

Cheltenham Borough Council

Full Council –11th December 2023

Carbon Report: Financial Year 2022/23

Accountable member:

Cllr Alisha Lewis, Cabinet Member for Climate Emergency

Accountable officer:

Maizy McCann, Climate Emergency Officer

Ward(s) affected:

All

Key Decision:

No

Executive summary:

Emission categories and report scope

Carbon emissions are a direct result of organisational energy use and procurement activities. These include scope 1, 2 and 3 emissions, as seen in table 1 below.

Category	Description	Source	Total (tCO ₂ e)	% Reduction from prior year
Scope 1	Direct emissions as a result of burning fossil fuels	Gas usage within Council, Ubico, Cheltenham Trust sites, miscellaneous properties & vehicle fleet gas/fuel use	1400.3	- 39.2%
Scope 2	Indirect emissions from purchasing energy for operations	Metered electricity use for Council, Ubico, Cheltenham Trust sites & miscellaneous properties.	781.8	+0.4%
Scope 3	All other quantifiable indirect emissions produced in relation to the organisational activity	Staff commuting & business travel, water usage, procurement, 50% of airport electricity & ground operations, transmission & distribution of electricity	7772.1	- 9.9%

This Carbon Report calculates carbon emissions for the financial year 2022-23 covering CBC's own emissions, borough wide emissions are not included in the scope of this report.

Emissions trajectory

To get to net zero by 2030, using a straight-line trajectory, CBC would need to reduce emissions by an annual average of 14% from 2023 to 2030. Whilst the report demonstrates emission reductions of 15% compared to the year 2021/22, it is unlikely emission will continue to reduce at the same pace throughout. It is therefore essential that CBC maintains its commitments and clear corporate objectives around carbon reduction year on year, as the challenge of finding pathways to do so becomes more significant.

Scale of the challenge

Even though carbon emissions are currently reducing in line with the Council's net zero target, this report illustrates the scale of the challenge. The primary focus is the reduction of scope 1 and 2 emissions to almost nothing, and to explore the viability of compensating for the remaining emissions through mechanisms such as carbon-offsetting. Although efforts will be made to reduce our Scope 3 emissions as much as possible, this is an area where the organization has less direct control. CBC's clear priority has to be ensuring that emissions within the control of the authority are reduced, whilst demonstrating internal and town-wide community leadership to encourage others to take on this important work within their spheres of influence.

Report highlights -

The report demonstrates that total scope 1 emissions have reduced by 903.6 tCO₂e (39.2%) compared to the previous year, and 1923.5 tCO₂e (57.9%) compared to the baseline. Total scope 2 emissions have increased 3 tCO₂e (0.4%) compared to the previous year and reduced 85.8 tCO₂e (9.9%) compared to the baseline, as fossil fuel use is transitioned largely to electricity use.

Diesel usage in the Ubico fleet is identified as our highest scope 1 emissions source. The transition to hydrogenated vegetable oil (HVO) as a fuel, alongside fleet electrification, has reduced emissions by 278.6 tCO₂e, equivalent to a 2.8% decrease in total emissions.

The Cheltenham Trust gas use is a material element in scope 1 emissions and the electricity consumption in the buildings operated by the Trust is the highest emission source for scope 2. Now that the authority has the more comprehensive understanding of Trust emissions it sought following the previous report, reducing this portion of our footprint will be a key priority moving forward.

As grid electricity continues to cost more than gas, energy efficiency measures combined with judicious electricity generation projects will simultaneously support net zero and reduce high energy costs. Achieving our net zero ambitions will also play a key role in reducing the council's overheads and supporting the long-term financial viability of the council and its services. Underpinning the current carbon emission trends, the report summarises recommendations for further work to address the Council's decarbonisation actions. There are current, ongoing projects which should reflect emission decrease for the year 2023/24.

Recommendations:

- 1. To put together a 2030 Net Zero Delivery programme, outlining costing against key priority items, that highlights the steps for addressing emission reduction across scope 1 and 2 emissions, alongside a robust plan to address mitigation of any residual emissions.**

2. **To identify capability gaps across the organisation and propose a revised structure within the climate & flooding team to sustain delivery against the plan.**
 3. **To identify a risk management programme for climate and flooding risks, alongside review of the Climate Impact Assessment to support its efficacy as a decision-making tool.**
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1. Implications

1.1 Financial, Property and Asset implications

Scope 1 and 2 carbon emissions arise as a direct result of energy consumption, which form the Council's operational buildings associated carbon footprint. In the light of persistent high energy costs, efforts should be focused on driving down consumption through improved energy efficiency measures, exploration of the cost effectiveness of how carbon heat projects and the potential for private wires renewable generation projects, where appropriate, to drive down electricity costs and emissions simultaneously.

Achieving net-zero in our portfolio relies on substantial capital investment. Individual property emissions are detailed in the summary report, to support further work in targeted reduction plans for each asset. For the most part, working towards reducing carbon emissions will mean long term financial savings but will require upfront investment on an invest to save basis. Funding bids will be supported by robust business cases, detailing investment payback time, based on annual reduction in utility cost.

The procurement of goods and services has been the highest source of emissions since 2020. This assessment is based on the total monetary value of goods and services procured. It does not account for individual contractor emissions. Therefore, using this methodology the only way to report a reduction in emissions, would be to reduce the total annual spend. Further consideration will be made for best practice in these areas, to address emissions.

Cheltenham Borough Homes (CBH) has calculated and will report on its carbon emissions, which will include CBC's housing stock, 1.20% of the Municipal Offices, 9.52% of the Depot and 56.11% of Oakley Community Centre. After the transition to bring CBH's services in house has been completed, a decision on how to move forward when calculating and addressing CBH/CBC's carbon emissions in detail will be required.

Signed off by: Gemma Bell, Head of Finance and Assets, Gemma.Bell@cheltenham.gov.uk

1.2 Legal implications

None arising directly from the report. When future specific projects or actions are taken to implement the agreed and published 'net zero by 2030' commitment, further legal advice and support may be required, and officers will consult with One Legal on a case-by-case basis.

Signed off by: One Legal, legalservices@onelegal.org.uk Tel: 01684 272260

Environmental and climate change implications

This report is fundamental to ensuring that the authority is effectively and transparently monitoring and reporting on organisational progress towards the achievement of our net zero carbon by 2030 target.

Signed off by: Maizy McCann, Climate Emergency Officer, maizy.mccann@cheltenham.gov.uk

1.3 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

1.4 Equality, Diversity and Inclusion Implications

There will be no direct implications from the reporting of the carbon footprint on equality or discrimination, although we recognise that climate change is likely to have a disproportionate impact on those with protected characteristics, and those on low incomes, so this needs to be borne in mind when framing our responsive and mitigating actions.

Signed off by: Richard Gibson, Head of communities, wellbeing & partnerships,
Richard.gibson@cheltenham.gov.uk

1.5 Performance management – monitoring and review

Each financial year the annual carbon footprint will be calculated and reported. Analysis of the results will underpin CBC's progress towards its net zero target and any required changes to our action planning. Review of data collection and carbon calculating methods will occur to ensure that the most accurate and best available estimates are reported.

The report annual carbon emissions form part of the organisations key performance indicators.

2 Background

2.1. Cheltenham Borough Council has a key leadership role to play in tackling climate change by reducing carbon emissions from its in-house services, those which CBC directly control, and by working with others in the borough to lower district-wide carbon emissions. The council has set out clear and transparent aspirations and a commitment to help tackle climate change by:

- Declaring a climate emergency in 2019 and committing to strive towards reduce both in-house and borough-wide emissions to net-zero by 2030;
- Publishing the Carbon Neutral Cheltenham report in 2019;
- Publishing a full Climate Emergency Action Plan, detailing an associated framework to becoming a net zero Council and Borough by 2030;
- Launching a Climate Impact Assessment Tool for ensuring all proposals and projects the Council undertakes consider their social and environmental impacts.

3 Reasons for recommendations

- A 2030 Net Zero Delivery programme will provide clarify costs & steps to deliver scope 1 and 2 emission savings to support decision making and funding..
- Addressing key capability gaps across the organisation within a revised structure in the climate and flooding team will enable greater progress in key areas that can deliver material emission reduction and cost savings simultaneously.
- Identifying a full risk management programme for climate and flooding risks, alongside review of the Climate Impact Assessment will help prioritise key actions and improve decision making..

4 Alternative options considered

4.1 There are no other reasonable alternative options to measuring carbon emissions.

5 Consultation and feedback

5.1 This report has been written with internal consultation with Debbie Baker and Councillor Alisha Lewis.

5.2 No public consultation needed.

6 Key risks

6.1 Financial risk – an assessment of the financial implications related to carbon reduction project is needed. This will mitigate the risk though effective programme management.

6.2 Financial risk – Find best practice examples of methodology and how other councils tackle their scope 3 procurement emissions as these are notoriously difficult to address. The current method is linked to overall cost.

6.3 Technology risk – Some technological solutions are in their early stages.

6.4 Capability risk – Use training and develop, alongside assessing team structure to address key knowledge gaps within the climate team and wider organisation.

6.5 Legislative/Policy risk – Central government underpinning funding mechanisms to tackle borough wide emissions are subject to changes.

Report author:

[Maizy McCann, Climate Emergency Officer, maizy.mccann@cheltenham.gov.uk.]

Appendices:

- i. Risk Assessment

Background information:

- [The Carbon Neutral Cheltenham report](#)
- [Climate Emergency Action Plan – pathway to net zero](#)
- [Corporate Plan – 2023 to 2027](#)

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1.1	Financial Risk (scope 1 & 2 emissions): The financial implications of scope 1 and scope 2 carbon reduction projects needs to be assessed and resourced. Insufficient capital and revenue funding to support carbon reduction activities will slow progress and the council's 2030 net zero ambition may not be achieved.	Finance				Mitigate risk through effective programme management approach.	Develop a costed carbon reduction plan to 2030 which can then be underpinned by a funding strategy alongside a plan to address residual emissions through robust offset.		
1.2	Financial Risk (Scope 3 emissions): As is the case with most organisations, scope 3 supply chain emissions make up nearly 80% of total emissions, but are notoriously difficult to address due to a combination of low influence and the difficulty of quantifying improvement.	Procurement				Consider high level options, looking at best practice in other sectors and councils.	Consider the options available to monitor and address emissions.		

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	The methodology CBC uses won't allow Scope 3 emission reduction tracking; currently this only linked to overall cost reduction.								
1.3	<p>Technology Risk (Scope 1 emissions & borough wide emission plans)</p> <p>Some net zero solutions are not yet available, or technology is nascent and unreliable/ unaffordable. This risk is increased due to the early target as technology in some areas remains early stage.</p>	Climate Team				Seek interim transitional solutions where technology approach remains.	Use GCC Climate Leadership network to horizon scan for solutions where early adoption can outweigh climate disadvantages.		
1.4	<p>Capability Risk (Scope 2, Scope 3 & Borough Wide Emissions)</p> <p>Knowledge gaps around climate change exist across the organisation.</p>	Climate Team				<p>Training & Development</p> <p>Address capability gaps in the organisation structure.</p>	Propose organisation structure that fills key gaps around energy knowledge & capability within the proposal to address climate & flooding team structure.		

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1.5	<p>Legislative /Policy Risk:</p> <p>Cost of living crisis, coupled with governmental priorities in the lead up to the election, imperil policy changes (underpinned by funding mechanisms) required to address borough wide emission reduction by 2030.</p>	Climate Team				Seek to influence development of key enabling policies and funding mechanisms.	Work with GCC Climate Leadership team and other interested parties to influence government regarding legislative and policy barriers.		