

**Report to:**

## **AUDIT COMMITTEE**

**Relevant Officer:**

Scott Butterfield, Strategy, Policy and Research Manager

**Meeting**

19 January 2023

### **INTERNAL AUDIT FOLLOW UP: CLIMATE CHANGE**

#### **1.0 Purpose of the report:**

1.1 To consider a progress report on the recommendations made in the internal audit report of Climate Change issued on the 31 March 2022.

#### **2.0 Recommendation(s):**

2.1 To consider the actions being implemented to address the audit recommendations relating to the Climate Change audit.

#### **3.0 Reasons for recommendation(s):**

3.1 To enable Audit Committee to consider an update and progress report on the audit recommendations.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

#### **4.0 Other alternative options to be considered:**

4.1 None.

#### **5.0 Council priority:**

5.1 Climate change impacts on all of the Council's priorities.

#### **6.0 Background information**

6.1 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 to address both of these goals.

6.2 The scope and assurance statement of the audit was as follows:

## Scope

To review the Blackpool Climate Emergency Action Plan, and whether the structure, project management arrangements and resources in place will enable the delivery of the Plan.

## Assurance Statement

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.

6.3 Does the information submitted include any exempt information? No

## **7.0 List of Appendices:**

7.1 Appendix 4(a): Internal Audit Recommendations and Agreed Actions.

## **8.0 Financial considerations:**

8.1 The controls being implemented will be done so within current budget constraints.

## **9.0 Legal considerations:**

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

## **10.0 Risk management considerations:**

10.1 To enable the Audit Committee to gain assurance that risks are being effectively managed.

## **11.0 Equalities considerations:**

11.1 An equality analysis was undertaken whilst developing the original action plan, with further analyses to be used as necessary on the detailed implementation of action plan actions.

## **12.0 Sustainability, climate change and environmental considerations:**

12.1 As described in the Climate Emergency Action Plan, the Strategy and Climate Team has implemented a Sustainability Impact Assessment process to assist with consideration of this section in Council

reports. A tool has been approved by the Council's Leadership Team which can be referred to and completed with support from the Team to assess the implications of projects and initiatives across a range of sustainability topics. Use of the tool depends on the scale and impact of the project, with the intention being to influence design of schemes to reduce carbon emissions and other environmental impacts.

**13.0 Internal/external consultation undertaken:**

13.1 The progress report has been prepared in conjunction with the relevant Head of Service and Chief Officer, and other officers as identified in the action plan.

**14.0 Background papers:**

14.1 None.

**Appendix 4(a) - Agreed Action Plan**

<b>Recommendation</b>		<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
<i>R1</i>	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 meantime, existing resource will be utilised to identify and prepare funding bids as appropriate.	Strategy, Policy and Research Manager	May 2022	N/A – ongoing identification of funding and development of bids	Post was recruited to successfully. Potential funding sources have been identified including government grants, prudential borrowing and private sector investment. At least £760k of Shared Prosperity Fund will be used to deliver 4 projects with outcomes in line with the Action Plan. £25k of LGA funding awarded to a project developing a financial model for solar panels on BCH properties.

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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 as an area for investment where the business case justifies it. 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	December 2022	N/A	Subsequent to previous update, a Climate Action Fund has been established and an initial award of £42k made in December 2022 to fund the Green Doctor scheme, delivering carbon and financial savings for residents.
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	June 2022	April 2023 (scope 3 monitoring); in line with project timescales (financial models)	Carbon monitoring of scope 3 emissions will be pursued following the completion of the financial system upgrade. Item on "Green Finance" presented to Lancashire Finance Officers has led to the exploration of UK Investment Bank funding for local projects.

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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	September 2022	N/A – ongoing identification of funding and development of bids	Initial list of projects has been developed and a financial viability model produced. Work is progressing on a number of fronts regarding Council assets with decisions on the airport solar farm, BCH solar roofs and Winter Gardens imminent.
R5	A diagram setting out climate change responsibilities should be produced to assist with communications.	3	Agreed.	Strategy, Policy and Research Manager	Implemented	N/A	A diagram has now been completed, and will be used in communications going forward.
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	N/A	Completed.

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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.	Strategy, Policy and Research Manager	Implemented	N/A	The results of the CESG review have been considered and new sub groups and a strategic group have been created as a result.
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	30th June 2022	N/A	Plan is in place. Internal communications are underway e.g. via newsletter items, "Staff Sustainability Alliance" group and "Eco-friendly Friday" items on the Hub.

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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	30th June 2022	31st January	Most Council departments regularly attend the internal Steering Group meetings. Three Climate Champions have been identified, with further representatives to be sought via Directors. There is a draft Role outline which includes a actions that the Representatives will be working on collaboratively.



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<i>R10</i>	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	31st March 2023	88 staff and members have been trained, including some from WOC's. Feedback from frontline staff has highlighted a more people-centred course would be appropriate and so an alternative is being developed. Rollout of an Ipool module has been delayed by the departure of the Training Officer. New training plan will be put in place for 23/24.

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<i>R11</i>	Build on established joint working by considering establishing the climate expert panel with Lancashire partners, if they are in agreement to this.	3	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.	Strategy, Policy and Research Manager	30th June 2022	N/A	There is no current interest in establishing a climate expert panel across Lancashire. This will be revisited when progress is made on the Lancashire 2050 action plan. We are linking to specific academics on a topic by topic basis where needed e.g. on Motion for the Ocean.
<i>R12</i>	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	31st January 2023	June 2023	Declare a Climate Emergency published their review methodology in November 2022, which will report in June 2023. As an objective judgement on all Local Authority Climate Action Plans, we will use this as the independent assessment to save resources and benefit from benchmarking.

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<i>R13</i>	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	31st May 2022	30 <sup>th</sup> April 2023	Headline indicators are now included in the corporate performance reporting framework. Further work is needed on more detailed indicators across all scopes and the setting of interim targets.
<i>R14</i>	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	30th April 2022		Carbon Trust report has been finalised but a route plan for future work will come internally from further work on R13 and R15.

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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	30th April 2023		Work is underway with an assessment of the fleet data held and how it can be used to estimate emissions.