

Cabinet

13 October 2022

Sustainable Futures Strategy

Recommendations

That Cabinet

1. Approves the commencement of a public and stakeholder engagement programme in respect of the draft Sustainable Futures Strategy at **Appendix 1** to be launched in November 2022 with a final draft of the Strategy to be brought back to Cabinet for approval in Spring 2023.
2. Approves the commencement of next steps as laid out in Section 5

1. Executive Summary

- 1.1 The Council Plan 2022 – 2027 includes the strategic priority of becoming a County with a sustainable future which means adapting to and mitigating climate change and meeting net zero commitments. To deliver this priority, a Sustainable Futures Strategy has been developed which addresses:
 - Our commitment to be a net zero carbon Council by 2030
 - Leading Warwickshire in becoming net zero by 2050
 - Our biodiversity commitments
 - Commitments to support and deliver on the UN sustainable development goals (SDGs)
- 1.2 The strategy is contextualised around the Council's emergency declaration on climate change and the global biodiversity crisis. Additionally, it also provides a critical point of connection to other key approaches and strategies either in place or under development, notably economic growth and supporting sustainable growth, education, levelling up, health inequalities and cost of living. The UN sustainable development goals are used to identify how action on each delivery theme in the strategy can contribute to the UN's goals and similar key issues.
- 1.3 The Sustainable Futures Strategy at Appendix 1 has an accompanying draft Action Plan focused on achieving our net zero carbon Council targets and associated risk register. Actions in support of our net zero carbon target for Warwickshire and the UN Sustainable Development Goals are outlined in the strategy by theme. As part of the next stage, using feedback from public engagement, we will develop a detailed, costed action plan for Warwickshire. There is also a linked Climate Change Adaptation Strategy and associated

Action Plan currently under development that will be the subject of a separate report.

1.4 Key features of the Sustainable Futures Strategy are:

- The use of six delivery themes to focus the Council's activity and assign objectives and actions for both the 2030 and 2050 targets. These themes are:
 - Transport;
 - Energy;
 - Built environment;
 - Resources, waste and circular economy;
 - Green economy and sustainable communities; and
 - Natural capital and biodiversity.
- The adoption of delivery principles that are essential to having the right approach to implementation, together with strategic enablers that are essential components to ensure the strategy is both deliverable and affordable.
- Clarity on what is and is not within scope of our 2030 Council carbon footprint, with an emissions reduction trajectory to 2030.
- Outline costs and funding sources for the first phase of actions in Appendix A will continue to be developed in consultation with service areas and subject matter experts to ensure they are viable and achievable. In some instances, actions will be conducting detailed feasibility studies to fully cost identified actions / options prior to developing a full business case.
- Identified internal and external funding sources aligned to categories of actions.
- Alignment to WCC's approved Countywide approach to Levelling Up in Warwickshire. The intention of Levelling Up is to support communities and places, helping those that need it most to improve life outcomes across all aspects of life, including health, education, employment. The approach translates the national agenda for the County, creating a local definition that complements the 12 national missions set out in the Levelling Up White Paper. Sustainable Futures is one of the four core elements, defining what Levelling Up in Warwickshire means at county, place and community level. Our engagement with key stakeholders on the 2050 Sustainable Futures Strategy will therefore be an important way of working with partners to identify and develop actions to achieve the mutually agreed outcomes for our communities and at a place level.

1.5 The strategy recognises that we cannot deliver the 2050 Warwickshire target alone and summarises the various levels of influence the Council has and the partnerships the Council maintains and establishes. This includes engaging

with residents, communities, and business. Furthermore, the strategy recognises the need to secure governmental and regional funding and private sector investment to deliver on the objectives. It is proposed to engage on the strategy and associated actions later this year to build their views into a final collaborative way forward.

- 1.6 Delivery of the strategy through its Action Plan will enable the Council to accelerate progress towards meeting our net zero carbon commitment for the Council by 2030 and the 2050 net zero commitment for Warwickshire alongside our approach to Levelling Up.

2. Financial Implications

- 2.1 Delivery of the strategy and associated Action Plan will have significant capital and revenue implications for the Council. There will be additional costs in the short- to medium-term, with the potential for the generation of some financial benefits over the longer term. It has not been possible to assign costs to all actions required to meet our 2030 net zero targets or other sustainable future commitments. A series of steps needs to be carried out to do so, including detailed feasibility studies which have their own cost and resource implications. The delivery of the strategy is therefore predicated on a prudent approach to investment decisions based on providing detailed costing and financing plans as the Council progresses on each delivery theme.
- 2.2 The Council will not have the financial capacity to undertake all of the investment needed from its own resources. Funding for linked actions will need to be identified primarily from external sources including from Government, with the Council's own resources only being able to provide gap funding for those projects and actions that deliver the greatest benefits, and subject to affordability.
- 2.3 Funding for linked actions will be from a variety of internal, public, and private funding sources including, but not limited to:
 - Grant funding for work related to net zero, which we along with other local authorities can bid for. Key sources include Public Sector Decarbonisation Scheme, Active Travel Fund, Green Homes Grant Local Authority Delivery Scheme and All Electric Bus Town or City Scheme. Wider funding is also available that is targeted at other or more general outcomes, such as social or economic growth, but which require, encourage or allow the delivery of net zero objectives. Examples include the Towns Fund, Levelling Up Fund, UK Community Renewal Fund and the UK Shared Prosperity Fund.
 - Working in partnership with Voluntary, Community and Social Enterprise organisations that are able to access funding for local projects from sources that would otherwise be unavailable. This includes lottery and trust funding.
 - Adopting, through a risk-based approach, innovative funding solutions, such as Community Municipal Bonds (CMBs), which offer local people an

opportunity to invest in net zero projects in a way similar to crowdfunding and to make a return from doing so.

- A natural capital investment approach for biodiversity, such as the biodiversity net gain planning contributions capital already accrued through planning.
- The private sector, not only through the need to decarbonise the buildings they occupy and their production processes, develop low-carbon supply chains or innovate in low-carbon goods and services, but through providing the funding for green and circular infrastructure at a local level, with investors being a source of long-term capital that can complement public funds.
- Additional funding opportunities that may be available linked to a potential County devolution deal, and as a non-constituent member the West Midlands Combined Authority's Trailblazer Devolution Deal, opportunities which may allow regional investment to be channelled towards our net zero and green economy ambitions.
- Funding leveraged from the commercial sector, for instance through developer contributions such as the Community Infrastructure Levy (CIL) or embedding net zero and green/circular economy requirements into public procurement. Furthermore, certain net zero investment opportunities have the potential to generate revenue for the Council which can be reinvested.

2.4 Any internal funding will need to form part of the annual Medium Term Financial Strategy considerations and the ongoing work around the prioritisation of the Capital Investment Fund pipeline.

3. Environmental Implications

3.1 This strategy and associated Action Plan define our strategic direction in meeting the aims of our sustainable futures strategic priorities and establish what actions need to take place to accelerate progress towards our linked targets. Actions proposed to be pursued in order to take the next step in achieving our net zero carbon target for the Council are summarised in Appendix A of the draft Sustainable Futures Strategy document.

3.2 Outline actions in support of our net zero carbon target for Warwickshire and the UN Sustainable Development Goals have been identified and are contained in each strategy theme. Many aspects of the strategy and linked Action Plan will need to be the subject of feasibility studies and fully costed business cases to develop the full detail.

3.3 The Action Plan categorises actions as short-term (1-2 years), medium-term (2-5 years) and long-term (in excess of 5 years). Implementing these actions will accelerate progress to meeting the Council's Sustainable Futures commitments but it should be recognised that ongoing work will be needed to verify impacts of projects and identify further projects. The draft strategy sets an evidence-based target of reducing emissions to stay within a 1.5°C temperature rise above pre-industrial levels. Success in following the defined trajectory of carbon emission reductions across our Council estate would

result in emission reductions of 8,700 tCO₂e. To meet our net zero commitments we would be required to annually offset 10,800 tCO₂e from 2030 or less were we to achieve greater emission reductions.

- 3.4 Delivering our net zero Warwickshire target in partnership with the public sector, residents, communities, and business, will result in emission reductions of close to 5,140,000 tCO₂e in 2050.

4. Supporting Information

- 4.1 The strategy identifies a series of strategic enablers that need to be in place to deliver at pace and scale, and in some cases to enable progress with operational actions. These represent long-term workstreams, many of which may require resource to enact the strategy in full. Resource beyond the scope of the Sustainable Futures Strategy to plan and explore these in depth will be needed once the strategy has been adopted. These are as follows:

- **Funding.** Further detailed work has been completed to assess available funding sources that might be used to implement the action plan. Funding streams have been associated with operational actions.
- **Resource.** Aside from financial resources, the Council to consider opportunities for upskilling, redirecting resource and potentially increasing staffing levels in specific areas.
- **Behaviours.** We will need to increase the capabilities and individual opportunities of our teams for taking strategic ownership of sustainable changes.
- **Change.** We will need to review organisation-wide processes and system change, including procurement and partnerships with our supply chain to support sustainable changes.
- **Engagement.** Whilst many of the actions to maximise decarbonisation of our estate are within our direct control, much of what needs to be done to achieve our 2050 net zero and associated thematic targets can only be achieved through influence, engagement, and partnership. The Action Plan will identify which actions are in our direct control and which are indirect.
- **Policy.** We are committed to aligning current and future Council strategies and regional and UK policy.
- **Governance.** Strong governance is required to deliver on the actions under each theme of the strategy. We will need to explore if the existing governance structure and framework is fit for purpose for this strategy and if not devise a revised approach. Follow on work in relation to this will take place following the adoption of the strategy.

4.2 There will be significant challenges to delivering many of the actions identified within the Action Plan. Delivering the high-level strategic actions will unlock the ability to deliver the action plan. A risk register has been developed in parallel with the development of the Sustainable Futures Strategy. Those of greatest significance are:

- **Economic:** Substantial financial investment will be required in the next decades for decarbonisation, with funding critical to enable actions.
- **Capacity:** Teams will need to be sufficiently resourced to provide the level of support required
- **Policy / Regulatory:** Changes in national policy and associated regional and local priorities could hinder actions being developed and implemented
- **Technical:** Dependence on third party technology and innovation; this applies across many areas of our Action Plan from the decarbonisation of the grid through to availability of technology to decarbonise heat.

Mitigating actions have been identified for all risks. Enacting these will reduce the risk.

4.3 The Action Plan sets out a series of detailed operational actions against each of the key Sustainable Futures themes. Actions have been developed in consultation with Council officers. Each has been assigned to an accountable service area with a target timeframe for implementation. Outline costs and funding sources have been assigned where possible in the scope of this work. It should be recognised that ongoing work will be needed to prioritise actions for delivery. Detailed costs will need to be developed which in many cases will require the investment of time and money. Additionally, the impact of projects will need to be continually monitored and assessed, and the Action Plan refreshed with further projects on a regular basis.

4.4 In developing the strategy, District and Borough Council partners have been engaged from the outset, and the strategy reflects the findings from various relevant public engagement activities such as the Council Plan refresh, LTP4 and the Voice of Warwickshire engagement on climate and energy. Within the Council Plan and its associated Delivery Plan, the Council has committed to further, wide stakeholder engagement to develop our delivery plans with the involvement of key stakeholders, groups and partners.

4.5 It is proposed to conduct public and wider stakeholder engagement on this strategy, part of which will enable a collaborative approach to defining our actions prior to finalising the strategy. It is further proposed that the revised draft of the strategy will be considered by a special session of the combined Resources and Fire & Rescue and Communities Overview and Scrutiny Committees before a final version of the strategy is presented for full adoption to Cabinet in Spring 2023.

5. Timescales associated with the decision and next steps

Task / Milestone	Date
Cabinet meets for consideration	13th October
Development of a summary or abridged version of the Sustainable Futures Strategy for ongoing communications and public engagement	By end October
Online engagement survey open to all Warwickshire residents	Mid November 2022 – mid January 2023.
Focused panels to obtain detailed feedback	November 2023 to February 2023.
Final engagement analysis and results report complete	February 2023.
Updated to reflect engagement exercise: Revised Sustainable Futures Strategy.	March 2023
Member scrutiny using a special session of the combined Resources and Fire & Rescue and Communities Overview and Scrutiny Committees	Spring 2023
Full adoption of the strategy by Cabinet	Spring 2023

We do not anticipate the need to await full adoption of the Sustainable Futures Strategy to proceed with some of the items in the Action Plan.

Appendices

Appendix 1 Draft Sustainable Futures Strategy

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The report was circulated to the following members prior to publication:

Local Member(s): not applicable as county wide report

Other members: Cllrs Jonathan Chilvers, Jeff Clarke, Jackie D'Arcy and Jenny Fradgley.