- Our City Our World, the new sustainability, climate change and environmental education strategy for Brighton & Hove, delivering inspirational workshops and educational visits for schools and training for teachers.

2021-22 Carbon Neutral KPI

3.6 Brighton & Hove city emissions of greenhouse gases were 1,201,026 tonnes in 2019, and are estimated to be around 1,087,000 tonnes in 2020, a reduction of around 9.5%. This complex dataset is provided by [ScatterCities](#) two years in arrears.

3.7 Emissions from the council's own corporate property and operations were 18,081 tonnes in financial year 2020-21, a reduction of 7.9% on the previous year (data from BHCC Property Team monitoring). This is the most recent data available and the council is looking at ways to measure our actions at a more granular level.

2022-23 Development of Carbon Neutral Programme

3.8 During 2022-23 the council will continue to act on the priorities set out in the 2030 Carbon Neutral Programme. A key area for future development is the strategic approach to identifying carbon reduction pathways which will further inform priorities for the corporate programme and align funding to enable long-term positive change.

Table 1: Outline of key workstreams in Carbon Neutral Programme 2022-24

2022-23	2023-24
<p>Continue to mainstream CN2030</p> <ul style="list-style-type: none"> - Carbon Literacy training - Further development of project planning and decision-making methodologies for council-led projects. 	<p>Continue to mainstream CN2030</p> <ul style="list-style-type: none"> - Social Value and Environmental Procurement Policy
<p>Research and planning</p> <ul style="list-style-type: none"> - Carbon reduction pathways - Climate Risk & Vulnerability Assessment 	<p>Research and planning</p> <ul style="list-style-type: none"> - Greater strategic focus for CN2030 programme based on carbon reduction pathways and key milestones - Develop Adaptation strategy - Review corporate KPI - Review the case for a new biodiversity KPI
<p>Carbon Neutral Fund</p> <ul style="list-style-type: none"> - Review progress of existing projects and budgets - Introduce multi-year (2-year) projects 	<p>Carbon Neutral Fund</p> <ul style="list-style-type: none"> - Move towards longer-term transformational projects to reach 2030 targets
<p>City Partnership</p> <ul style="list-style-type: none"> - Explore city partnership models and remit for climate action - Develop plans for a city climate partnership with local community representatives. 	<p>City Partnership</p> <ul style="list-style-type: none"> - Establish city climate partnership in an appropriate form. - Review results and continue to review membership and actions

3.9 In addition, in 2022/23 there will be a greater emphasis on biodiversity, on the circular economy, and the social and economic co-benefits of climate action, such as tackling the cost-of-living crisis, and health benefits from clean air.

3.10 The research strand of the programme is developed with reference to academic partners and The Living Coast [research priorities](#). It will provide evidence for strategy and project development. Research will include:

- Develop carbon reduction pathways to help drive strategic planning and prioritise most impactful actions towards carbon neutral target
- Investigate tools for monitoring carbon impact of individual projects, including Scope 3 / embodied carbon emissions (from consumables such as food, construction materials, purchasing, contracts)
- A Climate Risk and Vulnerability Assessment to understand the local impacts of future climate change and prioritise adaptation actions
- Authority Based Insetting, exploring whether a carbon offsetting framework could help deliver more carbon-cutting projects locally
- Evidence to support development of planning policies to cut carbon and enhance biodiversity in forthcoming review of City Plan Part One.

- 3.11 Brighton & Hove City Council’s corporate carbon emissions are only a tiny fraction (less than 2%) of the total for the city. For this reason, collaboration with businesses, institutions and communities is essential to reach our carbon neutral target. In 2022/23 the council, with community partners, will explore options for a city climate action partnership, to help coordinate a collaborative city-wide response.

External interest and scrutiny of BHCC’s Carbon Neutral Programme

- 3.12 There has been and will continue to be great interest in BHCC’s programme from local media, students, other local authorities, Freedom of Information enquiries, residents and community organisations but also national organisations like the Local Government Association which often seeks information via surveys and case studies, UK100, Friends of the Earth and Climate Emergency UK. Publishing an annual report on the programme demonstrates BHCC’s commitment to continuing climate action.

Carbon Neutral Fund

- 3.13 Originally this was named the Sustainability & Carbon Reduction Investment Fund (SCRIF) and initial allocations were made in 2019-20. Following approval of the 2030 Carbon Neutral Programme in March 2021, this council funding was renamed the Carbon Neutral Fund (CNF). The CNF, and its predecessor the SCRIF, along with the one-off Climate Action Fund for transport and travel projects, has funded £8.9m of projects since 2019.

Table 2: Yearly financial project allocations over three years to March 2022 with spend and commitments¹

CNF Round	Allocated to projects	Spent at May 2022	Committed at May 2022	Spent or committed at May 2022	% Spent or committed at May 2022
2019/20 SCRIF	£0.382m	£0.269m	£0.062m	£0.331m	87%
2021/22 CNF	£3.218m	£0.134m	£0.280m	£0.414m	13%
2021/22 CNF-Transport & Travel	£3.900m	£1.484m	£0.603m	£2.087m	54%
2021/22 Climate Action Fund	£1.404m	£0.033m	£0.161m	£0.194m	14%
Total	£8.904m	£1.933m	£1.026m	£2.959m	33%

- 3.14 Project spend for the first round of approved projects (2019/20) is well advanced with around 87% of funding spent or committed at May 2022. As expected, more recent rounds have a lower amount of expenditure, with the

¹ There was a pause in some SCRIF project spend in 2020/21 as part of the city council’s Covid response. No new SCRIF/CNF projects were approved in 2020/21 and funds were carried forward to 2021/22.

CNF projects (2021/22), which were approved around six months ago, having spent or committed 13% of funding. CNF Transport & Travel (2021/22) projects are making better progress in terms of spend; many of these projects were already in the capital programme so could be advanced faster than others. The other CNF projects needed more lead-in time as they are mainly new projects.

- 3.15 It should be noted that capital expenditure programmes are planned between six months and a year in advance, which accounts for 2019/20 commitments being almost completed. The 2021/22 round of the fund involves projects that have more preparatory work to do before they can commit the spending. This includes undertaking project planning, carrying out audits, identifying staffing resources, working through planning permission and procurement processes, as well as seeking out match funding with conditions around spend. Project monitoring indicates that progress is being made.
- 3.16 Budget Council on 24 February 2022 agreed wider capital investment for the Carbon Neutral Programme amounting to £7.5m in 2022-23 and £6.5m in 2023-24. Within the total budget of £14 million over two years, Budget Council identified three priority areas for the allocation of some funds: air quality monitoring, expanding Liveable Neighbourhoods and carbon reduction measures to the council's operational buildings. Officers in the relevant services have proposed ring-fenced allocations, as set out in recommendation 2.2 above, for the priority areas on the basis that the sums can be spent by 31st March 2024. These ring-fenced allocations total £5.8m across 2022-23 and 2023-24. As ring-fenced allocations, bids for these projects and programmes will not be required.
- 3.17 Officers in Transport have put forward a proposal for two new air quality automatic analysers and associated monitors/sensors, providing increased accuracy and availability of air quality monitoring data for technical assessments and raising awareness and providing information to residents. Once further development work has been undertaken, more detailed proposals will be taken to the Environment, Transport & Sustainability Committee.
- 3.18 Proposals for expanding Liveable Neighbourhoods include:
- Measures to reduce car trips and through/'rat-running' traffic, improve public realm, increase active travel and community activities, and improve air quality.
 - £1.1 m will enable the delivery of a comprehensive pilot LTN scheme for the Hanover & Tarn area in 22/23, developed through community engagement and consultation.
 - £1.0m will enable the development and delivery of a further scheme in 23/24, to be identified via the council's LTN assessment framework once considered and approved by committee later in 2022/23.

Officers in Property & Design have put forward proposals for projects and programmes relating to carbon reduction measures to operational buildings.

These are high level estimates at this stage. Once further development work has been undertaken, more detailed proposals will be taken to the Policy & Resources Committee. A provisional list of projects, including both corporate and schools projects, has been worked up using high level business cases from recent energy audits, and have been ranked by most carbon saved per pound of investment. The finalised list of sites is yet to be defined, as additional audits are in progress and a bid will be submitted to cover audits of the remainder of the portfolio. It is probable that there will be more suitable projects determined in this process. The proposals have been developed on the basis that the sums can realistically be spent by 31st March 2024.

- 3.19 The remaining £8.2m (£4.85m in 2022-23 and £3.35m in 2023-24) of the overall £14m carbon neutral capital funding agreed at Budget Council on 24 February 2022, will be allocated through the Carbon Neutral Fund. This capital pot is a key council resource to support the delivery of the 2030 Carbon Neutral Programme. The fund prioritises the delivery of (i) carbon reduction projects and (ii) biodiversity projects, in line with the city council's declaration of the Biodiversity Emergency and (iii) wider sustainability projects. For the first time there is a multi-year allocation, providing more certainty to project leads and enabling better project planning.
- 3.20 The provisional timetable for the CNF Expression of Interest process is as follows:
- w/c 27 June – Call for 2-year projects
 - w/c 18 July – Deadline for expressions of interest from services
 - July/August – project evaluations and recommendations
 - 31 August – 2030 Carbon Neutral Member Working Group
 - 6 October – Policy & Resources Committee approve allocation of CNF funding to 2-year projects
- 3.21 Over the coming 12-18 months, in line with the continuing development of the 2030 Carbon Neutral Programme, a longer-term strategic approach for the delivery of the transformational projects will be established and delivered. This will utilise the council's resources and external funding where possible.

4. Analysis and consideration of alternative options

- 4.1 Consideration was given to having two annual calls for CNF projects in 2022-23 and 2023-24. However, as a two-year allocation was agreed by Budget Council on 24 February 2022, the call over summer 2022 will invite projects that will realistically deliver by March 2024. It is anticipated that this timescale will provide more certainty to project leads and enable effective project planning. If there is funding remaining after the summer 2022 call, there is the option of organising a 'mop up' call for projects in early 2023.

5. Community engagement and consultation

- 5.1 Consultation took place on the Programme in 2020 and 2021 via BHCC's Climate Assembly and online consultation platform Bang the Table / Climate Conversations. The Carbon Neutral Programme is a corporate initiative which sits in different departments across the council. As projects are developed, council officers consult with residents and stakeholders as appropriate.
- 5.2 An initial officer workshop on the new two-year (2022-23 and 2023-24) Carbon Neutral Fund was held on 24 May 2022. In addition, meetings between individual services and the Sustainability team are taking place to help develop project ideas. The 2030 Carbon Neutral Member Working Group has reviewed the progress of the previous funded projects and the proposals for the summer 2022 Expression of Interest process.
- 5.3 On 8 June 2022 the cross-party 2030 Carbon Neutral Member Working Group (CNMWWG) welcomed the draft annual report and endorsed driving a more strategic approach to the programme actions and budget. Councillors highlighting the major challenges; building in carbon and biodiversity outcomes to actions across the council; investigating more detailed measurement of carbon and biodiversity impact of projects. These views are incorporated in the Annual Report and will be included in the review of the Carbon Neutral Programme planned for 2023.
- 5.4 At the same meeting, the CNMWWG reviewed the progress of previously funded SCRIF and CNF projects and plans for the call for two-year projects. The group were keen for project spend to be expedited and asked officers to request additional information on next steps and revised timelines, to potentially recycle funding back in for new council projects if there is not a realistic prospect of it being spent.

6. Conclusion

- 6.1 Publishing the 2030 Carbon Neutral Programme Annual Report will demonstrate Brighton & Hove City Council's continuing commitment to climate action on carbon emissions and biodiversity. It will help to engage public, press and campaigning organisations. It will raise the profile of BHCC's climate action work with other local authorities, regional and national government and provide background evidence when seeking funding for additional climate projects.
- 6.2 Agreeing and delivering the next phase of Carbon Neutral Fund projects will support and accelerate climate and biodiversity action by council services.

7. Financial implications

- 7.1 Budget Council in February 2022 approved new capital resources to support the Carbon Neutral 2030 programme of £7.500m for 2022/23 and £6.500m for 2023/24. These allocations include up to £1.500m per year for spend to save proposals relating to operational buildings where a business case

demonstrates projects generate sufficient financial gains to cover the financing costs of borrowing in addition to contributing to carbon neutrality.

- 7.2 The remaining £11.000m is also funded through borrowing with the financing costs reflected in the agreed budget for 2022/23 and is treated as a corporate priority financial commitment in 2023/24. Any savings generated through these proposals will be reflected in future years budget processes.
- 7.3 The recommendations of this report are reflected in the table below.

Table 3: Financial Approval from Budget Council 2022/23

	2022/23	2023/24
	£m	£m
Air Quality	0.050	0.150
Liveable Neighbourhoods	1.100	1.000
Operational Buildings - Spend to Save and carbon reduction	1.500	1.500
Operational Buildings - Carbon reduction		0.500
Carbon Neutral Prioritisation proposals (subject to further approval)	4.850	3.350
Total	7.500	6.500

- 7.4 Although these allocations are set out in specific financial years the programme is a two year programme. The timing of this budgeted expenditure will be flexed over the two years to reflect the prioritisation timetable and mobilisation lead-in for approved projects.
- 7.5 Table 2 of this report sets out previous years allocations totalling £8.904m alongside their progress in financial terms and all unspent resources have been rolled into the 2022/23 capital programme. The financing costs saved through this reprofiling has been reflected in previous years Targetted Budget Management Reports.

Name of finance officer consulted: James Hengeveld Date consulted 22/06/22

8. Legal implications

- 8.1 The CNMWG is an advisory board to this Committee and has oversight of the 2030 Carbon Neutral Programme. Any relevant legal issues will be considered when individual Carbon Neutral Fund projects are brought forward for implementation.

Name of lawyer consulted: Alice Rowland Date consulted: 21/6/22

9. Equalities implications

- 9.1 The 2030 Carbon Neutral Programme Annual Report in Appendix 1 summarises actions and projects which address a wide range of inequalities, and this is built into project design, in line with BHCC's commitment to be a fairer city and a city working for all. For example, help to tackle fuel poverty and cold homes addresses some of the worst impacts of cold homes for vulnerable people. Improving energy efficiency and installing solar panels and heat pumps in council homes broadens access to renewable energy. Improving the convenience of public transport and enabling more active travel broadens travel options for residents on low incomes.
- 9.2 Promoting the switch to electric vehicles through our EV chargepoint installations improves air quality and public health especially in the most congested streets. Circular Economy workshops on textiles promote reuse and repair. Tech-Takeback repairs electronic items and redistributes them via local community organisations, while also sharing repair skills.

10. Sustainability implications

- 10.1 The 2030 Carbon Neutral Programme Annual Programme 2021-22 provides an update on the council's progress towards its carbon neutral and biodiversity targets. It will help to inform and engage local residents, communities, organisations and businesses in climate and biodiversity action.
- 10.2 The Carbon Neutral Fund will support delivery of the climate action projects included in the programme, many of which have co-benefits such as enhanced biodiversity, improved air quality and improved public health.

11. Other Implications

Public health implications

- 11.1 The Carbon Neutral Programme has many co-benefits relating to public health. For example, tree planting and enhancing green spaces in the city has a beneficial impact on mental and physical health and wellbeing; and reducing emissions from transport assists in improving air quality and therefore people's health. Investing in Liveable/Low Traffic Neighbourhoods encourages active travel and can improve air quality. Electric vehicle charging points also contribute to air quality improvements by enabling an increased uptake in the use of zero emission vehicles.

Social Value and procurement implications

- 11.2 The council's Sustainable Procurement Policy includes reference to:
- 'build a requirement for CO2 reduction into the specification of contracts, where appropriate;

- require suppliers to commit to mitigating its impact on climate change through supply chain carbon reduction initiatives'

Over 2021-22, the council has been developing a new Environmentally Sustainable procurement policy. This policy builds on the themes already present in our Sustainable Procurement policy. This Policy will give the council's suppliers the information they need to meet our 2030 Carbon Neutral requirements and ensure environmental sustainability is embedded at the earliest stages of commissioning and procurement decision making.

Supporting Documentation

1. Appendices

1. 2030 Carbon Neutral Programme Annual Report

2. Background documents

1. [2030 Carbon Neutral Programme](#)

