

Environment & Place Overview & Scrutiny Budget Working Group Conclusions – Part 1, climate related enquiries

Key Lines of Enquiry

The Working Group undertook a deep dive into the climate & ecological emergency budget, raising detailed data and information requests. These are detailed in the Key Lines of Enquiry (KLOE) background document (available upon request).

Working Group Findings and Recommendations	
Question for consideration	Working group conclusions
How much is in the budget?	<p>The group were presented with the breakdown of the sustainability team budget, noting that the salary costs were met from a revenue budget, the budget for projects was gathered into a £1m reserve to be used over a four year period, and additional external funding had been successfully secured by the team and continued to be sought. The group particularly noted:</p> <ul style="list-style-type: none">• The funding allocated from the £1m reserve towards the Local Area Energy Plan (LAEP) which would be important in providing updated direction to the council to inform its energy decisions and net zero targets.• The invest to save model being applied to the funding of projects from the £1m reserve fund. This applied to projects such as energy improvements in leisure centres, which would see savings made as a result of the projects returned to the fund for reinvestment. <p>In relation to the projected overall costs and overspend projections related to transitioning to net zero by 2030, the group noted that there was no overall budget allocated for this within the 2025/26 budget or the medium term financial plan, although there may be some allocation made by department which will contribute to net zero targets but which was not set out in a cohesive strategy.</p> <p>The group noted that the latest known projections for required changes by the council to meet net zero were mainly drawn from the 2021 APSE Energy net zero carbon emissions trajectory report. Based on this report, current understanding was that approximately £64m may be required to meet the council's net zero targets by 2030, although it was expected that a proportion of this would be delivered through strategic partnerships and the securing of external funding. The next milestone for updating these approximate costs would be the publication of the LAEP report, to be available early 2025.</p>

	<p>The group noted that the challenge to the council was bridging the gap between the £1m reserve fund currently available to this area of work and the projected potential £64m required to meet net zero climate targets.</p>
Is the council meeting its aims and objectives?	<p>The group was concerned that no financial strategy was in place to address the actions required by the council to meet net zero by 2030 and agreed that establishment of an overarching strategy (rather than a siloed approach across council departments) was now required as a matter of urgency. This was important to ensure that financial decisions were not made in isolation which may delay the council in meeting its net zero targets.</p> <p>It was noted that, based on the 2021 APSE report which provided a breakdown of annual carbon reduction aims to meet net zero by 2030, the 22/23 year reported a 10% carbon reduction, which was not in keeping with the APSE trajectory.</p> <p>To move forward and achieve 2030 targets, the group noted that significant infrastructure choices were required – such as decisions around transitioning the council’s fleet of vehicles to electric powered vehicles. These choices had large funding implications associated, and work was required to source strategic investors and grant funding to enable the council to make the necessary changes.</p>
Do we have any recommendations?	<p><u>Recommendations to the O&S Board</u></p> <p>That the Board recommend to Cabinet:</p> <ol style="list-style-type: none"> 1. That Cabinet be recommended to put in place as a matter of urgency a corporate approach to financial decision making that would enable it to meet its net zero targets by 2030, to include a gap analysis of the estimated total amount of spend required to reach net zero targets against the work already underway within departments to reach these targets. 2. That following receipt of the Local Area Energy Plan (LAEP) report and the work suggested at recommendation 1 above, Cabinet be recommended to consider a mechanism for including the full costs associated with reaching net zero by 2030 within the Medium Term Financial Plan, by consulting best practice used in other authorities to date for the same purpose.

	<p>That the Board recommend to the Environment & Place O&S Committee:</p> <ol style="list-style-type: none"> 3. That the committee add to its work programme an officer report relating to the Local Area Energy Plan (LAEP), when available, in order that the committee can understand and comment on the direction provided to the council and the steps that the council should take upon receipt of the LAEP. 4. That the committee continue to explore ways in which it can contribute to and support the council in reaching its net zero targets by 2030, to be informed by the LAEP report. This may include deep dive scrutiny into a range of areas that will have the most impact on reaching the council's net zero targets, such as the council's fleet of vehicles, housing, energysupply and the council's procurement strategy. 5. That the O&S committee add to its work programme a deep dive exploring options to progress community owned renewable energy working in partnership with the council.
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