NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL





Title of Report	ZERO CARBON UPDATE		
Presented by	Paul Sanders Head of Community Services		
Background Papers	Minutes of 31 March 2020 Cabinet meeting where Zero Carbon Roadmap & Action Plan was adopted: Agenda for Leader of the Council Cabinet Member Meeting on Tuesday, 31st March 2020, 5.00 pm - North West Leicestershire District Council (nwleics.gov.uk)	Public Report: Yes	
	Zero Carbon Roadmap Year 3 report: Agenda for Corporate Scrutiny Committee on Tuesday, 11th July, 2023, 6.30 pm - North West Leicestershire District Council (nwleics.gov.uk)		
Financial Implications	At its meeting on 25 February 2020, Council agreed to establish a £1m reserve to support the costs of climate change. Details of spend to date on both revenue and capital costs are set out in section 8.0 of the report. The costs of the Climate Change Programme Manager have		
	been met from the £1m reserve. However, from 2025/26 onwards this will be reviewed as part of the 2025/26 budget setting process. Signed off by the Section 151 Officer: Yes		
Legal Implications	All decisions arising from the implementation of the action plan must comply with the Council's established governance and decision making processes. The project team will seek legal advice on specific aspects of the action plan on a case by case basis.		
	Signed off by the Monitoring Officer		
Staffing and Corporate Implications	Staffing implications will be an intricate business case. The Council's ambition Carbon by 2030 for the Council, by 205 is reflected in the Council Delivery Plan Signed off by the Head of Paid Servi	is to achieve net Zero 50 for the District. This 2023-2028.	
Reason Agenda Item Submitted to Scrutiny	To provide an update on the Council's and Action Plan and seek comments of		

Committee	plan priorities.
Recommendations	THAT CORPORATE SCRUTINY COMMITTEE COMMENTS ON: 1. THE PROGRESS THAT HAS BEEN MADE WITH YEAR FOUR OF THE ZERO CARBON ROADMAP. 2. THE ACTIONS BEING PROPOSED FOR YEAR FIVE OF THE ZERO CARBON ROADMAP PLAN.

1.0 BACKGROUND

- 1.1 North West Leicestershire District Council (NWLDC) declared a climate emergency on 25 June 2019 and is one of over 300 UK local authorities to do so.
- 1.2 The Zero Carbon Roadmap and Action Plan was adopted by the Council on 31 March 2020. The Action Plan summarises recommended activity to achieve the ambition of a net Zero Carbon Council by 2030 and a net Zero Carbon district by 2050.
- 1.3 The Zero Carbon Roadmap estimated, from a baseline of 2016, that the emissions from Council owned assets of 18,000 tCO₂e represent just 1.5% of the total emissions of the North West Leicestershire (NWL) district. This is dominated by the buildings owned by the Council. Whilst tackling the emissions from the Council's own operations is an imperative, the scale of the emissions from the wider district highlights how important it is for the Council to show leadership to influence wider district emissions.
- 1.4 The target for the Council's operations to be net zero as set out in paragraph 1.2 is highly challenging and the Council cannot achieve this alone. The Council, in its civic leadership role, has a responsibility to lead in this area to help ensure that NWL recognises and embraces the crucial activity required to meet the challenge.
- 1.5 The Council Delivery Plan 2023-2028 identifies one of the four priorities as "clean, green and Zero Carbon.....looking after the environment we live in". A key aim is "We will aim to be carbon neutral as a council by 2030 and a district by 2050". It will also potentially need significant resources, and this is a key piece of data that is currently being developed as part of the Council's asset management and fleet management plans.

2.0 ZERO CARBON ROADMAP KEY THEMES

2.1 The Zero Carbon Roadmap is divided into distinct activity groups which are set out in the table below.

Buildings	Forestry & Land Use
Power	Industry
Waste	Aviation
Transport	F-gases

2.2 North West Leicestershire district emissions are dominated by transport, buildings, and industrial installations.

- 2.3 Council emissions are estimated at 2 ktCO_{2e} for Council operated buildings and vehicle fleet; and a further 16 ktCO_{2e} for council homes, leased buildings and leisure centres, The total 18 ktCO_{2e} equate to 1.5% of the total estimated emissions of 1,281 ktCO_{2e} for the NWL district.
- 2.4 The Council can directly influence a further 32% of emissions mainly through:
 - Planning for new buildings
 - Planning control for new industrial installations and site emissions
 - Electric vehicle infrastructure
 - Waste reduction and diversion from landfill through its involvement in the Leicestershire Waste Partnership.
- 2.5 The initial focus is on the Council's own activities and what direct action it can take. Other categories of activities identified are where the Council can influence and where it can help to facilitate.

3.0 WIDER PERSPECTIVE ON CLIMATE CHANGE

- 3.1 The Climate Change Committee (CCC) is an independent, statutory body established under the Climate Change Act 2008 which has statutory obligations to monitor progress in responding to climate risks and opportunities.
- 3.2 Their latest report was published on 18 July 2024:

"The Climate Change Committee's assessment is that only a third of the emissions reductions required to achieve the country's 2030 target are currently covered by credible plans. Our 2030 target is the first one set in line with a Net Zero trajectory.

This news comes against the backdrop of a more positive story – that the country's emissions are now less than half the levels they were in 1990. This is largely due to the phase out of coal and the ramping up of renewables. This project has been a huge success – but to continue to decarbonise the UK we will now need to see ambitious action not just in the energy sector, but also across transport, buildings, industry and agriculture. The plans in place from the previous Government will not deliver enough action."

- 3.3 The CCC has published a priority list of ten recommendations, including to make electricity cheaper, reverse recent policy rollbacks and accelerate rates of tree planting and peatland restoration.
- 3.4 The CCC notes that much of the low carbon technology needed is already available but that rates need to significantly increase; offshore wind by three times, on short to double and solar installations increase by five times; approximately 10% of UK homes will need to be heated by a heat pump (versus 1% today) and electric cars need to increase their market share from 16.5% in 2023 to nearly 100%.
- 3.5 Following the recent parliamentary election, the new Secretary of State for Energy Security and Net Zero, has laid out priorities including boosting energy independence through clean power, upgrading homes and cutting fuel poverty and reforming the energy system., however, it is too early to say whether further funding to support net zero ambitions of local authorities will be made available.

4.0 WORKING COLLABORATIVELY ON CLIMATE CHANGE

4.1 The challenges of the Zero Carbon Roadmap are similar across the county of Leicestershire. Working collaboratively enables partners to learn from each other and achieve more together. This approach has enabled the Council to take part in activities and deliver projects that the Council would not be able to undertake on its own.

4.2 <u>Green Living Leicestershire Partnership</u>

- 4.2.1 Leicestershire District Councils together with Leicestershire County Council have an established environmental group which is currently chaired by the Chief Executive of Oadby and Wigston Borough Council. In 2022, the "Green Living Leicestershire" (GLL) partnership was created; an officer led and chief executive supported mechanism to undertake joint zero carbon related projects together across the county.
- 4.2.2 The GLL partnership is currently working together on Sustainable Warmth, a grant funded retrofit programme to improve energy efficiency of private homes (Home Upgrade Grant), a home energy retrofit offer (HERO) to provide advice on energy improvements as well as Solar Together, a group buying scheme, solar PV hub electric vehicle charging project and a joint approach to community engagement. A net zero toolkit has also been developed to help support community groups to reduce carbon emissions in their local area. It is a collaborative approach, sharing best practice, pooling resources and learning together.
- 4.2.3 The group is also supporting Leicestershire CAN (Collaborate to Accelerate Net Zero), funded by Innovate UK, which is looking at a whole-systems approach to decarbonisation and breaking down non-technical barriers to the delivery of net zero to enable accelerated delivery of projects through harnessing the collective power of collaborative working. The four workstreams are governance, decarbonisation pathway plan, community energy and an advisory service.

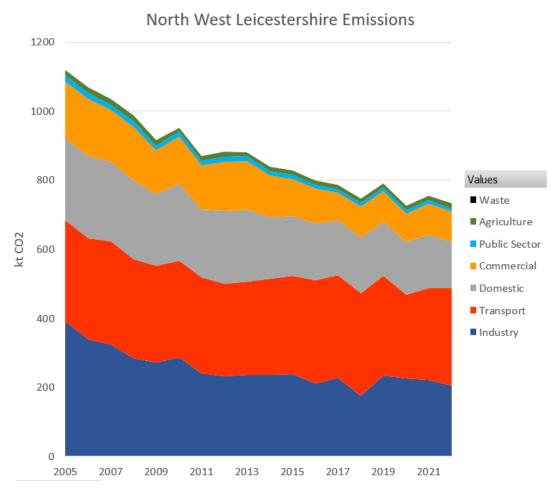
4.3 Midland Net Zero Hub (MNZH)

- 4.3.1 MNZH supports public sector organisations across the Midlands to identify and develop local net zero and energy strategies and projects.
- 4.3.2 MNZH led a consortium bid for Sustainable Warmth retrofit funding which then awarded funding to district councils the second Home Upgrade Grant scheme for off-gas properties is still in operation.
- 4.3.3 It is supporting GLL with a solar PV hub electric vehicle charging project.
- 4.3.4 Through initial work with the Council and Everyone Active, MNZH has secured grant funding to work with Leicestershire District Councils and Everyone Active on a toolkit to help decarbonise leisure centres. This project is underway.

5.0 EMISSIONS MEASUREMENT

5.1 Information on measuring methodologies and detailed breakdown of the reporting developed is outlined in Appendix Two.

- 5.2 UK Government Department for Energy Security and Net Zero (DESNZ) carbon emission factors is the source for UK district level emissions. This data has been produced two years in arrears since 2005 and is refreshed annually based on current methodology. Data is based on territorial CO₂ emissions, those that occur within NWL borders.
 - 5.2.1 The NW Leicestershire district level data indicates the following reductions between 2005 and 2022. Additional reporting is available in Appendix Two.

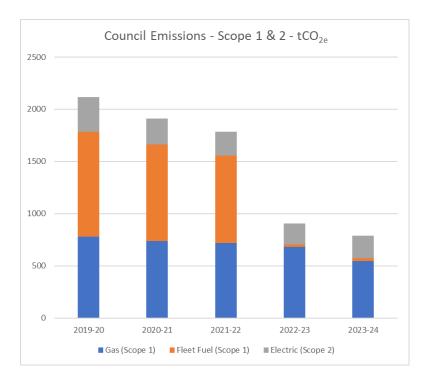


- 5.3 For the Council's reporting, the Local Partnerships greenhouse gas accounting tool is used to report on direct emissions. It is based on the DESNZ (formerly BEIS) carbon emission factors.
 - 5.3.1 Additional reporting is provided in Appendix Two including explanation of scopes and emissions measurement methodology.
 - 5.3.2 Scope 1 and 2 emissions, which are the focus for 2030, have reduced by 10% versus last year. Scope 1 are the emissions that the Council makes directly (e.g. gas boilers, vehicle fuel); Scope 2 at the emissions that the Council makes indirectly (e.g. electricity). Scope 3 are the emissions the Council is indirectly responsible for (e.g. procurement of products). Further information is available in Appendix Two.
 - 5.3.3 The biggest change in 2023-24 is driven by a 17% reduction in gas usage due to the Accommodation Project move to Whitwick Business Centre.

- 5.3.4 Electricity usage has increased, by 9%, a small element of which relates to charging of the electric fleet.
- 5.3.5 Summary of direct and energy indirect emissions in the table below:

GHG emissions tCO2e	Sector	2023-24	2022-23	% Change 23/24 v 22/23	2021-22	% Change 22/23 v 21/22	2020-21	% Change 21/22 v 20/21	2019-20	% Change 20/21 v 19/20	•	Difference 23/24 v 19/20
Scope 1 - Direct Emissions	Total	592.1	704.2	-16%	1554.9	-55%	1670.3	-7%	1783.6	-6%	-67%	-1191.5
Gas	Buildings	566.9	679.12	-17%	716.4	-5%	738.0	-3%	779.8	-5%	-27%	-212.9
Diesel, HVO	Fleet	25.3	25.1	1%	838.5	-97%	932.3	-10%	1003.8	-7%	-97%	-978.5
Scope 2 - Energy indirect	Total	219.6	201.3	9%	228.7	-12%	251.4	-9%	335.2	-25%	-34%	-115.5
Purchased electricity	Buildings	219.0	201.3	9%	228.7	-12%	251.4	-9%	335.2	-25%	-35%	-116.2
Purchased electricity	Fleet	0.6	0.0	-	0.0	-	0.0	-	0.0	-	-	0.6
Total Scope 1 & 2 Emission Total		811.8	905.5	-10%	1783.6	-49%	1921.7	-7%	2118.8	-9%	-62%	-1307.0
Scope 3 - Indirect Emission	Total	49.6	49.0	1%	50.2	-2%	46.7	7%	78.3	-40%	-37%	-28.7
T&D Loss - electricity*		20.0	19.8	1%	21.3	-7%	21.7	-2%	28.7	-24%	-30%	-8.8
Business mileage		29.7	29.2	2%	28.8	1%	25.0	15%	49.6	-50%	-40%	-19.9

^{*} T&D Loss is the difference between the electricity supplied and the electricity converted into useful power



- 5.3.6 Changes in this year's reporting include addition of gas oil (Scope 1) and LPG (Scope 1), used to heat the fleet workshop and the exclusion of electricity related to EV charging in the public car parks (this is reported in Appendix 2).
- 5.3.7 Two Scope 3 emissions (i.e. emissions that the Council is indirectly responsible for further information is available in Appendix Two) have been added business mileage and the transmission and distribution loss ("T&D loss" associated with electricity, the difference between the electricity supplied and the electricity converted into useful power). All data sets have been refreshed since 2019/20 to reflect these changes. Data is sourced from the Council's invoices for utilities, fuel usage and mileage claims.

5.3.8 As emissions reporting expands to report on more categories, or where property portfolios or fleet numbers change, this may result in an increase in reported emissions at total level but could reflect an improvement on prior year on a like-for-like basis.

6.0 YEAR FOUR UPDATE

- 6.1 Key achievements include the ongoing delivery of the Fleet Management Strategy with the arrival of more electric vehicles, by the end of the financial year there were 14 in the fleet. The large emissions benefit of the fuel switch from diesel to Hydrotreated Vegetable Oil (HVO) continues (saving 964 tCO_{2e}); further provision of EV charging was installed in the district and local cycling and walking infrastructure plan completed. A flexible plastics recycling scheme was launched alongside the on-going food waste trial. Regular activities such as the free tree scheme continued, together one-off projects such as the planting of a Tiny Forest and Hermitage Eco Park.
- Working collectively under the Green Living Leicestershire partnership, the Home Upgrade Grant 2 scheme continued to improve the energy efficiency of off-gas properties, alongside preparation to launch a home energy retrofit offer scheme (HERO) to provide energy efficiency advice. A net Zero Guide was launched to support Town and Parish Councils and community groups. Plans for an EV solar charging hub at Money Hill car park in Ashby are progressing. The Solar Together 2 scheme installations are complete (316 panels and 23 batteries fitted in NWL, saving 565 tCO2 over 25 years) and a third scheme launches in summer 2024.
- 6.3 Elsewhere, speed of progress has been challenging.
 - 6.3.1 For the Council's General Fund building portfolio a corporate asset management toolkit report was agreed by Cabinet in July 2024 alongside for the purchase of a facility management system. These will inform an analysis of all properties for an improvement work programme to be agreed by September 2025 to feed into the budget process for 2026/27.
 - 6.3.2 For the Council's housing stock, a new Asset Management and Investment Plan will be completed by the end of 2024/25 and this will provide the foundation for prioritising improvement and decarbonisation works for the budget cycle 2025/26. A programme of retrofit activity is underway. This will assist in working towards achieving net zero for the district by 2050.
 - 6.3.3 Future fleet procurement is dependent on the outcome of the Waste Services review and the learnings from the Housing EV vehicle trial. Whilst the six electric vans are in place, the trial has not yet developed as originally envisaged due to complexities around contractual terms and conditions, suitability of properties for home charging and Housing resource. The way to move this forward is being considered as part of a mid-cycle review.
- 6.4 Year Four action plan and progress against each of the actions is set out in Appendix One.

7.0 YEAR FIVE PLANS

- 7.1 The key focus will continue to be on the Council's buildings and asset management plans. Fleet replacement timings will be dependent on the Waste Services review and Housing EV trial.
- 7.2 Year 5 progress will be reported after the end of the financial year, 2024/25, to Corporate Scrutiny.

No.	Sector	Action Plan Year 5 (2024/25)					
	Buildings						
1	Housing	Develop an asset and investment plan for the Housing asset portfolio, including decarbonisation activity.					
		Develop and deliver a retrofit programme, including decarbonisation improvements and exploration of grant funding applications opportunities					
		Complete stock condition surveys, refresh EPCs (100% by June 2025) and build plan to achieve a minimum EPC rating of C by 2030 across the Housing portfolio.					
		Develop new homes/new development standard aligned to the Council's zero carbon commitment and Decent Homes Standard 2 once published					
		Develop an improvement and decarbonisation work programme for the Housing asset portfolio for budget cycle 26/27 and beyond, including measurement methodology and costs associated with achieving the Council's net zero carbon ambition.					
2	Property	Develop and adopt a corporate assessment management toolkit.					
		Procure and implement a Computer Aided Facility Management (CAFM) system to provide one stop view of all General Fund properties and the associated data, to support portfolio decision making, including zero carbon/decarbonisation activity.					
		Explore opportunities to decarbonise General Fund asset portfolio linked to general maintenance activity.					
		Develop an improvement and decarbonisation work programme for the General Fund asset portfolio for budget cycle 26/27 and beyond, including measurement methodology and costs associated with achieving the Council's net zero carbon ambition.					
		Demonstrate how regeneration activity has considered zero carbon implications and biodiversity net gain within all projects.					
3	Leisure Centres	Together with Everyone Active, continue to drive a reduction in emissions at the Leisure Centres, build the business case to install solar panels and explore funding opportunities to support delivery of energy and carbon reductions.					
4	Private Sector	Together with Green Living Leicestershire partnership, deliver the Sustainable Warmth programme (LAD3 on-gas and HUG2 off-gas) to improve the efficiency of some of the worst energy efficient homes in the district.					
	Power						
5	Utilities	Develop building level utility usage reporting to identify opportunities to reduce utility consumption at council owned and operated buildings - across gas, electric and water.					
6	Planning	Build the council's zero carbon ambition into the substantive review of the Local Plan including renewable energy and energy efficiency standards for new homes.					
		Reflect the council's zero carbon ambitions in the Good Design Supplementary Planning Guidance refresh.					
		Explore carbon offset options including opportunities for the council to be a biodiversity and carbon offset provider.					
		Implement Biodiversity Net Gain legislation requirements and support the development of Local Nature Recovery Strategy (led by Leicestershire County Council) to increase the biodiversity of our district.					
7	Solar Together	Support the delivery of the third Solar Together group buying scheme to assist householders and small businesses to install solar PV and battery storage.					
8	Energy Switch	Refresh the contract and support the delivery of the Energy Switch group buying scheme to assist householders to switch to renewable energy.					

9	Mine Water	Continue to explore mine water feasibility. (This technology could provide low carbon, low cost heat from water from dis-used mines underneath Coalville with the potential to feed the new Leisure Centre, Stephenson College and the Council offices.)		
	Waste			
10	Waste Services	As part of the Waste Services review, reflect all relevant actions from the Zero Carbon Roadmap and Action Plan.		
		Continue with the food waste collection trials and prepare for legislative changes to roll out district-wide collections by April 2026.		
	Transport			
11	Fleet	Continue to roll out the Fleet Management Strategy, including fleet replacement and infrastructure as identified by the Waste Services review and Housing EV trial. Develop a plan for budget cycle 26/27 and beyond, including measurement methodology and costs associated with achieving the Council's net zero carbon ambition.		
12	Cycling &	Deliver the cycling & walking "quiet lane" improvements in Kegworth.		
	Walking	Work with County to support the development of the NWL element of Leicestershire Cycling & Walking Infrastructure Plan with a view to being able to access Active Travel England funding to be able to deliver elements of NWL LCWIP.		
		Develop local infrastructure plans and priorities to build connectivity improvements, as per the Cycling & Walking Plan.		
13	EV charging	Support the Installation of a solar EV charging hub at Moneyhill car park, Ashby working with Green Living Leicestershire partnership and Midland Net Zero Hub.		
		Explore EV charging opportunities across the council's property portfolio, including HRA.		
	Other			
14	Finance	Develop a "cost of net zero" plan for budget cycle 26/27 and beyond, including measurement methodology and costs associated with achieving the Council's net zero carbon ambition.		
15	Procurement	Refresh the Procurement Strategy aligned with the Council's zero carbon ambition		
16	Reporting Establish approach to explore Scope 3 emissions (indirect, supply chain related) reporting, to shape council's procurement policies and influence spend			
17	Air Quality	Continue delivering air quality action plan		
18	Biodiversity	Continue free tree scheme, planting trees and support communities with grants		
		Continue to deliver elements of Hermitage Recreation Ground Eco Park and improve biodiversity working with the National Forest and Woodland Trust		
		Develop Tree Management Strategy for the planting and management of the Council's tree stock.		
19	Engagement	Work in conjunction with Green Living Leicestershire to develop district engagement opportunities.		
20	Governance	ce Explore the Council's current baseline status against ISO14001 principles and draft a corporate Environmental Policy		

8.0 FINANCIAL IMPLICATIONS

8.1 Zero Carbon Reserve

- 8.1.1 Each activity will be supported by a detailed business case to assess the affordability and deliverability of a potential project on a case-by-case basis. In addition, grants and funding options will be explored. At its meeting on 25 February 2020, Council approved the establishment of a climate change reserve with a total allocation of £1m, apportioned into £0.885m for revenue and £0.115m for capital.
- 8.1.2 The Zero Carbon Roadmap Financial Summary for Year Four (2023/24) is set out below showing cumulative spend against £1m initially allocated. Further capital spending has been agreed to be funded from the £0.885m revenue allocation:

Zero Carbon Reserve - Draft 23/24 Outturn & Budgets	TOTAL
Original Funding Allocation - Revenue	£885,000
Revenue used to fund Zero Carbon Capital Schemes	-£98,184
Total Revenue Project Funding	£786,816
Revenue Projects - Actual Spend	
Staffing	£232,340
Working Budget	£13,328
Food Waste Trial (Measham & Coalville)	£77,095
Fleet Strategy Consultants (57% contribution)	£12,284
Solar PV specification for Leisure Centre	£999
Total Expenditure	£336,046
Revenue Projects - Budgeted	0
Staffing (24/25)	£67,570
Working Budget (24/25)	£10,020
Food Waste Trial (Measham & Coalville)	£28,905
Mine water Feasibility study	£50,000
District level resident/housing data	£10,000
Indirect emissions (Scope 3) evaluation	£15,000
Solar PV specification for Leisure Centre	£9,001
Development of works specification to decarbonise buildings portfolio	£20,000
EV charging location plans	£10,000
Biodiversity related activity	£20,000
Budgeted Expenditure	£240,496
Original Funding Allocation - CAPITAL	£115,000
External Funding - External Grant for EVCP (OLEV/EST)	£122,053
Capital Schemes Funded from Zero Carbon Reserve (Revenue)	£98,184
Total Capital Funding	£335,237
Total Sapital Fullating	2000,201
Capital Projects - Actual Spend	
Electric Vehicle Charging Points	£227,165
LED lighting for car parks (funded from revenue allocation)	£42,812
Total Expenditure	£269,977
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Capital Projects - Budgeted	
Electric Vehicle Charging Points	£9,888
EV charging infrastructure/strategy (funded from revenue allocation)	£50,000
LED lighting for car parks (funded from revenue allocation)	£5,372
Budgeted Expenditure	£65,260
Remaining Earmarked Reserve	£210,275

- 8.1.3 Funding of the Climate Change Programme Manager role from 2025/26 onwards will be reviewed as part of the 2025/26 budget process.
- 8.1.4 It was originally agreed by Cabinet in March 2020 that the role would be funded for three years from the Climate Change Reserve. This timescale was extended to cover 2023/24 (part year) and 2024/25 (full year).

9.0 RISK IMPLICATIONS

- 9.1 Risk Management has been and will continue to be a central consideration of each action's business case. Affordability will be a central concern as will the availability of technology that can deliver the required low emission solutions. Investment decisions, including for the Council's buildings portfolio and fleet, will follow the relevant Council's governance processes.
- 9.2 The achievement of net zero by 2030 for the Council's operations has been included in the Corporate Risk Register as a key risk.
- 9.3 Concerns include lack of funding to achieve a net zero solution, reputational damage of not achieving the Council's commitment to net zero and recognition that delivering the district target of 2050 is beyond the Council's control.

Policies and other considerations, as appropriate				
Council Priorities:	Developing a clean and green district			
Policy Considerations:	Zero Carbon Roadmap and Action Plan Local Plan			
Safeguarding:	N/A			
Equalities/Diversity:	An impact assessment will need to be carried out as part of each project's business case as appropriate, as has been the case with the food waste trial.			
Customer Impact:	Communities, council tax and businesses in the district will be engaged on the roll out of the programme, as with the net zero guide for parish councils and communities			
Economic and Social Impact:	This will be a key aspect of each business case to assess not only the financial impact of intervention but the wider benefits.			
Environment, Climate Change and zero carbon:	The adoption of the Zero Carbon Roadmap and associated Action Plan sets out the Council's future approach to addressing the climate emergency.			
Consultation/Community Engagement:	Communities and businesses will be engaged on the roll out of the programme.			
Risks:	Covered under Section 9 of this report.			
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