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Dear Dafydd

Gwynedd Council – Decarbonisation Progress

The Council has a clear vision for how it will achieve net zero by 2030 and are investing in carbon reduction schemes. However, a key challenge will be prioritising its schemes based on an understanding of the impact of carbon reduction, the cost of the schemes and identifying the funding for delivery.

Context

In July 2022, the Auditor General published Public Sector readiness for Net Zero Carbon by 2030, which looked at decarbonisation actions in 48 public bodies, including all councils. This report found uncertainty that the collective ambition for a net zero public sector by 2030 will be met. Our work identified significant, common barriers to progress that public bodies must collectively address to meet the collective ambition. We found that while public bodies are demonstrating commitment to carbon reduction, they must now significantly ramp up their activities, increase collaboration and place decarbonisation at the heart of their day-to-day operations and decisions.

In the report, the Auditor General makes the following five calls for action from public bodies:

- strengthen your leadership and demonstrate your collective responsibility through effective collaboration;
- clarify your strategic direction and increase your pace of implementation;
- get to grips with the finances you need;
- know your skills gaps and increase your capacity; and
- improve data quality and monitoring to support your decision making.

The following paragraphs set out the findings of our local audit work on the Council's decarbonisation action plan. These findings sit within the wider context of the Auditor General's July 2022 report that calls for increased pace and stronger leadership across Wales in reducing carbon emissions.

What we looked at:

We undertook an assessment of the Council's arrangements to develop and deliver their Decarbonisation Plan. We gathered evidence through interview, document reviews and the Council's returned Call for Evidence on for the Decarbonisation Baseline Review.

What we found:

The Council has a record of articulating its ambitions around decarbonisation within its former Carbon Management plans. In March 2019 Gwynedd Council declared a climate emergency and committed "to take definitive steps to reduce carbon emissions and to work towards a carbon-free future". Its current ambition to be "net zero carbon and ecologically positive by 2030". The Council adopted its Climate and Nature Emergency Plan (the Plan) in March 2022. The Council has also taken the opportunity to integrate its approach to decarbonisation with its approach to ecology and biodiversity. The strategic commitment to this agenda is also evidenced by having a specific well-being objective focused on 'taking advantage of the beauty of the county's natural environment'. 'Responding to the climate change emergency' is one of the eight Improvement Priorities in the Gwynedd Council Plan 2018-2023: 2021/22 Revision".

Whilst the Plan includes a high-level outline how it contributes to the National Goals the plan could be strengthened by describing how the Council has applied the sustainable development principle and considered the five ways of working to apply the Sustainable Development Principle. The Council recognises the need to clearly evidence the application of the sustainable development principle of the Well-being of Future Generations Act.

The Council has undertaken a baseline assessment of its Carbon footprint and has identified the gap that needs to be closed to achieve net zero emissions and has used this to help shape the Plan. However, the Council recognises that there are opportunities to improve its data in this area. Whilst the Council has taken the opportunity to identify the carbon and cost impacts of some of its interventions, there is a high proportion of the interventions within the plan where the final carbon impact and financial cost and saving is unknown. Therefore, it will be important for the Council to develop a prioritisation process, which is based on a clear methodology for calculating these impacts. This will then enable it to focus its resources at those areas that can deliver the greatest impact. The Council has told us that it expects this methodology to be approved shortly.

The governance, monitoring and reporting of the Council's approach to decarbonisation is clearly outlined within the Plan. The Council have told us that it intends to monitor delivery of its Plan as part of its routine performance monitoring process. The Council has also established a Climate Change Board as a sub-committee of the Cabinet, which provides strategic guidance, and includes senior leadership, scrutiny members and officers. The Council summarises its carbon emissions in the Plan and has some references in its Annual Performance Report 2021/22.

The Plan has not been developed based on wide consultation and involvement of citizens. The council intends to use consultation mechanisms such as Ardal Ni 2035 to gather feedback on its approach to decarbonisation. which will be used to inform an updated Plan for consultation in early 2023 next year. Having a clear understanding of citizens and wider stakeholders' perspectives and how they can support the Council will be an important stage in building a shared vision for its net zero ambitions.

The Plan recognises the importance of working with partners and provides some examples of where partners will be needed to support its actions such as; the work on Local Energy Plan and Deeside Hydrogen Hub under the leadership of Ambition North Wales and its partnership with the Tusker company to offer a 'green car' plan, for staff. However, the Council recognises that it needs to continue to explore opportunities to work in partnership with other stakeholders if it is to deliver its vision of being net zero by 2030.

The Council has reported that 'thus far Gwynedd Council has invested nearly £8million on carbon management projects leading to a saving of £4,063,000 which will continue to accrue'. The Council has:

- • designated £3,000,000 in setting this year's budget;
- • has made it clear that it will be willing to use its reserves for schemes; and

- a bid for £2.8 million of capital investment to save (for solar panels) went before Cabinet on 22 November.

However, the Council has not yet identified all the plans and funding needed to deliver its net-zero Plan by 2030. There is therefore a significant risk that the Council will not meet the net zero emissions target by 2030. The Council has appointed a Climate Change Manager to help manage its approach and has a small, Climate Plan Fund that it will use to match fund decarbonisation projects. Whilst the Council is aware of grants that it might be able draw down to fund some of its decarbonisation initiatives there is currently limited capacity within the team to apply for and manage these grants, without impacting the delivery of the Plan. If the Council is to meet its ambitions it will need to update its medium-term financial plan and capital strategy to support its aim to achieving net zero.

Recommendations

Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review

Recommendations	
R1	The Council should ensure that the high-level actions in its decarbonisation plan are: <ul style="list-style-type: none"> - prioritised based on clear criteria, including carbon and financial impact; - aligned with its Medium-Term Financial Strategy and Capital Programme; and - integrated into business plans.
R2	The Council should develop a robust set of metrics to measure and report progress on its decarbonisation journey.

Yours sincerely

Alan Hughes

Audit Lead