Public Document Pack

AGENDA

COUNCIL MEETING

Date: Wednesday, 6 January 2021
Time: 7.00pm
Venue: Virtual Meeting Via Skype

RECORDING NOTICE
Please note: this meeting may be recorded.

At the start of the meeting the Chairman will confirm if all or part of the meeting is being audio recorded. The whole of the meeting will be recorded, except where there are confidential or exempt items.

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Therefore by entering the Chamber and speaking at Committee you are consenting to being recorded and to the possible use of those sound records for training purposes.

If you have any queries regarding this please contact Democratic Services.

Quorum = 16

Pages

Information for the Public
*Members of the press and public can listen to this meeting live. Details of how to join the meeting will be added to the website after 4pm on 5 January 2021.

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dataprotectionofficer@swale.gov.uk or by calling 01795 417179.

1. Apologies for Absence

2. Minutes

   To approve the Minutes of the Meeting held on 11 November 2020 (Minute Nos. 224 – 238) as a correct record.

3. Declarations of Interest

   Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.

   The Mayor will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

   (a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

   (b) Disclosable Non Pecuniary (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.

   (c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the meeting while that item is considered.

   Advice to Members: If any Councillor has any doubt about the existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as early as possible, and in advance of the Meeting.

4. Welcome to the new Chief Executive

5. Mayor's Announcements

6. Leader's Statement

7. Questions submitted by the Public

   To consider any questions submitted by the public. (The deadline for questions is 4.30 pm on the Wednesday before the meeting – please contact Democratic Services by e-mailing democraticservices@swale.gov.uk or call 01795 417330).

8. Questions submitted by Members

To consider any questions submitted by Members. (The deadline for questions is 4.30 pm on the Monday the week before the meeting – please contact Democratic Services by e-mailing democraticservices@swale.gov.uk or call 01795 417330).

9. Motion - Fireworks

In line with the RSPCA campaign this council agrees to :

- Encourage providers of public firework displays, notified through the Council's SAG process, to be advertised in advance of the event; allowing residents to take precautions for their animals and vulnerable people
- Promote a public awareness campaign at relevant points in the year about the impact of fireworks on animal welfare and vulnerable people – including the precautions that can be taken to mitigate risks
- Write to the UK Government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays
- Commit to not using fireworks at Swale Borough Council events.

Proposed by: Councillor Hannah Perkin

Seconded by: Councillor Mike Baldock

10. Motion - To maintain the income of low and middle income families

This Council notes:

• Next April the Government plan to cut the benefit level for millions of claimants by ending of the time limited increase to the basic rate of Universal Credit (and the tax credit equivalent) announced by the Chancellor on 20th March as part of his pandemic response package.

• The £20 a week boost reflected the reality that the level of benefits were not adequate to protect the swiftly increasing number of households relying on them as the crisis hit. Exactly because that increase was a very significant and welcome move to bolster low and middle-income families living standards, its removal will be a huge loss.

• Pressing ahead would see the level of unemployment support fall to its lowest real-terms level since 1990-91, and its lowest ever relative to average earnings. Indeed, the basic level of out-of-work support prior to the March boost was – at £73 a week (£3,800 a year) – less than half the absolute poverty line.

• The increase in benefits have had a positive effect on the lives of thousands of local claimants who are better able to pay for life's essentials such as food, clothing and utilities.

• The local economy has also benefited from the increase in benefit levels as claimants spend their money locally thereby supporting local

businesses and jobs.

• We also note that there has been no such increase in carers allowance with many unpaid carers facing extreme financial hardship, many have been struggling for months, often relying on foodbanks to feed themselves and the people they care for.

This Council resolves to:

• Write to the Chancellor, Rushi Sunak and to the Prime Minister, Boris Johnson demanding that the £20 increase to Universal Credit is made permanent and extended to claimants on legacy benefits.

• Work with other local government organisations to form a coalition to pressure the government to make the £20 increase to Universal Credit permanent.

• Write to the Chancellor of the Exchequer and the Secretary of State for Work and Pensions, urging them to raise Carer's Allowance by £20 a week immediately, in line with the increase in Universal Credit, and copy in our local MP(s), asking for their support.

• Promote Young Carers Action Day on March 16th 2021 as widely as possible on an annual basis, particularly to young carers and their families.

Proposed: Councillor Tim Gibson
Seconded: Councillor Steve Davey

Council is asked to note the recommendations from the following meetings:

General Purposes Committee held on 16 December 2020
Cabinet held on 16 December 2020

Issued on Tuesday, 22 December 2020

Chief Executive, Swale Borough Council,
Swale House, East Street, Sittingbourne, Kent, ME10 3HT

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Council Meeting	
Meeting Date	6 January 2021
Report Title	Annual Climate and Ecological Emergency Progress Report
Cabinet Member	Cllr Tim Valentine, Cabinet Member for the Environment
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	
Lead Officer	Janet Hill, Climate Change Officer
Key Decision	No
Classification	**Open**
Recommendations	1. To note progress

1 Purpose of Report and Executive Summary

1.1 On 26 June 2019, the Council declared a Climate and Ecological Emergency setting ourselves challenging targets to achieve net zero carbon for the council by 2025 and net zero carbon across the borough by 2030.

1.2 Part of the declaration requires an annual progress report to be taken to Council in January each year.

1.3 This is the second annual report covering the activities undertaken towards achieving our targets during 2020.

1.4 It is very positive to be able to report the amount of progress made despite the huge additional pressures on the Council since March from COVID19.

2 Background

2.1 Since the spring of 2019 councils across the UK have been declaring climate emergencies of varying types and ambition. To date 300/404 (74%) of District, County, Unitary & Metropolitan Councils and eight Combined Authorities/City Regions, have declared a Climate Emergency. (Source: https://www.climateemergency.uk/blog/list-of-councils/).

2.2 One of the first things the newly elected council did after the May 2019 local elections was to develop a Climate and Ecological Emergency declaration motion which was passed unanimously on 26th June 2019.

2.3 Swale has set some of the most ambitious targets nationally to achieve net zero carbon by 2025 as an organisation and by 2030 as a borough.

2.4 Our policies and strategies are being reviewed and changes are being made as necessary to achieve net zero carbon across the Borough by 2030. A Climate and Ecological Action Plan has been developed, as required by the declaration, and was adopted on Earth Day, 22nd April 2020.

3 Progress 2020

3.1 A full report can be found at Appendix I.

Progress highlights

3.2 A cross service area steering group of key councillors and officers meets regularly to progress actions.

3.3 The Carbon Trust was appointed to analyse our own estate and developed an action plan to achieve net zero carbon by 2025. Recommendations included electrification of our heat sources, installation of on-site solar PV, and the roll out of electric vehicles. The Carbon Trust made recommendations for the Swale House retrofit. The Cabinet Member for Economy and Property and the Head of Property Services are working with our consultants to finalise a business case for cabinet. A progress report was presented to Cabinet in December. A bid has been made to the Public Sector Decarbonisation Grant Fund to facilitate some of the carbon reduction work. Most of our fleet vehicles have been replaced with EVs with the rest to follow in 2021.

3.4 The Special Projects Fund has started to fund projects which help to tackle the emergency. These include the appointment of a Climate and Ecological Emergency Project Officer, continuing to fund an Air Quality Project Officer and the Fuel and Water Home Advice Service.

3.5 Swale's Air Quality Action Plan was approved by the Department for Environment, Food and Rural Affairs (Defra). A clean air zone feasibility study has been undertaken and we are working in partnership with KCC to explore and develop in more detail a package of measures to reduce traffic, improve flow and improve the vehicle fleet along the A2. We are working with schools close to AQMAs to promote sustainable travel. Further air quality monitoring has been implemented. We have developed an air quality planning technical guide.

3.6 Via the Blueprint coalition we have lobbied central government for more powers and resources for local authorities to tackle the climate and ecological emergency.

3.7 An audit of the council's purchases of single-use plastic has been undertaken and elimination or replacement of products is underway both in Swale House and across our estate. The drinks and vending machine contracts will not be renewed. Coffee cups and crisp packets can be recycled. Biodegradable tree guards are being used when trees are planted funded by a grant from D S Smith.

3.8 A fuel and water advice service has been developed as a way of reaching our more vulnerable residents to help them reduce bills and carbon emissions. The service provider was appointed in February. Due to COVID19 the service roll out was delayed, but an adviser was appointed in September and the service, albeit in a way different to first planned, is starting to reach our vulnerable residents.

3.9 A network of EV chargers has been installed in Council carparks. Charge points are available in Sittingbourne (Swallows and Swale House carparks, and the MSCP), Faversham (Central Car Park) and Sheerness (Rose Street Car Park).

3.10 The Planning Committee has successfully requested more renewable energy and energy-efficiency measures to be included in new developments. All new developments are expected to achieve a 50% saving in carbon emissions over current Building Regulations. The Local Plan will bring this down to net zero emissions by 2030. A guide for developers including examples of how the required 50% reduction in carbon emissions can be achieved is available on the council's website.

3.11 2,500 trees were planted in our country parks 2019/20 and a baseline audit of our existing tress and potential sites for further planting identified. We have worked with local community organisations educate about and taken action on out ecology and biodiversity targets.

3.12 The Solar Together programme saw over 450 referalls for solar PV installations and we continue to support community solar projects, which the council is now considering as a financial investment.

3.13 COVID19 has accelerared the move to virtual meetings, resulting in business and communiting miles falling dramatically. However other challenges have arrisen, such as the increase in household waste.

4 Alternative Options

4.1 An alternative option would be to revert to our previous pre-Declaration way of working. This would mean our own emissions would decline more slowly than required to meet our 2025 targets as declared in the emergency. Borough wide, taking no action would have similar consequences with a failure to meet 2030 targets. We would also risk reputational damage.

This is not a valid alternative.

5 Consultation Undertaken or Proposed

5.1 The Steering Group, Cabinet member for the Environment and the Deputy Cabinet member for the Environment have all been involved in the development of this report.

6 Implications

Issue	Implications
Corporate Plan	Progress on the declaration will support the delivering improved quality of life and delivering the council of tomorrow priorities
Financial, Resource and Property	This report is for noting but activities to address the declaration have financial implications and these will be addressed through Special Project Fund funding and through the revenue and capital budget processes.
Legal, Statutory and Procurement	None identified at this stage.
Crime and Disorder	None identified at this stage.
Environment and Sustainability	The progress made to date supports improving our environment and contributes to the development of a more sustainable council and borough.
Health and Wellbeing	Improvements to the environment and sustainability have tangible health and wellbeing benefits.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

Appendix I: Annual Climate and Ecological Emergency Progress Report

Appendix II: Carbon Trust Report

8 Background Papers

Motion to full council 26 June 2019
https://services.swale.gov.uk/meetings/documents/g2156/Public%20reports%20pack%2026th-Jun-2019%2019.00%20Council.pdf?T=10

Swale Borough Council

Annual Climate and Ecological Emergency Progress Report 2021

Background

In June 2019 Swale Borough Council, in common with many other local authorities, passed a motion to declare a Climate and Ecological Emergency.

Swale has some of the most ambitious targets in Kent and the UK, seeking to achieve net zero carbon for our own estate by 2025 and across the borough by 2030. Other Kent local authorities' target dates range from 2030 to 2050.

The motion included the provision of an annual report in January of each year.

This is the second annual report covering 2020's activities to address the emergency.

Despite most of the year being affected by COVID19 and the Council's operations changing dramatically, we have made considerable progress against the targets in the Climate and Ecological Emergency Declaration.

Achievements discussed in this report include: the Carbon Trust Report and the start of the Swale House refurbishment process; the development and adoption of our Action Plan; the switch of most of our vehicle fleet to EVs and the installation of more EV charging points; the Solar Together scheme to enable householders to install rooftop solar PV; the roll out of a fuel and water advice service; new guidance for developers on reducing carbon emissions from new-build housing; the reduction of single-use plastics across our estate; and the appointment of a Climate and Ecological Emergency Project Officer.

Establishing a Baseline

In order to establish the activities required to achieve our targets, we need to understand the existing situation in both the Council and the Borough as a whole.

Energy Consumption and Emissions

Researchers at the Tyndall Centre in Manchester University have developed a tool used by local authorities to determine necessary emission reductions. Inputting our details gives an annual reduction across the borough of at least 13% per year and up to 25% in order to achieve our targets.

Latest figures on CO_2 emissions are released annually by the Department for Business, Energy and Industrial Strategy (BEIS). The latest figures, released in June, give us the data until the end of 2018.

Due to the nature of businesses in Swale, Swale has always had higher energy consumption and carbon emissions from the commercial and industrial sector in

comparison to other Kent districts (as seen in figure 1). The commercial and industrial sector are responsible for most of the carbon emissions in Swale. Emissions from this sector have reduced since a peak in 2010, which has contributed substantially to a reduction in the overall carbon emissions in the borough

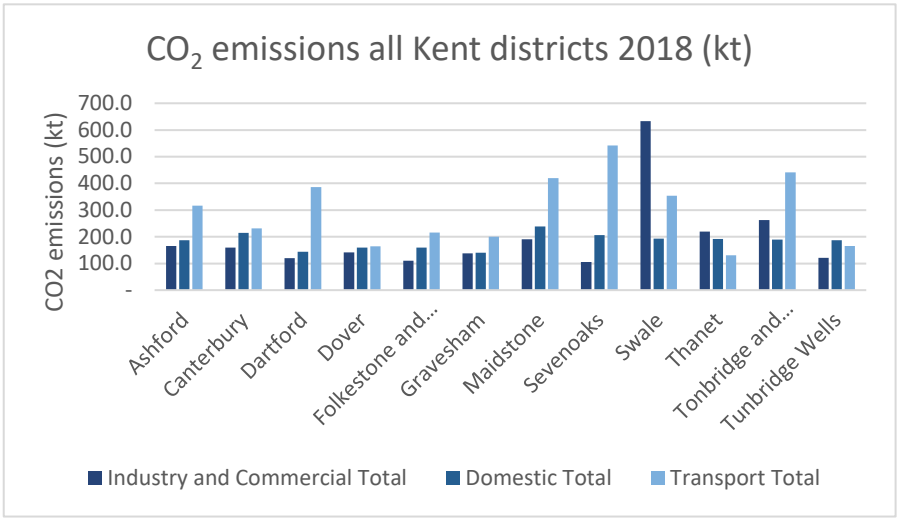

Figure 1 - Source BEIS

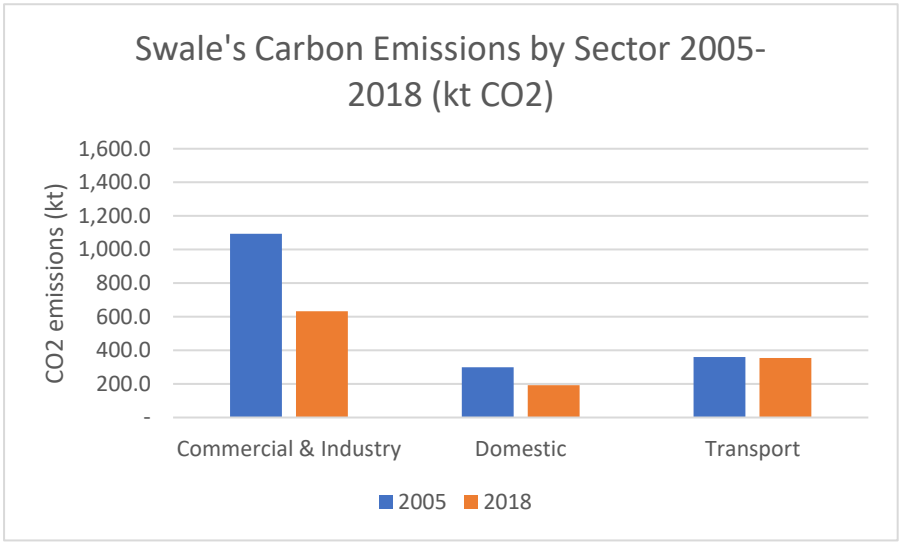

Figure 2 - Source BEIS

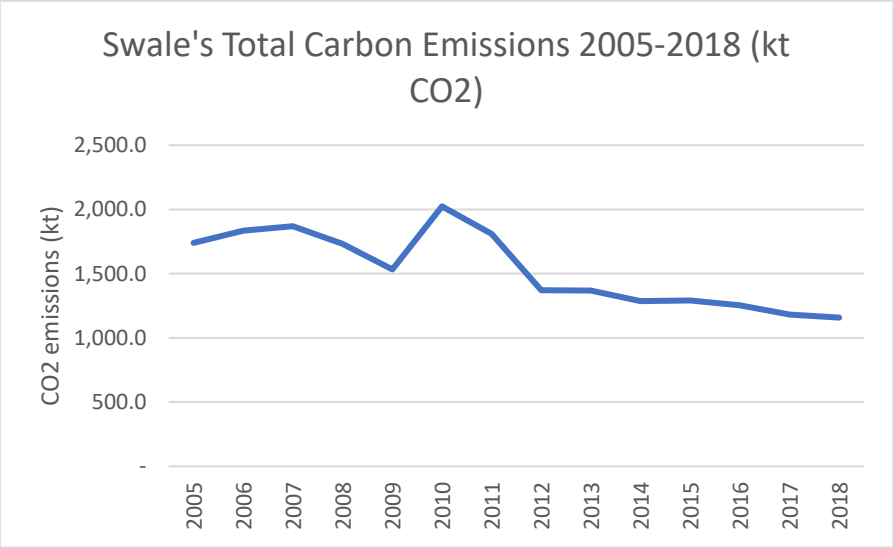

Figure 3 - Source BEIS

In Swale in 2018, 16% of emissions came from domestic properties, 30% from transport, and 54% are industrial and commercial emissions (see figure 2). The total carbon emissions from the borough have decreased over time. Between 2017 and 2018, total carbon emissions fell by 1.93% (see figure 3).

In figures 4, 5 and 6 below the legend of the y-axis on the left refers to emissions from Swale, the legend on the right refers to Kent and Medway.

Industrial and Commercial Sector

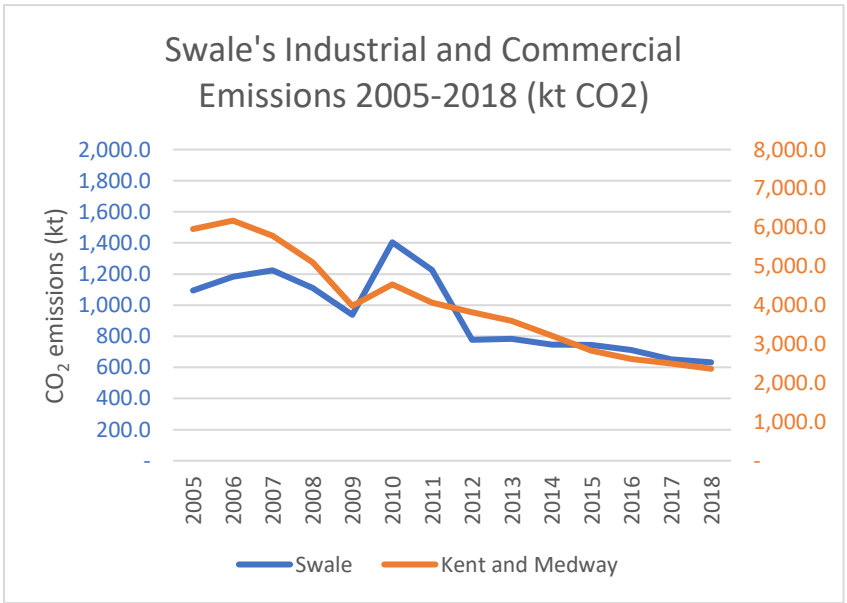

Figure 4 - Source BEIS

At both borough and county level there has been a decrease in emissions from industry. Within Swale's industrial and commercial sector (figure 4) there has been a

42.2% decrease in CO_2 emissions between 2005-2018 with a steep fall to between 2010-2012, which has continued to decline slowly. Between 2017-2018 there was a 2.97% decrease in industrial and commercial CO_2 emissions.

Transport

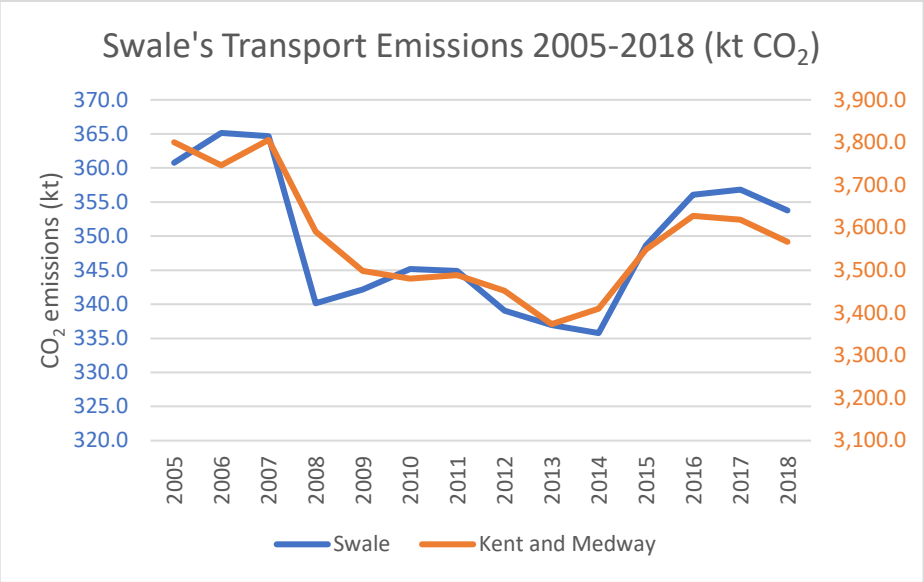

Figure 5 - Source BEIS

In Swale, transport emissions had fallen by 7% between 2005-2014, but rose again by 6% between 2014 and 2017. However, this has started to decrease again between 2017 and 2018, by 0.84% (as shown in figure 5).

Domestic

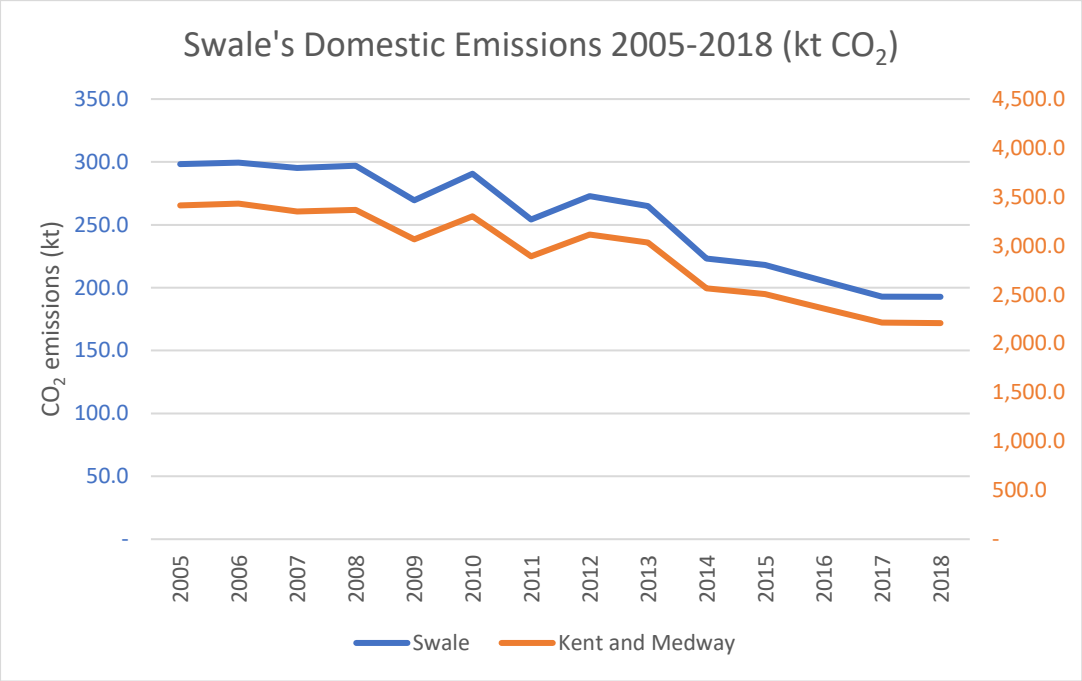

Figure 6 - Source BEIS

Swale's domestic emissions (2018 figures) are the 4th highest in the County, with 66% resulting from domestic gas emissions, for which Swale also ranks 4th. Overall domestic emissions have decreased at a faster rate since 2013. While domestic electricity emissions have continued to follow this trend, domestic gas emissions have not. Between 2017 and 2018 domestic gas emissions increased by 4.8% (121.4 – 127.2 kt).

Overall, emissions across all sectors have been decreasing per capita – in 2005 per capita emissions were at 13.8 tonnes and have decreased to 7.8 tonnes in 2018. Within this time per capita emissions reached a high of 15 tonnes (2010), however the decrease recorded since is likely to be attributed to an increasing population (rising from 135,000 in 2010 to 148,500 in 2018).

Renewable Energy

At the end of 2018 there were 1,628 installation sites producing renewable electricity in Swale, and 99.3% of these were photovoltaic. The majority of these were domestic roof top installations. In addition, there are seven solar PV sites, four onshore wind installations, one site generating renewable energy form sewerage gas or land fill gas and one site generating energy from biomass. Swale also has two domestic wind installations

These sites plus offshore wind provide a total capacity of 750.4MW of electricity – generating nearly 2,500 GWh. 89% of this comes from offshore wind, and the rest comes from solar photovoltaics (3%), onshore wind (2%), sewerage gas (<1%), landfill gas (<1%) and plant biomass (6%).

As of 1 April 2019, the Feed in Tariff (FiT) scheme has been closed to new applicants. The Smart Export Guarantee came into force in January 2020 enabling domestic and small-scale renewable energy generators to be paid for energy fed into the grid.

The Renewable Heat Incentive (RHI) is a government scheme that aims to encourage the uptake of renewable heat technologies amongst householders, communities, and businesses, through financial incentives for fitting technologies such as heat pumps, solar thermal water heating and biomass boilers

Between April 2014 and April 2019, 128 domestic installations have been accredited for the RHI in Swale, accounting for 11% of Kent and Medway's total.

Household Waste

Swale Borough Council is the waste collection authority and KCC the disposal authority. We have targets to reduce the amount of residue waste collected and the proportion that is sent to recycling and composting.

Figures 7 and 8 below show the percentage of waste recycled and composted, and residual household waste.

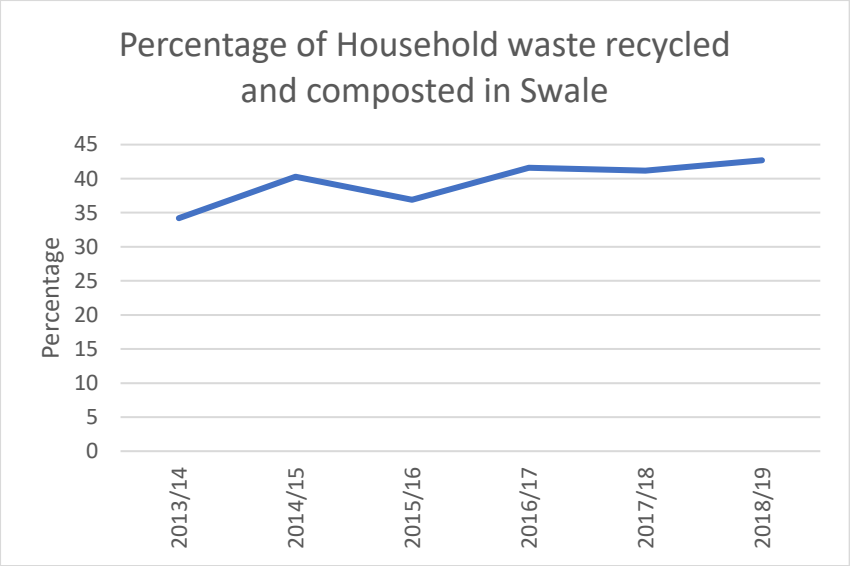

Figure 7 - Source KRP Annual Report

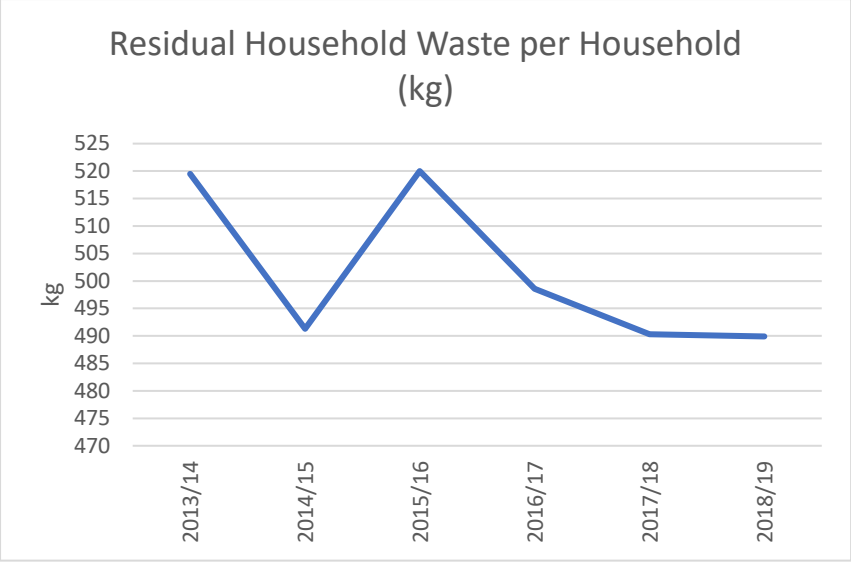

Figure 8 - Source KRP Annual Report

Household waste collection has plateaued (figure 8) and while recycling rates have continued to rise (figure 7), they are lower than our partners in the waste partnership.

Although year-end figures are not yet confirmed, Local Authorities have seen an increase in household waste in 2020 due to COVID19, including food and garden waste; paper, cardboard, and glass; and other recyclables. We are yet to know what percentage of this has been appropriately recycled and whether the circumstances will cause the increase in household waste to continue. Similarly, this year has seen the increase of single-use, non-recyclable PPE items.

Swale Borough Council's response to the climate and ecological emergency

The Climate and Ecological Emergency was declared on 26 June 2019, shortly after the new coalition administration took office following the May 2019 local elections.

Our Climate and Ecological Emergency Action Plan was adopted by Cabinet on Earth Day - 22 April 2020. It was approved by Council in October.

The full action plan can be found here[1]. The Climate and Ecological Emergency Action Plan sets out the Council's strategy and identifies some enabling tools that are essential to progress across a wide range of areas. The plan then identifies a set of specific actions in the following areas: Council operations; Buildings and energy efficiency; Transport and air quality; Resource consumption and waste; Ecology and biodiversity; Resilience, adaptation and offsetting. This report reviews progress under each of these headings.

[1] https://services.swale.gov.uk/assets/Climate-Change-and-Ecological-Emergency/SBC%20CEE%20Action%20Plan%20Final%20with%20illustrations.pdf

Enabling Tools – Cross Cutting Themes and Actions

Swale Borough Council recognises that there are cross-cutting actions needed to underpin the specific actions targeted at the particular causes of carbon emissions. The strategy set out in the Action Plan is based on an approach to Lead, Show, Support.

LEAD: We will lead by taking actions to reduce carbon emissions from the Council's own operations and to enhance biodiversity in the management of the Council's own estate.

SHOW: Use the council's improved operations and estate as beacon of good practice on the road to net zero.

SUPPORT: Assist businesses, organisations and residents to take their own actions and to build the capacity to move towards a low carbon economy in Swale.

This plan requires that actions which address the carbon footprint of the Council's own operations will be an early focus.

Table 1, below, sets out progress on the enabling actions identified in the Action Plan.

	Dept.	Action	Progress Dec 2020
		Actions Swale Borough Council can take:	
1	Resources and HR	Rolling out a climate change learning and development programme for staff to improve understanding of carbon and the wider environmental context. The skills programme will include: • Base level training for all employees • Encouraging personal responsibility and roll out of a Green Champions Network. • More targeted/ intensive training for organisational decision-makers to enable them to adequately assess carbon impacts in their decisions	All staff briefings delivered; Training being developed; Intranet messages being sent on a more regular basis.
2	Resources	Sharing our knowledge – we will provide capacity to share our learning and approaches with others, such as town and parish councils and community groups.	Five parish council talks given, more planned for 2021; Advice prepared re LED lighting; School talks given.
3	Resources	Promotion of low carbon food through council facilities and communication. Promotion of vegan and vegetarian diets using seasonal, local sources to support local food networks.	Largely on hold due to COVID; Christmas tips given.
4	Resources	Identify and align to national days of action to reinforce the message of collective action.	Timetable drawn up and activities developed for 2021.
5	Cabinet	A special projects fund has been set up to fund projects including those to tackle the emergency.	Fund used to finance Carbon Trust report, Project Officer and Fuel and Water adviser

Table 1

Ten High Priority Key Actions

In addition to the enabling tools, we selected ten actions to be classed as 'high priority' for 2020. They are shown in table 2 below and discussed under the theme headings which follow.

	Action	Target date	Annual carbon reduction (tCO_2e)	Progress Dec 2020
1	Retro-fit Swale House to cut carbon emissions (e.g. extra insulation, triple glazing, heat pump, solar PV).	2025	186	Carbon Trust report delivered March 2020; Consultants appointed, and business case being developed; Bid to Public Sector Decarbonisation Fund submitted.
2	Replace SBC fleet vehicles with electric vehicles.	2025	26	9 vans in service Dec 2020; Mayor's car ordered; Pool car ordered.
3	Revise procurement strategy to embed the climate and ecological emergency into all procurement decisions.	2023	780	Underway
4	Prior to the adoption of the new Local Plan, use a planning condition based on a 50% improvement over current building regulations, ratcheting to 75% and 100% improvement by 2025 and 2028 respectively, as the basis for negotiation with developers through pre-application and planning application negotiations.	2020-2030	400 - 1,000+t extra reduction p.a.	50% reduction over Building Regs required in all new domestic developments; Developer guidance published and available on website; Local Plan under review. Sustainable Construction Policy and SPD being developed.
5	Eliminate single-use plastic from council operations wherever possible.	2021	-	Plastics largely eliminated at Swale House; Cleaning product packaging changed;

				Vending machine contracts not being renewed; Biodegradable tree guards being introduced; Rest of estate being considered.
6	Tree planting on council land (target; 148,100 trees or 60 acres of woodland) to offset 20% of council emissions.	2025	1,481t offset (25t to date)	2,500 trees planted in country parks 2019/20. 600 metres of hedging to be planted 2020/21. Open space survey undertaken, and potential tree planting sites being identified
7	Install EV charging points across the borough.	2025	to be monitored	Charging points installed in Swale House, Multistorey Sittingbourne, Central Car Park, Faversham and Rose Street Car Park, Sheerness.
8	Improve facilities and incentives for walking and cycling.	2030	Large	Local plan transport strategy developed and out for consultation in early 2021.
9	Bulk buying scheme for solar PV installations paid-for by residents (in partnership with KCC).	2020-21	100	Solar Together successfully marketed in the Autumn. Over 450 referrals and 79
10	Fuel and water adviser outreach service to reduce fuel and water bills for vulnerable residents.	2020-23	to be monitored	Service Provider appointed early 2020, adviser appointment initially delayed due to COVID. Adviser appointed Oct 2020 and service delivery underway.

Table 2

Progress against all actions can be found here[2].

[2] https://swale.gov.uk/news-and-your-council/news-and-campaigns/latest-news/cee-update

Council Operations

The Carbon Trust was appointed to undertake carbon foot-printing and baselining of our own estate and to propose steps to achieve carbon net zero across council operations by 2025.

Three workshops were held with members and officers to discuss data needs, scope and outcomes. The report was completed in early 2020 - the full version of which can be found here[3].

To reach the target of carbon neutrality by 2025, it was identified that the Council must reduce scope 1 and 2 emissions by approximately 68 tCO_2e per year, and scope 3 emissions by 994 tCO_2e per year.

Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the Council, including both upstream and downstream emissions.

This equates to a 14% reduction in emissions year on year to achieve the target.

The Carbon Trust made several recommendations for our buildings and contracts which we have already fulfilled, such as the electrification of our fleet - 9 electric vehicles are now in use, saving over 30 tonnes of CO_2 each year. A new EV pool car and Mayor's car have been ordered. The parking wardens' two vehicles are already electric vehicles.

The council purchases green electricity and green gas. All electricity is sourced from renewable energy, and gas is sourced from anaerobic digestion.

A working group has been set up to examine options for the new waste contract which will start in 2023. The Carbon Trust report showed that about half of the council's carbon footprint arises from the waste contract. Ways in which the impact of the waste collections on carbon emissions and air quality may be reduced is under consideration by the working group.

Consultants are now working on plans for the refurbishment of Swale House, which is expected to commence in 2021. A bid has been made to the Public Sector Decarbonisation Grant Fund to partially fund this.

Most of Swale House has LED lighting. A full survey of all of our lighting assets in Swale, both within our open spaces and within our off-street car parks has been undertaken. Plans are being drawn up to upgrade to LED any lighting units that have not already been converted. LED consume up to 80% less energy.

All-staff briefings were held in March to explain our planned actions under the Carbon and Ecological Emergency Action Plan.

[3] https://services.swale.gov.uk/assets/Climate-Change-and-Ecological-Emergency/Carbon-Trust-Report-on-Swales-Carbon-Footprint.pdf

Buildings and Energy Efficiency

The next Local Plan is being prepared and will incorporate actions for buildings and energy efficiency set out in the Action Plan. Already new housing developments are required to reduce carbon emissions by 50% more than required in the current Building Regulations. Guidance has been published to illustrate how developers can achieve the reduction. Applicants are signposted towards this information when seeking pre-application advice. A Sustainable Construction SPD is in development.

Working through planning committee, the energy efficiency of some large developments has been improved. For example, the development of a supermarket, hotel and care home at Perry Court, Faversham will include several innovations including buildings heated by heat pumps, or waste heat recoverd from refridgeration, solar PV arrays and EV car chargers including two 50kW rapid chargers at a strategic location adjacent to a motorway junction.

We are considering establishing an offsetting fund. Where the carbon emissions of a development cannot be reduced, the developer would make a payment into the fund to enable the carbon emissions to be offset elsewhere in the borough. The carbon price should be set to allow onsite carbon reduction to provide the lower cost option, to encourage carbon emissions to be avoided rather than offset.

A scheme to encourage householders to fit solar PV, Solar Together, was due to go live in the Spring but was delayed until the Autumn. Since launching over 450 households in Swale registered their intertest, and an offer price is now with householders. 79 households have accepted the offer and we anticipate annual carbon savings of up to 30 tonnes.

After a delay due to COVID19, Children and Families were able to appoint a fuel and water adviser in October. The service is being rolled out to vulnerable residents across the borough, albeit in a different way to originally planned. The adviser has a strong track record of partnership working and stakeholder networking.

Transport and Air Quality

Swale Borough Council's 2018 Air Quality Action Plan (AQAP) was approved by the Department for Environment, Food and Rural Affairs (Defra) in September 2019, identifying key strategic and local measures targeted to improve air quality within all five of its declared AQMAs.

A new Air Quality Management Area for the Keycol Hill (AQMA 7) and an amendment to St Paul's Street to include particulates (AQMA 4) were declared by Swale Borough Council in October 2020. Details have been placed on the Defra website. Many of the current AQAP measures will be relevant to Keycol Hill and we will also investigate any additional measures specific to this area.

The Council will commission two projects to gather evidence and identify the sources of particulates contributing to the increase of PM10 at the St Paul's Street air quality

monitoring station. The results will feed into an Air Quality Action Plan which will identify targeted measures to improve air quality at St Paul's Street.

One of the key strategic measures is the introduction of a Clean Air Zone (CAZ) along the length of the A2 within the borough. A feasibility study to assess the costs and air quality benefits of a CAZ has been undertaken by independent consultants Ricardo. The study includes baseline air quality modelling, the development of potential mitigation options and appraisal of these options using an indicative cost benefit analysis. The findings were published in December following Cabinet approval.

We are working with primary schools (Ospringe, Newington and Lower Halstow), liaising with KCC departments to support adoption and improvement through Kent Smarter Travel plans run by the county council. This links to our Clean Air for Schools scheme. A Kent wide bid to Defra's Air Quality Grant Scheme for an education package will support this.

Additionally, we are establishing an anti-idling campaign, initially around school sites and taxi ranks, from which it can be expanded. This has been approved by the Cabinet. Fixed penalty notices are being drafted, but Covid restrictions have delayed the progress.

Planning Policy is incorporating an air quality policy into the emerging local plan.

Faversham now has a town-wide 20 mph speed limit, which will help to improve air quality, reduce carbon emissions, improve road safety and encourage more journeys to be made by walking and cycling.

Resource Consumption and Waste

Wherever possible use of single-use plastics has been reduced in Swale House. Cleaning product packing has been changed. Drinks machines using plastic sachets have been removed. Vending machine – both food and drink – contracts are not being renewed. Plastic envelopes used to post committee papers have been replaced with paper envelopes. Biodegradable tree guards are being used for tree and hedge planting in the council's country parks. Opportunities to reduce the use of single-use plastic in the rest of our estate are being sought.

Work is ongoing to decrease the amount of household waste collected by promoting each separate method of recycling and to increase the amount of garden and food waste collected for compost. We are also working to reduce contamination of recycling that leads to rejected loads, for example through working with the Kent Resource Partnership on county-wide education/communication programme including bin stickers with recycling messages.

We are developing better signposting for residents to recycling facilities for products that cannot be recycled in the kerbside collections.

Community litter picks have been supported when COVID restrictions have permitted activites. Measures have been taken to to reduce the amount of plastic litter in the sea,

including 3 plastic recycling bins on Sheppey's beaches. We are working with KCC to stop the export abroad of recyclables and are influencing KCC to maintain or improve the low levels of waste that go to landfill.

We are promoting the reduced use of single-use plastic in partnership with Plastic-Free Faversham. The cancellation of this year's Hop Festival in Faversham removed the opportunity to build on the previous year's success with reusable plastic beer glasses.

We are promoting improved recycling of commercial waste with businesses across the Borough. Collection of dry recycling and food waste has been introduced for Swale House.

Ecology and Biodiversity

2,500 trees were planted in our country parks in 2019/20. Six hundred metres of hedging will be planted in 2020/21. A baseline audit of our existing tress has been undertaken. An open space survey has also been undertaken and potential tree planting sites are being identified.

We are reducing our use of pesticides, herbicides and fertilizer whenever possible, and encouraging the use of compost from food waste recycling.

Faversham was recognised for its bee friendly activities by the Bumble Bee Conservation Trust in conjunction with Kent Wildlife Trusts 'Wild about Gardens' project.

Since January 2020 £6850 has been paid to community organisations across the Borough towards projects that will educate residents on environmental matters, enhance biodiversity, and reduce waste. Projects included; cleansing and clearing rubbish and litter from alleyways throughout Sheerness; creating a green and clean garden; creating a community wildlife and pollinator garden on a patch of wasteland; setting up Leysdown Parish in Bloom and developing and maintaining 5 new garden spaces across Leysdown; the purchase of a composter to turn the school food waste into compost to be used in the school grounds; creating wild meadow areas to encourage local flower and fauna to thrive and "Young People's War On Waste" project. COVID19 interrupted the grant process but we hope for it to be resumed in 2021.

Developers being encouraged to leave gaps in garden walls and fences for hedgehogs.

Coppicing in Perry Wood has been increased to two hectares a year, as set out in the management plan. Coppicing enhances biodiversity, allowing wildflowers and insects to thrive as light reaches the woodland floor. The timber is being used locally.

Via the Green Grid we have supported Trees for Farms and Faversham Tree Week.

The recently drafted Local Plan includes policies to improve development outcomes which support access and recreation, green spaces, biodiversity and climate change

adaptation and mitigation, and ensure the installation and maintenance of landscaping in new developments to contribute to biodiversity net gain via suitable conditions or Section 106 agreements.

Energy Generation and Storage

We are signposting residents and businesses through communicating the benefits of installing energy storage with grid balancing capability. Battery storage was offered as an extra during the recent Solar Together promotion.

The Local Plan draft includes policy on renewable technology at micro and macro levels.

Early work has been done with a local business, BEIS and KCC to look at the potential to use waste heat for a heat network for homes and businesses in Sittingbourne.

Resilience, Adaptation and Offsetting

The draft Local Plan includes policy on climate change adaptation.

Strategic Floood Risk Assessments have been undertaken and the Local Plan will reflect the level of current and future flood risk. Development in flood risk areas will be avoided.

The Local Plan will provide for linking habitat restoration and creation to improve access, flood protection and water quality, and the installation and maintenance of green infrastructure via suitable conditions or Section 106 agreements in subsequent developments.

We regularly update the Emergency Plan for the borough in partnership with the County Council and make sure everyone is able to access the information they need to assess any risk to their lives, livelihoods, health and prosperity posed by flooding and coastal erosion.

We bring the public, private and third sectors together to work with communities and individuals to reduce the risk of harm – particularly those in vulnerable areas. We have supported communities in the development of their localised emergency and flood plans.

We are working with the Environment Agency, KCC and the Lower Medway Internal Drainage Board to manage flood risk and coastal erosion as appropriate across the Borough.

The sections above show how we have progressed against the Action Plan themes. Before looking forward and at our next priority actions we need to discuss two other topics.

Vulnerable Residents

We pledged through the Climate and Ecological Emergency Declaration to take steps to avoid any adverse impacts on our most vulnerable residents.

We have contracted Children and Families to deliver a Fuel and Water Advice Service throughout the Borough. Vulnerable residents can self-refer or be referred via various stakeholders for advice on their energy and water use, with a view to reducing their bills and reducing their water and energy use and emissions. The service started in October and has already started to reach households.

No adverse impacts for vulnerable residents have been identified from actions taken during 2020. Action to improve air quality, including development of the infrastructure for electric vehicles, adoption of an EV fleet for SBC and encouragement of active travel by walking and cycling help to protect people suffering from respiratory disease and young children. Active travel has direct physical and mental health benefits.

COVID19

At the start of 2020 we could not have anticipated the effect COVID19 would have on all our lives.

COVID19 has delayed some actions such as the Fuel and Water Advice Service which should have started in March, and the installation of EV charging points. However, there have been some positive impacts. We have moved far more rapidly than expected into the use of virtual meetings. All councillors now have dedicated SBC laptops and online council meetings have been a success. Home working has largely proved to be effective, meaning that business and commuting miles have fallen dramatically. The challenge we now face is to be aware of actions that may need to be taken to prevent a return to ‘pre-pandemic’ working habits. The recovery from COVID19 does, however, provide a good opportunity to encourage behaviour change towards the goals set in the action plan

The collection of year-end data has not always been possible due to COVID19, for example, because it has not been possible to access buildings to collect meter readings at the required time. Estimates will have to be made of our utility bills and consumption. The pattern of consumption in 2020 will be very different from previous years.

Looking forward

We have revisited our Action Plan and identified another top 10 actions to prioritise for 2021 – four retained from 2020 and six new ones.

They are detailed in table 3 below.

	Action	Target date	Annual carbon reduction (tCO2e)	Progress Dec 2020
1	Retro-fit Swale House to cut carbon emissions (e.g. extra insulation, triple glazing, heat pump, solar PV).	2025	186	Carbon Trust report delivered March 2020 Consultants appointed; business case being developed. Bid to Public Sector Decarbonisation Fund submitted.
2	Revise procurement strategy to embed the climate and ecological emergency into all procurement decisions.	2023	780	A Member working group has been set up to discuss the focus for a revised Commissioning and Procurement Strategy with an expected completion date of March 2021. The new strategy will provide more emphasis on this topic and crucially require contractors to report back throughout contract terms on their achievement of targets. The existing strategy and procedures do encourage social value considerations with climate being one of the themes. Recent successes include the fuel and water poverty contract, APCOA civil enforcement contract and the purchase of utilities.
3	Tree planting on council land (target; 148,100 trees or 60 acres of woodland) to offset 20% of council emissions.	2025	1,481t offset of woodland	2,500 trees planted in country parks 2019/20. 600m of hedging to be planted in 2020/21 Open space survey undertaken, and potential tree planting sites being identified

4	Improve facilities and incentives for walking and cycling.	2030	Large	Local plan transport strategy developed and out for consultation in early 2021. Working with Kent Downs AONB and Medway Swale Estuary Partnership on the Linking Coast to Downs project to develop leisure routes, with work being undertaken to identify potential routes. The team are also providing information to Explore Kent who are designing a map to encourage active travel in the Faversham and Sittingbourne area.
5	Increase engagement with staff to roll out learning about the climate & ecological emergency.	Short		Staff briefings delivered and training being developed for return to office working. Intranet messaging increased. First staff commuting survey has been conducted however subsequent work delayed by COVID-19. All staff and councillors provided with home working equipment and services functioning remotely.
6	Support businesses to reduce carbon emissions and improve ecology and biodiversity.	Medium	Medium	To promote business fleet decarbonisation and work-place car chargers. Energy improvement grant signposting via e-bulletin for businesses and website for householders
7	Set up an offset fund to enable off-site offsetting within the borough.	Short	Large	Part of the viability study for the Local Plan Review. Further development of an offsetting fund planned.
8	Decrease the amount of household waste collected and increase proportion of material that goes to recycling or composting.	Short	Medium	Work is progressing to encourage recycling (e.g. through a bin sticker campaign) and improve the separation of food waste from the residual waste via increased use of the food waste recycling collections.

9	Ensure LED lighting is fitted across the council estate, including parks and open spaces.	2023	19	Most of Swale House has LEDs. A full survey of all our lighting assets in Swale, both within our open spaces and within our off-street car parks undertaken. Some car park lighting units already upgraded to LED, so will not require any work. Suitable options for the older stock being considered. We are anticipating a full bill of quantities for the upgrade works required by the end of November, to enable us to put together a contract and go out to tender on the upgrade works. .
10	Improve air quality, focussing on AQMAs along the A2 and the setting up of an EV car-club.	Short	Small	Anti-idling campaign approved by Cabinet. FPNs being developed. Taxi drivers regularly reminded via newsletters 20mph zone in Faversham developed by FTC & KCC and trial underway. Clean Air Zone feasibility study and options appraisal completed. Working with KCC to explore delivery.

Table 3

While these are our top priority actions, we will not be disregarding the others.

Conclusion

The latest data available show that during 2018 carbon emissions in Swale fell by just 2%. The science-led target is for a minimum reduction of 13% year-on-year. This comparison shows just how significant the change that is required. In due course the government data may show a significant fall in carbon emissions in Swale during 2020, due to the lockdown and other restrictions required to reduce the spread of COVID 19. The challenge will be to retain and build on the best adaptations that have contributed to a reduction in carbon emissions while facilitating and improving our everyday lives (e.g. video conferencing technology, good broadband, more journeys made by walking and cycling, supporting local businesses).

In the eighteen months since the Climate and Ecological Emergency was declared, Swale has made good progress in what have been, for the last year, extremely unusual and challenging circumstances. We remain a leader in Kent in both our ambition and achievement. Highlights include electrification of the SBC vehicle fleet, improved infrastructure of electric vehicle charging across the borough, and the planning condition requiring new built homes to emit 50% less carbon emissions than the current building regulations.

It is always the case that the first reductions made to carbon emissions are the easiest to make. Substantial year-on-year cuts will become increasingly difficult to make. Our challenge is to ensure that the impetus continues to meet our targets.

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2020

Swale Borough Council

CLIMATE ACTION PLAN

STATUS: FINAL ISS3

Contents

Table of Figures

1. Executive Summary

This Climate Action Plan forms the first step in Swale Borough Council's (SBC) climate emergency response and sets out a number of strategic actions that SBC should work towards in order to achieve their carbon reduction target by 2025. SBC's ambition to reduce organisational carbon emissions is highlighted in their recent climate emergency declaration, which introduces the targets of making SBC's own operations carbon neutral by 2025, alongside facilitating the actions required to move the whole borough of Swale to carbon neutrality by 2030.

In response to the pressing need to act on climate change highlighted by the special report from the IPCC in 2018[1], local authorities are now taking the necessary steps to declare climate emergencies, recognising the need for action at the local level. Many declarations from local authorities, including that of SBC, have included targets that are more ambitious than the national 2050 net zero emissions target, recognising the urgent need to act now against the causes and impacts of climate change. This Climate Action Plan is an important first step for the council towards meeting their 2025 carbon neutral target providing SBC with an initial outlook on the strategic actions that should be considered in order to meet this target.

Building on previous carbon management efforts, this report outlines SBC's vision for managing and reducing emissions arising from operational activities over the next five years. If the 2025 target is achieved, this will contribute to annual carbon savings of approximately 2,588 tCO_2e (2018/19 baseline figure outlined in this report). Achieving these ambitions will solidify SBCs recognition of the wider climate emergency we are all facing whilst showing the council's local leadership role towards climate change action.

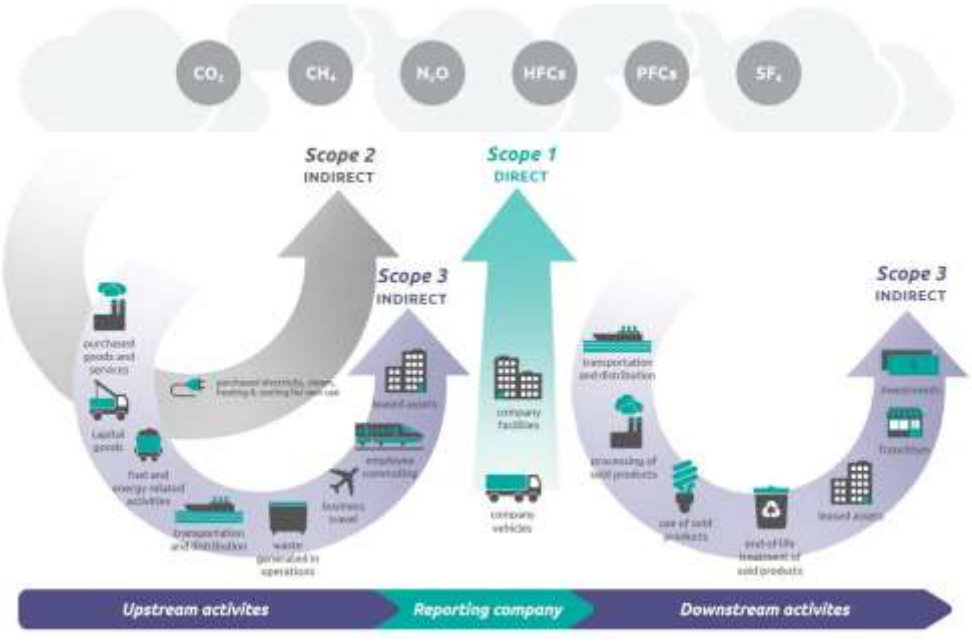


Figure 1: Overview of the World Resources Institutes GHG Protocol accounting methodology.

[1] https://www.ipcc.ch/sr15/

The Greenhouse Gas (GHG) inventory presented in this document has been compiled in accordance with the World Resources Institutes globally recognised accounting methodology, the Greenhouse Gas Protocol (GHG Protocol), which covers the accounting and reporting of seven GHGs covered by the Kyoto Protocol (Figure 1). This is the de-facto standard used by the majority of organisations around the world for carbon emissions accounting.

The following charts provide a high-level overview of SBC's carbon footprint for 2018/19. Scope 1, 2 and 3 emissions relate to the categories outlined in figure 1. For a full breakdown of emissions sources included please refer to section 4.

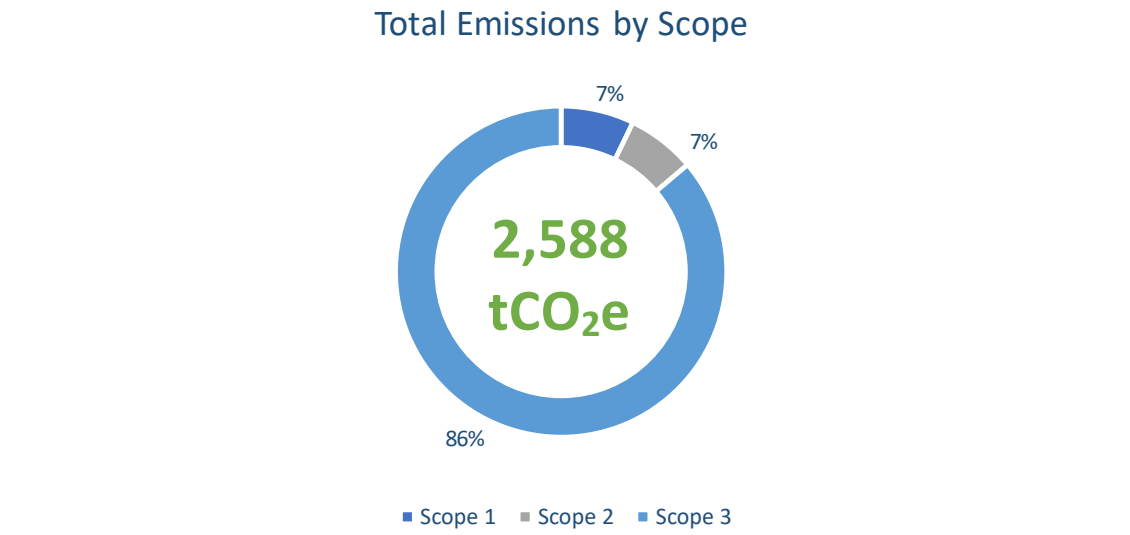


Figure 2: SBC emissions broken down by scope 1, 2 and 3.

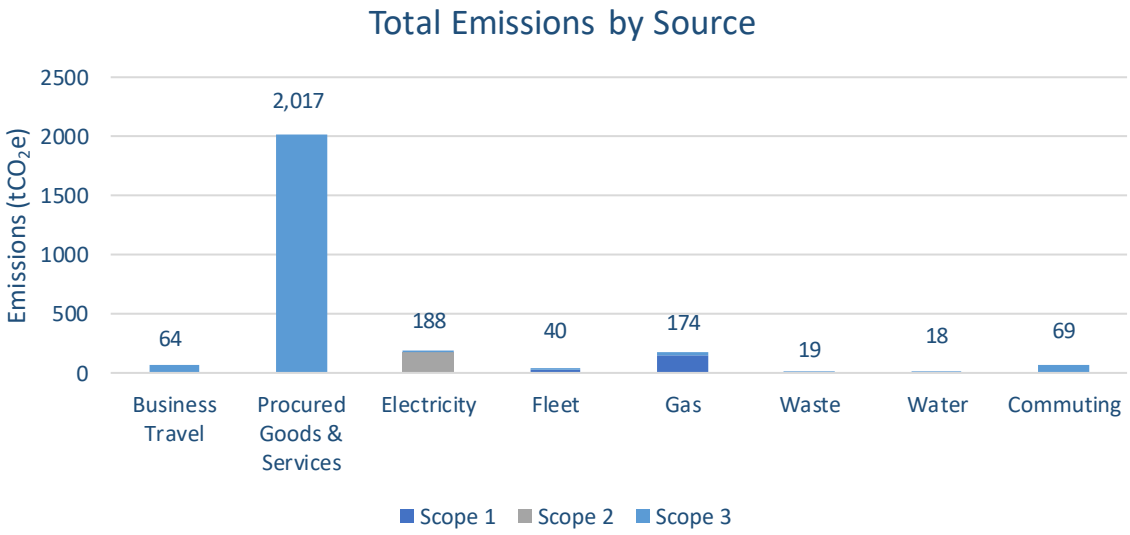


Figure 3: SBC emissions broken down by source and scope

The footprint developed for SBC includes emissions from scope 1 and 2 sources, alongside selected scope 3 elements (Table 1). The decision was made to include these elements of the council's footprint based on the availability of suitable data-sets that could appropriately be used to calculate an accurate

footprint. The produced footprint totals 2,588 tCO_2e for 2018/19, this has been further analysed in terms of its scope and its source. The majority of emissions are scope 3 and arise from SBC's supply chain – most notable "procured goods and services". Such high emissions from this source is fairly typical for a council and represents the large number of upstream activities that councils procure, contract out or purchase. These typically include building maintenance contracts, waste contracts, and environment and facilities management etc. Scope 1 and 2 emissions, those that the council have direct control over, account for 14% of total emissions; almost all of this is from energy usage within Swale House and the council owned and operated fleet of vehicles.

Scope 1	• *Natural Gas* • *Fleet*
Scope 2	• *Electricity*
Scope 3	• *Water* • *Operational Waste* • *Upstream Fuel and Energy Activities* • *Employee Commuting* • *Business Travel* • *Procured Goods and Services*

Table 1: Footprint Boundary for Swale Borough Council

In order to reach a carbon neutral target by 2025, the council would need to reduce scope 1 and 2 emissions by approximately 51 tCO_2e per year, and scope 3 emissions by 319 tCO_2e per year (average annual reduction from 100% down to 0%[2]). The following carbon reduction projects and opportunities have been identified. These projects will assist SBC on the pathway towards carbon neutrality.

1. Swale House deep refurbishment project
2. Transition of council's own vehicle fleet to Electric Vehicles
3. Improving waste management of council's own waste
4. Sustainable contracting

The projects identified in this plan have the potential to reduce SBC's emissions by a cumulative figure of 1,115 tCO_2e per annum by 2025. This equates to a total reduction in emissions of 43% between 2018 and 2025[3]; this reduction can be broken down in to scope 1 & 2 emissions (90% reduction) and scope 3 (35% reduction). The substantial difference in percentage reductions between the scopes comes down to the greater ability for the council to influence its scope 1 & 2 emissions compared to scope 3. The outlined projects do not, however, allow the council to reach 'neutral' emissions – there is a gap to target of 1,473 tCO_2e. It is likely that to reach the council's ambition of being carbon neutral they must look to offset this 'gap to target'.

[2] Doesn't factor in any offsetting

[3] This percentage reduction considers the effects of proposed projects AND the decarbonisation of the UK electricity grid

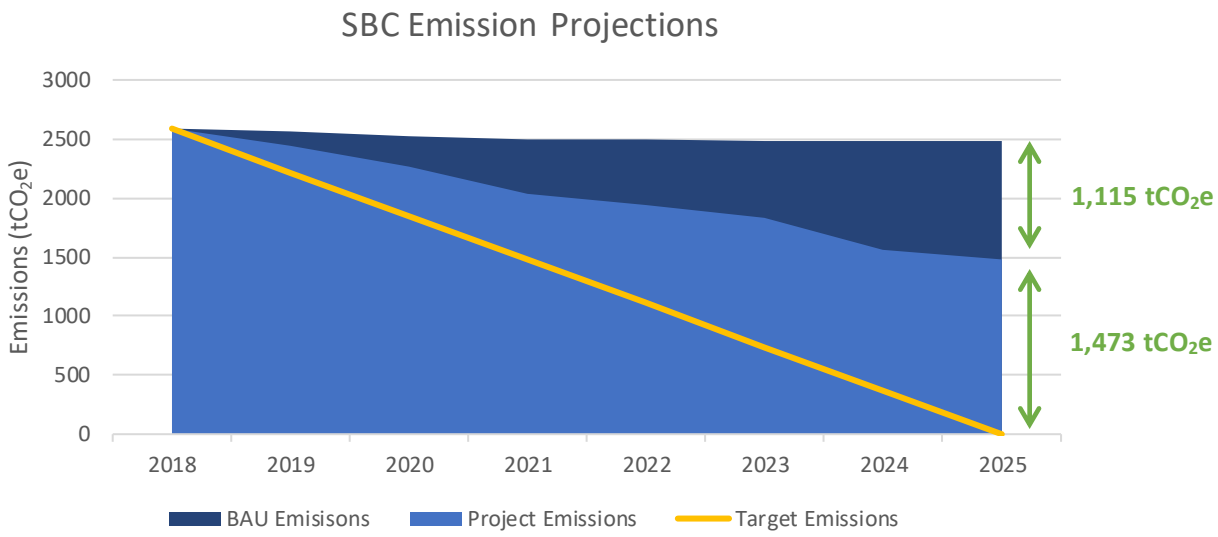


Figure 4: Projection of total SBC business as usual emissions (including grid decarbonisation), the effect of proposed projects and the carbon neutral target. NB. projected grid decarbonisation is included within the above BAU pathway.

The cost of implementing the projects in this plan has been estimated at £2, 473,329 with anticipated financial savings of £66,376 per annum. If all the projects in this plan are implemented, the overall payback period on the capital investment has been calculated as 37.3 years. This level of payback may have previously been considered to be too long a time period to be classed as 'cost effective'. However, the projects outlined within this report go beyond the typical 'low hanging fruit' and address the fact that the council must take urgent action if they are to be realistic in meeting their carbon neutral by 2025 target.

In addition to the carbon reduction projects outlined within, it will be crucially important that SBC ensure robust organisational procedures are put in place to maintain a focus on carbon reduction over time. In order to achieve a carbon neutral target, the Council will have to consider dynamic organisational structures to ensure that they remain flexible in the approaches being taken to tackle climate change. A key starting point for the council to focus on will be to enhance knowledge sharing across internal teams, and to make sure that carbon reduction is embedded across the council in the first instance.

Closely aligned to strong governance is the essential monitoring and reporting of overall progress against pre-determined targets, which forms an intrinsic part of this Climate Action Plan. Once a carbon footprint has been measured and a target set, a key part of the implementation phase is to ensure that progress is being made against the desired target. Monitoring and reporting is an essential activity that should be undertaken at least annually between the baseline year and target year, and indeed after the target year too.

Depending on the outcome of future project feasibility[4] and further work to ascertain more accurate estimates on the suggested projects carbon savings, to meet a carbon neutral target by 2025, the council will very likely need to consider offsets. Currently the amount to be offset (based on implementation of projects in this plan and nothing further) is estimated to be 1,473 tCO_2e per year.

[4] Additional "rounds" of project development should be conducted beyond the initial phase of development outlined in this report. This should be carried out on annual basis by the councils working group in order to update the project pipeline and this document. The carbon reduction process should be treated as an ongoing iterative process and not a one-off fixed exercise.

from 2025 onwards. The council can achieve this through a variety of measures including tree planting, and offsetting schemes. This will come at a cost to the council and it is recommended that as much should be done as possible to reduce operational and organisational emissions before looking to offset.

Next Steps

Building on the analysis and suggestions provided throughout this action plan, it will be important for SBC to conduct a further, more detailed feasibility assessment of individual project opportunities. This will ensure that the council is able to appropriately quantify and take forward the provisional opportunities identified within. Considering the current emissions 'hot spots' (Swale House, fleet, waste, and supply chain), SBC should prioritise and coordinate efforts towards one element of emissions sources in the first instance, and use the contents of this Climate Action Plan to drive further iterations of project development.

A suggested approach that the council should look to follow as an immediate next step is to use the contents and quantifications (energy, carbon and cost saving potential) provided throughout this document as a key business case for action going forward. The results within should be clearly communicated and shared with key decision makers from across the organisation, and should be used as a basis through which further project development and feasibility analysis can be completed. Putting in place an immediate plan that builds on the findings of this Climate Action Plan will help to ensure carbon reduction remains a key part of the council's agenda going forward, whilst also allowing the necessary budgets and organisational structures to be developed accordingly.

2. Climate emergency context

Growing acknowledgement of the latest science and recommendations from the Committee on Climate Change has resulted in unprecedented recognition of the global climate emergency, and the need to act urgently in order to reduce carbon emissions to limit further global warming and associated environmental impacts. Global initiatives are now focused on limiting warming to well below 2°C, aligning to the pledges outlined in the Paris Agreement. Despite this, warming continues, with the impacts being felt both nationally and internationally. Across the UK, continued warming is projected to make winters warmer and wetter, and summers hotter and drier[5]. Sea levels will also continue to rise and threaten many coastal communities across the country. Many industrial and farming processes will also be affected by a continuation of rising temperatures, exacerbating impacts that warming will have on communities across the UK.

The UK Government declared a climate emergency in 2019, with the principle aim of achieving net zero emissions by 2050. In response, many local authorities across the UK have taken the necessary steps to declare a climate emergency, recognising the need for robust local action. The ambition of local authorities to take meaningful action on this issue is highlighted by the number of authorities who have pledged to achieve emissions reductions well in advance of the 2050 national target. The declaration of a climate emergency recognises firstly the crucial role that local authorities can play in helping to reduce both the causes and impacts of climate change, but it also provides local authorities with the opportunity to develop effective pathways towards reducing their emissions, which if successfully achieved, will help to reduce the impact on the climate at both the local and national scale.

Local authorities who have declared a climate emergency also now have an opportunity to facilitate action at the local level and play a key role in encouraging action across a variety of key stakeholders and organisations. Whilst the primary focus for local authorities when declaring a climate emergency should be on reducing carbon emissions, it also presents local authorities with several opportunities to develop robust strategic actions plans that will also deliver a number of co-benefits to both human and natural systems (Figure 4). This is reflected in the Council's original declaration, where a 'Climate and Ecological Emergency' has been declared, which recognises the need to protect natural systems and species from accelerated climate change.

Regarding the declaration of an ecological emergency, this is in growing recognition of the need to protect natural habitats and species diversity. Declarations of this nature provide the stepping stones towards ensuring that natural habitats remain undisturbed and continue to thrive despite on-going human developments. In July 2019, The UK Government announced that it would mandate 'Bio-diversity Net Gains' in the upcoming Environment Bill, giving greater responsibility to local decision makers to agree biodiversity issues relating to new developments. This therefore places a greater importance on robust local action as a means through which to improve the local state of biodiversity

[5] Met Office, 2019. UK Climate Projections: Headline Findings, https://www.metoffice.gov.uk/binaries/content/assets/metofficegovuk/pdf/research/ukcp/ukcp-headline-findings-v2.pdf

e.g. Through ensuring that developers actually increase natural habitat and ecological features over and above that being affected as part of planned developments (net-gain)[6].

Figure 5: Key aspects of a Climate and Ecological Emergency Declaration

Key drivers for climate action

Considering the on-going climate emergency and need to reduce emissions, local authorities are now well placed to lead on the development of transitions towards a more sustainable, low-carbon economy. Opportunities exist for local authorities to lead the way in reducing emissions and to take ownership of this issue to ensure that organisations, businesses and residents across local areas are collectively working towards reducing their environmental impact. In addition to this, further drivers for local authorities to act on this issue are based around national legislation and regulation, organisational reputation and leadership, and the cost reductions that can be achieved through delivering robust action to reduce carbon emissions (Figure 6).

[6] CIEEAM, 2019. Biodiversity Net Gain, https://cieem.net/i-am/current-projects/biodiversity-net-gain/

Climate Legislation The updated Climate Change Act legislates that UK Government must reduce emissions by 100% in 2050 compared to 1990 levels. To meet this target, UK Government will undoubtly introduce new national legilsation that targets highly polluting sectors of the UK economy.
Cost saving Alongside meaningful emissions reductions, councils can also achieve significant energy and cost savings though improving the efficiency of their operations.
Regulation Building regulations contain requirements that relate to the conservation of both fuel and power. There are set minimum energy performance standards for new buildings and major refurbishments of existing buildings, which Swale Borough Council subsequently has to meet.
Leadership Taking strategic action towards reducing carbon emissions will ensure that Swale Borough Council can lead the way in developing effective mechanisms to tackle the climate emergency. This will help stimulate low carbon transitions across the regions in which they operate.
Reputation With the growing climate emergency, there is now an increasing pressure and requirement for local authorities to take an effective leadership role on climate action. Failure to act could lead to reputational risks and adversely affect Swale's public image.

Figure 6: The key drivers for climate emergency action

Recognising the importance of making sure emissions reductions must first come from local authorities themselves, many councils are now taking a much more strategic view of carbon reduction and are embedding changes across their organisation in order to achieve robust emissions reductions. Swale Borough Council therefore recognises the significant role it can play in helping to accelerate the national transition towards developing a low carbon economy.

3. Council target

Swale Borough Council have declared their intention to become a carbon neutral organisation by 2025. This carbon neutral target refers solely to the Council's own estate and operations; however, the Council would like to use their influence across the borough to encourage action across local organisations, businesses and key stakeholders. As a result of this ambition, Swale Borough Council's motion to declare a climate and ecological emergency includes the aim of making the entire borough carbon neutral by 2030.

This climate emergency target builds on the previous Carbon Management Plan for Swale Borough Council, completed in 2009, which detailed a plan of action for the Council towards achieving a target of reducing their own CO_2 emissions by 20% by 2012-13. Focusing on scope 1 and 2 emissions, the Council were able to achieve a 19% reduction in emissions by 2012-13, through a combination of national grid decarbonisation, alongside actions across a number of key council departments, most notably across property services.

The ambition of Swale Borough Council to achieve a carbon neutral target goes well beyond what the Council has previously sought to achieve, highlighting the intention of the council to act against the causes and impacts associated with climate change. The Council must now work towards rapidly reducing its footprint in order to achieve this target, building and accelerating on the emissions reductions that have previously been achieved throughout the organisation. This document details initial actions and key mechanisms required in order to work towards achieving carbon neutrality by 2025.

Carbon Neutral

It is important to identify and define what carbon neutrality means for an organisation in the first instance. Achieving carbon neutrality generally involves implementing a carbon reduction and management plan. The planning stages of this should clearly detail the actions required to reach carbon neutrality. A carbon neutral local authority is one that reduces the sum of its operational greenhouse gas emissions (CO_2e) as much as is practical to do so and then, offsets the residual emissions using natural carbon sinks and/or good quality offsets. Reasons for becoming carbon neutral are outlined in the box below.

Why Carbon Neutral?

1. **Deliver greater efficiency savings** – developing a carbon neutral approach will allow the Council to identify carbon hotspots, firstly prioritising efforts and reductions on areas of the council that are the most carbon intensive
2. **Enhance reputation** – enhance the Council's green credentials and showcase the ambition of the Council to lead the way in tackling climate change
3. **Drive local change** – successfully achieving a carbon neutral target will allow the council to positively influence stakeholders and businesses across the local area, contributing to borough-level changes and emissions reductions.

4. Carbon Footprint

In order to reduce emissions effectively, it is critical to have a reference point to start from, thus it is integral to understand what current emissions sources are present, how large they are, and who is responsible for them.

This section provides an inventory of Swale Borough Council's greenhouse gas emissions for the 12-month period covering the financial year 2018/19, which forms the baseline against which future progress will be evaluated.

Scope

The globally accepted carbon accounting standard known as the World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol defines direct and indirect organisational emissions as follows:

- Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity.
- Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity.

The GHG Protocol further categorises these direct and indirect organisational emissions into three broad scopes:

- Scope 1: All direct GHG emissions.
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.
- Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

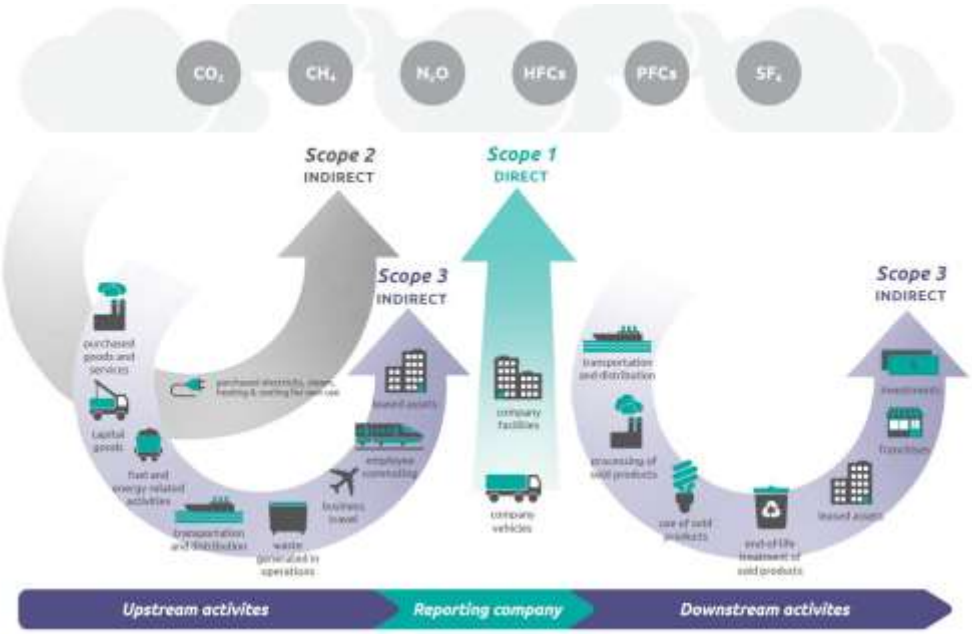


Figure 7: Overview of the World Resources Institutes GHG Protocol accounting methodology.

Within previous plans, the focus has been primarily on the energy consumption associated with the council's own estate (i.e. the area of direct management control and influence over) but it is recognised that there are other emission sources associated with our operations. Thus, scope 1, 2 and the majority of relevant scope 3 emissions sources have been investigated and quantified within this initial planning phase.

As the council familiarises itself with the "enhanced" emissions accounting methodology and builds up a stronger internal system of data gathering, SBC will look to expand the scope of its emissions inventory to include all possible emission sources.

The emission sources included in the 2018/19 baseline are listed below, divided into Scopes 1, 2, and 3 in accordance with the standard, to enable comparison with other organisations.

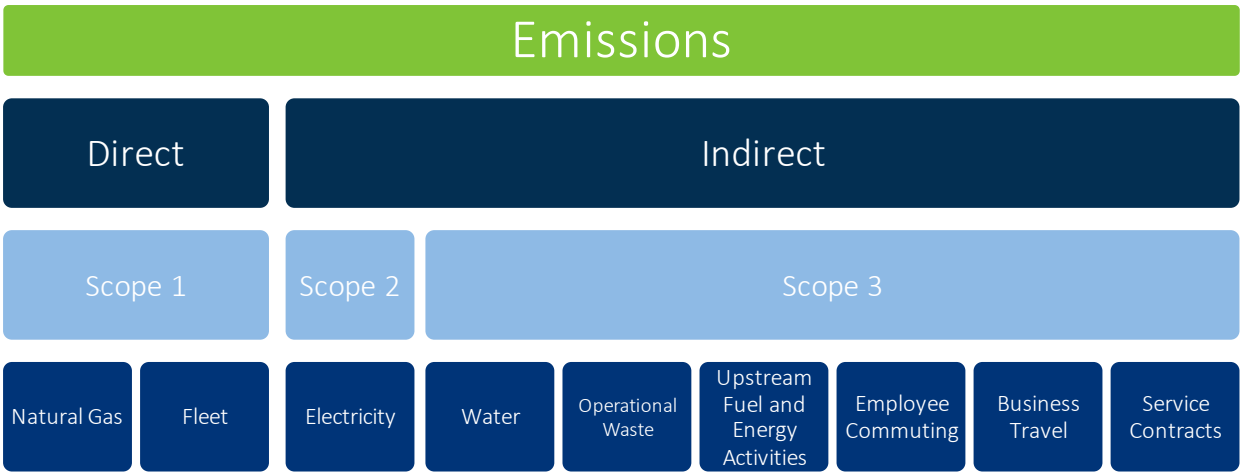


Figure 8: Emission source categorisation in line with GHG protocol

Methodology

In order to calculate a carbon footprint there are two primary inputs, the 'activity' or volumetric data and the associated emission factor. Activity data is the quantification of the action of the emission source, whether that be kWh of electricity consumed or kilometres driven by a vehicle. The emission factor is the metric of kg of CO_2e produced by one unit of the associated activity. Emission factors are provided for a range of activities by the department for business, energy and industrial strategy (BEIS); these factors are updated annually where required.

Numerous other activities are more abstract and require a proxy to either transform the activity data in to a value that can be used with a BEIS emission factor, or a proxy emission factor to use with the available activity data. An example of the former would be using the floor area of a building as activity data, then benchmark data of electricity consumed per m2 as a proxy and finally combine this with the BEIS emission factors. Another example is to use contract values (£) as activity data and a proxy economic based emission factor (in this case EEIO[7]).

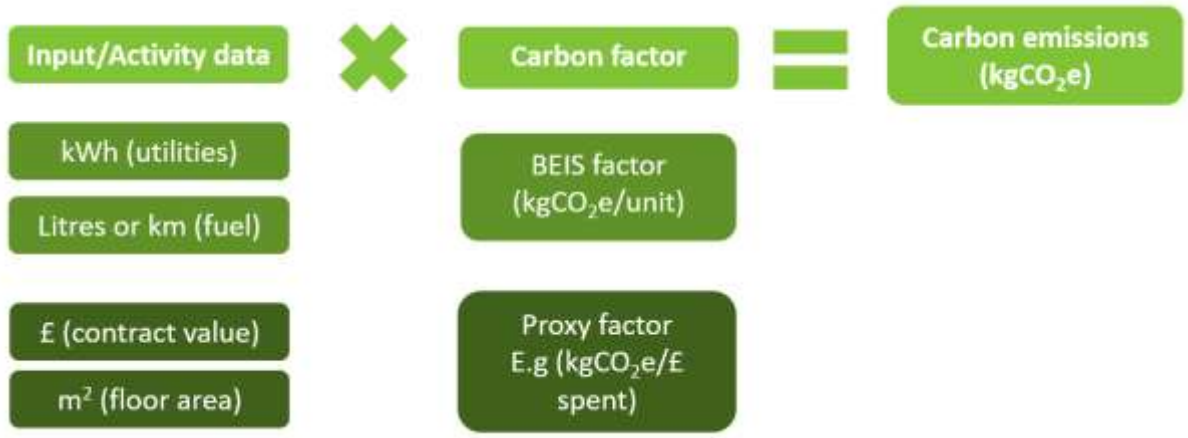


Figure 9: Graphic detailing general calculation methodology to arrive at carbon emissions

Environmentally Extended Input Output

Environmentally Extended Input-Output (EEIO) factors use expenditure mapped to broad economic sectors to provide a proxy for carbon emissions. The methodology developed by the World Resources Institute and Carbon Trust, allows for the calculation of emissions produced for over 19,000 specific goods and/or services, which are linked to 430 broad economic sectors for which emission factors per pound (£) of expenditure are available.

It should be noted that EEIO values provide emissions for sector specific goods/services within broad economic sectors but not for the exact individual goods/services. This means that although being able to provide a broad, first iteration emission value; it is not exact – further analysis of the operations of an individual goods/services are needed to determine a more precise footprint. EEIO factors should only be used where first hand activity data is unavailable / difficult to obtain. These factors have therefore only been used for the councils procured goods and services.

[7] EEIO (environmentally extended input output)

Footprint

The inventory is a record of SBC's greenhouse gas emissions in the 12 month period covering April 2018 to March 2019 (inclusive).

Greenhouse gas emissions are reported in units of carbon dioxide equivalents (CO_2e). This allows the impact of each of the seven main greenhouse gasses to be expressed in terms of the amount of CO_2 that would create the same amount of warming, allowing easy comparison of the impact of different emission types. Throughout this report, all greenhouse gas emissions are given in terms of carbon dioxide equivalent.

Swale Borough Council Footprint

In 2018/19 approximately 2,588 tCO_2e were emitted from the council's own operations and associated supply chain activities. Over 86% of emissions arose from scope 3, supply chain emissions – primarily as a result of the contracts held for procured goods and services. Energy consumed within Swale House itself accounted for approximately 12% of the council's entire scope 1, 2 and 3 footprint.

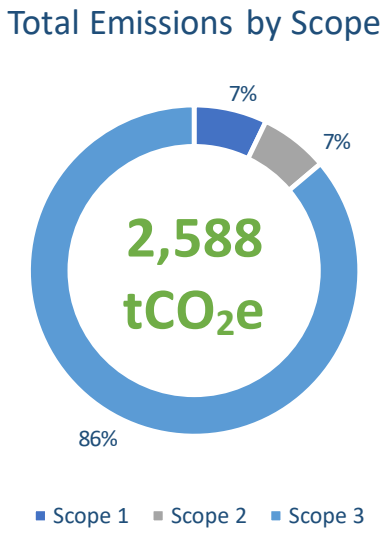


Figure 10: SBC emissions broken down by scope 1, 2 and 3.

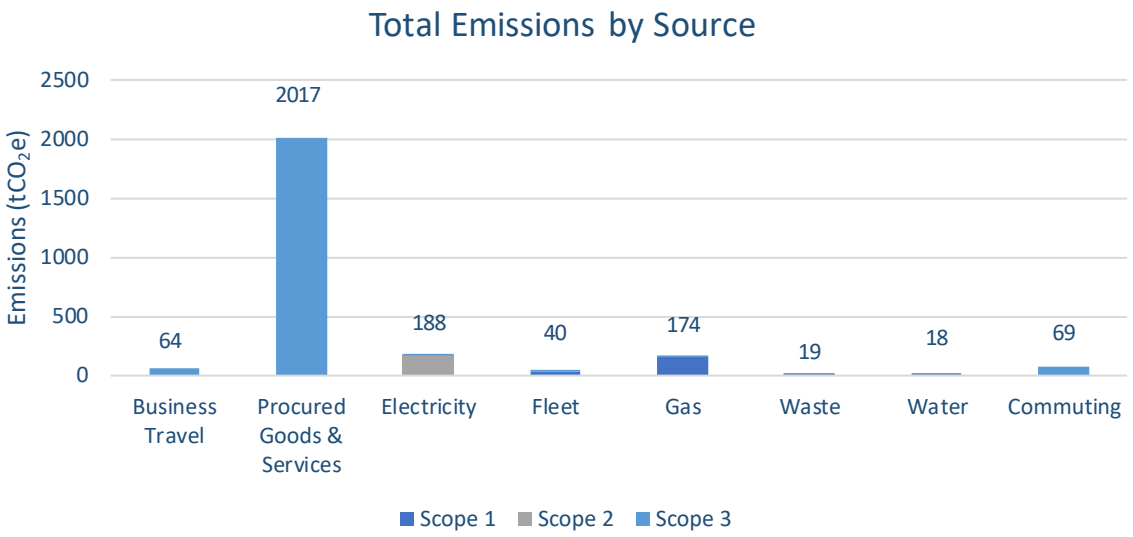


Figure 11: SBC emissions broken down by source and by scope 1, 2 and 3.

The produced footprint totals 2,588 tCO2e for 2018/19, this has been further analysed in terms of its scope and its source. It is clear that the majority of emissions are scope 3 and arise from SBC's supply chain – most notable 'procured goods and services'. Such high emissions from this source is fairly typical for a council and represents the large number of upstream activities that councils procure, contract out or purchase, these typically include building maintenance contracts, waste contracts, and environment and facilities management to name but a few. For Swale borough council the contract with the greatest carbon footprint is 'waste management', this accounts for 59% of the entire procured goods and services footprint. The 'waste management' emissions also only consider the operation of waste refuse vehicles, and not the treatment and storage of the waste itself which falls out of scope of Swale Borough Council.

Commuting and business travel are the other two significant sources of scope 3 emissions, representing just over 5% of SBC's total emissions. Although they fall within the scope 3 categories, the council still has reasonable influence over these through company policy.

Scope 1 and 2 emissions, those that the council have complete control over, account for 14% of total emissions; almost all of this is from energy usage within Swale House and the council owned and operated fleet of vehicles. It should be noted that within electricity and gas consumption there is a small amount of associated scope 3 emissions, these are 'upstream fuel and energy related activities', and relate to the processing, transformation, refining, production and transport & distribution of gas, other fuels and electricity.

5. Carbon Reduction Opportunities

The following section details a provisional list of opportunities identified for carbon emissions savings and the sustainable practices that Swale Borough Council should prioritise for implementation.

By setting a 2025 carbon neutrality target, over 515 tCO_2e will need to be saved each year across scope 1, 2 and 3 on average[8] . In order to achieve this reduction, a provisional list of carbon reduction projects has been identified in this initial planning phase. Four overarching projects have been quantified in terms of energy, carbon and cost saving potential. These projects cover emissions 'hot spots' and relate to: energy consumption in Swale House, fleet electrification, SBC's own waste management, and supply chain. These projects are summarised below:

Project	CAPEX (£)	Financial Savings (£/yr)	Carbon Savings (tCO_2e/yr)	Simple Payback (yrs)
Swale House Refurbishment	£2,342,529 (inc. installation and building costs)	£56,289	194 tCO_2e	41.6 yrs
Fleet Electrification[9]	£130,800	£10,087	26 tCO_2e	12.1 yrs
Waste Management	-	-	6 tCO_2e	-
Sustainable Contracting	-	-	780 tCO_2e	-
Total	**£2,473,329**	**£66,376**	**1,006 tCO_2e**	**37.3 yrs**

Table 2: Summary of capital costs; and energy, carbon and cost savings for proposed projects.

Swale House Refurbishment

Swale House is the operational headquarters for SBC, with approximately 243 full time equivalent staff operating out of the building. The building is deemed a public space with a total usable floor area of 7,063 m^2 and thus is required to have a DEC (display energy certificate) certificate. It is of a 1980's office block design, and has undergone only minor refurbishment to both layout and building service systems since construction (namely boiler upgrades and solar film installation on windows). Despite the building attaining an energy rating of 'D', ranking it as performing "average", anecdotal evidence suggests that there are numerous issues with building services resulting in occupant discomfort – highlighting the potential for energy performance improvement.

[8] Doesn't include any allowance for net accounting/offsetting.

[9] Reflects leasing arrangement only – see table on page 21 for further details

The council has expressed a desire that Swale House undergoes refurbishment to make it a 'zero carbon' building. In practice, this is unlikely to be fully achieved through refurbishment alone with only a handful of meticulously designed new builds achieving this status. Thus, the Carbon Trust has considered and quantified what is believed to be "reasonable" for a building of this age and design in reducing its carbon footprint[10]. It is anticipated, however, that through substantial fabric and building service upgrades, coupled with onsite renewables, the total energy footprint could be reduced by almost 70% (165 kWh/m2 to 45 kWh/m2) – achieving a DEC rating of approximately 'A'/'B'. The following measures have been considered within the Swale House refurbishment project:

i) Cladding

The majority of heat lost to the environment is through the building's walls and roof; by installing external cladding, it is possible to reduce heat loss through conduction and infiltration (drafts) by almost 75%. It is proposed to install cladding that will bring the building's level of heat loss in line with 'CIBSE Part L' guidelines for a high performing new builds. This type of work can generally be carried out with minimal disruption to business and operations.

BEFORE

AFTER

[10] At reasonable cost.

Figure 12: Before and after photos of cladding installation at RAL site, Didcot, Oxfordshire.

ii) Glazing

As part of the external cladding upgrade, it is also proposed that the council replace their current single glazed, metal frame windows with modern triple glazed, argon filled, low emissivity windows. Once again, significant energy savings are available, with the potential to reduce heat loss through windows by almost two thirds. Further savings can be made by reducing the amount of glazed area too, this could be seen as a viable option if a lighting upgrade is put in place (LED lighting offer a better quality of light compared to current fittings).

Upgrades to the fabric (glazing and cladding) should be considered as priority items for any refurbishment, these energy efficiency measures would be able to provide a significant reduction in heat demand. This means that any future heating system installed should be smaller (lower required capacity) and thus cheaper to buy and operate.

iii) Lighting

LED lighting offers significant energy savings over typical fluorescent tube lighting, furthermore the quality of light produced and types of fittings available can make for a more attractive, exciting and comfortable working environment. Furthermore, it is more cost effective to replace current fittings immediately with LEDs as opposed to waiting for current units to fail.

Alongside upgrading the lighting itself it is important to consider an appropriate control system. Installing daylight and/or occupational sensors can ensure that lights are not turned on inappropriately or left on at the end of the working day or over weekends. Such systems are cost effective and a useful means of reducing electricity demand.

iv) Heating Ventilation and Air Conditioning

Through fabric and glazing upgrades, the actual heat demand for the building will be significantly reduced, meaning the current boiler will be oversized and won't run at peak efficiency. To capitalise on the lower heating demand, and the falling carbon intensity of grid sourced electricity it is proposed that a new HVAC system be installed with heat provided by heat pumps and distributed through mechanical ventilation. Such a system would require significant investment, detailed planning, and space for internal ductwork and rooftop plant.

Heat pumps are far more efficient at transforming input energy in to heat, a typical air source heat pump can provide three units of heat for every unit of input electricity, whereas a boiler typically provides only 0.9 units of heat for every input unit of natural gas (less than 100% efficient). Despite the energy and carbon savings, the system however is not likely to be deemed 'financially viable' as the cost of electricity is of 4 to 5 times that of natural gas; however, if electricity is generated on site then heat pumps can be seen as an attractive option. For the purpose of quantifying savings, it is assumed an air source heat pump would be installed with a minimum operational seasonal coefficient of performance of 3.4 (conservative estimate).

Heat pumps are ideal for supplying constant, low temperature heat (approx. 40^{o}C), and thus well suited to providing space heating. Given space and construction constraints it would be easier to install air source heat pumps (ASHPs), as opposed to ground or water source heat pumps; ASHPs can then transfer heat to the air and distributed through mechanical ventilation, or to water and distributed through a traditional wet heating system.

It is anticipated that a gas boiler would still be required to provide the higher temperature water that would be required for hot water services (HWS), although a boiler upgrade to a more modern, efficient model would still provide energy savings. Further measures to moderate flow rate and usage can reduce the heating load of a boiler for HWS.

v) Renewables

Swale House currently has a significant area of flat roof space (estimated to be 1,976m2), this lends itself well for the installation of roof mounted solar photovoltaics. It is anticipated that approximately 50% of roof space could be used to install solar PV, leaving ample space for any future plant and access. Such a system could generate 115,000 kWh of electricity a year, this could supply 25% of current electricity consumption. Once all other measures have been implemented (including moving to an electric based heating system) the solar PV and storage could supply 31% of all electricity consumption.

Given production of electricity may not always coincide with times of demand, it is recommended that a battery storage system is incorporated in parallel with solar PV additionally.

Solar photovoltaics have been selected over a solar hot water heating system for several reasons, although both systems have their advantage and disadvantages. Firstly, the electricity generated by solar PV can be used to provide energy to any building system not just heating services as would be the case with solar thermal. Secondly, electricity can be sold back to the grid, providing a potential source of revenue for Swale House. Lastly, the operation and installation of solar PV requires both less time and money than solar thermal systems, with failure rates much lower too.

However, it is recommended that the council complete an in depth assessment of both technologies and their applicability to Swale House to fully inform any decision making processes.

Summary

A summary of the suggested measures for a Swale House refurbishment, including energy savings and costs, can be found below:

Measure	CAPEX incl. installation (£)[11]	Financial Savings (£/yr)	Carbon Savings (tCO_2e/yr)	Simple Payback (yrs)	Priority
External cladding	£968,589	£19,397	69.1	49.9	High
Glazing upgrade	£565,299	£9,492	39.7	59.6	Medium
Lighting	£102,747	£10,117	19.1	3.7	High
HVAC (once fabric has been upgraded)	£346,695	-£1,753	31.6	N/A	Medium
Renewables and storage	£359,200	£17,253	32.6	18.6	Low
Other & Equipment	£-	£1,783	1.8	0.0	Low
Total	£2,342,529	£56,289	194	41.6	-

Table 3: Summary of individual measures within Swale House refurbishment project

Electric Vehicles

The current fleet operated by Swale Borough Council consists of 14 vehicles, comprised of a mix of diesel vans, pickup trucks and passenger cars. One electric vehicle already exists, as do two 22kW charging stations at Swale House. Vehicles typically have a lease of 3 to 4 years before being replaced, all vehicle leases will have been reviewed by 2022.

To quantify this project, it is assumed that all vehicles will be replaced by comparable electric vehicles (for a list of current and replacement vehicles see appendix 2), and the mileage per vehicle will remain constant. A summary of costs for four 22kW charging stations and increased leasing costs have been calculated and displayed below.

[11] All costs are provisional high-level estimates only. Further stages of feasibility should be progressed to obtain actual costs to take through to outline and full business case development.

Item	Cost (£/yr)[12]	Energy saving (kWh/yr)	Cost saving (£/yr)	Carbon Saving (tCO_2e/yr)	Payback (yrs)
Electric Vehicle leasing	£31,200[13]	94,986	£10,087	26.3	12.1
Charging Station	£1,500				
Total	**£32,700**				

Table 4: Summary of electric vehicle measures within overall electric vehicle project.

Waste Management

Waste production within Swale House by council staff and other occupants is approximately 53,000kg per year (358 kg of waste per employee), almost 60% of this is unrecycled waste and typically sent to landfill. The emissions resulting from landfill waste is 98% of total operational waste emissions (SBC only).

To reduce emissions as a result of waste disposal from Swale House an effective waste management protocol needs to be put in place. This should follow the simple waste hierarchy of 'Reduce, Reuse, Recycle'.

Reduce – Discourage printing unless absolutely necessary; encourage the use of digital, 'soft' note taking; introduce print release functions on printers; ensure double sided and half size pages are default printer settings; make better use of e-copies, skype and publication boards; bring in your own lunch in reusable containers.

Reuse – Use refillable printer cartridges, rechargeable appliances that don't use single use batteries, pens with refillables cartridges, use scrap paper for note taking, have glasses/mugs not plastic/paper cups.

Recycle – Make recycling bins more available throughout the workplace, including for food waste in kitchens. Educate staff on what should go in each recycling bin, introduce online training.

[12] All costs are provisional high-level estimates only. Further stages of feasibility should be progressed to obtain actual costs to take through to outline and full business case development.

[13] This value is the sum of the increase in costs of leasing electric vehicles over the current leasing cost for internal combustion engine vehicles. It is not the total the total cost of leasing electric vehicles. This is for a full four-year lease period.

Action:	Mass of Waste (kg)	% Waste to landfill	Emissions Produced (tCO_2e)	Emissions Saved (tCO_2e)
Current	53,000	59%	18.8	0
Reduce	47,700	59%	16.9	1.9
Recycle	47,700	45%[14]	13.1	3.8
Potential	**47,700**	**45%**	**13.1**	**5.7**

Table 5: Summary of effect of waste measures, organised by the waste hierarchy.

Procured Goods and Services

Emissions resulting from procured goods and services/contracts form a substantial segment of Swale Borough Council's organisational footprint (78% of total emissions in 2018/19 measured using EEIO proxy factors). These emissions are considered scope 3, they are not directly produced by the council, but the council is ultimately responsible for them. Such a significant proportion of emissions arising from procured goods and services is very typical of a council and a representation of the extensive work they carry out across the borough.

It is suggested that Swale Borough Council actively engage with their contractors and supply chain to a) start documenting their carbon footprints and b) ask contractors to set emissions reduction targets. Through these steps it is possible to acquire a more accurate picture of the individual contractors' emissions, an important activity to move away from the use of less accurate and representative EEIO values, as well as being able to forecast their potential emission reductions and thus the council's own.

Furthermore, not only should the council engage with current contractors, they should also set criteria when determining future contractors and suppliers. Such criteria should require that the suppliers/contractors report their scope 1 and 2 emissions; have an emission reduction target; acquire a certain amount of electricity from green tariffs; use electric vehicles; ensure suppliers assess their purchasers through the 'better buying index'.

The final action that the council can take is assessing the necessity of certain suppliers/contractors. Simply reducing the number of contractors/suppliers of the value/quantity of purchased goods and services will result in a scope 3 emission reduction. An example that reduces both waste emissions and contractor emissions, would be to assess the necessity of a supplier for paper or plastic cups.

If the council were to select and account for suppliers/contractors that are considered to represent 'best practice' then scope 3 contract emissions could be reduced by an estimated 39%[15].

[14] 45% is the current UK recycling rate according to DEFRA, hence SBC should aim to achieve this as a minimum. The UK is targeting 50% recycling by 2020.

[15] This is a high-level estimate based on emissions projections of similar contractors across the UK who report annually on their carbon footprint. This percentage saving should be refined through further feasibility with supply chain reduction activities / engagement with contractors on their carbon footprint reporting.

Gap to Target

Based on the potential projects and associated carbon reduction above, the council's footprint in 2025 could be reduced to 1,590 tCO_2e. When factoring in the decarbonisation of the electricity grid this further decreases to 1,473 tCO_2e. This equates to a total reduction of 35% and 43% respectively from the current 2018/19 value of 2,588 tCO_2e. Whilst such a reduction can be deemed excellent progress over a 5-year period[16] this still presents the council with a significant gap to close if they wish to achieve a carbon neutral target.

The effects of the projects on scope 1, 2, and 3 emissions can be seen in the graphs below. Considering scope 1 & 2 emissions only, it is estimated that a ~90% reduction between 2017/18 and 2025 is possible. (includes grid decarbonisation).

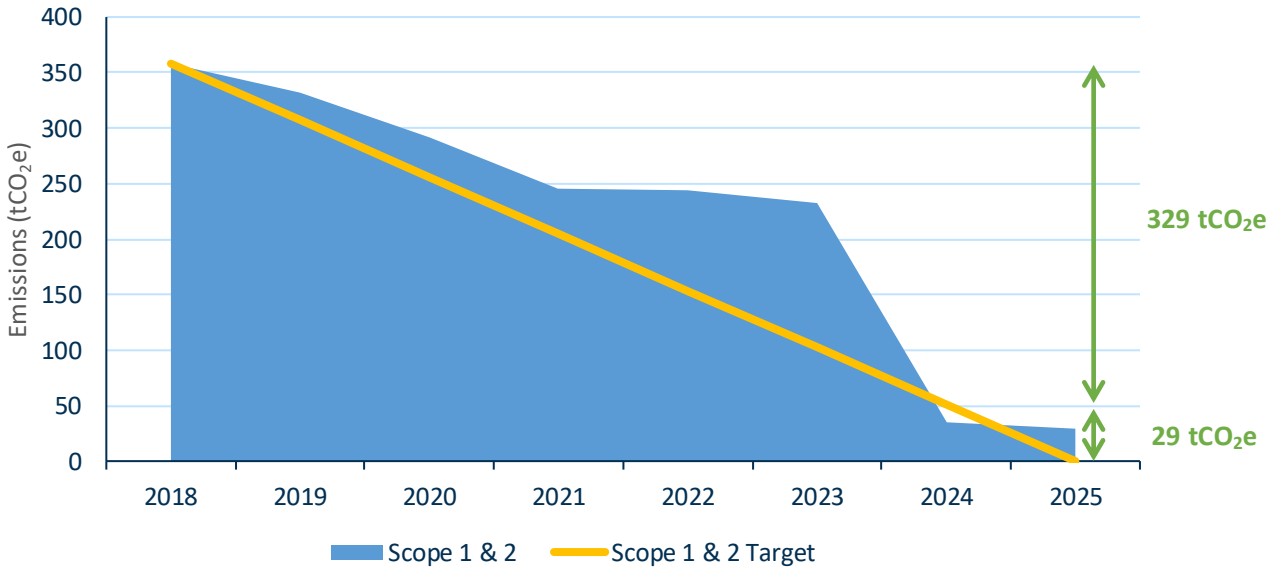


Figure 13: Projection of SBC scope 1 and 2 emissions taking in to account proposed projects and target for carbon neutrality.

[16] Average scope 1&2 5-year CMP reductions for local authorities are typically no more than 25% historically (Carbon Trust propriety info)

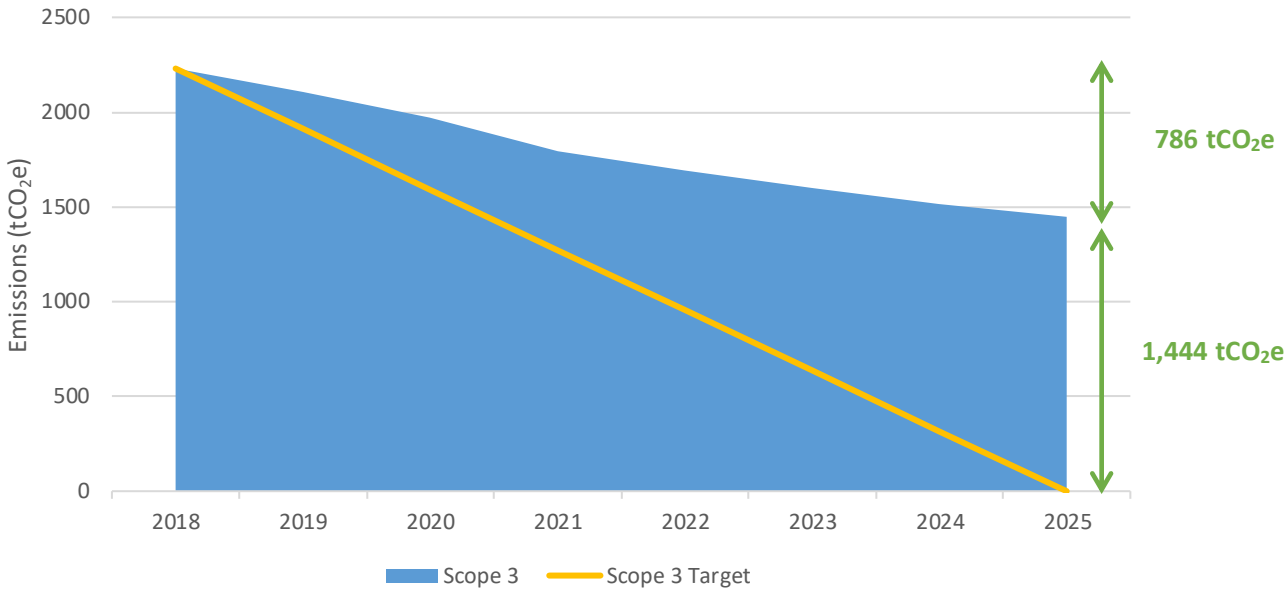


Figure 14: Projection of SBC scope 3 emissions taking in to account proposed projects and target for carbon neutrality.

It is estimated that through a specific contractor/supplier selection process, effective supply chain engagement and planned carbon reduction from current contractors, that scope 3 emissions could decrease by approximately 35% (786 tCO_2e) between 2018 and 2035. This is also under the assumption that in a business as usual case scope 3 emissions would remain constant. For scope 3 emissions a remaining gap to of 1,444 tCO_2e exists, this will likely need to be offset for the council to achieve a carbon neutral target.

In order for the council to achieve its target of being carbon neutral by 2025, any remaining/residual emissions will very likely need to be offset. It should be reinforced here that organisations should aim to reduce emissions as much as possible (firstly through demand reduction, then electrification and renewable energy) before considering offsets.

Based on the implementation of the above measures and the resulting reductions leaving residual emission of 1,473 tCO_2e. If the council were to choose to purchase offsets to address these residual emissions in this scenario, achieving carbon neutrality would cost the council approximately £11,110 – £88,865 per year in offsets through a registered gold standard provider[17].

When considering the future offsetting strategy, SBC should aim to show the level of commitment, ambition, leadership and progressivity through local offsetting schemes where possible. This could include investment in community renewable energy schemes[18], tree planting, wetland restoration, or biodiversity & conservation.

[17] Figures provided by ClimateCare and GLA Carbon Offset Funds (2018)

[18] Project specific carbon accounting to be conducted to avoid double counting

6. Governance and Engagement

To manage the implementation of a carbon reduction programme, it is important that organisational procedures are put in place to maintain a focus on carbon reduction over time. In order to achieve a carbon neutral target, the Council will have to consider dynamic organisational structures to ensure that they remain flexible in the approaches being taken to tackle climate change. A key emphasis should be on enhancing knowledge sharing and integration across internal council-led teams and ultimately focussing on initiatives that can be driven forward by the residents, organisations and businesses across the borough. This section describes the main activities and changes that should be considered in order to embed carbon reduction across the council in the first instance.

Programme Management

The key actions that will facilitate the council's response to declaring a climate emergency will be managed by Cabinet with input from the Policy Review and Development Committee and fall under the responsibility of the Policy Team. A climate change and ecological emergency steering group made up of officers and members from different political parties will oversee day to day delivery. The scope of the steering group is to oversee the implementation of Swale Borough Council's response to declaring a climate emergency so that the carbon neutral target is met within the timescales set out. A key milestone that the steering group must make sure it is continually meeting is ensuring that carbon reduction and awareness of the climate emergency are both maintained and established as an on-going council priority that is considered and addressed during the decision-making process.

A number of recommended key functions that this team should focus on specifically related to carbon reduction are detailed below:

- **Gain** senior endorsement and publication of the Council's Climate Emergency Plan
- **Provide** regular oversight and monitoring of progress towards achieving SBCs carbon neutral target across key delivery teams
- **Ensure** that carbon reduction stays on the high-level agenda at SBC
- **Manage** the expectations of key stakeholders and recognise achievements on carbon reduction across the organisation
- **Be transparent** in the progress being made, both internally within the council and across the wider district

Overall organisation of the council's response will fall to the Project Lead, who will report project highlights, risks and issues to the steering group. It is suggested that the steering group should also make sure the progress of the Plan is reported to senior stakeholders and that the projects within the Plan are continually monitored against pre-determined Key Performance Indicators (KPIs). The Project Lead, and colleagues from the council, should focus on the day-to-day delivery of selected carbon reduction projects. To ensure that carbon reduction and the council's climate emergency is not just seen as the responsibility of a few people in the organisation, but is truly embedded and part of the organisational culture, it is suggested that the steering group work closely with the Council's communications team to disseminate relevant information to staff colleagues.

Stakeholder Engagement

Robust engagement with local stakeholders and communities will be a key facilitator towards successful area wide climate action for Swale Borough Council. The Council should now begin to think of innovative and successful ways through which the wider borough can contribute towards both the council and borough becoming carbon neutral by 2030.

The steering group should ensure that an effective engagement strategy that actively involves local organisations and residents is drawn up. Achieving the greatest possible local input and buy-in will allow SBC to work closely with key stakeholders to identify the areas of the borough that need to be prioritised in order to reduce emissions. It will be important for the Council to remain transparent throughout all engagement activities, to provide stakeholders with the opportunity to contribute towards the planned reduction activities that the Council intends to implement across its own estate and the wider borough.

Building on the work already completed by the steering group and Policy Review and Development Committee, SBC should now focus on completing the following activities as it looks to develop a robust stakeholder engagement plan for the Borough:

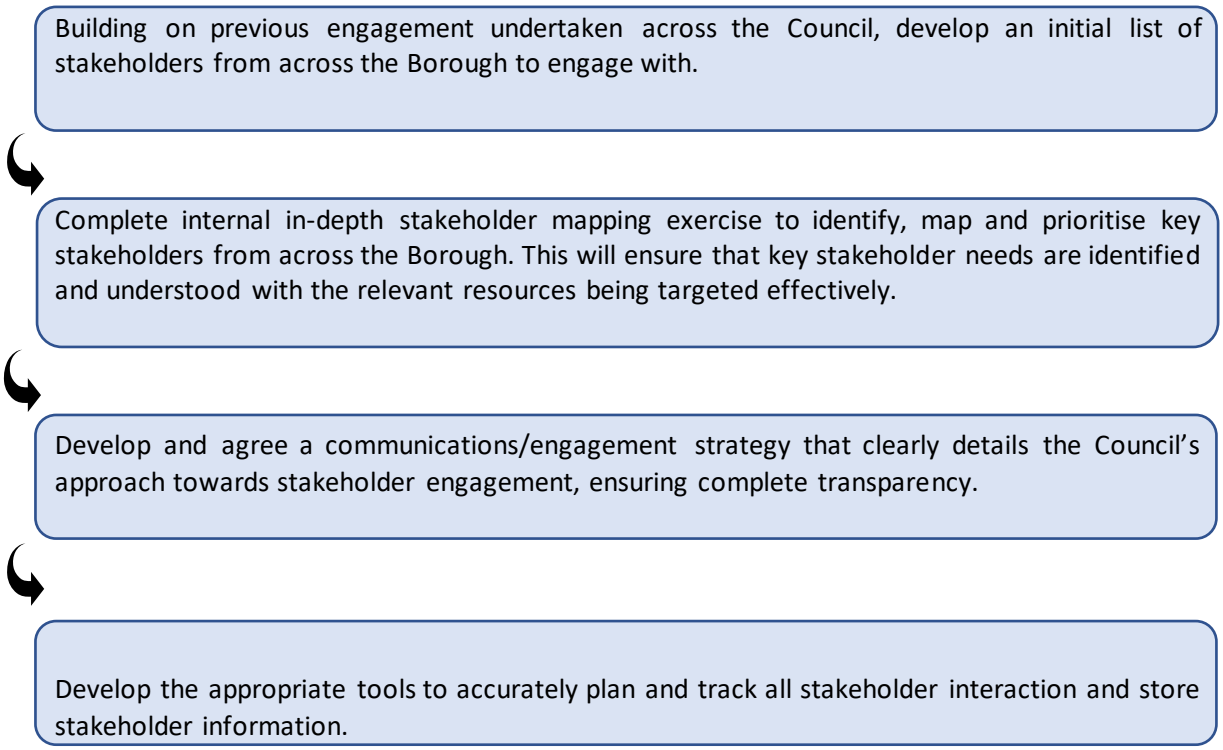


Figure 15: Indicative actions that will facilitate the development of a robust stakeholder engagement plan for the Borough

It will be crucial to engage with multiple stakeholders from across the Borough to; understand their priorities and reflect these in any Borough-wide action the Council delivers; keep them informed throughout; and, secure local buy-in and commitment to project deliveries. The Council therefore has a responsibility to provide the necessary platforms in order to facilitate effective discussion and engagement amongst local actors, to ensure that individuals and communities are collectively working towards assisting the Council and Borough to become carbon neutral by 2025 and 2030.

7. Monitoring and Reporting

Once a carbon footprint has been measured and a target set, a key part of the implementation phase is to ensure that progress is being made against the desired target. Monitoring and reporting is an essential activity that should be undertaken at least annually between the baseline year and target year, and indeed after the target year too.

Monitoring the data should be completed internally on a regular basis. This process should become streamlined as the necessary data sources and associated contacts/owners become familiar with the process and adopt best practice data management. An internal footprint will be undertaken using the 'Carbon Trust Footprint Calculator' (updated emission factors are used). Not only does the footprint need to be monitored but the progress of any carbon reduction opportunities should be actively monitored too, including implementation year, energy reduction and cost savings.

In addition to monitoring the footprint itself, the project team should continually monitor how local plans and policies will influence the ability of the council and the wider borough to reach respective carbon neutral targets. Continually monitoring how implemented/planned policies are likely to affect the Council's footprint will allow the project team to appropriately plan carbon reduction opportunities around selected policies, to ensure that a number of co-benefits can be delivered to the local area.

Reporting the annual carbon footprint is also essential. Not only does it ensure transparency from the council but also accountability if targets are not met. Reporting of results can be presented externally and be factored into annual reports and local plans. Progress reporting should be conducted on an annual basis and communicated to all members of the project team, with further results being published to wider stakeholders across the Borough to ensure full transparency. A key measure of success should be the annual emissions reductions achieved across the Council, alongside the overall progress towards meeting pre-determined KPIs. The necessary processes and mechanisms should also be put in place following key reporting periods, to ensure that progress remains on track towards achieving carbon neutral ambitions e.g. develop a tailored action plan for those areas of the Council that may be failing to meet pre-determined targets and KPIs.

Figure 16: Screenshots from Carbon Trust footprint calculator which will be shared with SBC

8. Carbon Offsetting

Despite the substantial carbon reductions achievable from the implementing projects outlined in this report, the council will still be emitting an estimated 1,481 tCO_2e in 2025. For the council to meet their carbon neutral target they will very likely need to consider offsetting these remaining carbon emissions. There are numerous methods for offsetting carbon emissions, each with their pros and cons, these methods along with the different principles involved in offsetting are discussed below.

Avoided Emissions vs Emissions Removal

Carbon offsetting can typically be categorised within three broad groups: Avoided natural depletion, avoided emissions and greenhouse gas removal. Examples of each of these are given below:

Avoided Natural Depletion

- Avoiding deforestation/protecting forests
- Protecting wetlands
- Protecting peatlands

Avoided Emissions

- Renewable energy projects
- Energy efficiency projects (LED lighting, boiler upgrade, etc.)
- Replacing cook stoves with clean alternatives

Greenhouse Gas Removal

Natural

- Forestation
- Ocean fertilisation
- Mineral Carbonisation

Engineered

- Direct air capture technologies
- Low carbon concrete

Although no definition has been formally agreed and accepted on what it means to be carbon neutral, the current Carbon Trust working definition is based on that provided by BSI PAS 2060[19] accounting standards. Under this definition, to achieve carbon neutrality the council must have a carbon reduction plan set and must then tackle residual emission through any high quality, certified offsetting method. The following sections provide some detail on how to start thinking about accounting for offset emissions, although it should be stated that there currently is no defined standard or methodology on how to account for offset emissions.

Tree Planting

Trees and organic matter are excellent vessels for removing CO_2 directly from the atmosphere and have the ability to fix this carbon through plant growth and directly into the soil. Tree planting as a carbon offsetting programme needs to be implemented carefully, ensuring a variety of tree varieties

[19] https://www.bsigroup.com/en-GB/PAS-2060-Carbon-Neutrality/

are planted to encourage an increase in biodiversity and avoid monocultures. Tree planting can be an activity carried out locally, involving the local community in both the planting of the trees and creating new green spaces for them to enjoy; alternatively, the council can support projects elsewhere in the UK or indeed internationally.

Tree planting as a form of greenhouse gas removals is a developing field. Whilst the science is clear that tress remove CO_2 from the atmosphere, how this is accounted for within carbon accounting has yet to be agreed on. A new accounting standard which explains how to deal with greenhouse gas removal is in development, being led by the World Resource Institute (those behind the GHG protocol) and the Carbon Trust. The new standard is due for public comment in 2021 and is primarily based on the IPCC 2006 Volume 4, Chapter 2 and 4[20].

In the meantime, estimates can be made as to how much CO_2 can be removed through tree planting – although any quoted figure must highlight that it is not in accordance with GHG protocol guidelines on emissions accounting. Important data that must be acquired include:

- Approximate annual tree growth (ha) - this would be based on age and species of the tree
- Location of the forest (the climate will affect the growth rate and subsequent choices of input data)
- Species of the trees, and if there is a mix of species to define the % of each species across the ha covered
- Risk of cutting them down (if they do cut them down, are all parts of the trees removed, do they leave some for decomposition, are the parts that are removed made for long-life or short-life products?).

It is possible then to estimate the lifetime carbon stored in a tree as well as the annual removal of emissions by the tree. For accounting purposes, the annual removal of CO_2 would be used – it would only be possible to use the whole life-time of a tree in a carbon account once.

If you assume a typical tree will absorb 10 $kgCO_2$ every year, the council will need to plant approximately 148,100 trees (to cover to full "offset"). This equates to a land area of almost 0.83 km^2 of woodland that would need to be planted. If thinking locally, this would be the equivalent of increasing the area of Elmley nature reserve by 4% (assuming this increase was all wooded area). When under taking local tree planting projects, it is important to keep records of tree type, number of said type, and age of tree (sapling/mature tree).

To fund tree planting activities elsewhere could cost between £10,000 and £25,000 per year depending on whether the tree planting is carried out internationally or in the UK respectively. There is no reason to suggest the council should only select one option, and the best mix of value, leadership, locality, and ambition may come from investing in a range of carbon offsetting measures.

Renewables

The ability to claim any carbon offsetting through investment in renewable energy is nuanced. This form of offsetting may only count as an offset in certain situations and can only really be used to offset scope 2 emissions.

[20] https://www.ipcc-nggip.iges.or.jp/public/2006gl/

Location versus Market Approach

At present there are two methodologies that can be used to account for scope 2 emissions, a location based or market-based approach. A location-based approach is the most frequently used and uses an emission factor based on all generating supplies of electricity to the grid (national grid). This is the approach that has been used within this report. The introduction of any renewable generators exporting to the grid is captured in a lower UK wide grid emission factor, that everyone benefits from within their carbon accounting.

Alternatively, a market-based approach looks at where the consumer of electricity purchases their electricity come from, such that if a consumer makes the conscious decision to purchase electricity from a 'green' supplier then this is accounted for in their carbon footprint. When a market-based approach is used and the footprint reported, the location-based footprint must always be reported alongside this.

Under a market-based approach if a consumer of electricity wishes to offset their entire scope 2 emissions, then they could simply ensure that they purchase electricity from a 'green' supplier that offers a 100% renewable tariff. Under a location-based approach this form of 'offsetting' wouldn't be possible.

Building Renewables

If the council aims to build any renewable energy generation facilities, then they will be able to potentially claim these as offsetting. Any on site renewables that provide electricity directly to Swale Borough Council owned assets will result in a reduction in electricity consumption (thus reducing the carbon footprint) - this has been suggested as a project for the Swale House refurbishment through installing roof top solar PV.

Building renewable generators where the electricity is exported to the grid or private wired elsewhere, wouldn't typically be considered an offset as this will result in double counting of emissions reductions where these are already captured through renewable energy certificates / guarantees of origin.

Investing in Renewables

Investing in renewables is an excellent means to engage with the local community and enable others to reduce their carbon footprint, an essential activity when considering borough wide emissions. However, as the carbon reductions will be accounted for elsewhere the council itself will not be able to realise any carbon reductions as an offset.

Offsetting Schemes

There are a variety of offsetting schemes available that have been 'gold certified' that can offer businesses and individuals the chance to offset the emissions they produce. Such schemes will involve carbon reduction projects such as tree planting, biodiversity restoration, international renewable installation. Furthermore, the government produces information for voluntary woodland creation projects under the woodland carbon code (WCC)[21].

[21] https://www.gov.uk/guidance/the-woodland-carbon-code-scheme-for-buyers-and-landowners

Engaging with a reputable offsetting provider is recommended to ensure the scheme matches expectations and social values.

Appendices

Appendix 1 – Carbon Inventory

Sources	Scope 1	Scope 2	Scope 3	Total
Business Travel	0.0	0.0	64.1	***64.1***
Contracts	0.0	0.0	2,016.9	***2,016.9***
Electricity	0.0	173.1	14.8	***187.9***
Fleet	32.0	0.0	7.6	***39.7***
Gas	152.8	0.0	21.2	***174.0***
Leased Buildings	0.0	0.0	0.0	***0.0***
Renewables	0.0	0.0	0.0	***0.0***
Waste	0.0	0.0	18.8	***18.8***
Water	0.0	0.0	18.0	***18.0***
Commuting	0.0	0.0	69.0	***69.0***
Grand Total	**184.8**	**173.1**	**2,230.4**	***2,588.3***

Appendix 2 – Project List

Swale House Assumptions

The following is a list of assumptions used in calculating the current system consumptions of Swale House as well as the potential to save from the refurbishment:

Constants

Item	Unit	Value
Average annual temperature difference (external/internal)	°C	10
Specific heat of air	kWh/(kg.K)	0.00027947
Density of air	Kg/m^3	1.225
Specific heat of water	kWh/(kg.K)	0.001105
Density of water	Kg/m^3	997
Water heating system temperature difference	°C	60
Hot water consumption	L/person	15
Solar PV capacity factor	%	10%

Swale House Fabric and systems

Item	Unit	Current	New
Wall U-value	W/m^2.K	1.4	0.2
Window U-value	W/m^2.K	4.5	1.5
Roof U-value	W/m^2.K	0.6	0.15
Air changes	m^3.hr	0.7	0.15
Boiler Efficiency	%	80%	90%
Air source heat pump	COP	-	2.5

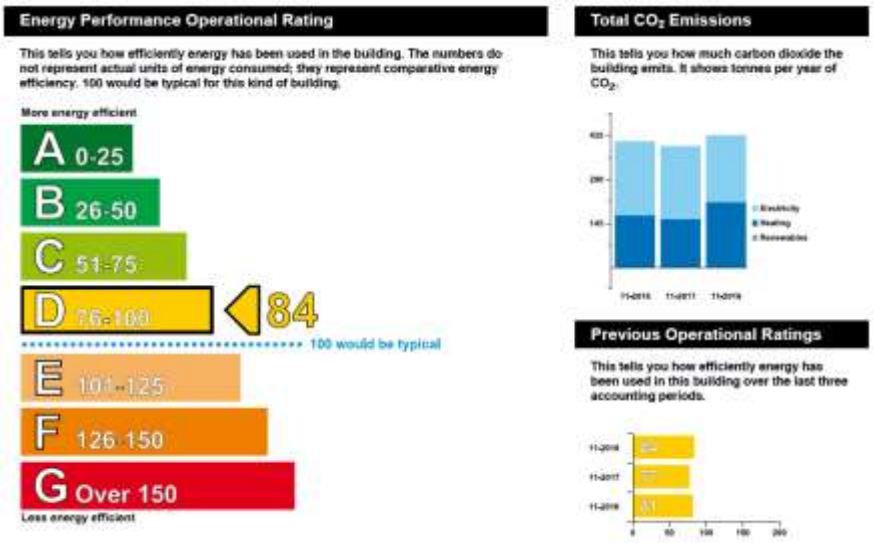
Swale House Dimensions

Item	Unit	Value
Total floor area	m^2	7714
Usable floor area	m^2	7063

Glazed area	m^2	897
Façade area (incl. glazing)	m^2	2991
Roof area	m^2	1976
Solar PV area	m^2	918
Building volume	m^3	18756

Swale House Energy

Non-Domestic Energy Performance Certificate



CIBSE Guideline Benchmarks for Typical Office System Consumption

Table 20.9 Offices: system and building energy benchmarks

System	Delivered energy for stated office type / (kW·h·m^{-2}) per year							
	Type 1		Type 2		Type 3		Type 4	
	Good practice	Typical	Good practice	Typical	Good practice	Typical	Good practice	Typical
Gas/oil heating and hot water	79	151	79	151	97	178	107	201
Catering gas	0	0	0	0	0	0	7	9
Cooling	0	0	1	2	14	31	21	41
Fans, pumps and controls	2	6	4	8	30	60	36	67
Humidification	0	0	0	0	8	18	12	23
Lighting	14	23	22	38	27	54	29	60
Office equipment	12	18	20	27	23	31	23	32
Catering electricity	2	3	3	5	5	6	13	15
Other electricity	3	4	4	5	7	8	13	15
Computer room	0	0	0	0	14	18	87	105
Total gas or oil	79	151	79	151	97	178	114	210
Total electricity	33	54	54	85	128	226	234	358

Note: Type 1: cellular naturally ventilated; Type 2: open plan naturally ventilated; Type 3: 'standard' air conditioned; Type 4: 'prestige' air conditioned

Yellow box highlights the type used as a reference for Swale House, relative values were calculated from the table.

Electric vehicle Register

Existing Model	2017/18 mileage	Contract expiry date	Replacement Model
Ford Ranger 4 x 4 Diesel	9390	August 2020	Iveco Daily (electric cab variant)
Nissan Navara Pick-Up Double Cab - Diesel	N/A	May 2022	Iveco Daily (electric cab variant)
Mitsubishi L200 - Diesel	N/A	April 2022	Iveco Daily (electric cab variant)
		August 2020	Nissan ENV 200
Fiat Doblo - Diesel	9683	August 2020	Nissan ENV 200
Fiat Doblo - Diesel	13081	August 2020	Nissan ENV 200
Fiat Doblo - Diesel	9850	August 2020	Nissan ENV 200
Fiat Doblo - Diesel	17129	August 2020	Nissan ENV 200
Fiat Fiorino Cargo 1.3 Diesel	8183	August 2020	Hyundai Ioniq
Citroen Berlingo 1.6 Hdi – Diesel	10752	August 2020	Nissan ENV 200
Citroen Berlingo 1.6 Hdi - Diesel	9467	August 2020	Nissan ENV 200
Jaguar XF (2L diesel)	3786	27th June 2020	Tesla Model 3
Ford Combo/ Transit	5114	Feb 2020 – cannot extend	Nissan ENV 200
N/A	N/A	N/A	Nissan ENV 200
Peugeot Electric	N/A	N/A	Peugeot Electric

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Council	**Agenda Item:**
Meeting Date	6 January 2021
Report Title	Treasury Management Half Year Report 2020/21
Cabinet Member	Cllr Roger Truelove, Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Nick Vickers, Chief Financial Officer
Lead Officer	Phil Wilson, Financial Services Manager & Olga Cole, Management Accountant
Key Decision	No
Classification	Open
Recommendations	1. To note the performance information in this report. 2. To approve the prudential and treasury management indicators within the report.

1. Purpose of Report and Executive Summary

1.1 The purpose of this report is to review the mid-year outturn position on treasury management transactions for 2020/21, including compliance with treasury limits and Prudential and Treasury Performance Indicators. The report was agreed by the Audit Committee on 25 November 2020.

1.2 The Treasury Management Strategy is underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services, which requires the Council to approve treasury management half-year and annual reports.

1.3 The Council's treasury management strategy for 2020/21 was approved at a meeting on 26 February 2020. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Council's treasury management strategy.

2. Background

Market Environment

2.1 Economic background: The spread of the coronavirus pandemic dominated during the period as countries around the world tried to manage the delicate balancing act of containing transmission of the virus while easing lockdown measures and getting their populations and economies working again.

2.2 The Bank of England (BoE) maintained Bank Rate at 0.1%. The potential use of negative interest rates was not ruled in or out by BoE policymakers.

2.3 Government initiatives continued to support the economy, with the furlough (Coronavirus Job Retention) scheme keeping almost 10 million workers in jobs, grants and loans to businesses.

2.4 Gross Domestic Product (GDP) growth contracted by 19.8% in Q2 2020 (April to June) according to the Office for National Statistics, pushing the annual growth rate down to -21.5%. Recent monthly estimates of GDP have shown growth recovering, with the latest rise of almost 7% in July, but even with the two previous monthly gains this still only makes up half of the lost output.

2.5 There are other alternatives to the use of the PWLB, such as borrowing from other councils, which is what we have done.

Borrowing

2.6 On 1 April 2020, the Council had 5 loans from other local authorities, totalling £25m. During the year, the Council borrowed an additional five loans from other local authorities for short-term cash flow purposes and repaid six loans. On 30 September 2020, the Council's external borrowing stood at £20 million. Further details of can be found in Appendix I.

Investments

2.7 The counterparties agreed by Cabinet and Council earlier this year, when the 2020/21 Treasury Strategy was approved are:

Counterparty	**Cash Limits**
Debt Management Office (Debt Management Account Deposit Facility) and Treasury Bills	Unlimited
Local Authorities	£3m
Major UK banks / building societies. (Barclays, HSBC, Lloyds Banking Group, RBS Group, Santander UK, Nationwide, Standard Chartered) unsecured deposits	£3m
Svenska Handelsbanken unsecured deposits	£3m
Leeds Building Society unsecured deposits	£1.5m
Close Brothers unsecured deposits	£1.5m
Money Market Funds	£3m each
Pooled Funds e.g. Absolute return, Equity income, Corporate Bond Funds	£3m each
CCLA Property Fund	£3m
Supranational Bonds	£3m in aggregate
Corporate Bonds	£3m in aggregate

Counterparty	Cash Limits
Non treasury investments	To be agreed on a case by case basis
Covered Bonds	£3m in aggregate with £1m limit per bank

2.8 Investments of £24.7m held at 30 September 2020 and further details can be found in Appendix I.

2.9 Interest income received for the first half of 2020/21 was £88,494.41.

2.10 For the six months to 30 September 2020, the Council maintained an average sum invested of £41.4m compared with an original budget of £26m, and an average rate of return of 0.43% compared to a budget of 0.77%.

2.11 The results for the six months to 30 September 2020 show that the Council achieved 0.48% average return above the average 7 day London Interbank Bid Rate (LIBID) and 0.33% average return rate above the average Bank of England Base Rate.

2.12 The Council has £3m invested in an externally managed property fund which is the CCLA property fund which generated an average total return of 3.97%, comprising a £59,596.03 income return. Since this fund has no defined maturity date, but is available for withdrawal after a notice period, its performance and continued suitability in meeting the Council's investment objectives are regularly reviewed. In light of its performance and the Council's latest cash flow forecasts, investment in this fund has been maintained.

Compliance with Prudential Indicators

2.13 The Council can confirm that it has complied with its Prudential Indicators for 2020/21 which were set in February 2020 as part of the Council's Treasury Management Strategy Statement. The Council is required to report on the highly technical Prudential Indicators. There are no issues of concern to highlight with members. The indicators are based on approved commitments and the current budget.

2.14 Prudential and Treasury Management Indicators are set out in Appendix II.

3. Proposals

3.1 No changes are proposed at this stage.

4. Alternative Options

4.1 The Chief Financial Officer will consider changes to the counterparty criteria with reference to the Council's agreed policy with regard to risk.

5. Consultation Undertaken

5.1 Consultation has been undertaken with Arlingclose.

6. Implications

Issue	Implications
Corporate Plan	Supports delivery of the Council's objectives.
Financial, Resource and Property	As detailed in the report.
Legal, Statutory and Procurement	Need to comply with MHCLG guidance on treasury management.
Crime and Disorder	Following CIPFA's Treasury Management Code of Practice is important to avoid involvement in potential fraud or money laundering.
Environment and Sustainability	The Council does not own any shares or corporate bonds so there are no ethical investment consideration to be met.
Health and Wellbeing	Not relevant to this report
Risk Management and Health and Safety	Risk is controlled through adherence to specific guidance included in CIPFA's Treasury Management Code of Practice. The principle of security of funds over-rides investment performance.
Equality and Diversity	Not relevant to this report
Privacy and Data Protection	Not relevant to this report

7. Appendices

7.1 The following documents are to be published with this report and form part of the report.

- Appendix I: Investments and Borrowing as at 30 September 2020
- Appendix II: Prudential and Treasury Management Indicators

8. Background Papers

None

Appendix I

Investments and Borrowings as at 30 September 2020

Counterparty	Long-Term Rating	Balance Invested & Borrowed at 30 September 2020 £'000
Money Market Funds		
Invesco Money Market Fund	AAAmmf	3,000
Deutsche Money Market Fund	AAAmmf	3,000
Goldman Sachs Money Market Fund	AAAmmf	3,000
Aberdeen Money Market Fund	AAAmmf	3,000
Black Rock Money Market Fund	AAAmmf	3,000
JP Morgan Money Market Fund	AAAmmf	3,000
Morgan Stanley Money Market Fund	AAAmmf	3,000
SSGA Money Market Fund	AAAmmf	670
CCLA Property Fund		3,000
Total Money Market and Property Funds		**24,670**
TOTAL INVESTMENTS	**Maturity Date**	**£'000**
Greater London Authority	17/12/2020	-5,000
Brighton and Hove City Council	20/07/2021	-5,000
London Borough of Havering	24/08/2021	-5,000
London Borough of Islington	01/03/2021	-5,000
TOTAL BORROWING		**-20,000**

The Ratings above are from Fitch credit rating agency. The Long-Term Rating is the benchmark measure of probability of default. These ratings are shown for illustrative purposes only, as the Council uses the lowest rating across three agencies on which to base its decisions.

AAAmmf: Fund have very strong ability to meet the dual objective of providing liquidity and preserving capital

Appendix I

Investments and Borrowings as at 30 September 2020

Investment Activity in 2020/21

Investments	Balance on 01/04/2020 £'000	Investments Made £'000	Investments Repaid £'000	Balance on 30/09/2020 £'000	Average Rate %
Short Term Investments and Cash and Cash Equivalents	21,238	138,980	(138,548)	21,670	0.43
Long Term Investments	3,000	0	0	3,000	3.97
TOTAL INVESTMENTS	**24,238**	**138,980**	**(138,548)**	**24,670**	

Borrowing Activity in 2020/21

Borrowing	Balance on 01/04/2020 £'000	Borrowing Made £'000	Borrowing Repaid £'000	Balance on 30/09/2020 £'000	Average Rate %
External Borrowing	25,000	30,000	(35,000)	20,000	0.95
Total Borrowing	**25,000**	**30,000**	**(35,000)**	**20,000**	

Non-Treasury Investments

The definition of investments covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial return. The Council holds £3.6m of a long-standing portfolio of 13 investment properties within the borough. These investments are expected to generate £0.2m of investment income for the Council after taking account of direct costs, representing a rate of return of 6%.

Appendix II

Prudential and Treasury Management Indicators

1. Background

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in local authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Capital Financing Requirement (CFR)

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

Capital Financing Requirement	**2019/20 Actual**	**2020/21 Estimate**	**2021/22 Estimate**	**2022/23 Estimate**
	£'000	**£'000**	**£'000**	**£'000**
Capital Financing Requirements	41,961	43,736	42,859	41,981
External Borrowing	(25,000)	(5,000)	0	0
Cumulative External Borrowing Requirements	**16,961**	**38,736**	**42,859**	**41,981**

External Borrowing: as at 30 September 2020 the Council had £20 million of external borrowing – please see Appendix I for further details.

3. Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure and Financing	**2019/20 Actual**	**2020/21 Estimate**	**2021/22 Estimate**	**2022/23 Estimate**
	£'000	**£'000**	**£'000**	**£'000**
Total Expenditure	**19,099**	**8,849**	**2,697**	**2,303**
Revenue contributions	873	640	409	63
Capital receipts	298	848	0	0
Grants and other contributions	3,098	4,699	2,288	2,240
Internal/ External borrowing	14,830	2,662	0	0
Total Financing	**19,099**	**8,849**	**2,697**	**2,303**

4. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability, highlighting the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code. The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	**2019/20 Actual %**	**2020/21 Estimate %**	**2021/22 Estimate %**	**2022/23 Estimate %**
Total	2.78	4.41	4.23	4.13

5. Actual External Debt

This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 30/09/2020	**£'000**
Borrowing	20,000
Other Long-term Liabilities	0
Total	**20,000**

6. Authorised Limit and Operational Boundary for External Debt

The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long- and short-term borrowing, overdrawn bank balances and long-term liabilities). This Prudential Indicator separately identifies borrowing from other long-term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing, and its approved treasury management strategy and practices.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Appendix II

Prudential and Treasury Management Indicators

Authorised Limit for External Debt	**2020/21 Estimate £'000**	**2021/22 Estimate £'000**	**2022/23 Estimate £'000**
Borrowing	55,000	55,000	55,000
Other Long-term Liabilities	2,000	2,000	2,000
Total	**57,000**	**57,000**	**57,000**

The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst-case scenario but without the additional headroom included within the Authorised Limit.

Operational Boundary	**2020/21 Estimate £'000**	**2021/22 Estimate £'000**	**2022/23 Estimate £'000**
Borrowing	45,000	45,000	45,000
Other Long-term Liabilities	500	500	500
Total Debt	**45,500**	**45,500**	**45,500**

The Chief Financial Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during the period to 30 September 2020.

Prudential and Treasury Management Indicators

7. Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums (i.e. fixed rate debt net of fixed rate investments).

Upper Limit for Interest Rate Exposure	**Existing level at 30/09/20**	**2020/21 Approved Limit**	**2021/22 Approved Limit**	**2022/23 Approved Limit**
Interest on fixed rate borrowing	100%	100%	100%	100%
Interest on fixed rate investments	0%	-100%	-100%	-100%
Upper Limit for Fixed Interest Rate Exposure	**100%**	**0%**	**0%**	**0%**
Interest on variable rate borrowing	0%	100%	100%	100%
Interest on variable rate investments	-100%	-100%	-100%	-100%
Upper Limit for Variable Interest Rate Exposure	**-100%**	**0%**	**0%**	**0%**

8. Maturity Structure of Borrowing

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. It is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

Maturity structure of fixed rate borrowing	**Existing level at 30/09/20 %**	**Lower Limit for 2020/21 %**	**Upper Limit for 2020/21 %**	**Complied**
Under 12 months	50	0	100	✓
12 months and within 24 months	50	0	100	✓
24 months and within 5 years	0	0	100	✓
5 years and within 10 years	0	0	100	✓
10 years and above	0	0	100	✓

9. Credit Risk

The Council considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- sovereign support mechanisms;
- credit default swaps (where quoted);
- share prices (where available);
- economic fundamentals, such as a country's net debt as a percentage of its GDP;
- corporate developments, news, articles, markets sentiment and momentum; and
- subjective overlay.

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

The Chief Financial Officer confirms that there were no breaches to counterparty limits or credit ratings at the time of placing investments.

10. Principal Sums Invested for Periods Longer than over 364 days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Total Principal Sums Invested Over 364 Days	**2020/21 £'000**
Upper Limit Estimate	10,000
Actual	3,000
Complied?	✓

Prudential and Treasury Management Indicators

11. Investment Benchmarking for the six months to 30 September 2020

Average Actual Return on Investments	Original Estimate Return on Investments	Average Bank Base Rate	Average 7 day LIBID Rate
0.43%	0.77%	0.10%	(0.05%)

Council	
Meeting Date	6 January 2021
Report Title	**Report of standards subcommittee 26 November 2020**
Cabinet Member	Not applicable
SMT Lead	David Clifford, as monitoring officer
Head of Service	
Lead Officer	
Key Decision	No
Classification	**Open**
Recommendations	Council is asked to ***note*** the findings of the standards subcommittee held on 26 November 2020.

1 Purpose of Report and Executive Summary

1.1 On 26 November 2020 a hearing was held by the standards subcommittee relating to complaints under the code of conduct against Cllr Alan Horton. This report updates council on the subcommittee's finding.

2 Background

2.1 Comments made by Cllr Horton at the meeting of the full council in June resulted in a number of complaints to the monitoring officer from council members and members of the public.

2.2 The report of the monitoring officer made a preliminary finding that Cllr Horton's comments amounted to a breach of the code of conduct, and recommended that a standards subcommittee should be held to make a definitive finding. This meeting was held on 26 November.

2.3 Further details of the complaints and the decisions of the subcommittee are provided in the decision notice at Appendix I.

3 Proposals

3.1 The subcommittee considered the relevant evidence, as well as the views of Cllr Horton, the monitoring officer and the council's two independent persons appointed under s28 of the Localism Act. It subsequently determined that there had been a breach of the following paragraphs of the code of conduct:

- Paragraph 9: *Valuing my colleagues and staff and engaging with them in an appropriate manner and one that underpins the mutual respect between us that is essential to good local government*.

- Paragraph 10: *Always treating people with respect, including the organisations and public I engage with and those I work alongside*.

3.2 The subcommittee resolved that Cllr Horton should make a full public apology, and noted that this had in fact occurred at the first appropriate opportunity, which had been the annual council meeting in July.

3.3 The subcommittee further resolved that the finding should be reported to full council, and that the monitoring officer be asked to write to all members to remind them of their obligations under the code of conduct. These actions have been implemented.

3.4 Council is now ***recommended*** to note the findings of the standards subcommittee as set out above and at Appendix I.

4 Alternative Options

4.1 As the report is solely for noting, there are no alternative options.

5 Consultation Undertaken or Proposed

5.1 Not applicable.

6 Implications

Issue	**Implications**
Corporate Plan	The promotion of high standards of member conduct contributes to the corporate priority 'Renewing local democracy and making the council fit for the future'.
Financial, Resource and Property	None identified at this stage.
Legal, Statutory and Procurement	None identified at this stage.
Crime and Disorder	None identified at this stage.
Climate and Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	While this report refers to a specific individual, the standards subcommittee resolved to hear the matter in public, and all relevant information is therefore already in the public

	domain.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Standards subcommittee decision notice: complaint No. 14/20

8 Background Papers

8.1 Agenda pack (including monitoring officer's report) and minutes of the standards subcommittee meeting, available here.

Appendix I

SWALE BOROUGH COUNCIL – STANDARDS HEARING SUBCOMMITTEE

DECISION NOTICE

Complaint No: SBC 014-20

On 26 November 2020, a standards hearing subcommittee of Swale Borough Council considered a report of the monitoring officer into the alleged conduct of Cllr Alan Horton, a member of Swale Borough Council.

Complaint summary

A total of 20 complainants alleged that Cllr Horton breached the members' code of conduct by making unsubstantiated allegations of probable criminal misconduct against Swale cabinet members during a meeting of the full council on 17 June 2020.

Consultation with independent persons

The independent persons concluded that from the evidence presented the subject member had breached paragraphs 9 and 10 of the Code of Conduct.

Findings

The standards hearing subcommittee noted that Cllr Horton had not raised any points of difference with regard to the facts as stated in the monitoring officer's report, and further that Cllr Horton had agreed with the monitoring officer's preliminary finding that the former's conduct amounted to a breach of paragraphs 9 and 10 of the code of conduct.

After considering the content of the report and oral submissions by the investing officer and the subject member, as well as the views of the independent persons, the standards hearing subcommittee reached the following decision(s):

1. That there had been a breach of paragraph 9 of the code of conduct, which refers to "Valuing my colleagues and staff and engaging with them in an appropriate manner and one that underpins the mutual respect between us that is essential to good local government".

2. That there had also been a breach of Paragraph 10 of the code of conduct, which refers to "Always treating people with respect, including the organisations and public I engage with and those I work alongside".

Sanctions applied

The subcommittee solicited the opinions of the monitoring officer and the independent persons as to whether a sanction should be applied. The subcommittee also consulted Cllr Horton on this point, noting that he did not wish to make any comment regarding the existence or otherwise of mitigating circumstances.

The subcommittee determined that the appropriate sanction was for Cllr Horton to make a public apology. The subcommittee noted that a full public apology had in fact already been made at the full council meeting following that at which the breach of the code of conduct had occurred, and therefore considered that this obligation had been discharged.

The subcommittee determined that its finding and the sanction applied should be reported to a meeting of the full council.

Recommendations for promoting high standards of conduct

The standards hearing subcommittee recommended that the monitoring officer write to all Swale councillors to remind them of their obligations under the code of conduct.

Appeal

There is no right of appeal against the standards hearing subcommittee's decision.

Notification of decision

This decision notice is sent to:

- Cllr Alan Horton
- Complainants
- Monitoring Officer

Additional help

If you need additional support in relation to this decision notice or future contact with the Borough Council, please let us know as soon as possible. If you have difficulty reading this notice, we can make reasonable adjustments to assist you, in line with the requirements of the Equality Act 2010. We can also help if English is not your first language.

If you require additional assistance, in the first instance please contact the monitoring officer on 01795 417269.

Signed:…….. **Date…….** **4 December 2021**

Councillor Hannah Perkin
Chair of the Standards Hearing Subcommittee

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Council: 6 January 2021

Recommendations for Approval

Council is asked to note the following recommendations:

General Purposes Committee Meeting – 16 December 2020

Minute no. 344 – Amendments to Contract Standing Orders

Recommended:

(1) That the proposed amendments to Contract Standing Orders be approved, with the following further amendment to paragraph 8.4 of the Contract Standing Orders:

'Electronic signatures may be used by both the Council and the Supplier in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Head of Legal Partnership. The Council shall use suitable, free software, such as Adobe, to create electronic signatures.'

Minute No. 345 – Electronic Signatures and Document Sealing

Recommended:

(1) That the minor amendments to the Constitution as set out in paragraph 3.1 of the report be approved, with the following further amendment to paragraph 8.4 of the Contract Standing Orders:

'Electronic signatures may be used by both the Council and the Supplier in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Head of Legal Partnership. The Council shall use suitable, free software, such as Adobe, to create electronic signatures.'

Cabinet Meeting – 16 December 2020

Minute no. 349 – Medium Term Financial Plan and 2021/22 Budget

Recommended:

(1) That the draft 2020/21 revenue and capital budgets be endorsed.

(2) That the Medium Term Financial Plan be endorsed.

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