

Cabinet report



14 December 2021

SUSTAINABILITY STRATEGY ACTION PLAN UPDATE

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Cabinet member for Climate & Sustainability

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**Exempt /
confidential / not**

No

Council Plan reference

Various (Action on Climate Change)

Wards affected

All wards

Executive summary

In December 2020, an update report for the Sustainability Action Plan (SAP) was accepted by Cabinet, with a request that a further update be brought in 12 months' time.

This report highlights key areas of progress, including:

- Updating our carbon baseline and our areas of focus
- Current key projects
- Grant funding secured and scanning for new opportunities
- How we are driving our carbon zero future in MK; homes and transport
- Themes which emerged from our resident survey
- Our progress against the agreed actions

1. Decision/s to be made

1.1 That the progress to date be noted and the direction of travel set out within this update, be agreed.

1.2 That annual progress updates be added to suitable Cabinet agendas from 2022/23 onwards.

2. Updating our carbon baseline and our areas of focus

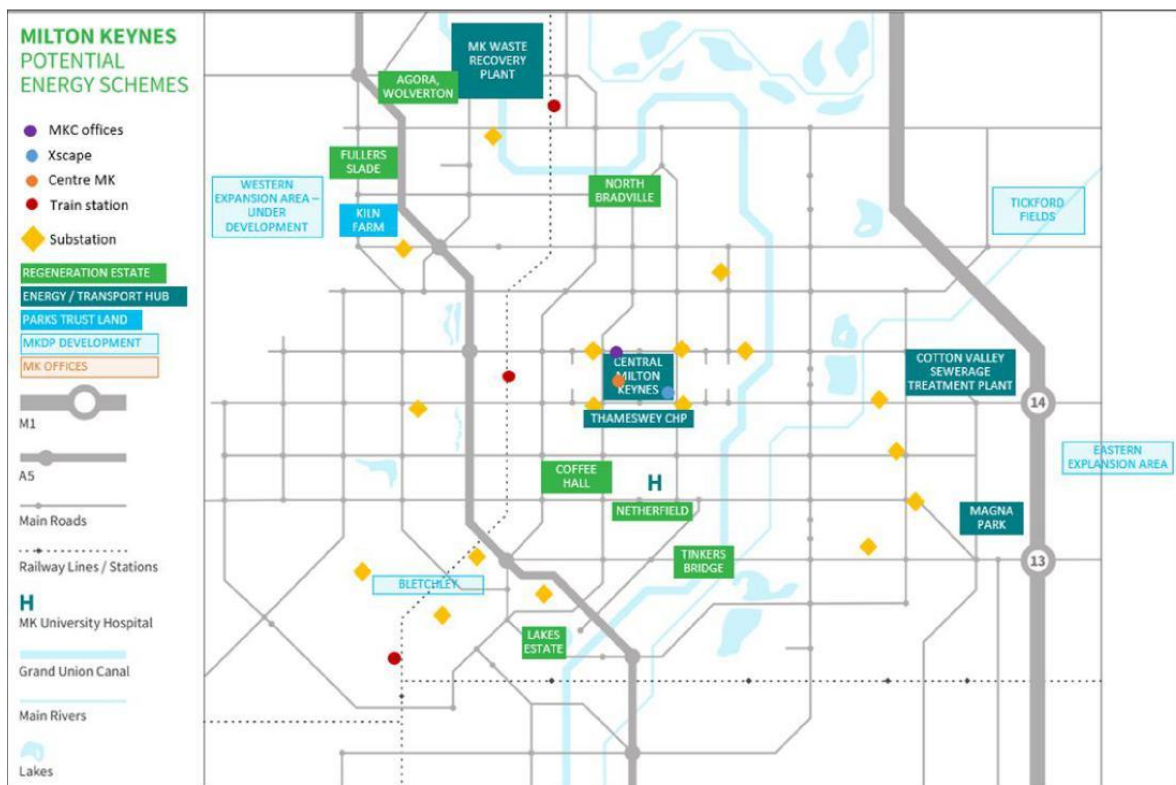
- 2.1 To ensure we understand the sources of our carbon emissions in detail and to be able to track and demonstrate reductions, we commissioned Local Partnerships to independently reassess in detail our 2018/19 emissions and subsequently update our carbon emissions for 2020/2021, as well as our carbon pathway to reach net zero emissions by 2030 for our own operations. A summary of this is included in Annex A. This also supports awareness of the capital funding requirements and prioritisation for the schemes we need to deliver to achieve our 2030 commitment.
- 2.2 Our updated baseline, considering the actions we have already delivered, shows us that from our emissions calculated for 2018/19 of 24,000 tonnes of CO₂e, that we have reduced this figure to 16,600 tonnes of CO₂e in 2020/21. We have then modelled the impact of our current projects and interventions to produce a pathway to net zero by 2030, leaving a residual c5,000tonnes of CO₂e per annum in 2030 that we need to take further action for. Should the existing projects from the plan not come forward, alternative projects will need to come forward in their place. Please refer to annex A – MKC Greenhouse Gas Baseline 20/21 and Pathway to Net Zero 2030.
- 2.3 We purchase gas and electricity for our own properties, schools, parish councils and landlord lighting and communal heating in our HRA properties at a total cost of c.£8m per annum. We can see from our updated baseline that most of our carbon emissions (Scope 1 and 2) come from either our operational estate or our fleet, which is why we should deliver projects in these areas.
- 2.4 We need to focus on the delivery of the current, and future tranches of the Re:fit programme, the completion of the street lighting upgrade to LED lights and various transitions of fuels to ensure we have a more sustainable way to fuel our fleet, and similarly to encourage staff business mileage to change to such fuels and a move to a renewable energy electricity supply.

3. Our current key projects

- 3.1 Several of our current projects are described below.
 - a) The Re:fit programme is continuing with the first tranche of work at Granby Court and Everglade House to deliver energy efficiency and heat decarbonisation interventions, for which we secured grant funding of c.£620k from the Green Homes Grant Local Delivery Scheme (GHG LAD). The second tranche of work covers seven school sites, Civic and the Crematorium site, with the Investment Grade Proposals (IGP's) for these sites due back in February 2022. It is expected that these IGP's will form the basis of an application to a future round of the Public Sector Decarbonisation Scheme (PSDS) in the Spring. Future tranches of work include options for deep energy efficiency retrofit measures in dwellings in Fullers Slade, working closely with Regeneration and Renewal colleagues. Schools will form the focus of a future tranche of IGP's, again with a forward look to future rounds of PSDS funding.

- b) The current design for the redevelopment of the Agora site in Wolverton includes a microgrid which serves three blocks of new domestic flats. The proposals for a solar panel installation with a co-located battery energy storage system (BESS) which would generate almost two-thirds of the onsite power needs. The final arrangements for its operation are in the process of being agreed.
- c) Tickford Fields, our 930 home development in Newport Pagnell is planned to be one of the most sustainable in the country, delivering as a minimum 31% affordable carbon zero homes into the Local Housing Company (LHC), with further options to secure up to 50% of the site for the LHC subject to a separate business case. We are in the final stages of the procurement for a developer partner, with final bids due in January 2022 and an appointment soon after.
- d) We plan and are working towards the electricity generated at the MK Waste Recovery Park to power the Recycling Facility, the Environmental Services Depot as well as new electric buses at the Arriva bus depot. MK's waste will provide the energy to fuel the Environmental Services vehicles including household waste collection. A full cycle from waste collection from MK's householders, to treatment producing energy, which fuels the fleet which collects the waste.
- e) We have introduced 30 planted roofs on bus shelters to absorb carbon emissions from traffic. This is something that will be built into shelter requirements moving forward meaning most shelters will either be solar powered to reduce overall consumption of power or will carry planted roofs to absorb carbon and offset from the power needed to provide lighting and information.
- f) Planting new trees will provide wide ranging benefits from improved air quality to noise reduction and habitats for wildlife. New initiatives contributing to this include:
 - i) Tree avenue replacements in central Milton Keynes where we are currently researching what the new tree pits will look like for the replanted streets including Midsummer Boulevard and Lloyds Court.
 - ii) To plant and maintain 400 trees across Milton Keynes working with parish councils. We are currently procuring these 400 trees from locations that have the appropriate provenance.
 - iii) There are 48 trees at Station Square as part of a public art project representing the Parishes of MK. Once the project is complete, we will distribute each tree to the respective Parish.
- g) We are actively working with the Open University, MK University Hospital, The Parks Trust and Grand Union Housing Group on potential collaborative projects, where we can learn from each other what works best for a particular problem and to establish if ideas, such as the heat networks fit with their own sustainability strategies.

- h) We are investigating the opportunities to develop a solar farm(s), where we have viable access to the grid network and where there is grid capacity. Initial enquiries are underway with landowners and Western Power Distribution (the district network operator (DNO) serving MK), to establish how feasible several sites are. The options appraisal will be concluded in late December 2021 for the consideration of detailed business cases commencing in early 2022.
- i) We successfully bid for and received £130k from the Heat Network Delivery Unit (HNDU) towards a heat network feasibility study and we are working with a firm of consultants to evaluate the possibility of commercially viable heat networks at the Lakes Estate, Wolverton Waste Recovery Plant, MK East and the area surrounding Milton Keynes University Hospital. The final report is due before Christmas which would, depending on the outcome, allow us to bid for further funding to move to the detailed design stage of developing a city-wide heat network to benefit the residents/businesses in these areas of MK with the provision of low carbon heat. Further development of these options will be subject to follow on grant funding.
- j) The below graphic shows where the opportunity areas for heat networks are located across the city. Low carbon heat for the residents and businesses in MK will be essential to meet the ambition of area-wide net zero emissions.



4. Grant funding secured and scanning for new opportunities

4.1 The Government has made several commitments for funding of energy efficiency works

and carbon reduction initiatives and we have bid for several of them.

a) Social Housing Decarbonisation Fund (SHDF)

With Mears (our housing repairs, maintenance and planned programme provider) we have submitted a bid for £3.6m which, with funding through the HRA, will seek to upgrade c.300 properties on Netherfield in a c.£11.3m overall project, linked to the planned maintenance programme. This will focus on improvements to the fabric of the dwellings, to reduce space heating demand for residents.

b) Green Homes Grant Local Delivery Scheme (GHG LAD)

A grant of c.£620k has been secured from BEIS towards a c.£830k project to install energy efficiency measures including air source heat pumps (ASHP) in place of the existing boilers; photo-voltaic (solar PV) panels on the roof; roof insulation and individual heating controls to both Everglade House and Granby Court. Preparatory work will commence before Christmas with the actual installations taking place in January 2022.

c) Heat Networks Delivery Unit (HNDU)

MKC has successfully bid for and received £130k from the Heat Network Delivery Unit (HNDU) as described above.

d) Under the ZEBRA initiative MKC has been successful in a bid for £16.4m from Department for Transport (DfT) to match £16.4m from private industry to move almost the entire local Arriva fleet to Electric, around 56 buses. This links in with the planned phased move to the electrification of the refuse collection vehicles (RCV's) fleet. The Milton Keynes Waste Recovery Park (MKWRP) facility at Wolverton produces electricity from MK's waste which can potentially be fed across the road to the Arriva bus depot and MKC depot via a 'private wire' arrangement thereby completing the circular economy of collecting the waste to convert to electricity to fuel the vehicles. This is at a very early stage of development and will require further commercial negotiations before being finalised.

4.2 With the support of Local Partnerships, EQUANS, Mears and our forming relationships with wider partners, we are looking to develop shovel ready projects to allow us to take advantage of the Government grants we are aware of that are due to come.

4.3 We are regularly scanning for new funding opportunities, to understand the scopes of any grants, and our approach to have the best chance to secure them, where they align to our plans / target areas.

5. How we are driving our low carbon future in MK; homes and transport

5.1 The Council adopted the Supplementary Planning Document (SPD) for the Sustainable Construction Policy (SC1) of Plan:MK. This SPD sets out the requirements that developers must meet for new buildings and major refurbishments for low carbon design and

operation, and resilience to climate change. All new developments over 11 dwelling units or over 1,000 sq.m of non-residential development are required to provide an Energy and Carbon Statement setting out how they are addressing specific issues relating to carbon reduction, air quality, overheating and 15 quality and monitoring regimes. Buildings that will not be zero carbon will be required to pay funds into the Carbon Offset Fund (COF), which we manage and enforce. The COF is then used by us to help fund retrofit projects across the borough. This planning requirement applies to all developments, including our own developments. This is a crucial step forward in delivering the ambitions to achieve net zero in new build developments and major refurbishments.

- 5.2 Working with the Procurement Team under the More for MK initiative, we are focussing on using more local suppliers where all tenderers will be evaluated on social value and carbon zero initiatives as well as price and other quality aspects (subject to the type of contract). The tenderers will also be expected to show a commitment to the economic, social, and environmental wellbeing of the area and supporting local skills and employment and will be made aware, when submitting their pricing, that Milton Keynes Council is a Real Living Wage Foundation.
- 5.3 The Future Buildings Standard (non-domestic buildings) and the Future Homes Standard have been widely consulted upon and their enactment in conjunction with revised Building Regulations will require all new homes to be built without a gas boiler by 2025. Over recent years the building regulations have continued to tighten the requirements about the conservation of fuel and power and now all new domestic and commercial buildings are required to have 'consideration of high-efficiency alternative systems for new buildings. The technical, environmental and economic feasibility of using the following alternative systems must be considered: (The Building Regulations - Regulation 25A)
- Decentralised energy supply system based on energy from renewable resources
 - Cogeneration (e.g. Combined Heat and Power)
 - District or block heating or cooling
 - Heat pumps
- 5.4 All new projects, including our own, must follow the current legislation and the building regulations are the sole source of requirements which must be met, which we enforce for Milton Keynes.
- 5.5 The need to build new schools and build new homes means that often we are at the forefront of implementing these technologies, some are which are well established, others are relatively new but proven in specific circumstances. There can be some risks associated with this, but we consider measures and a detailed business case on a case-by-case basis for each project to ensure the most appropriate solution is implemented. It is accepted that air source heat pumps (ASHP's) on their own are more expensive to run and maintain than gas boilers (due to the lower unit price of gas than electricity, although this is not expected to remain the case, as levies are likely to switch being applied to the unit price of electricity to gas) but that the overall energy efficiency of a

whole building needs to be considered when combined with other contributory measures, such as improved insulation and onsite renewable energy generation.

5.6 Under the Building Regulations there are many other aspects which have been increased/improved including much higher standards, for example the thermal efficiency of buildings, airtightness testing of the completed building is required, system efficiencies are measured, solar gains must be limited, and a building logbook must be produced containing the maintenance requirements so that the building can be operated in the most energy efficient way by the Building Managers.

5.7 The energy market is highly volatile at present but the move from gas to electricity is part of the Government's decarbonisation agenda and, for new buildings, the requirement to consider alternative high-efficiency alternative systems, together with our adopted sustainability and carbon reduction ambitions, will limit the choice of energy provision we have.

6. The themes which emerged from our resident survey

6.1 We chose to use the 'Give My View' survey platform as a trial to secure a wider cohort of resident views on our activities and to help guide our plans. In the 4 weeks it was open nearly 1,000 surveys were completed. This resulted in c.8,000 votes being cast and 380 unique emails from voters giving open feedback.

6.2 The overriding statistics were

- a) 75% of the respondents voted positively when asked if we are taking action to become a sustainable city
- b) 59% voted that they actively care about climate change and its impacts
- c) 33% voted that they care but feel powerless
- d) 55% voted that they feel the biggest impact on reducing carbon would be to introduce renewable energy schemes
- e) 32% voted for more locally grown food
- f) 30% voted for more environment education

6.3 The key themes highlighted by respondents were:

- **MKC should be seeking to improve the affordability of initiatives for the communities.** Those who do want to be pro-active find the cost of external wall insulation, electric cars and rooftop solar prohibitive when they have other priorities for their families.

- **Ensuring that all new developments are zero carbon.** This was a recurring theme across many respondents.
- **Increasing the amount of low carbon transport that is available.** The cost and type of public transport and the lack of availability to access certain parts of the borough were expressed.
- **To reduce waste and to recycle more.** Requests for more guidance on what can be recycled, additional collections, change from plastic refuse bags to re-usable bins.
- **Increase the amount of renewable energy** Requests for more rooftop solar panels and utilising ground source heat pumps (GSHP's).
- **Maintaining the green spaces of MK.** The spaces should be maximised for leisure activities although an increase of tree planting in such areas was also seen positively.

6.4 When analysing the comments made many of the themes are already being dealt with under Council policies, initiatives or proposals which reinforces the opinion that MKC is taking the right action to be a sustainable city of the future.

7. Our progress against the Sustainability Action Plan

7.1 The Action Plan in its original format had close to 400 individual actions, addressing the themes and priorities in the Sustainability Strategy. The revised Sustainability Strategy Action Plan (Annex B) has been updated to identify those actions that were duplicated across service areas and meet the same objective, and to close out those actions that have been completed or delivered since the original Action Plan was developed alongside the recommendations of the Sustainability Task and Finish Group.

7.2 The remaining 81 actions within the action plan have been reviewed, scored according to impact on emissions reduction, ease/cost of delivery and the degree of control or influence we have over delivery. Actions related to adaptation and increasing resilience to a changing climate have been given a priority score.

7.3 The remaining actions are at various stages of delivery, with priority focus on those that have scored highly in terms of the impact of the intervention towards the 2030 target and increasing the resilience of the borough to the impacts of climate change.

8. Implications of the decision

Financial	Y	Human rights, equalities, diversity	N
Legal	Y	Policies or Council Plan	Y
Communication	Y	Procurement	Y
Energy Efficiency	Y	Workforce	Y

a) Financial implications

There are financial implications in delivering this action plan for revenue income and expenditure and for capital expenditure, but these cannot be fully assessed at this stage. Each of the proposed actions will require its own business plan and be considered as part of the capital programme (where appropriate) or be assessed as part of the existing

revenue budget process. The sum of £250k that was provided to pump prime the overall programme, as shown in Annex W of the proposed budget for 2020/21, is earmarked to cover the costs of the Investment Grade Proposals for schools, Civic and Crematorium projects under the Re:Fit programme.

b) Legal implications

The Council has general powers of competence under section 1 of the Localism Act 2011 to do anything which an individual can do subject to any limitations. The recommendations proposed within the report, if approved, will facilitate the Council's vision to create a world-leading sustainable city.

b) Council Plan

Action on climate change and sustainability is one of the key commitments; number 8, of the current Council Plan 2016-2022 and the delivery of the action plan and the case for an energy company are two of the specific elements.

c) Other implications

As the action plan will touch all residents in some way, a communications plan will be required to engage; advise and inform; and to introduce changes to our residents at key points during the implementation of several the actions.

Energy efficiency is a key part of becoming carbon neutral so improvements to the insulation of a building, behavioural change in the use of resources and re-use and recycling all need to be addressed.

Procurement of partners, contracts and services will need to be undertaken progression is made to achieve carbon neutrality.

9. Timetable for implementation

- 9.1 Following Cabinet's approval in December 2020 the work to deliver the action plan has continued. The actions have been split into short, medium and long term and have been prioritised to deliver our 2030 target with confidence, whilst looking to take advantage of grant funding streams, our growing capacity in this area, our developing network of partners and technological advances, which continue to come at pace.