

# Executive Report

Cabinet – 6 February 2024

## SUSTAINABILITY STRATEGY ACTION PLAN UPDATE

Name of Cabinet Member	<b>Councillor Shanika Mahendran</b> Cabinet Member for Climate, Sustainability and Innovation
Report sponsor	<b>Stuart Proffitt</b> Director Environment and Property
Report author	<b>Neil Allen</b> Head of Regulatory Services <a href="mailto:Neil.Allen@milton-keynes.gov.uk">Neil.Allen@milton-keynes.gov.uk</a>

Exempt / confidential / not for publication	<b>No</b>
Council Plan reference	<b>To be a leading sustainable city.</b>
Wards affected	<b>All wards</b>

### Executive summary

In 2018 Milton Keynes City Council made the commitment to become Carbon Neutral by 2030 and Carbon Negative by 2050. Since then, we have provided an update to cabinet each year demonstrating the work that has been done over the last year and setting out our ambitions going forward. One area of focus for the team is the continuing understanding of our current carbon position and working on projects that will help us to achieve our target of zero carbon by 2030.

With this work coming to fruition, and carbon neutrality mapped out by 2030, we can expand the work we have been doing in other areas for residents and businesses, looking at ways we exercise influence outside of the council's direct control. This could be extending the support we are providing to private homeowners to make their homes more energy efficient, amplifying businesses who are aiming for a 2030 carbon neutrality goal through a sustainable business accreditation and using our interest in to push for investments that will deliver world class initiatives to make our geographical area better.

This report highlights these key areas of focus and progress:

- Update on our 2022/23 carbon emissions
- Key Council projects
- City-wide activity and support
- Action plan update

Whilst other authorities may find themselves in the position of considering reducing their sustainability commitments to find savings in their budgets, Milton Keynes City Council sees it as a key part of its strategy to make life better for our residents. From helping everyone live in a more energy efficient home, finding ways to generate energy to making it easier for people to leave their cars at home, sustainability isn't a nice to have but an essential part of our medium and long-term strategy to make Milton Keynes an even better place to live – we are looking to change the city for our residents, rather than changing our residents for the city.

## 1. Proposed Decision(s)

- 1.1 That Cabinet acknowledges the progress to date and continues to support the direction of travel set out within this update.
- 1.2 That yearly progress updates continue to be brought to Cabinet, targeting Q4 of 2024/25 for the next update, in line with the Cabinet meeting for that period.

## 2. Update on our 2022/2023 carbon emissions

- 2.1 We are continuously working through our sustainability action plan and developing key projects to meet our 2030 carbon zero goal. Local Partnerships have continued to provide us with expert support for the measurement of our carbon emissions, as well as specialist input on key projects. Local Partnerships has supported the MKCC Sustainability Team completing the emissions reporting for 2022/23 and developed scenarios for our pathway to carbon zero by 2030 for our operational emissions. The emissions reporting uses the Local Partnerships/LGA Greenhouse Gas Accounting Toolkit. A summary of the emissions reporting and the refreshed pathway scenario to net zero summary is included in Annex A.
- 2.2 The 2022/23 emissions reporting includes the same emissions sources as the 2018/19 baseline. Our operational emissions for 2018/19 were 24,000 tCO<sub>2</sub>e. Our 2022/23 emissions were 15,604 tCO<sub>2</sub>e. Our net zero scenario modelling has been updated with this figure, as well as presenting the range of interventions that are programmed for delivery between now and 2030.
- 2.3 After all our proposed interventions have been modelled (including the implementation of the building retrofit programme, low carbon heat transition and the use of renewable energies), the scenario model is indicating that in 2030 there is a residual 6,386tCO<sub>2</sub>e to be removed from our operations to reach net zero. See annex A and screenshot below.



## Scenario Plan for Net Zero

Updated intervention assumptions November 2023



localpartnerships.org.uk 6

- 2.4 This figure shows an increase from previous years and is due to the inclusion of Scope 3 emissions which are those related to operational emissions from Council contracts. In previous years the data for these has not been available but the availability of the data is now sufficiently robust enough to be included this year.
- 2.5 This will require the acceleration of investment in the Council's buildings and schools to decarbonise, and the transition of the electricity supplies to have Renewable Energy Guarantees of Origin (REGO) backed renewable sources.
- 2.6 Should the existing projects in the plan not reach implementation, alternative projects will need to come forward in their place – as stated in previous updates. Please refer to Annex B for the Sustainability Strategy Action Plan report.
- 2.7 A Biodiversity Net Gain Supplementary Planning Document (SPD) has been completed and is now part of the Development Control process when assessing new developments. Working with the Natural Environment Partnership (NEP) a Local Nature Recovery Strategy is being applied with input from Environment and Water teams. Building on the history of MK and helping with the current drive to sequester carbon wherever possible c250 trees have been recently planted in open ground and a further 40 trees are proposed for urban tree planting in highway land.
- 2.8 Where planning applications are made for dwellings or industrial/commercial units and do not meet the carbon reduction requirements of Plan:MK the applicant/developer is required to make a Section 106 contribution to the Council's carbon offset fund (COF). This fund is then used to contribute funds to any parish or town council, school or community organisations or charities or bulk domestic schemes who are proposing works which reduce carbon emissions across Milton Keynes. (Annex C - Guidelines for COF document). With c30 enquiries this year 4 have been fully approved and one project has been completed.

- 2.9 A Carbon and Climate Study is currently underway and is a key part of the evidence base that will inform the strategy and policies of our next Local Plan, the New City Plan. The Study looks at a range of ways we can ensure that buildings and environments in Milton Keynes help us to mitigate and adapt to climate change. This includes reducing carbon emissions, assessing climate risks, designing new places and green spaces to be resilient to climate change, supporting renewable energy projects, improving local air quality, enhancing biodiversity, and making it easier for people to get around MK in a sustainable way. Underpinning the study has been an extensive engagement process in which we have sought the views of local people, Ward and Parish Councillors, local community groups and organisations, as well as businesses, property developers, and technical stakeholders. Furthermore, ongoing discussions with officers in other MKCC service areas are ensuring the study outputs are produced in a joined-up manner and reflects/supports the work across the Council.
- 2.10 Local Transportation Plan (LTP) 5, will likely bring forward a number of interventions and projects relating to vehicle usage and behavioural changes that will further support the greater use of public and active travel modes, helping to improve both the public health and air quality conditions whilst significantly contributing to the carbon reduction targets.
- 2.11 The Environment and Waste team are negotiating with the contractor of Milton Keynes Waste Recovery Park (MKWRP) for the Council to purchase and sleeve all electricity generated by the plant to the Council's estate. This will be a very positive cyclical economy case study and provide financial benefit to the Council.
- 2.12 The Environmental Services contract now operates a fleet where 50% of the landscaping and street cleansing vehicles are electrified. We have installed many vehicle chargers (81 no. at 7 or 22kW and 5 no. at 40kW) as a network linked to MKWRP and will begin a migration of the refuse collection vehicles (RCV's) fleet to electrified ones between now and 2030. We are currently trialling five electric RCV's and will review the position by 2025.
- 2.13 We support the development and delivery of energy networks to deliver the decarbonisation of heat across the city, as well as many other benefits. These include sustainable and green forms of heat for businesses and hopefully also residents in the future to decarbonise their heating and hot water but also valuable and skilled jobs in this sector within Milton Keynes. Building and expanding heat networks are part of Milton Keynes City Council's sustainability plans, which includes commitments to become carbon neutral by 2030 and carbon negative by 2050.

- 2.14 The heat network feasibility study was completed and is now available to view on the Council’s website [Heat Network Feasibility \(milton-keynes.gov.uk\)](https://www.milton-keynes.gov.uk/heat-network-feasibility). Following the completion of this a further bid to Government was made for funding to develop a detailed business case to look at a heat network with pipes, supplied from the Milton Keynes Waste Recovery Park (MKWRP) coming through to central MK and the possible connection to the existing network, owned by Thameswey (owned by Woking borough council) and/or connecting to other private enterprises. One such enterprise is a heat network looking to use heat from the Anglian Water wastewater facility. There is the potential to link all the networks together to cover a wider area of MK and discussions have taken place with organisations across MK who have expressed an interest in being connected to the network.
- 2.15 The bid was successful, and the Council received £187k in grant funding. Working with Local Partnerships we have developed work packages covering the techno-economic, commercial, legal and financial elements of the project and these work packages are all underway with an anticipated completion date of Q2 in 2024.
- 2.16 We are working with several consultants and the operator of the MKWRP to ensure the most effective and economic solution for MKCC is developed whilst not interfering with the electricity generation, sleeving and private wire supply to the Environmental Services contract mentioned above.
- 2.17 We have a total of 54,421 streetlights that form part of the public highway street assets. We are currently undertaking a programme to convert the last c23,000 streetlights to low energy LED as part of a project to fully modernise our asset. In tandem with this, we are also installing remote management devices (CMS) on all streetlights to enable us to apply energy saving trimming and dimming programmes to save both energy and carbon to assist in our goal to be carbon neutral.

**Current progress**

Current Data on LED Project – December 2023	
Lanterns Converted to LED	8,493 (40%)
Lanterns Converted to CMS smart nodes	31,123 (57%)

- 2.18 This project is scheduled to be finalised by spring 2024.
- 2.19 As a part of the Award-Winning Economic Recovery Plan (£3.5M city wide programme), £500K was set aside specifically for businesses planning to progress their internal and public-facing sustainability and green-skilled focused initiatives starting October 2023. 700 individuals and 154 businesses have been supported by the fund directly to date, with an expected further 300 individuals and 50 additional businesses before the end of March 2024. The current schemes are:

- 1 Ngage Solutions (Phase 2) | £100,000 | July 2023 – March 2024  
 Following the success of the initial Ngage Solutions programme, another scheme is now in delivery which includes the following work:

- Providing 50 organisations with an adviser led carbon footprint analysis. These 50 companies will also have accredited carbon foot printing carried out. The accreditation is carried out by an independent carbon auditor and is ISO 14001:2015 certified.
- Providing 30 decarbonisation reports to these businesses, outlining the strategic approach in transitioning to Net Zero.
- Hosting four expert-led workshops, enriching business knowledge skills. The next one is taking place at MK Gallery on 30<sup>th</sup> November, with Cllr Bradburn opening.
- Organising monthly follow up surgeries delivering advice and guidance to newly engaged businesses and their growing alumni network.
- Engaging with at least 250 individuals within Milton Keynes, to uplift and promote green skills.
- The project team are also arranging specific project events run as themed events (online and face to face). These will be included as standalones within the suite of a monthly Net Zero Surgery where businesses can join virtually, discuss any specific thoughts / strategies / available funding etc.

## 2 The Green Network | £4.4K | Dec 2023 – March 2024

Our newest scheme, the Green Business Network, is an initiative started by Joe Gilbert, the founder of Red Giraffe Marketing Services, with the aim to form a business community that gathers some of the most forward-thinking companies in Milton Keynes who aspire to increase their sustainability practices. After their first successful event Autumn 2022, the Economic Development Team are providing support to the initiative with funding until the end of the Economic Recovery Plan with an estimated 40 individuals to be impacted by a total of 3 events.

## 3 Target Zero – Ongoing

Initiative led by MKCC Sustainability team to help recognise 30 local businesses that have a NetZero target by the year 2030. So far 15 businesses have been engaged, 10 on their way towards gaining a provisional recognition and 2 full informal accreditations. The Economic Development Team are working on external promotional activities to attract more SMEs to the scheme, by utilising the current relationship with Ngage and publishing more details on the scheme on Invest Milton Keynes social media channels.

2.20 Moving forwards, the Economic Development Team will be supporting further sustainability-focused schemes for 2024/25 financial year but will likely need to do so through running a procurement exercise.

- 2.21 Of the £450K identified for Economic Development initiatives for 2024/25, as approved by Delegated Decision by 10 October, £200K will likely be spent on projects which promote net zero. These schemes will specifically look at green infrastructure for businesses, support and information groups as well as provision of designated carbon-footprint, energy and sustainability advisors. We will also explore other funding methods, such as the UK Shared Prosperity Fund.
- 2.22 In 2023 we proposed to form a business led Sustainability Working Group to push our collective efforts across the city. We engaged ten high profile businesses based or highly active within the city to join this group. Unfortunately, we had limited interest in forming this group after several efforts to do so. In truth, many of these organisations already have their own plans for carbon neutrality which they are progressing. We therefore plan instead to continue to focus our efforts on SMEs within the city, to support them in developing and delivering their own carbon neutral plans.

### **Scenario Modelling for Net Zero and emissions reporting**

- 2.23 Local Partnerships has worked to update the Scenario Planning for Net Zero tool this year to replace the previous Pathway to Net Zero. This updated scenario tool provides the Council with additional options to profile the scale and pace of the delivery of interventions to reach the 2030 target. Annex A presents four potential scenarios, including the programmed activity and additional options for review.

### **Scope 3 emissions reporting – procured goods and services**

- 2.24 One of the actions from the plan was to include scope 3 emissions and the emissions reporting undertaken to date has focussed on the operational emissions and a limited Scope 3 boundary for procured goods and services.
- 2.25 The justification for inclusion of the Ringway and Suez contracts is due to the availability of robust data and the transition of these vehicle fleets to low/zero carbon vehicles.
- 2.26 This year, service leads across the Council have been invited to input into a Scope 3 – procured goods and services scoping exercise, this will support a reporting boundary review and the development of an action plan for reducing emissions in the Council's supply chain.
- 2.27 Opportunities arising from the contracts forward plan to include low carbon outcomes and for engagement with the supply chain and upskilling of commissioners and contract managers will be identified as priority outcomes for this activity.
- 2.28 Annex D outlines the initial insights and opportunities from the service leads in relation to understanding and readiness to address emissions in the supply chain.

## **Climate risk and adaptation**

- 2.29 Milton Keynes City Council's (the Council) Sustainability Strategy 2019-2050 Action Plan (SSAP) outlines a set of actions relating to adapting to a changing climate. The Council has explored a range of interventions to reduce emissions and reach net zero, however we know that there is an urgent need to increase the resilience of council services and our communities to the inevitable change in our climate. Understanding climate risk to council service delivery and the need to adapt is not an issue to deal with after net zero has been delivered – it must be addressed hand in glove with interventions to reduce emissions.
- 2.30 In Milton Keynes we are already feeling the impacts of a changing climate – disruption to service delivery, school closures, overheating in buildings and homes and localised flooding and loss of biodiversity. The SSAP has a set of actions within it focussed on adaptive actions in relation to our environment – where the Council now needs to turn its focus is to understanding climate risk to wider service delivery and our communities, and to develop a climate resilience and adaptation plan to be incorporated to the Sustainability Strategy 2019-2050.
- 2.31 All service areas across the Council will be impacted by climate change, and applying a climate lens to service and corporate risk management processes is a first step to understanding current and future vulnerability to service delivery and communities and to support scenario planning and potential service redesign in the medium to long term.
- 2.32 Awareness of climate risk, potential impacts and cascading consequences and interdependencies may reduce the resource required to respond to extreme weather events and system failure. Service areas that are able to identify critical thresholds and trigger points for decision making in relation to extreme weather can avoid costly responses further down the line.
- 2.33 This work has started, with all service area leads contributing to an initial discussion and gap analysis on current impacts and activity. In November 2023, colleagues across the Council participated in climate risk workshops, to explore in more depth specific risks to service delivery and communities. The outcome from this activity will be a climate risk register to feed into the Council's corporate risk management approach. Risk owners and accountable bodies that sit outside of the Council itself will be identified. This work will complement the broader climate risk assessment currently underway for the evidence gathering for Plan:MK2 and is focussed on service delivery. An adaptation plan for services will be developed following this work to update the SSAP.
- 2.34 Annex D outlines the initial insights that have been captured from service leads in relation to understanding and readiness to address climate risk to service delivery.

## **Our progress against the Sustainability Action Plan**

- 2.35 The MK Energy and Carbon Hub Board has ensured Council wide engagement and momentum on the delivery of the Sustainability Strategy Action Plan. The Board continues to monitor progress, risks and issues associated with:



- key workstreams in the Sustainability Strategy
  - coordinating delivery of the proposals detailed in the Sustainability Strategy Action Plan and any technical evidence supporting such documents and review
  - providing budgetary oversight for the Energy and Carbon Hub
- 2.36 The Action Plan in its original format had close to 400 individual actions, addressing the themes and priorities from within the Sustainability Strategy. The revised Sustainability Strategy Action Plan (Annex B) has been continually updated during the year with 16 actions being completed; 48 actions in progress and 15 actions being investigated further to ensure successful delivery.
- 2.37 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.
- 2.38 Councils that demonstrate climate leadership have strategies with interim milestones to measure and celebrate success, and to capture new challenges and opportunities in order to course correct if required.
- 2.39 The Sustainability Strategy and its Action Plan are now five years into implementation, and at this milestone it is proposed that with the current activity that is underway (new major projects in development, re-baseline of emissions reporting and supply chain emissions and the climate risk register and adaptation planning) that the Action Plan be refreshed – noting and celebrating the successes and prioritising a suite of actions that will accelerate the progress to the 2030 target and increase service and community resilience to the impacts of the climate crisis.
- 2.40 It is proposed that the Sustainability Strategy 2019-2050 has a detailed interim progress report and statement published in 2024. This will celebrate the successes to date, highlight the challenges that the City faces that did not exist in 2019 (Covid recovery and the cost of living crisis) and explore the opportunities for a Just Transition for our communities and businesses to reduce emissions and adapt to the changes in climate (that we are already experiencing in the City). This will align to the new Local Plan. The updated Action Plan will be streamlined to capture the priority projects (whilst capturing service level measures) and be strengthened in relation to measurable impacts.
- 2.41 We also regularly scan 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.

**Setting the scene/ next steps**

- 2.42 We need to consider how best to evolve the existing strategy now that it is 5 years old so how best to position the action for 2024/5 post the next general election. With the continued support of Local Partnerships, as well as 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/likely to come forward.
- 2.43 Looking forward it would be useful to have a way of evaluating our progress against others in a uniform manner. We have been successful in reducing our own carbon emissions, but we aren't sure if the same criteria are used in all cases. One way in which to develop this could be via an ESG Framework that links financial, ethical and corporate measures of the Council and the impact of sustainability measures.
- 2.44 The E looks at Environmental impact of the organisation's activities covering energy usage, waste production, pollution and wider contributions to the climate crisis.
- 2.45 The S considers the wider societal impact of our activities critically assessing relationships with stakeholders including employees, suppliers and communities we operate in.
- 2.46 The G, or Governance, assesses how the E and S factors are implemented and overseen and how the organisation is run. This involves critically evaluating corporate governance such as lines of accountability and regulatory practices the organisation adopts.
- 2.47 There are no standardised frameworks for ESG reporting with many third parties coming up with their own guidelines but with one of the most important being the United Nations Sustainable Development Goals (UNSDG's) this shows one way in which corporately we may choose to align its objectives and reporting for the future.

**3 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, which will be fully assessed at each 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.

## 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. In developing and progressing the various schemes detailed within this report, to promote the sustainability action plan, the Council will need to be mindful of and consider legislation such as subsidy control as they may apply.

## c) Council Plan

Action on climate change and sustainability is one of the key priorities and outcomes; Action on Climate Change, of the current Council Plan 2022 – 2026 and the delivery of the action plan and the case for the development of local renewable and low carbon heat and power generation schemes are two of the specific elements.

## d) Other implications

Procurement of partners, contracts and services will need to be undertaken as required.

## 4 Timetable for implementation

- 4.1 Following Cabinet's approval in December 2020 the actions were split into short, medium and long term targets; 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.

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### List of annexes

Annex A – MKCC Greenhouse Gas Emissions Reporting 22/23 and Scenario Planning for net zero

Annex B – Sustainability Strategy Action Plan 2019 – 2050 update

Annex C – Carbon Offset Fund Guidelines

Annex D – Report from the Service Lead work

### List of background papers

[Sustainability Strategy 2019-2050](#)

[Task and Finish Group Report – Cabinet 10 March 2020](#)

[Cabinet Report – February 2023](#)