

Subject:	Sustainability and Carbon Reduction Investment Fund
Date of Meeting:	21st March 2019
Report of:	Executive Director, Economy, Environment & Culture
Contact Officer: Name:	Max Woodford
Email:	max.woodford@brighton-hove.gov.uk
Ward(s) affected:	All Wards

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report sets out proposal to use funding agreed in the 2019/20 city council budget to establish a *Sustainability and Carbon Reduction Investment Fund*, to address the need to: reduce carbon emissions; adapt to climate change and build resilience; protect and enhance biodiversity; and develop a circular economy.
- 1.2 The report proposes how new revenue funding will be spent on developing the capacity of the Sustainability Team to deliver a pipeline of citywide projects and initiatives; while capital funding will establish the Sustainability and Carbon Reduction Investment Fund, which will seek to deliver citywide project and initiatives across a number of themes. The report also sets out that a mechanism for agreeing and assessing projects will be developed by officers, for future committee approval, to enable projects to be objectively assessed for funding based upon agreed criteria. It is proposed that a further report outlining the process for agreeing and assessing projects delivered through the Investment Fund will be brought to the July Policy Resources & Growth Committee.

2. RECOMMENDATIONS:

- 2.1 That the Committee instructs officers to progress work to establish a Sustainability and Carbon Reduction Investment Fund which will support the development and delivery of citywide initiatives which aim to reduce carbon emissions, build resilience, protect and enhance biodiversity, and develop a circular economy.
- 2.2 That the Committee agrees that officers will bring a further report outlining the process for agreeing and assessing projects that are delivered through the Sustainability and Carbon Reduction Investment Fund to the 11 July 2019 meeting of the Policy, Resources & Growth Committee.

- 2.3 That the Committee agrees the initial thematic areas proposed at paragraph 3.12 from which a pipeline of projects and initiatives will be developed.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 At the meeting of full Council on 13th December 2018, the city council declared its recognition of the ongoing global climate and biodiversity emergencies with the following notice of motion being unanimously passed:

This Council notes with concern the recent Intergovernmental Panel on Climate Change (IPCC) report on global climate change impacts and the recent Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) reports on global species and habitat loss. Council notes also that our coastal city on the edge of the South Downs is affected by these threats, which are projected to intensify.

Further to this, Council:

(1) Declares its recognition of global climate and biodiversity emergencies;

(2) Requests the Policy, Resources & Growth Committee to:

- undertake a short review of BHCC governance policies and progress aimed at addressing locally these twin threats and to report on findings*
- consider a target date of 2030 for whole city carbon neutrality;*
- consider how the Council can strengthen local protection and enhancement of species, habitats and ecosystems services under available powers;*

(3) Request the Chief Executive to write to the Chancellor of the Exchequer stating the concern of the Council with respect to the above, the likely national impact on the economy and on the wellbeing of citizens, and requesting government funding be made available to implement swift appropriate actions in response.

- 3.2 This was followed up by a petition to the 31st January 2019 full Council meeting, also seeking that the city council declare a climate emergency and put in place a more ambitious commitment of making our city carbon neutral by 2030. This petition was noted, along with a recommended amendments made that the council seek to publicise its recognition of climate and biodiversity emergencies, and promote the petition on climate and biodiversity.

- 3.3 Meanwhile, the city council prepared a new Economic Strategy during 2018, which was adopted by full council, also at its meeting on 13th December 2018. The economic strategy is underpinned by five themes for action which are vital to delivering economic growth, creating prosperity and providing a greater quality of life for all. This included a theme on having a sustainable city. This promotes a focus on a circular and sustainable economy, pushing business and community engagement in achieving city resilience and climate change. The purpose of the theme was to establish a city which looks to the future, focusing its economy on sustainable solutions to future challenges in order to protect and enhance the health and wellbeing of its residents and act as a leader in developing a robust response to climate change. One of the priority actions in the strategy (Priority

Action 6) is to promote the development of a circular and sustainable economy to minimise waste and pollution by reducing, reusing and recycling.

- 3.4 On a wider city-region scale, the Greater Brighton Economic Board has established the Greater Brighton Infrastructure Panel. The Panel's remit includes:
- Increasing infrastructure security and resilience; health and wellbeing; clean growth; and the affordability of energy and water in the city region.
 - Preparing Energy and Water plans for the city region and ensuring those plans can help to meet the growth requirements of city region as envisaged by the Greater Brighton Economic Board, whilst also planning to reduce water use by more than a third and create a zero carbon energy system by 2050.
 - Bringing outside professional knowledge and insights to advise the Greater Brighton Economic Board pertinent to the development of the energy and water plans.
 - Producing plans which are highly practical in application and which provide a clear indication of priorities, investment opportunities and potential financial mechanisms and sources for delivery.
- 3.5 The Brighton & Lewes Downs Biosphere Delivery Board is also looking to update the Biosphere Management Strategy for *The Living Coast*, the UNESCO Biosphere that forms a large part of the city region. The Biosphere Management Strategy has to be updated every five years, with the first strategy (adopted when the Biosphere was designated) covering 2014 to 2019. The strategy for the next five years will take us up to 2024, when UNESCO will want to assess the impact the Living Coast Biosphere has had. The new management strategy will look at policy and practice to shape the next five years of the Biosphere, as well as considering future focus and priorities of areas of work to add value to the Biosphere.
- 3.6 Brighton & Hove has had a food strategy since 2006, and in November 2018, the latest Food Strategy five-year action plan was launched and adopted by the council's Health & Wellbeing Board. It is believed to be the most ambitious in the UK and contains 200 far-reaching actions involving almost 100 partners including 26 separate city council departments. The new strategy was developed through a year-long consultation with the city, which over 600 people participated in. The plan also looks beyond the boundaries of the city and will include working more closely with our neighbouring councils, the South Downs National Park Authority, The Living Coast UNESCO Biosphere and national food policy organisations.

2019/20 Budget

- 3.7 Building on all of the above, the council recognises that climate change is the most urgent and pressing challenge we face today, and we need to reduce carbon emissions and build resilience to longer term climate change and extreme weather events. Cities, including our own, have an important role in this. The council has supported calls to recognise the urgency of climate action.

- 3.8 There are key work streams being delivered in different parts of the local authority that supports the city's resilience to climate change including Transport, Planning, Housing and Public Health. There is potential to bring the different areas of work together within a Sustainability Framework or agenda for the council. This opportunity could be reviewed and developed in tandem with the refreshed Biosphere Management Strategy. Work on this can be accelerated with additional staff resource.
- 3.9 However, the council recognises that it needs to consider any resourcing implications arising from declaring climate and biodiversity emergencies. A more ambitious target for achieving carbon neutrality would require greater capacity and resourcing to manage a programme of work that supports council departments and stakeholders in the city in raising current targets, and developing new projects where possible; overseeing governance and reporting; and making sure that the city is on track to meet a new 2030 target.
- 3.10 It is with this in mind that the city council agreed additional allocations for sustainability, energy & climate change in the 2019/20 budget at Budget Council on 28th February 2019. These allocations included:
- *£129K in new funding to the Sustainability Team to provide staff and other resources required to expand activity in climate change mitigation and biodiversity protection and enhancement, following Council's unanimous declaration of climate and biodiversity emergencies in December 2018. This work may include development of citywide initiatives such as food waste collection, district heat installations, renewable energy development, biodiversity enhancement in the urban and rural estate and green infrastructure work.*
 - *£61K to the Sustainability Team over and above the £0.129m provision above. This will provide additional staff and other resources required to expand activity in climate change mitigation and biodiversity protection and enhancement.*
 - *£500K Investment Fund to invest in citywide projects and initiatives in Sustainability and Carbon Reduction.*
 - *£565k in 2019/20 of capital borrowing in the Capital Investment Programme to install solar photovoltaic panels on a selection of corporate buildings that will deliver financial savings to the council.*
- 3.11 It is proposed that the revenue funding will be used to develop the capacity of the Sustainability Team to deliver on the strategies and policies that support sustainability, carbon reduction and protect biodiversity, as well as programme managing the projects and initiatives that will be funded from the Sustainability and Carbon Reduction Investment Fund. Initially it is envisaged that this will involve recruiting an additional Sustainability project manager and a city Biodiversity Officer, with the remaining funding being used to commission to support specialist support and feasibility studies. The Team will also work with Housing colleagues and private sector landlords to offer strategic advice on landlords meeting their legal obligations to achieve EPC standards in rented property, including assisting with enforcement cases where appropriate. Further

work is required by officers to determine the exact structure and role descriptions required in line with HR policies and procedures, as part of a wider service redesign of teams within Economy, Environment & Culture.

3.12 It is proposed that the £500k capital funding will be used to create a new *Sustainability and Carbon Reduction Investment Fund* which could deliver citywide strategic projects and initiatives across the following themes:

- *Energy Efficiency, renewable and community energy development*, including solar PV and district heating, in line with the emerging Greater Brighton Energy Plan
- *Biodiversity enhancement in the urban and rural estate* in support of the Brighton Hove & Lewes Downs Biosphere Management Strategy
- *Active and Sustainable travel* including exploring feasibility of a pilot for the electrification of the city's bike share scheme, and supporting the decarbonisation of the transport network
- *Green Infrastructure, Sustainable water and Sustainable Urban Drainage* projects in line with the emerging Greater Brighton Water Plan and the Biosphere Management Strategy
- *Moving towards a Circular & Sustainable Economy* in line with the Sustainable City objective of the Economic Strategy
- *Healthy, sustainable and fair food for all* through the delivery of the City's Food Strategy

Where possible the Investment Fund will be used to gain multiplier effects from other funding sources, such as being used as match funding to support bids to government funding programmes, and to leverage other public or private funding.

3.13 These projects and initiatives will be strategically commissioned by the city council, with an evaluation matrix to be developed by officers for assessing and evaluating projects to enable them to be objectively assessed for funding based upon agreed evaluation criteria. It is likely that the evaluation matrix will include:

- Assessment of the extent to which the project supports carbon reduction, reduces surface water flooding, or protects biodiversity and supports habitat creation.
- Alignment with existing strategies and policies (such as the Economic Strategy, the refreshed Biosphere Management Plan, Food Strategy, and emerging Greater Brighton Water and Energy Plans)
- Value for Money and cost benefit assessment of the business case, including the extent to which the funding is being used to gain multiplier effects from other funding sources and being used to leverage other public or private sector match funding

- The opportunity to work with partners across the city and the track record and experience of the delivery partners, and deliverability of the project
 - Delivery of wider community benefits, social value and community wealth
- 3.14 It is anticipated that the capital allocation for installing solar PV on corporate buildings will deliver a financial return to the council after financing costs. It is proposed to use these savings to self-finance additional resource that will further develop the capacity of the council to deliver financially viable energy efficiency and renewable energy projects. This will also support the emerging Greater Brighton Energy Plan and could include projects on the council's operational and commercial property and land portfolio, other public and private sector buildings and standalone projects in partnership with other local, regional and national organisations.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The budget allocation for 2019/20 has been made by full Council, so the analysis of alternative options is just about how that allocation is spent. This report sets out a framework for spending the revenue funding element of the budget, with the consideration of alternative options for exact role descriptions being the remit of the Chief Executive as the head of paid service.
- 4.2 Consideration of the options for how to agree and assess projects that are delivered through the Sustainability and Carbon Reduction Investment Fund will be agreed by the 11 July 2019 meeting of the PRG Committee.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 As set out above, a number of petitions and notices of motion have been received requesting that the city council make new policy decisions and find additional resource and officer time to put towards the issues of tackling climate change and improving biodiversity. This report seeks to respond to that community engagement.

6. CONCLUSION

- 6.1 It is recognised that climate change and loss of biodiversity are very real challenges facing the planet, with there being very limited time left to take meaningful action. As a city, Brighton & Hove should be setting an example of how to both minimise our contribution to the problem and also prepare to mitigate and adapt to climate change. This funding will not fix all of these issues, meaning we need to focus the spend in a planned and strategic manner to deliver maximum benefits.
- 6.2 For this reason this report sets out a proposed allocation of resources to guide this work and create a Sustainability and Carbon Reduction Investment Fund that can help the city council to take a lead in this area.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Two separate recurrent revenue funding allocations totalling £190k were approved as part of the 2019/20 budget at Budget Council on 28th February 2019. This report sets out how this funding will be used to develop the capacity of the Sustainability Team to deliver the strategies, policies, projects and initiatives in accordance with approved purposes.
- 7.2 Capital funding of £500k towards investment in sustainability and carbon reduction was approved as part of the 2019/20 budget. This funding will be used to create a Sustainability and Carbon Reduction Investment Fund as detailed in this report. Individual projects and initiatives delivered through the fund will need to be approved through either the Targeted Budget Management approval process for capital schemes or through separate scheme reports to Policy, Resources & Growth Committee. It is anticipated that the funds will enable the city council to access other external funding sources, such as being used for match funding; external funding is potentially an important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the council.
- 7.3 The report also details the capital funding of £565k towards the installation of solar panels on corporate buildings approved as part of the 2019/20 budget. The capital budget will be funded from borrowing under the Prudential Code. Schemes will be based on individual business cases that demonstrate affordability through revenue savings and require approval through the Targeted Budget Management approval process for capital schemes.

Finance Officer Consulted: Steven Bedford

Date: 06/03/19

Legal Implications:

- 7.4 The legal implications of the projects will be considered on a case by case basis. The council has range of statutory powers including a general power of competence which is likely to enable the council to carry out projects which address the themes outlined in this report.

Lawyer Consulted:

Alice Rowland

Date: 06/03/19

Equalities Implications:

- 7.5 Equalities implications will be assessed throughout project development and delivery. Projects will produce an Equalities Impact Assessment (EIA), as appropriate, as part of the project planning stage.

Sustainability Implications:

- 7.6 Sustainability implications are covered in the body of the report.

Any Other Significant Implications:

- 7.7 None identified

