

REPORT TO:	ENVIRONMENT & DEVELOPMENT SERVICES	AGENDA ITEM:
DATE OF MEETING:	26 January 2023	CATEGORY: RECOMMENDED
REPORT FROM:	Heidi McDougall, STRATEGIC DIRECTOR – SERVICE DELIVERY	OPEN
MEMBERS' CONTACT POINT:	Matthew.holford@southderbyshire.gov.uk , 01283 595856	DOC:
SUBJECT:	CORPORATE ENVIRONMENTAL SUSTAINABILITY GROUP	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: EDS01

1. Recommendations

- 1.1. That the Committee notes the progress made in improving the environmental performance of the Council further to this Committee establishing a Corporate Environmental Sustainability Group in August 2018.
- 1.2. That the Committee approves the amended terms of reference for the Corporate Environmental Sustainability Group.
- 1.3. That the Committee notes the content of this report and approves that that the Corporate Environmental Sustainability Group is making good progress in delivering the environmental improvements contained within its terms of reference.

2. Purpose of the Report

- 2.1. To provide the Committee with details on the progress made by the Corporate Environmental Sustainability Group to co-ordinate the Council's work on improving environmental credentials and performance.
- 2.2. To close out an outstanding recommendation from the recent internal audit focused on the governance framework surrounding the Council's response to climate change.

3. Background

- 3.1. Environmental sustainability covers a wide range of issues starting from a specific local location through to regional, countrywide and global. All issues comprise concerns about greenhouse gas mitigation, climate change, and renewable energy, while the local specific issues are around flooding, utilities consumption, waste, air and water pollution as well as the impacts on well-being such as the provision local warm homes.
- 3.2. The Local Government Act, 2009, specifically mentions regulating air, water, noise pollution and other environmental degradation as a function of Local Government and although they don't have a statutory duty to reduce emissions in line with the UK Climate Change Act, they do need to produce plans that have a significant bearing on emissions (e.g. local plans and planning, social housing, fleet, public estate and procurement).

- 3.3. Local authorities have an important role in both climate and environmental matters and can help to implement countrywide and regional agreements, influence policy and also contribute to safeguarding residents' well-being, all of which is key to improving the Council's environmental performance.
- 3.4. At a meeting of this Committee on 16 August 2018, approval was given for the establishment of a Corporate Environmental Sustainability Group ("the CESG"). The purpose of the CESG is to develop and implement measures that demonstrably improve the Council's environmental performance and support the delivery of the Council's strategic environmental objectives through a collaborative corporate approach.
- 3.5. Committee approved the terms of reference of the CESG and agreed to receive further reports on the Group's work programme.

Corporate Environmental Sustainability Group Activity

- 3.6. The terms of reference approved by Committee in 2018 directed the CESG to give priority to six work streams to improve the Council's environmental performance, namely:
- To address issues arising from the **ISO14001 external accreditation** process;
 - To focus on reducing the environmental impact of **Staff Travel** – core (miles driven by Council vehicles) and grey fleet miles (miles driven on Council business using employees' own transport);
 - To reduce the Council's **Energy Consumption**;
 - To improve the Council's **Water Management**;
 - To improve the Council's internal **Waste Management**;
 - To reduce the environmental impacts of Council contracts through greening the **Procurement** process.
- 3.7. Two further work streams were picked up by the Group during 2019;
- At Full Council on 27 June 2019 the Council declared a **Climate Emergency**.
 - A request from members to explore opportunities to enhance **biodiversity** across the District.
- 3.8. The work of the CESG is led by various topic specific working groups consisting of staff from across the Council. The current working groups are the Staff Travel Group, the Biodiversity Group and the Low Carbon Homes Group.

Terms of Reference

- 3.9. In February 2022 an internal audit focused on the governance framework surrounding the Council's response to climate change.
- 3.10. The audit concluded that the existing control assurance is '**substantial**'. Nevertheless, the report contained four recommendations, all identified as low risk.
- 3.11. One of the weaknesses identified is '*The Terms of Reference for the Corporate Environmental Sustainability Group was last updated in 2018 and therefore did not reflect the current membership of the group or provide an up-to-date list of priorities relating to the Climate and Environment Strategy, Action Plan 2021-2030 or the Council's Corporate Plan aims.*'

3.12. The recommended action is that “*The Terms of Reference for the Corporate Environmental Sustainability Group will be updated for approval by the Group and the Terms of Reference for the Corporate Environmental Sustainability Group will be updated for approval by Environment and Development Services Committee when the next annual report is published.*”

3.13. Appendix 1 to this report contains a proposed revised terms of reference approved by the Corporate Environmental Sustainability Group, which updates that originally approved in 2018 and which provides a more accurate reflection of the composition and work of the Group.

3.14. This report seeks this Committees approval of the revised terms of reference in accordance with the internal audit recommendation.

4. Detail

4.1. The following sections of this report provide a summary of the progress made with each of the work streams described in paragraphs 3.6 and 3.7.

ISO 14001 External Accreditation

4.2. The Council has been certified to the ISO14001 international standard on environmental management for 13 years.

4.3. In May 2022 the Council appointed a new Corporate Environmental Coordinator and during the second half of 2022 the environmental management system (EMS) was thoroughly reviewed and updated.

4.4. An annual surveillance audit by our external auditors took place in early December 2022.

4.5. The auditor identified three minor non-conformities and made an additional 13 observations which could improve the Council’s environmental performance. All of these have either been addressed or are currently being closed out.

4.6. The very small number of non-conformities and the positive feedback from the external auditor reflects well on the work of the Corporate Environmental Coordinator in refreshing the EMS. It also reflects well on the way in which staff across the organisation are willing to engage in improving environmental performance.

Staff Travel

4.7. The Council’s first [Staff Travel Action Plan](#) was approved by this Committee on 25 November 2019.

4.8. Much of the work to deliver the actions within this Action Plan is carried out by the Staff Travel Group.

4.9. The headline targets of the Plan are summarised in the following Table.

	Baseline (2019)	2021 Target	2024 Target
% of staff walking to work	3.7%	6.5%	15.0%
% of staff using public transport to work	1.9%		10.0%

% of staff cycling to work	0.6%	2.0%	10.0%
% of staff car sharing to work	2.2%	3.0%	10.0%
% of staff working flexibly	11.2%	15.0%	25.0%
Total % of staff participating in sustainable travel to work	19.6%	26.5%	70.0%

4.10. The Plan also set a target of **reducing the Council’s overall diesel consumption by 10% by 2024** and **reducing the miles travelled by Council staff for work (known as grey mileage) by 15% by 2024.**

4.11. The implementation of the Plan started in early 2020 along with the introduction of more robust processes across all Council services for gathering data to measure the performance targets.

Staff Commuting Travel

4.12. The onset of the pandemic had a seismic impact on staff travel behaviours. A further staff travel survey was carried out in summer 2022 and produced the following results based on a 75% response rate.

	Baseline (2019)	2021 Target	2024 Target	2022 Actual
% of staff walking to work	3.7%	6.5%	15.0%	11.1%
% of staff using public transport to work	1.9%		10.0%	
% of staff cycling to work	0.6%	2.0%	10.0%	1.5%
% of staff car sharing to work	2.2%	3.0%	10.0%	8.7%
% of staff working flexibly	11.2%	15.0%	25.0%	68%
Total % of staff participating in sustainable travel to work survey and actions	19.6%	26.5%	70.0%	89.3%

4.13. With the exception of the percentage of staff cycling to work all of the staff commuting targets set within the Staff Travel Plan have been met and exceeded.

4.14. The results of the Staff Travel Plan survey have been collated and fed into the flexible working consultation process to shape the future delivery of services post Covid.

4.15. The staff travel survey identified that;

- 11 more staff are using electric or hybrid cars than in 2019.

- 24 more staff do not travel to work by car and 11 more staff are car sharing than in 2019
- Just under 70% of staff identified that they have been partially or fully working from home.
- Working from home has resulted in an estimated 48% reduction in carbon emissions resulting from the daily commute by Council staff.

Fleet and Grey Fleet Travel

- 4.16. In August 2022 the Council published its first [Annual Carbon Reduction Progress Report](#), which was approved by this Committee.
- 4.17. In 2021/22 fleet fuel consumption was the highest source of carbon emissions across all Council activities.
- 4.18. The overall carbon emissions resulting from the Council fleet vehicle miles was 818 tCO₂e (equivalent tonnes of CO₂), compared to the baseline 2018/19 emissions of 722 tCO₂e.
- 4.19. This 13% increase is as a direct result of the increased workload of the Operational Services fleet since it took on extra duties following the recycling collection function being brought in-house in 2021.
- 4.20. Nevertheless this represents an improvement compared to the 836 tCO₂e (equivalent tonnes of CO₂), which the fleet emitted in 2020/21.
- 4.21. A route optimisation project has commenced (detailed below) and will support the Council in delivering efficiencies in the performance of its operational fleet in the longer-term.
- 4.22. A pilot project funded by D2N2 LEP to operate two dual fuel hydrogen powered refuse collection vehicles has also been approved by this Committee and the project is currently in the procurement phase.
- 4.23. 2021/22, the carbon emissions resulting from the grey fleet mileage (staff business travel) was 36 tCO₂e compared to the 2018/19 baseline of 54 tCO₂e. This 33% reduction of the carbon emissions is largely due to the pandemic, technology innovation that enables staff to engage differently with local residents and businesses, and the changing expectations of all stakeholders that meetings should be online unless circumstances require otherwise.

Energy

- 4.24. In 2020, Corporate Property secured a new, three-year fixed price contract for energy supplies to all Council owned public buildings.
- 4.25. As well as delivering healthy savings at a fixed price, the new electricity contract is produced from 100% renewable, non-nuclear sources (wind, hydro, geo-thermal and solar), delivering on the Council's Corporate Plan Climate Emergency priorities.
- 4.26. In 2021/22, the carbon emissions resulting from the use of electricity across the main public buildings was 233 tCO₂e, which is 51% lower than the 2018/19 baseline of 476 tCO₂e.

- 4.27. In 2021/22 the carbon emissions from heating the public buildings by gas were 612 tCO₂e, compared to 811 tCO₂e in the baseline year of 2018/19, showing a 25% reduction. These significant reductions in carbon emissions are a direct result of the pandemic, where the hybrid staff working model reduced the public building energy consumption significantly.
- 4.28. More recently research has been commissioned from Midlands Net Zero Hub into transitioning the Civic Way offices to being supplied by a low carbon heating source and to support the reduction in energy consumption and operating costs. The results of this research have been used to support a bid for funding of £546k from the governments Public Sector Decarbonisation Scheme to reduce the carbon emissions resulting from the energy use in public buildings.
- 4.29. The Council is also working with Active Nations who operate Greenbank and Etwall Leisure Centres on behalf of the Council to develop a 25 point Energy Saving Action Plan. This will support the reduction in energy consumption in the two leisure centres through behaviour change and other simple and cost effective projects.
- 4.30. More broadly, Housing Services commissioned further research into the energy efficiency of the Council's own housing stock. The Council engaged the assistance of Nottingham City Council to complete this work.
- 4.31. The outcomes of this research were reported at Housing and Community Services Committee on 30 September 2021, with 67.2% of the stock meeting an Energy Performance Certificate standard of C or better. It was approved that the results of this research would inform future reviews of the Council's Asset Management Strategy and would be reflected within future programmes for investment in the improvement of the Council's Housing Stock. The research gave a clear recommendation that the Council adopts a 'fabric first' approach to stock improvement, focusing firstly on insulating roofs and floors and double-glazing improvements.
- 4.32. At the same Committee it was approved that the results of the research would be used to support a bid for funding from "Wave 1" of the Government's Social Housing Decarbonisation Grant (SHDF) fund. This funding bid was successful and work is currently underway to improve the energy performance of up to 111 council houses and to enable tenants to directly reduce their energy consumption as the insulation measures are delivered through until end March 2023.
- 4.33. A report outlining the bid for SHDF Wave 2 funding has recently been taken to HCS Committee.

Waste

- 4.34. A new waste collection system ("waste hubs") was commissioned to improve collection and segregation of office waste streams from Council office activities.
- 4.35. The waste hubs were commissioned and installed in early 2022.
- 4.36. Rosliston Forestry Centre and Active Nation subsequently installed their own waste hubs in December 2022. Before this there was little recycling at these sites.
- 4.37. Waste legal compliance has been improved through the introduction of waste training for all relevant staff.

Water

- 4.38. During 2020, the Corporate Property Team reviewed the procurement of water supplies for the Council's portfolio of non-residential properties. Commercial water supplies were de-regularised in 2017 and as a result the Council inherited multiple suppliers to its various properties.
- 4.39. In 2020, these were merged into a single supplier, Castle Water, the UK's largest independent water supplier. This has helped significantly streamline administration and generate cost savings of over £5,000 over three years.
- 4.40. The carbon emissions resulting from water usage also dropped. In 2020/21 the carbon emissions from water usage were 23 tCO₂e, compared to the 2018/19 baseline of 27tCO₂e, a 17% reduction.
- 4.41. Outside the scope of the Corporate Environmental Sustainability Group, the Council has adopted a new Corporate Plan performance indicator (ref E2.2A) relating to the percentage of new homes granted planning permission which meet non-statutory water conservation standards. This will have a positive influence on the water conservation standards of future homes across the District.

Procurement

- 4.42. A new Procurement Strategy and Guidance Manual was approved in 2020 which included the Council's Corporate Plan environmental ambitions.
- 4.43. Work is ongoing to ensure that these ambitions are embedded in the procurement process. A Procurement Checklist for tender exercises encourages officers running the tendering process to give due consideration to environmental issues and template tender and contract documents offer the opportunity to include environmental clauses.
- 4.44. Officers have been working with the Council's procurement providers at NHS Chesterfield to seek to enhance its systems to capture social value environmental questions. The NHS has been working on green plans during 2022 to see if it can support South Derbyshire's environmental aims, or to implement monitoring systems to manage the increase in volume of environmental data which will result from embedding increased environmental demands in the procurement process.
- 4.45. Additional work will be required to ensure that all staff procuring and managing contracts are able to monitor environmental performance of contractors and social value return after contracts are awarded.

Biodiversity

- 4.46. On 12 August 2021, this Committee approved an Action Plan for Nature (APN) along with an Action Plan for Nature Work Programme.
- 4.47. In November 2021 the Environment Act was given royal assent. Part 6 of the Act contains extensive new legislation relating to nature and biodiversity.
- 4.48. In February 2022 the Council appointed a new Biodiversity Officer who has taken responsibility for the delivery of the Action Plan for Nature and for leading the Council work on biodiversity.
- 4.49. A further report which will summarise progress with the APN work programme, and which will seek approval for a revised APN work programme will be brought to this Committee in the near future.

Climate Emergency

4.50. The Council's Climate Emergency states the intention to:

- Strive to make South Derbyshire District Council carbon neutral by 2030 and achieve carbon neutrality across the geographical area of South Derbyshire before the Government target of 2050;
- Call on the UK Government to provide the powers and resources to make the 2030 target realistic;
- Work with partners across the District and region to deliver this goal through all relevant strategies.

4.51. The Council published its first Climate and Environment Action Plan in January 2020.

4.52. This Committee approved a first iteration of this Plan on 21 May 2021. This Committee approved the current version of the [Climate and Environment Action Plan](#) on 11 August 2022 and which contains all of the key actions currently proposed to meet the Climate Emergency declaration.

4.53. The Action Plan has mapped a route to carbon neutral for South Derbyshire District Council activities by 2030. All the actions within the Plan have been costed and the focus has been on ensuring that all plans are ready and workable to optimise any funding opportunities that becomes available. Not all of the funding to deliver this has yet been secured.

4.54. The Action Plan does not yet contain a route map to carbon neutral for the entire geographical district of South Derbyshire.

4.55. Further iterations of the Plan will be brought back to Committee on an annual basis over the course of the Corporate Plan lifetime along with the Annual Carbon Reduction Plan to detail how the delivery of the action plan is producing direct carbon emission reductions.

Progress of the Climate and Environment Actions

4.56. The Council has made significant strides in enabling and directly delivering carbon reductions since the last Corporate Environmental Sustainability Group report in January 2022. In addition to those energy and biodiversity matters already mentioned earlier in this report these include:

Enabling and Education progress

- Putting in place a quarterly project management programme to ensure the ongoing delivery of Climate and Environment actions across all the Council's services on a structured basis. Summary updates of the quarterly progress reports will be fed back to the members of this Committee.
- Developing a new [SDDC Climate web page](#) to effectively communicate with residents, businesses, and community groups about the Council's Climate & Environment Strategy, plans, actions and progress and the projects we are delivering.
- Delivering environmental awareness training to 82% of SDDC employees.
- Participating in community events in Swadlincote and Derby to promote public adoption of carbon reduction opportunities.
- Providing an offer to all Parish Councils of support for carbon reduction aspirations and activities.

Procurement progress

- Revising the procurement tendering process to improve carbon neutral criteria within the scoring process.

- We have calculated the Scope 3 carbon footprint of the main suppliers in the Council's supply chain to support a reduction in supplier carbon emissions (see 4.57 below).

Decarbonisation of Buildings progress

- We have ensured that that 99.9% of private rented properties in the District meet new Energy Efficiency Regulations.
- Successfully bidding for access to £2,993,160 in external funding to make energy improvements to the worst performing, low income, owner-occupied properties in South Derbyshire.
- Successfully bidding for access to £1,027,701 in external funding to make energy improvements to South Derbyshire District Council housing stock.
- Additional bids have recently been submitted for funding to improve both public sector and private sector housing.

Decarbonisation of Transport progress

- Installing 22 dual electric vehicle charge-points (42 parking bays) in public car parks owned by South Derbyshire District Council to help promote the transition to electric car ownership, including the recently successful bid for electric vehicle charge-points in Hatton, Hilton and Melbourne.
- Completing a strategic review of all South Derbyshire District Council car parks and other car parks in public ownership to identify EV recharge point installation opportunities.
- Continuing to procure electric rechargeable grounds maintenance equipment.
- Commencing the implementation of route optimisation for Council fleet vehicles.
- Secured funding for a pilot project to decarbonise the refuse collection fleet through dual fuel hydrogen technology.

Progress on Climate Change Resilience

- Completing the project to deliver £100,000 spend of government grant towards a Property Flood Resilience Recovery Support Scheme for all properties flooded in South Derbyshire as a result of Storm Ciara and Dennis in February 2020.
- Promoting and administering Free Tree Schemes across the District and Volunteering Projects to support the planting of free tree schemes.

Business Engagement progress

- Undertaking one to one engagement with early adopter local businesses to promote transition to low carbon business practices, reduction in energy consumption and green funding opportunities. To date 52 businesses have been visited to promote and support the transition to low carbon emissions.
- Creating a simple carbon emission audit template to support businesses understand their carbon footprint.
- Establishing a decarbonisation section in the Council's monthly Business Newsletter to support the understanding of transitioning business sectors to low carbon emissions.

Calculating Scope 3 Carbon Emissions

4.57. Since the approval of the Climate and Environment Action Plan, work has progressed on calculating the Council's Scope 3 carbon emissions. This calculation is based on annual supplier spend data (suppliers who spend over £50k annually with SDDC) and using the Business, Energy and Industrial Strategy (BEIS) Department's carbon coefficients for each relevant supplier spend sector.

4.58. Scope 3 emissions are those which are produced as the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain. Scope 3 emission sources include emissions both upstream and downstream of the organisation's activities

4.59. Based on the calculations to date:

- The 2018/19 Scope 3 Baseline for SDDC = 6139 tCO₂e
- The 2019/20 Scope 3 carbon emissions for SDDC = 6091 tCO₂e
- The 2020/21 Scope 3 carbon emissions for SDDC = 8045 tCO₂e. This increase is due to a large single spend with Highways England in 2021 and an increase in spend with Novus Construction.

4.60. The governance and monitoring of the delivery of the actions contained in the Plan has been embedded in the Corporate Plan Performance Framework since April 2020 which is reported to this Committee.

Key Activities in 2023

4.61. The CSEG has not as yet developed a workplan for 2023-24, however given the Terms of Reference the following items are likely to feature in the work of the Group;

- Implications of the Environment Act on internal waste management.
- Implications of the Environment Act of biodiversity.
- Implications of fuel prices on energy efficiency.
- New / changed priorities which emerge from revisions to the Corporate Plan.
- New / changed priorities which emerge from climate emergency actions identified as necessary to enable the district of South Derbyshire to become a carbon neutral.

5. Financial Implications

5.1. Beneficial impacts - Improved environmental performance could lead to potential cost savings. Any actions that lead to the reduction in energy consumption will lead to reduction in operational costs as well the carbon emission reductions. Any spend to save opportunities which are identified will need to be the subject of a business case and will need to meet the financial procedural rules of the Council.

5.2. The work of the Group has better positioned the Council to make successful bids for external funding to support the Council's environmental ambitions.

5.3. Adverse impacts – As reported to Finance and Management Committee on 10 June 2021, the total additional cost of including decarbonisation of all the 'Transformation Actions' contained in the Climate and Environment Action Plan is estimated to be in the range £5.6 to 6.8million. In addition, the cost of the smaller 'Service Plan Actions' in the Climate and Environment Action Plan is estimated to be £315k and 3,350 employee hours.

5.4. In his commentary on the Climate and Environment Action Plan the Council's Chief Finance (Section 151) Officer has stated "*As it currently stands, the Council will be reliant on external funding and grants to meet its carbon reduction targets*".

6. Corporate Implications

Employment Implications

- 6.1. Beneficial. The proposals will improve the reputation of the Council and make South Derbyshire District Council an even more desirable employer to work for.

Legal Implications

- 6.2. None.

Corporate Plan Implications

- 6.3. The proposals align with the 'Our Environment' key priority and in particular with the key aims of "Strive to make South Derbyshire District Council carbon neutral by 2030" and "Work with residents, businesses and partners to reduce their carbon footprint".

Risk Impact

- 6.4. The proposals will have a beneficial mitigating action against the corporate risk of "Managing the environmental impact of incidents across the District".

7. Community Impact

Consultation

- 7.1. Several of the activities have been the subject of internal staff consultations, such as through the staff travel planning survey and Staff Travel Group, the Biodiversity Working Group and the Employee forum.
- 7.2. External engagement and consultation have been carried out on specific projects such as electric charge point installations, housing decarbonisation, energy consumption reduction, Local Plan consultation and the Climate and Emergency Action Plan, subject to the necessary Committee approvals.
- 7.3. The Council's progress on its environmental sustainability ambitions is detailed on its external website and on all its social media channels on a regular basis.

Equality, Diversity and Inclusion Impact

- 7.4. One of the actions contained in the current version of the Climate and Environment (action ref ISP17) is to "*Develop a full equality, diversity and inclusion impact assessment of SDDC's Climate and Environment Action Plan*" This work is progressing and will be completed during 2023.

Social Value Impact

- 7.5. Beneficial.

Environmental Sustainability

- 7.6. Beneficial.

8. Conclusions

- 8.1. As demonstrated by this report, the Council is engaged in a diverse and meaningful range of environmental activities which fall within the scope of the CESG.
- 8.2. All of these activities signal the clear commitment of the Council to build and improve on its previous environmental performance.

8.3. The Corporate Plan 2020-24 contains a strong environmental content with a range of new performance measures which reflect the original concerns of members. This provides assurance that environmental issues will remain central to the Council's development over the Corporate Plan period.

9. Appendices

9.1. Appendix 1 – Corporate Environmental Sustainability Group Terms of Reference

10. Background Papers

Previous CESG Progress Reports

[Environment and Development Services Committee, 16 August 2018.](#)

[Environment and Development Services Committee, 17 April 2019.](#)

[Environment and Development Services Committee, 15 August 2019.](#)

[Environment and Development Services Committee, 12 November 2020.](#)

[Environment and Development Services Committee, 25 January 2022](#)

Staff Travel Planning and Fleet Emissions Reductions

[Staff Travel Plan](#)

[Staff Travel Action Plan](#)

Energy

[Housing and Community Services Committee, 28 January 2021](#)

[Housing and Community Services Committee, 3 June 2021](#)

[Housing and Community Services Committee, 30 September 2021](#)

[Housing and Community Services Committee, 19 April 2022](#)

Biodiversity

[Environment and Development Services Committee, 12 August 2021](#)

Climate Emergency

[Climate and Environment Strategy 2021-30](#)

[Climate and Environment Action Plan](#)

[Annual Carbon Emissions Reduction Report](#)