

Internal Audit Report

Review of Climate Emergency Action Plan

Audit Team: Nicola Alcock
Desmond O'Neill
Date: 31st March 2022

1. Scope

- 1.1 The objective of the audit is to ensure that adequate and effective controls are in place to minimise business risk. In particular we reviewed the Blackpool Climate Emergency Action Plan, and whether the structure, project management arrangements and resources in place will enable the delivery of the Plan.

2. Executive Summary

- 2.1 The Climate Emergency Declaration, passed at a meeting of Full Council on 26th June 2019, committed the Council to making its operations “net zero” by 2030 (i.e. that the total amount of carbon emissions generated is equal to the amount removed from the atmosphere), and to “work towards” the same timescale as a town. The Blackpool Climate Emergency Action Plan (Climate Action Plan) has been developed in order to address these goals.
- 2.2 There is a very detailed Climate Action Plan in place setting out the approach to climate change and built around ten key themes, with 126 actions. The Climate Action Plan was approved by the Executive and Full Council in November 2021. The actions in the Climate Action Plan include lead officers (with responsibility for the actions), resources, outcomes, and deadlines. Initial actions over the first 18 months of the Plan have been prioritised and are monitored with directorates.
- 2.3 Project management arrangements and structure have been put in place in a number of key areas. Corporate responsibilities in relation to climate change have been clearly allocated, including at Executive Member and Chief Officer level. Staff resources to support the work on climate change have been developed and the Strategy, Policy and Research Manager has a lead role in relation to the Climate Action Plan and its monitoring.
- 2.4 A Climate Emergency Steering Group (CESG) with representation from key Council services and the Council’s wholly owned companies and with established and appropriate Terms of Reference has been meeting since September 2020. The working of the CESG is currently under review. A Climate Action Partnership Group has recently held its first meeting and Partnership Group Terms of Reference have been drafted.
- 2.5 The Climate Action Plan includes an action which identifies that work is needed to explore all sources of funding. In order to address the substantial resource requirements identified in the Climate Action Plan, the identification and preparation of climate change funding bids where appropriate should take place. Climate change funding should be included in the Medium Term Financial Sustainability Strategy review, there should be consideration of establishing a climate action fund as identified in the Climate Action Plan and financial investment models for ‘shovel ready’ climate change projects considered.
- 2.6 There was a range of consultation on the draft Climate Action Plan, including a number of recommendations from a Citizen’s Assembly on climate change that are reflected in the Climate Action Plan. In line with the Climate Action Plan, a full climate change communications and marketing plan should be developed and an internal communications campaign delivered. Staff ‘climate champions’ should be appointed and champions’ role descriptions developed and agreed. An initial climate change training plan for 2022 – 23 should be considered and training made available to Council wholly owned companies staff where considered appropriate.

- 2.7 Climate Action Plan performance indicators should be finalised and performance targets, including interim targets where appropriate, should be established and agreed.
- 2.8 There has been a range of joint working on climate change with the Carbon Trust and with partners in Lancashire. The work with the Carbon Trust should be finalised and a forward route map identified with their assistance. There is potential to build on the joint working by considering establishing the proposed climate expert panel with Lancashire partners, if they are in agreement to this. In order to facilitate shared learning, it is recommended that an external evaluation of progress against the Climate Action Plan should be commissioned at an appropriate interval, from the Climate Expert Panel if that is to be established or another expert external body.
- 2.9 The detailed findings and recommendations are included in sections four and five of this report.
- 2.10 We would like to thank Councillor Jane Hugo, Scott Butterfield, Andrew Duckett, Alice O'Grady and the Climate Emergency Steering Group for their assistance and courtesy throughout the review.

3. Overall Opinion and Assurance Statement

- 3.1 We consider that the controls in place are adequate, with some risks identified and assessed and several changes suggested. In particular, our review found that a very detailed Climate Action Plan had recently been developed and project management, structure and monitoring arrangements established in a number of key areas. It is relatively early in the implementation process of the Climate Action Plan and a number of suggestions have been made to build upon the considerable progress that already has been made in establishing the arrangements. These are particularly in relation to addressing the significant resource challenges that the Climate Action Plan has identified, strengthening communications efforts on climate change and in finalising performance indicators and targets.

4. Issues Arising

4.1 Introduction

4.1.1 The Climate Emergency Declaration, passed at a meeting of Full Council on 26th June 2019, committed the council to making its operations “net zero” by 2030 (i.e. that the total amount of carbon emissions generated is equal to the amount removed from the atmosphere), and to “work towards” the same timescale as a town. The Blackpool Climate Emergency Action Plan (Climate Action Plan) has recently been developed to address both of these goals.

4.1.2 The Council’s overall approach to climate change is contained in the Climate Action Plan. There is no separate climate change strategy document. The Service Manager Energy and Utilities identified that there has been a sustainability strategy 2018 – 2024 in place since 2018, with updates in October 2020, which focuses on the Council’s own activities and on sustainability and the supply of energy and water.

4.1.3 The Climate Action Plan summarises the Council’s approach to climate change including a set of rules to help the Council to work towards its climate change goals:

- Reducing emissions not compensating for them;
- Working with residents;
- Leading by example;
- A “just” transition; and
- Focus on positives.

4.1.4 The Climate Action Plan focuses on activity that will address the need to reduce carbon emissions across emission “scopes” 1, 2 and 3. It therefore covers direct emissions (from burning fuel), indirect emissions from energy (where purchased energy comes from carbon-burning sources) and other indirect emissions (the emissions caused by our supply chain).

4.2 Climate Action Plan, Structure, Project Management Arrangements and Resources

4.2.1 The Climate Action Plan was approved at the Executive meeting on 8th November 2021 and approved by Full Council at its meeting on 24th November 2021. The Climate Action Plan is built around ten key themes, upon which actions have been built:

- Housing;
- Buildings and the built environment;
- Transport, getting around and digital;
- Power and heat;
- Cleansing, food, water and waste;
- Community leadership, communication and involvement;
- Working with others;
- Business;
- Natural environment; and
- Building knowledge, capacity and financial resources.

4.2.2 There is a very detailed action plan on pages 20 – 33 of the Climate Action Plan document. There are a considerable number of actions per Plan theme, amounting to 126 actions in total. The Climate Action Plan states that the actions included will be updated as the government rolls out further funding and policies, and as other local evidence and information becomes available.

4.2.3 The actions in the Climate Action Plan include a column for lead officers (with responsibility for the actions), a column for resources, a column for outcomes, and a column for deadlines. The Strategy, Policy and Research Manager identified that initial actions over the first 18 months of the Plan have been prioritised and agreed at meetings with Council directors and will be monitored at quarterly meetings with the directors.

4.2.4 We were able observe the Climate Emergency Action Plan meeting which took place on 16th February 2022. This meeting is a key vehicle in terms of obtaining updates on the progress of the actions on the Climate Action Plan (although updates are routinely and actively sought by the Climate Action Officers). Actions with deadlines within the next 18 months were discussed by the identified responsible officers to ensure that everyone has a full understanding of what is required. Updates on the actions were provided where applicable. Opportunities to assign tasks to appropriate officers in attendance were taken throughout the meeting.

4.2.5 There has been public consultation on the Climate Action Plan. There was an on line residents survey of climate change views in September - October 2021. A citizen's climate assembly group of 36 people produced a report in March 2021, including recommendations on eight issues as part of the town's push to reach net zero carbon emissions by 2030. Climate assembly recommendations have been included in the Climate Action Plan.

4.2.6 There was consultation on the draft Climate Action Plan through the Council's Climate Emergency Steering Group, for example there were discussions at the September 2021 Climate Emergency Steering Group meeting. The Strategy, Policy and Research Manager identified that consultation on the draft Action Plan also took place with partners. Feedback on the Climate Action Plan was also received from Declare a Climate Emergency UK.

4.2.7 The detailed action plan uses RAG colour coding for actions. Green – deliverable from current financial resources. Amber – require further internal and external resources. Red – reliant on external funding. Some of the actions indicated in red in the action plan would require a massive investment of resources, for example from central government. Action Plan housing actions 1 – 3 on insulation, alternative heating systems and solar panel installation on housing stock have been estimated at a £15.8 billion cost across the Lancashire area as a whole.

4.2.8 The Climate Action Plan includes an action which identifies that work is needed to explore all sources of funding. The Strategy, Policy and Research Manager indicated that there is awareness of some potential initial funding sources to bid against, for example the Shared Prosperity Fund and the Levelling Up Fund, but bids have not yet been made.

4.2.9 The Strategy, Policy and Research Manager identified that the proposed climate action fund to incentivise and pump prime schemes has not yet been established. In order to address the substantial resource constraints, it is recommended that the identification and preparation of climate change funding bids where appropriate should take place (Recommendation 1). It is further recommended that climate change funding should be included in the Medium Term Financial Sustainability Strategy review and there should be consideration of establishing a climate action fund (Recommendation 2).

4.2.10 The Strategy, Policy and Research Manager identified that work is needed to consider the development of financial models for investment in climate change projects and that a range of financial models are being considered by other local authorities. The Climate Action Plan includes an action to develop the feasibility of implementing a carbon costing process by February 2022 - work is underway on the carbon costing process with a Lancaster University student project. It is

recommended that financial models for potential climate change investments and a carbon costing process should be researched and considered (Recommendation 3).

4.2.11 The Climate Action Plan contains an ongoing action to develop a series of 'shovel ready' projects with interested parties. The Strategy, Policy and Research Manager identified that initial 'shovel ready' climate change projects have not yet been identified. It is recommended that initial climate change 'shovel ready' projects should be identified and considered for the viability of potential investment (Recommendation 4).

4.2.12 Corporate responsibilities in relation to climate change have been allocated. There is a Council Executive Member (Cllr Jane Hugo) with responsibility for climate change. The Director of Strategy (Assistant Chief Executive) oversees the climate emergency action plan. The Strategy, Policy and Research Manager has a lead role in relation to the climate emergency and monitoring and reporting on the Climate Action Plan. There are two Graduate Climate Action Officers in place now and the Strategy, Policy and Research Manager stated that a new post of Low Carbon and Sustainability Project Manager is in the process of being created and advertised.

4.2.13 Feedback from the Audit interview with the Executive Member for Climate Change and one of the Graduate Climate Action Officers indicated that they would consider it to be helpful to assist communications to have a diagram setting out climate change responsibilities and groups and how they fit together. It is recommended that a diagram setting out climate change responsibilities should be produced to assist with communications (Recommendation 5).

4.2.14 There has been a Climate Emergency Steering Group (CESG) in place for some time, with an initial meeting taking place on 2 September 2020. Terms of Reference have been established for the CESG. The CESG ToR specify that 'The purpose of this group is to oversee; co-ordinate and drive forward the development and implementation of the Climate Emergency Action Plan, leading to improved outcomes for people in Blackpool'.

4.2.15 The Climate Emergency Steering Group has appropriate membership, including representatives from a range of key Council services and wholly owned companies, including Blackpool Coastal Housing (BCH), Blackpool Transport Services (BTS), Enveco and My Blackpool Homes. The Steering Group is chaired by the Director of Community and Environmental Services, the corporate lead for the group is the Strategy, Policy and Research Manager and the group includes the lead cabinet member for climate change.

4.2.16 Climate Emergency Steering Group meetings are minuted. The ToR for CESG specify a number of key roles for the group including :

- To act as a focus for Blackpool's corporate initiatives on green issues and climate change and to assist Directorates with their individual initiatives;
- To review progress on the Climate Emergency Action Plan;
- To evaluate how the council is raising awareness of Climate Change issues within the Authority, and with residents and businesses and, if necessary, suggest additional measures; and
- To ensure that the Council co-ordinates its activities and performance on climate change and green issues with respect to national and local performance indicators including biodiversity.

4.2.17 A Climate Action Partnership Group (the establishment of which is included in the Climate Action Plan) has recently had its first meeting on 20 January 2022 and draft ToR for the group have been drawn up. The draft ToR for the Climate Action Partnership Group include:

- Contribute to progressing the town wide actions set out in the Climate Emergency Action Plan;

- Take responsibility for initiation of those actions by engaging and influencing relevant partners and networks, and by providing support to secure the resources required for action where actions within the Climate Emergency Action Plan are within the control of the Blackpool community; and
- Act as a forum where organisations can exchange ideas, research findings, information and best practice on carbon reduction, low carbon energy transitions and climate resilience.

4.2.18 It is recommended that Terms of Reference for the Climate Action Partnership Group should be finalised and agreed (Recommendation 6).

4.2.19 The Climate Action Plan states that the CESG should consider the action plan three monthly. The Climate Action Plan also states that the wider Climate Action Partnership Group established with partners should consider the action plan twice a year and should develop their own wider performance targets. The action plan is also subject to review by Scrutiny Committee, potentially at six monthly intervals.

4.2.20 The December 2021 CESG meeting included discussions on the Climate Action Plan and also on the operation of the CESG itself. The CESG are considering whether any changes to CESG working arrangements are necessary. The working of the CESG is under review, as per the minutes of the December 2021 CESG meeting. It is recommended that the results of the review of the CESG should be considered and any changes necessary to make group working more effective should be implemented (Recommendation 7).

4.2.21 The Climate Action Plan includes an action to develop a full communications and marketing plan by January 2022. The Strategy, Policy and Research Manager identified that this is not yet in place as there has been staff turnover in Communications. A further action on the Climate Action Plan is to develop and deliver an internal communications campaign about sustainability by December 2021. The Strategy, Policy and Research Manager stated that an internal communications campaign about sustainability has not yet been delivered. It is recommended that in line with the Climate Action Plan, a full climate change communications and marketing plan should be developed and an internal communications campaign delivered (Recommendation 8).

4.2.22 The Climate Action Plan contains an action to identify staff 'climate champions' by December 2021. The Strategy, Policy and Research Manager confirmed that staff 'climate champions' are not yet in place and 'climate champions' role descriptions have not yet been developed. It is recommended that staff 'climate champions' should be appointed and champions' role descriptions developed and agreed (Recommendation 9).

4.2.23 Climate change is to be included in IPA and carbon literacy processes for 2022 - 23 to identify specific development needs by February 2023. The Strategy, Policy and Research Manager identified that there is no overall climate change training plan in place as yet, this would be developed with the results of the IPA process. It is recommended that an initial climate change training plan for 2022 – 23 should be considered, with links to an internal communications campaign and training made available to Council wholly owned companies staff where considered appropriate (Recommendation 10).

4.2.24 The Council, jointly with Lancashire County and Blackburn with Darwen councils, commissioned a Lancashire net zero pathways options study. This identified that a maximum 68% reduction in carbon for the wider Lancashire area by 2030 was possible. A report to the Lancashire Leaders on Lancashire work streams was provided in October 2021. Workstreams included a State of the Lancashire Environment report as well as the net zero pathways study. The Climate Action Plan contains an action to establish a climate expert panel by May 2022. It is recommended that there is potential to build on established joint working by considering establishing the climate expert panel with Lancashire partners, if they are in agreement to this (Recommendation 11).

4.2.25 In order to facilitate and share learning, it is recommended that an external evaluation of progress against the Climate Action Plan should be commissioned, from the Climate Expert Panel to be established or another expert external body, at, for example, 18 months from the start of the Climate Action Plan (Recommendation 12).

4.2.26 The Climate Action Plan mentions Plan performance indicators in some corporate areas :-

- Total CO2 emissions caused by the Council, by major activity categories;
- Proportion of energy from renewable sources;
- Proportion of energy from directly connected renewable sources where the Council generates its own power; and
- Electricity, gas and water consumption.

4.2.27 Apart from the long term target of Council operations being carbon net zero by 2030, the Strategy, Policy and Research Manager stated that the development of Climate Action Plan PI's are currently work in progress and performance targets have not yet been established. It is recommended that Climate Action Plan performance indicators should be finalised and performance targets, including interim targets where appropriate, should be established and agreed (Recommendation 13).

4.2.28 The action plan includes a number of actions for the Council's wholly owned companies and there is company membership of CESG. Four Climate Action Plan housing related actions are allocated to BCH, and one to MyBlackpool homes. Two actions in the transport theme are allocated to BTS. Two actions in the cleansing and waste theme are for Enveco action. In addition, one further action to co-ordinate sustainability efforts across the Council's companies is allocated to the Director of Strategy and is ongoing.

4.2.29 Climate change is included in the Council's strategic risk register. The strategic risk included in the risk register is that the Council fails to reduce carbon emissions and proactively take action to address the climate emergency. The Corporate Leadership Team risk owner for this strategic risk is the Director of Strategy. Controls and mitigation and further actions identified in the strategic risk register include the Climate Emergency Steering and Climate Action Partnership groups and to implement robust plans to make Council activities net carbon zero by 2030, i.e. through the Climate Action Plan.

4.2.30 Linkage of climate change to resilience and mitigation is facilitated through the CESG and its membership, for example around mitigating increased flooding risks due to climate change. Links to resilience, mitigation and adaptation are incorporated in the Climate Action Plan. The Plan contains an action to develop a climate change resilience, mitigation and adaptation plan by December 2023. Responsibility for this action is allocated in the Plan to the Director of Strategy.

4.2.31 The Council is working with the Carbon Trust on collecting data on a baseline position on emissions and identifying a route map forward with them. There have been some delays in data collection and on establishing a route map with them. The Service Manager Energy and Utilities identified that data collection has now been concluded in this area and discussions to inform a final action plan have taken place. It is recommended that the work with the Carbon Trust should be finalised and a forward route map identified with their assistance (Recommendation 14).

4.2.32 A separate audit review of carbon emissions data has been undertaken. The audit identified a number of issues particularly around the collection of fuel and waste carbon data. For example, there is no waste data available for waste generated by all offices, buildings, amenities directly operated by the organisation. Fuel data is available for the Council's fleet of vehicles, however, the Service Manager for Energy and Utilities has expressed reservations around the completeness of the data.

4.2.33 The separate audit review of carbon emissions data concluded that data systems need to be put in place and a more consistent approach taken across the Council and wholly owned companies. It is recommended that consideration should be given to recording carbon emissions centrally particularly around fleet and waste to enable the Council to have an overall view. A way forward and a nominated officer should be agreed in relation to the 2019/2020 emissions and consumption data (Recommendation 15).

5. Agreed Action Plan

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date
R1	The identification and preparation of climate change funding bids where appropriate should take place.	2	Agreed. Subject to CLT approval, a Climate Change and Sustainability Project Officer post has been created and will take responsibility for this. If approved, it is anticipated that the post will be recruited to by the end of April 2022. In the mean time, existing resource will be utilised to identify and prepare funding bids as appropriate.	Strategy, Policy and Research Manager	31 st May 2022
R2	Climate change funding should be included in the Medium Term Financial Sustainability Strategy review and there should be consideration of establishing a climate action fund.	2	Agreed. Climate Change is referred to in the MTFSS where there is a business case to do so. Bids for funding will compensate for there being no climate action fund in place, and will be used to maximise funding. New business cases will also be developed.	Strategy, Policy and Research Manager	31 st December 2022

Key to Priorities

Priority 1	A recommendation we view as essential to address a high risk
Priority 2	A recommendation we view as necessary to address a moderate risk.
Priority 3	A recommendation that, in our opinion, represents best practice or addresses a low level of risk.

Blackpool Council – Audit and Risk

Recommendation		Priority	Agreed Action	Responsible officer	Target Date
R3	Financial models for potential climate change investments and a carbon costing process should be researched and considered.	2	Agreed. This action has been delayed, but a meeting has been arranged in April to present the final version of the financial model.	Strategy, Policy and Research Manager	30th June 2022
R4	Initial climate change ‘shovel ready’ projects should be identified and considered for the viability of potential investment.	2	Agreed. Work is ongoing, with progress on a solar panel project as an example. It is anticipated that the projects in place will be reviewed in September to see how the scope sits, and ensure that all options are being looked at.	Strategy, Policy and Research Manager	30th September 2022
R5	A diagram setting out climate change responsibilities should be produced to assist with communications.	3	Agreed. A diagram has now been completed, and will be used in communications going forward.	Strategy, Policy and Research Manager	Complete
R6	Terms of Reference for the Climate Action Partnership Group should be finalised and agreed.	3	Agreed. Terms of Reference for the Climate Action Partnership Group have now been finalized and will be taken to the next meeting for approval.	Strategy, Policy and Research Manager	31st May 2022

Key to Priorities

Priority 1	A recommendation we view as essential to address a high risk
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Blackpool Council – Audit and Risk

Recommendation		Priority	Agreed Action	Responsible officer	Target Date
R7	The results of the review of the CESG should be considered and any changes necessary to make group working more effective should be implemented.	3	Agreed. The results of the CESG review have been considered and new sub groups and a strategic group have been created as a result. The first meetings for all groups are scheduled for April and May.	Strategy, Policy and Research Manager	Complete
R8	In line with the Climate Action Plan, a full climate change communications and marketing plan should be developed and an internal communications campaign delivered.	2	Agreed. Further delays have been experienced, but it is anticipated that the climate change communications and marketing plan will be developed by the end of June.	Strategy, Policy and Research Manager	30 th June 2022
R9	Staff ‘climate champions’ should be appointed and champions’ role descriptions developed and agreed.	2	Agreed. A staff group has been established and will meet for the first time in April. The approach to climate champions will then be considered and implemented thereafter.	Strategy, Policy and Research Manager	30 th June 2022

Key to Priorities

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Blackpool Council – Audit and Risk

Recommendation		Priority	Agreed Action	Responsible officer	Target Date
R10	An initial climate change training plan for 2022 – 23 should be considered, with links to an internal communications campaign and training made available to Council wholly owned companies staff where considered appropriate.	2	<p>Agreed. A Carbon Literacy training rollout plan has been prepared, and plans for IPool modules are being considered. Training for Heads of Service and Senior Managers has commenced.</p> <p>The Strategy, Policy and Research Manager is meeting with Non-Executive Directors of the wholly owned companies in May, to give an overview of the benefits of Carbon Literacy Training, and offer it's delivery.</p>	Strategy, Policy and Research Manager	30th September 2022
R11	Build on established joint working by considering establishing the climate expert panel with Lancashire partners, if they are in agreement to this.	3	<p>Agreed. A summit at Lancashire level has taken place and a follow up will occur in June at which establishing a climate expert panel with Lancashire partners will be raised.</p>	Strategy, Policy and Research Manager	30th June 2022

Key to Priorities

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Priority 3	A recommendation that, in our opinion, represents best practice or addresses a low level of risk.

Blackpool Council – Audit and Risk

Recommendation		Priority	Agreed Action	Responsible officer	Target Date
R12	An external evaluation of progress against the Climate Action Plan should be commissioned, from the Climate Expert Panel to be established or another expert external body, at, for example, 18 months from the start of the Climate Action Plan.	2	Agreed. Declare a Climate Emergency will be undertaking another review in January 2023 which will look at progress made against the action plan. Consideration is also being given to the possibility of commissioning a further independent review around March 2023.	Strategy, Policy and Research Manager	31 st January 2023
R13	Climate Action Plan performance indicators should be finalised and performance targets, including interim targets where appropriate, should be established and agreed.	2	Agreed. Indicators and most baseline data has now been agreed/obtained.	Strategy, Policy and Research Manager	31 st May 2022
R14	The work with the Carbon Trust should be finalised and a forward route map identified with their assistance.	2	Agreed. The Service Manager for Energy and Utilities has indicated that the route map should be ready early April.	Service Manager for Energy and Utilities	30 th April 2022

Key to Priorities

Priority 1	A recommendation we view as essential to address a high risk
Priority 2	A recommendation we view as necessary to address a moderate risk.
Priority 3	A recommendation that, in our opinion, represents best practice or addresses a low level of risk.

Blackpool Council – Audit and Risk

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date
R15	Consideration should be given to recording carbon emissions centrally particularly around fleet and waste to enable the Council to have an overall view. A way forward and a nominated officer should also be agreed in relation to the 2019/2020 emissions and consumption data.	2	Agreed. A plan has been formulated but timescales have not yet been mapped. A Project Team is in place and fleet data will be addressed first, before moving on to waste.	Strategy, Policy and Research Manager	30 th April 2023

Key to Priorities

Priority 1	A recommendation we view as essential to address a high risk
Priority 2	A recommendation we view as necessary to address a moderate risk.
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