

Divisions Affected - ALL

CABINET 19 November 2024

CLIMATE ACTION PROGRAMME SIX MONTH UPDATE

Report by Director of Economy and Place

RECOMMENDATION

Cabinet is RECOMMENDED to:

- a. Note the biannual update on the delivery of the Climate Action Programme (Annex 1) and linked requests in the budget setting process.
- b. Note the greenhouse gas emissions reports for wider Oxfordshire area (Annex 2) which will be presented to the Future Oxfordshire Partnership Board on 26 November 2024

Executive Summary

1. This report is a six-monthly update to cabinet on the delivery of the 2024/25 Climate Action Programme workstreams. Annex 1 includes a status update on workstreams agreed by Cabinet in early 2024.
2. The report provides an overview of the council's Carbon Management Plan 2030 delivery. Capital programme workstreams are progressing to support the decarbonisation and resilience of the council's fleet and property. This investment will reduce emissions by a further 64% compared to 2019/20 over the next three years.
3. National data has now been published showing emissions profiles in Oxfordshire up to 2022. The data is influenced by both national policy and Oxfordshire interventions such as planning, transport and business activity. Oxfordshire emissions are within the Committee on Climate Change carbon budgets but are not in step with the more ambitious Oxfordshire Leading the Way pathway as set in the Oxfordshire Net Zero Route Map and Action Plan (ONZRMAP). The council needs to continue to engage with central government to influence policy and programmes that support Oxfordshire's decarbonisation ambitions.
4. The most significant risks to the delivery of the Climate Action Programme include any delays to property and fleet decarbonisation works, a lack of grid capacity to support new electric vehicle and renewable energy infrastructure, and the recognition of further investment needed to reach net zero on our estate.
5. Officers will be reviewing the council's carbon management in light of new policy both within the council and nationally that will decrease the council's residual emissions for offset.
6. Finally, the report provides a summary of commitments in the new government manifesto and how the programme is seeking to align with these. The new public affairs function of the council will allow the council to do more targeted work with central

government on the policy interventions needed to deliver the national and locally ambitious climate targets.

Climate Action Programme Update

7. The Climate Action Programme is developed under three programme pillars: becoming a climate active council, decarbonising our estate and operations, and enabling Oxfordshire's transition to net zero.
8. The actions have been developed from the priorities and commitments in the [Climate Action Framework](#). Annex 1 provides cabinet with an overview of the progress under each of the actions since April 2024.
9. Most workstreams are green rated. Securing the support of all Future Oxfordshire Partnership partners and funding allocation from the Capacity Fund of £600k to complete Local Area Energy Planning in all Districts was a key milestone in this period. This work aims to convert the council's pathway to net zero into an infrastructure plan, as well as working with the Distribution Network Operators to understand impact on grid and need for network upgrades to inform their business planning.
10. The council is consulting with partners on an adaptation strategy and is consulting on its Local Nature Recovery Strategy between October and November 2024. Oxfordshire Local Enterprise Partnership is developing a green investment prospectus.
11. There are a number of actions rated amber due to resource constraints delaying milestones, but which have been picked up again during autumn 2024. This includes work on the biodiversity net gain policy and Circular Economy Strategy where new policy areas are being developed within existing resource creating some risks to delivery. Directors are reviewing the resource needs for a new EV strategy as this work moves from the Innovation service into business as usual.
12. The only action rated red is the delivery of the Local Energy Oxfordshire Neighbourhoods (LEO-N). The partnership bid for a 4-year multi-million pound programme to continue the work programme under LEO was unsuccessful in the current funding round with Ofgem. This partnership project would have allowed continuation of the partnership work between Low Carbon Hub, SSE, Oxford University and the councils to grow the Smart and Fair Neighbourhood trials addressing grid constraints and decarbonising communities. The partnership will be looking for alternative ways to fund the multi-year programme, including a possible resubmission to Ofgem.

Enabling Oxfordshire's Transition to Net Zero

13. An annual update on the greenhouse gas emissions for the county is provided in Annex 2 from national data published by Department of Energy Security and Net Zero two years in arrears.
14. Sources in Oxfordshire accounted for 4,063.9 ktCO₂e in 2022, equivalent to 5.5 tCO₂e per person, above the national average (5.1 tCO₂e) following national trends for emissions to correlate with household income. Transport continues to be the highest emitting sector, accounting for over one third (38%) of all emissions.

15. The COVID-19 pandemic had an impact on global, national and county CO₂ emissions through widespread lockdowns and changes to business-as-usual behaviours. Greenhouse gas emissions rebounded in 2021 at national and local levels, however in 2022 national and local greenhouse gas emissions reduced in England and Oxfordshire.
16. The Oxfordshire Net Zero Route Map and Action Plan (ONZRMAP) has provided five-yearly countywide carbon budgets which map the county's total CO₂ emissions under a trajectory to net zero in 2050. These budgets were set under the 'Oxfordshire Leading the Way' scenario, which combined widespread cultural and behavioural change with high deployment of new local electricity generation. This is an ambitious pathway that goes beyond national commitments, and the carbon budgets reflect this level of ambition.
17. The ONZRMAP requires an annual average reduction of 9% between 2021 and 2025 to stay within the five-year cumulative budget. Divided equally this allows for 3,374 kt CO₂ to be emitted each year for the first budget period.
18. A total of 3,413 kt CO₂ was emitted in 2022, accounting for 20.2% of the 2021-2025 budget. Between 2021 and 2022 CO₂ emissions decreased by 5%.
19. Since the COVID-19 pandemic, emissions have rebounded and have not decreased at the rate necessary to stay within the carbon budgets outlined in the ONZRMAP. Oxfordshire is still within the carbon budget set by the Climate Change Committee. Extrapolation of historic CO₂ emissions data suggests that the county is likely to recover its position in relation to the ONZRMAP carbon budgets within this budget period.
20. A comparison with other local authorities in England with a similar profile to Oxfordshire shows that the level of reduction in annual emissions within the county is consistent with these comparator authorities.
21. External factors affect Oxfordshire's carbon emissions, such as the carbon intensity of the grid. This increased up to 2021 due to the proportion of gas and coal in the fuel mix but has been decreasing since this point.
22. Further action is needed particularly on the two areas which make up the majority of the county's annual emissions: transport and domestic emissions, including work with central government on policy and funding. As set out in paragraph 454545, there is a key opportunity to realign Oxfordshire's ambitions with the new government given its push to accelerate grid decarbonisation, continue with domestic retrofit programmes, reform national planning policy and pledge to restore the petrol and diesel ban to 2030. Our new Public Affairs function will be key to working with central government on the funding and powers for Oxfordshire to meet its net zero ambitions, and to reinstate prior commitments such as the 2035 ban on gas boilers for new homes.
23. From a green finance perspective, the new Oxfordshire Green Prospectus will set out opportunities for external investment in transformational projects to reduce emissions and support the resilience of the county for climate impacts.

Decarbonising Our Estate and Operations

Greenhouse Gas Emissions 2023/24 Summary

24. **Emissions from the council's own operations and activities:** In 2023/24, emissions from the scope of our net zero 2030 target (corporate estate and activities) reduced by 14% (1,229 tonnes CO_{2e}) compared with the same period in 2022/23.
25. The 14% emissions saving is lower than the expected 18% annual target in the Carbon Management Plan (CMP) due to delayed mobilisation of property and fleet decarbonisation capital programmes in 23/24 and the carbon intensity of the national electricity grid increasing rather than decreasing in year. The delayed property and fleet programmes have been carried over into the current year.
26. Whilst the council did not meet its target this year, it overachieved in previous years, in part owing to savings made in the pandemic. Overall, the balance since 2019/20 results is an overachievement of about 1,190 tCO_{2e}.
27. The majority of the savings to date have come from the now completed street lighting LED upgrade programme.
28. The breakdown of the overall reduction by area of operation is as follows:
- Emissions from **Highways Electrical Assets** in 2023/24 decreased by 937 tonnes of CO_{2e} – a 28% reduction compared to 2022/23. These reductions are related to the successful LED replacement program.
 - Emissions from the council's **property** in 2023/24 decreased by 103 tonnes of CO_{2e} – a 4% decrease compared to 2022/23.
 - **Staff mileage emissions** in 2023/24 decreased by 165 tonnes of CO_{2e} – a 14% decrease compared to 2022/23.
 - **Fleet** emissions in 2023/24 decreased by 23 tonnes of CO_{2e} – a 2% reduction compared to 2022/23.
29. Emissions from the remaining 110 **maintained schools** (adjusted to remove the effect of schools converting into academies) have reduced by 34% since 2010/11, an average of 3% per year. Last year the council put in place an interest free loan to support maintained schools to decarbonise. The impact of these schemes will be seen in future years reports.

Carbon Management Plan 2030 Update

30. The Carbon Management Plan (CMP) – the plan that guides the council's own estate decarbonisation - is being reviewed to include the effect of new government policy and to remodel impacts of the council's transformation programme. The results of this review will be brought to a future cabinet meeting.
31. The council has previously reported that if it successfully delivers planned fleet, highways assets, business travel and property programmes to 2030 (both unfunded and funded elements) our residual emissions to be offset would be circa 3,200 tCO_{2e}. The breakdown of these emissions is shown in Table 1.
- 32.

Service Area	Currently modelled residual emissions 2030 (tCO _{2e})	Factors and assumptions to be taken into account

Highways Electrical Assets	844	<ul style="list-style-type: none"> Impact of part-night lighting policy Review assumptions on adoptions of streetlighting assets (related to development) Commitments by the government for zero carbon energy by 2030
OCC and OFRS Fleet	1024	<ul style="list-style-type: none"> Opportunities to transition any remaining ICE vehicles beyond the 65 specialist fire vehicles which will have no electric replacement. Review assumptions that levels of staff travel will increase related to population growth Commitments by the government for zero carbon energy by 2030
Property	210	<ul style="list-style-type: none"> Commitments by the government for zero carbon energy by 2030
Business Travel/Grey Fleet	1130	<ul style="list-style-type: none"> Review forecasts for EV uptake amongst staff using latest data Review assumptions that levels of staff travel will increase related to population growth and impacts of organisational transformation Commitments by the government for zero carbon energy by 2030

Table 1: Factors and assumptions affecting modelled residual emissions

33. The new government commitment to bring forward delivery of zero carbon electricity to 2030 (from 2035) as well as changes in assumptions related to the councils transformation programmes may reduce residual emissions closer to 1200 tonnes.
34. The remaining source of emissions (beyond specialist vehicles in the fire service, where no alternative commercially and operational feasible alternative is anticipated to exist as early as 2030) will then be staff business travel. Governance for the business travel programme sits within the Vehicle Management Service. A number of interventions on business travel are already assumed and modelled and will require funding and delivery (Table 1). Further interventions may be possible and can be explored, such as how we deliver the Local Transport and Connectivity Plan target for 25% trip reduction within our own business mileage. Business travel will however remain an area the council will need to offset until EVs become the predominant form of travel.

Expanding Scope 3 Supply Chain Emissions Reporting

35. During 2022/23 the council conducted a preliminary assessment of its supply chain emissions by calculating them through what is known as an 'expenditure based' approach using 2020/21 expenditure data. These estimated council supply chain emissions amounted to approximately 150,000 tonnes of CO_{2e}.
36. In addition to the expenditure based approach described above, officers are working to increase the number of suppliers that report their greenhouse gas emissions directly to the council. This 'activity based' approach targets OCC's top emitting suppliers to accurately report greenhouse gas emissions and replace the expenditure-based estimations.
37. Based on engagements with four out of the council's top ten emitter suppliers, it can be reported that their combined GHG emissions account for 20,812 tonnes of CO_{2e} in 2023/24 based on activity data.

Financial Implications

Carbon Management Plan

38. Officers have been asked to look at the potential to bring forward the council's programme to move away from fossil fuels particularly in property. It would not increase the overall funding envelope for the programme but would require front loading funding

allocations in 2025/26 and 2026/27. Decisions will be taken through the budget setting process.

39. Table 2 below provides a breakdown of council's currently approved revenue budget and capital programme linked to CMP 2030 delivery.

Project	Medium Term Financial Plan Budget	Spend profile	To be delivered	Estimated carbon savings
Fleet replacement programme (not including Oxfordshire Fire Rescue Service)	£18 Million	£1.5m in 2024/25 £6.5m in 2025/26 £10m in 2026/27	99 EVs 2024/25 61 EVs 2025/26 37 EVs 2026/27 (incl. a mix of purchased and leased vehicles) ¹	284 tCO ₂ e 175 tCO ₂ e 106 tCO ₂ e
Decarbonisation of the council's buildings	£9.7 million (incl. £3.1 million secured through PSDS) ²	2024/25	Energy efficiency and decarbonisation projects at 33 corporate sites	539 tCO ₂ e
Conversion of traffic signals to LED	£2.3 million (£643k secured through DfT for traffic signal site upgrades incl. LED)	c. £250K in 2024/25 (BAU maintenance budget) £643K in 2025/26 c. £1.5m from 2025/26 to 2030 ³	7 sites converted in 2024/25 21 sites converted in 2025/26 15 sites per annum from 2026/27 until 2030	8.4 tCO ₂ e 27 tCO ₂ e 18 tCO ₂ e per annum
Part-night lighting	c. £1.2 - £1.5 million	Fully funded – capital budget available but implementation plan to be developed in 24/25.	Part-night lighting on 50% of the street lighting assets	TBD from trial
Conversion of signs & bollards to LED or de-illuminate	Part of BAU maintenance works	Part of BAU maintenance works	Illuminated bollards & signs converted to LED or de-illuminated	4.6 tCO ₂ e
Oxfordshire Fire Rescue Service Fleet replacement	TBD Across 6 years – 2024/25 to 2030	Fleet Replacement Strategy business case for OFRS approved	58 OFRS diesel cars & vans converted to electric	c. 64 tCO ₂ e spread over 6 years

Table 2: Breakdown of approved funding linked to CMP 2030 delivery

40. Once developed, business cases will be brought forward via relevant channels to implement each of the currently unfunded actions and further interventions identified within the CMP. The indicative funding need is set out in Table 3 below:

Project	Estimated Budget	Funding status	To be delivered	Estimated carbon savings
Decarbonisation of the council's buildings –	£20 million 2025/26 to 2028/29	Pending funding	Energy efficiency and decarbonisation projects at c. 53 corporate sites	678 tCO ₂ e

¹ Vehicle purchase is the preferred option however long lead in times for new vehicles will require some lease vehicle sourcing. Lease costs will be attributed to a separate revenue budget.

² Public Sector Decarbonisation Scheme

³ Programme to be confirmed once our new signals maintenance contract is awarded c. November 2024.

Project	Estimated Budget	Funding status	To be delivered	Estimated carbon savings
Phase 2 properties ⁴				
Staff business travel	£750k – essential user electric vehicles	Pending funding – outline capital business case submitted Oct 2022, full capital request business case tbd.	Electric vehicles for 25 high mileage essential users for (>10,000 miles per annum)	61 tCO _{2e}
	£400K Dedicated pool cars for high mileage areas– (min 12) with charge points	Unfunded	Dedicated pool cars – (min 12) with charge points	TBD
	£250K Shared Pool Cars	Unfunded	Shared pool cars – strategic locations (min 8) with charge points	TBD
Offsetting	Subject to market testing and buying strategy £36K - £90k (based on example £30/tonne Woodland Carbon Code) £90k - £225K /per year (based on example £75 per tonne biochar offset)	Pending full options appraisal and business case to be developed.	Schemes or credits to be bought for balancing residual emissions.	1200- 3,000 tCO _{2e} to be offset/inset

Table 3: Unfunded workstreams in CMP 2030

School Energy Efficiency Loan

41. The [Schools Energy Efficiency Loan](#) scheme has seen strong demand. All of the £800,000 funding is now allocated in principle. This funding will support energy efficiency improvements and energy generation projects across 14 schools. Through the budget setting process for 2025/26, cabinet will be asked to consider the potential to expand this loan scheme.

Funding of the LAEP Programme

42. In June, the Future Oxfordshire Partnership allocated £600,000 to a programme of funding Local Area Energy Plans for the Districts and City. This programme is led by the county and currently in procurement.

⁴ Any grant funding will lower the amount needed but don't take that into consideration as it's not guaranteed. This doesn't include costs for developments of new build properties (x5 Children's Homes) or for major renovations (Speedwell House, Banbury Library and Blackbird Leys Children's Centre).

Comments checked by: Rob Finlayson, Strategic Finance Business Partner
(rob.finlayson@oxfordshire.gov.uk)

Corporate Governance

43. The Climate Action Programme supports the council's commitments to tackle the climate emergency as expressed in the Strategic Plan 2022-25.

44. A Climate Board operating at a senior officer level will be relaunched following the next phase of restructure to include new staff roles and reflect the council's increased focus on commerciality and public affairs.

Direction of Government Policy

45. Recent policy developments and actions of the newly elected government present a number of opportunities for climate action across Oxfordshire:

- **Great British Energy (GBE):** The Government has pledged to create a new, state-owned energy company. GBE will lead by investing in new technologies, capital-intensive projects, and delivering local energy production. This could be a source of funding for future market-leading energy technologies which are pursued within the county. GBE will also provide £600m a year in grants and £400m in low interest loans to local authorities to support low-carbon community energy projects. Given the leading work Low Carbon Hub has done on community energy in Oxfordshire, the county is well placed to benefit from this funding.
- **Regional Energy System Plan (RESP):** This is a new regional strategic planning function delivered by the National Energy System Operator. It will enable coordinated development of the energy system, providing network infrastructure investment ahead of need. A consultation on RESP has been issued and closed in early October 2024. The work Oxfordshire is already doing on Local Area Energy Plan will provide a crucial underpinning to the RESP and emphasises the importance of funding for the delivery of the LAEPs. We have emphasised the importance of strong local authority representation on the RESP steering board. In this area the RESP is planned to be co-terminus with England's Economic Heartland.
- **Warm Homes – Local Grant:** This government-funded scheme will be delivered by Local Authorities as a replacement for the Home Upgrade 2 (HUG2) grants. Funding will not be allocated by a competitive bidding process, but rather an Expression of Interest. This scheme will last between 3 and 5 years and provide more certainty to supply chain. We are expecting an update on amount of funding in the autumn statement and working with the Districts and City to bring forward an expression of interest for Oxfordshire.
- **Onshore Wind:** The Government has lifted the de facto ban on onshore wind projects across England, and pledged to double onshore wind capacity.
- **Planning Reform:** The council has commented on the National Planning Policy Framework consultation and supports the proposal to increase the threshold for renewables projects being designated as Nationally Significant to 100MW allowing more projects between 50 and 100MW to be determined at a local level.

- **Countryside Protection Plan:** In their manifesto, the Government pledged to plant three new national forests and improve access to local green spaces. Tree planting is a key aspect of the Council's Climate Action Programme, and support for this and similar initiatives is welcome.
- **Reinstate the 2030 Petrol and Diesel Car Ban:** The Government has pledged to reinstate the 2030 ban on the sale of new internal combustion engine vehicles, underlining the government's support for the transition to electric vehicles and understanding of the urgency with which the transition is required.

Wider Considerations

46. The Seventh Carbon Budget (2037 to 2042) is due to be released in early 2025 by the Climate Change Committee (CCC), which will set the legal limit for UK net emissions of greenhouse gases over that period. Forecasts based on the CCC's 'balanced pathway' to net zero suggests that there will need to be a 71% reduction in greenhouse gas emissions in 2037 compared to 2022.
47. This represents a significant challenge and requires a rapid increase in the pace of efforts to decarbonise across society. The council should continue to look for opportunities to accelerate decarbonisation and climate adaptation programmes in order to play its part in meeting the CCC's budgets.

Legal Implications

48. In May 2019 the Government committed to achieving net zero carbon emissions by 2050, recognising much of this reduction must happen before 2030. Local councils play a vital role in making sure the UK is prepared for the impacts of climate change at a local level and are able to decide how best to address these challenges. The taking of such action is lawful under the general power of competence in Section 1 of the Localism Act 2011.

Comments checked by: Jennifer Crouch, Head of Law and LBP Environmental
Jennifer.crouch@oxfordshire.gov.uk

Equality & Inclusion Implications

49. This report does not raise any specific equalities implications. The council's Climate Action Framework aims to ensure a fair sharing of costs and benefits and avoiding energy inequality.

Sustainability Implications

50. The Climate Action Programme is at the centre of the council's commitment to tackle the climate challenge.

Risk Management

51. A risk has been added to the council's strategic risk register, noting the increasing vulnerability of communities, economy and infrastructure to climate impacts. A number of control measures have been identified and are being reported on. The climate adaptation route map being produced with the district councils and key partners will identify further mitigations.

52. Grid capacity remains a significant risk to bringing forward infrastructure to meet net zero – such as charging points, and connections for renewables – as well as wider infrastructure in the county. The Local Area Energy Plan is the council's strategic response to this issue. It will bring together the county's infrastructure needs and pathways to net zero to inform future infrastructure planning with the Distribution Network Operators (DNOs). The council is also actively working with partners and the DNOs on tactical responses to existing challenges. Scottish and Southern Energy Networks (SSEN) is now bringing forward a strategic development plan for Cowley Grid Supply Point which is key to unlocking some of the development needs in the City.
53. The bid to extend the LEO (Local Energy Oxfordshire) programme a further 4 years was not successful. This limits the capacity of partners to expand their work on how residents and businesses can flex energy demand close to the point of use (behind the meter) to reduce pressure on the grid and create revenue streams for communities. The partnership will be seeking alternative funding streams.
54. The present round of central government funding to support retrofit – HUG2 – comes to an end in March 2025. In September the government announced the Warm Homes – Local Grant and confirmed an initial £3.4bn over the next three years in the Autumn Statement. This will be allocated by Expressions of Interest rather than competitive funding for the first time.
55. **Carbon Management Plan 2030 Delivery:** There were delays in mobilisation of the property decarbonisation and fleet replacement programmes in 2023/24 and these have rolled into 2024/25. The property element is now on track. The main risks are potential delay in fleet replacement programme and staff business travel programmes for in year delivery. A new programme manager for fleet has been recruited and is reviewing the programme across October.
56. There remains an unfunded element to the programme that will come forward through the budget setting process. The council needs to secure credible affordable offsets in a constrained market and is likely to start needing to forward purchase. Some work is taking place with the Local Nature Partnership looking at how landowners can be encouraged to develop a bigger market for nature recovery and carbon offsets within the County.

Communications

57. The report highlights the need for Oxfordshire to work more closely with central government on the funding and policy needed nationally to support our local climate targets as well as national targets. The new public affairs function within the council will support this approach.

Annexes

Annex 1 – Climate Action Programme delivery plan 2024/25 update

Annex 2 – Oxfordshire Countywide Greenhouse Gas Emissions Report 2024

Robin Rogers, Director of Economy and Place

Contact Officer:

Sarah Gilbert,

Head of Climate Action,

sarah.gilbert@oxfordshire.gov.uk