Committee Name: **Climate and Environment Emergency Executive Panel**

Committee Date: **18/07/2023**

Report Title: **NI185 Emissions Reporting 2021/2022**

Portfolio: Councillor Hampton, Cabinet member for climate change

Report from: Head of strategy, engagement and culture

Wards: All

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Purpose

To brief the panel on the results of the NI185 emissions reporting for the 2021/22 financial year, and the audit of previous emissions accounting years.

Recommendation

To review and comment on this report.

Policy Framework

The Council's 2022-2026 Corporate Plan outlines 5 cross-cutting aims.

Aim 2 specifies that:

> *Norwich is a sustainable and healthy city.*

Within Aim 2, the Corporate Plan establishes the following priorities:

- *Reduce carbon emissions, protect the environment and adapt to climate change, both in the council's own operations and more widely.*

Report Details

Background

1. National Indicator (NI) 185 was a statutory reporting requirement of the now defunct Department of Energy & Climate Change. Whilst the statutory requirement to report NI185 emissions ceased in 2013, the Council has continued to use the NI185 scope and methodology to measure and report emissions against a 2007/08 baseline. Other local authorities continue to report emissions according to NI185 in the same way.

2. The NI185 reporting protocol covers the council's scope 1, 2, and a subset of scope 3 emissions. The subset of scope 3 emissions for NI185 reporting has historically only included the emissions from major procurement contracts.

    - **Scope 1** covers emissions from assets directly under the control of the Council e.g. emissions from fuel in our fleet vehicles and heating fuel for buildings.
    - **Scope 2** emissions are those that an organisation causes indirectly e.g. emissions from producing the electricity (generated by others) used in buildings.
    - **Scope 3** encompasses emissions that are not produced by the organisation itself and do not result from the use of its assets, but by those that it's indirectly responsible for in its value chain (both upstream and downstream). This includes procured goods and services, as well as the value it creates such as the provision of housing and leased buildings.

3. Determining the organisational boundary, particularly for a local authority, is a complex task. The historical approach chosen was based on the original guidance for NI185, which stated that: *"The indicator is to include all CO_2 emissions from the delivery of local authority functions. It covers all of an authority's own operations and outsourced services."* Following an assessment at the time of the main outsourced services associated with the Council's functions, leisure centres, street services and housing support services were included. The Council has historically excluded emissions from general needs HRA housing but included sheltered housing schemes.

4. In 2022, the Council's Environmental Strategy Team commissioned Small World Consulting Ltd (henceforth SWC), specialists in carbon measurement and auditing, to undertake an external audit of the Council's NI185 emissions for the 2021/22 financial year, and also to audit the results of previous emissions reporting years where data was available. The main aim of the exercise has been to align the Council's reporting methodology to the Green House Gas Protocol (GHGP). The GHGP is used universally and internationally by large organisations.

5. The work with SWC also included an exercise to analyse the full scope of the Council's scope 3 emissions, including those not previously included under NI185. The results of this work are currently being finalised and will be published in due course.

Emissions Analysis and Reporting – Results and Key Findings

6. While undertaking the exercise to determine the councils NI185 emissions for the 21/22 financial year, SWC also audited previous years dating back to 2012,

aligning it with the GHGP. The audit could not be extended further due to a lack of available data.

7. The audit identified a small number of inconsistencies, over previous years, between NI185 and GHGP, which impact the final figures reported. It also found that emissions were reported under the wrong scope in some instances (contractors' emissions were reported as Scope 1 and 2, whereas they are now reported correctly under Scope 3). SWC's input means that a robust and repeatable approach has now been put in place for reporting future years.

8. The analysis of the Council's 21/22 emissions demonstrates further progress towards meeting the Council's 2030 net-zero target. The reporting period for this exercise is 1 April 2021 to 31 March 2022.

9. The Council's total annual emissions for the 21/22 financial year were 3,610,144 kg CO_2e[1], a 6.8% reduction on the 20/21 figure (3,873,327 kg CO_2e). This latest figure means that as of 31 March 2022, Norwich City Council has made a 66.1% reduction against the council's 2007/08 baseline with the revised methodology. It is important to note that the years prior to 2012/13 remain *unaudited* due to a lack of available data, and so a direct comparison with the old methodology needs to be treated with caution.

10. The overriding purpose of undertaking a comprehensive audit of our emissions is to derive a robust and accurate *current* baseline upon which we can base the council's new Carbon Management Plan. While comparisons to 2007 are useful to demonstrate overall progress, it is more crucial that we accurately understand more recent years as we seek to reach net-zero by 2030.

11. A breakdown of emissions for 21/22 is shown in the table below.

[1] Carbon dioxide equivalent (CO_2e) is a measure to compare emissions from all greenhouse gases based on their global warming potential (GWP).

Scope 1 - Direct emissions (e.g. onsite fuel consumption; gas/vehicles)	CO_2e (kg)
Gas from buildings (council) – kWh	2,308,328
Fuel in fleet vehicles (council) - L diesel	-
Fuel in fleet vehicles (council) – L petrol	6,895
TOTAL SCOPE 1	2,315,223
Scope 2 (net) - Energy Indirect	**CO_2e (kg)**
Electricity in buildings (council) – kWh	- [2]
TOTAL SCOPE 2 (net)	-
Scope 3 - Other indirect (e.g. business travel, contractors)	**CO_2e (kg)**
Transmission and distribution of electricity	125,893
Gas from buildings (contractors) – kWh	15,320
Electricity in buildings (contractor) – kWh	62,464
Grey fleet e.g. private cars	4,677
Taxis	424
Flights	0
Trains	1,325
Contractors' vehicle use	1,084,818
TOTAL SCOPE 3	**1,294,921**
Grand total net CO_2e (kg)	**3,610,144**

12. Since the 2007/08 baseline year, this equates to an annual average reduction of 7% pa, exceeding the current 3% Corporate Plan commitment. All previous years can be seen in the table in Appendix 1.

13. The reduction in 21/22 predominantly comes from three main aspects: internal energy-saving projects, building rationalisation and contractor fuel use reduction. These points are discussed below.

14. Energy-saving projects undertaken in 21-22 include:

- Multi-story carpark lighting upgrade (annual saving of 22.3 tCO_2e).
- Norwich City Hall boiler upgrade (annual saving of 48.7 tCO_2e).
- Norwich City Hall lighting upgrade (annual saving of 1.1 tCO_2e).
- District lighting upgrades (annual saving of 0.67 tCO_2e).

15. Building rationalisation refers to three buildings that were previously included in our NI185 emissions reporting that are no longer classed as council operational buildings and are thus now outside of the council's organisational reporting boundary. These three buildings were previously used for sheltered housing but are now either leased to third parties or have been subsumed into the general needs social housing stock. The Council's climate action plan currently in development will include an updated carbon management plan. This new plan will determine how the emissions from these three buildings will be treated in future years.

[2] Electricity emissions are zero because all supply is 100% renewable, meeting the technical requirements of the Greenhouse Gas Protocol.

16. Compared to the previous 5-year (2016-2020) average, emissions from contractor fuel use dropped by 42% in 2021-22. This decrease falls within the Council's scope 3 emissions.

17. It is also worth noting that the overall emissions decrease has occurred in the face of an increase in gas use from Council operational buildings as normal working patterns returned following the COVID-19 lockdown of 20/21.

18. It is also likely that other aspects of Council activity/operation increased during this period, which would have further increased certain sources of emissions against the previous year. With this in mind, the 6.8% decrease in annual emissions represents a significant reduction.

Implications and Next Steps

19. The outcome of this analysis highlights a successful year of GHG emissions reduction, nonetheless it still crystallises the need for continued and ambitious climate action for Norwich City Council to reach its 2030 net-zero target.

20. Having successfully reduced our emissions over a fifteen-year period, it will become increasingly challenging to continue to reduce carbon emissions each year, particularly in difficult economic times.

21. The outcomes of the work with SWC, which have included a detailed understanding of where the Council's emissions lie across all scopes, will inform the forthcoming Carbon Management Plan, which will set out the Council's pathway to achieving it's 2030 net-zero target.

22. An exercise is underway to consider the scope of future emissions reporting, building on the work of SWC, to include the Council's full range of scope 3 emissions, both upstream and downstream.

23. Once the final 21/22 Carbon Footprint report has been published publicly, the process to begin quantifying the Council's emissions for the 2022/23 financial year, will begin.

Property and Economic Development Implications

24. There are no direct implications of this report itself but achieving the Council's net-zero 2030 target will have considerable implications on Council operations. A new carbon management plan is being developed as part of the Council's Climate Action Plan.

Financial and Resources

25. There are no direct implications of this report itself, but achieving the Council's net-zero target will have considerable financial and resource implications. A new carbon management plan is being developed as part of the Council's Climate Action Plan.

Legal

26. NA

Statutory Considerations

Consideration	**Details of any implications and proposed measures to address:**
Equality and Diversity	NA
Health, Social and Economic Impact	NA
Crime and Disorder	NA
Children and Adults Safeguarding	NA
Environmental Impact	This report acts to highlight the Council's emissions and illustrate where emissions reductions need to be made.

Risk Management

Risk	**Consequence**	**Controls Required**
NA	NA	NA

Other Options Considered: NA

Reasons for the decision/recommendation: NA

Background papers: NA

Appendices:
Appendix 1: A table showing all the current and previous emissions reporting years, broken down by scope.

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Appendix 1:

The current 2021/22 reporting year and all previous years, broken down by scope. Those highlighted in red are unaudited (see points 6 and 7)

	GHG emission data for period 1 April 2021 to 31 March 2022 (restated)														
	Global kg of CO_2e														
	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Scope 1	2,315,223	2,225,456	2,546,198	2,868,441	2,719,707	2,599,264	2,490,424	2,666,097	3,089,996	3,445,387	2,804,900	3,549,707	3,745,825	3,873,933	1,682,048
Scope 2	1,422,611	1,594,476	2,060,326	2,142,562	2,572,790	2,623,878	3,578,868	3,924,258	3,204,539	3,708,865	3,621,428	3,972,326	4,311,715	4,691,648	6,603,828
Scope 3	1,294,921	1,647,871	1,866,694	2,230,283	2,563,956	2,677,929	2,771,323	2,669,831	1,948,009	1,816,041	2,884,175	1,821,824	2,173,565	2,167,385	2,355,434
Total gross emission	**5,032,755**	**5,467,804**	**6,473,218**	**7,241,286**	**7,856,452**	**7,901,071**	**8,840,615**	**9,260,186**	**8,242,544**	**8,970,293**	**9,310,502**	**9,343,857**	**10,231,105**	**10,732,966**	**10,641,310**
Carbon offsets	n/a	n/a	20,177	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Green tariff	1,422,611	1,594,476	2,060,326	2,142,562	2,572,790	920,543	-	-	-	-	-	n/a	n/a	n/a	n/a
Total annual net emissions	**3,610,144**	**3,873,327**	**4,392,715**	**5,098,724**	**5,283,662**	**6,980,528**	**8,840,615**	**9,260,186**	**8,242,544**	**8,970,293**	**9,310,502**	**9,343,857**	**10,231,105**	**10,732,966**	**10,641,310**
% Change on Previous	**-6.8%**	**-11.8%**	**-13.8%**	**-3.5%**	**-24.3%**	**-21%**	**-4.5%**	**12.3%**	**-8.1%**	**-3.7%**	**-0.4%**	**-8.7%**	**-4.7%**	**0.9%**	**N/A**