

Dylan Williams
Chief Executive
Isle of Anglesey County Council
Council Offices
Llangefni
Anglesey
LL77 7TW

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Reference: 3198A2022

Date issued: November 2022

Dear Dylan

Isle of Anglesey County Council – Decarbonisation Progress Update

The Council has a vision for its decarbonisation ambition but is at an early stage of its journey. It will need to develop a better understanding of its carbon footprint, the carbon impact and cost of its proposed actions, and funding to help achieve its vision of being net zero by 2030.

Context

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

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

- Strengthen your leadership and demonstrate your collective responsibility through effective collaboration;
- Clarify your strategic direction and increase your pace of implementation;
- Get to grips with the finances you need;
- Know your skills gaps and increase your capacity; and
- Improve data quality and monitoring to support your decision making.

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

What we looked at:

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

What we found:

In September 2020 the Council declared a Climate Emergency and a commitment to "modernise and adapt to become a net zero Council by 2030". This was followed in March 2021 with a commitment from the Executive to deliver a Climate Change Programme as stated in its Towards Net Zero Plan adopted by the Council in March 2022. The current Council Plan 2017-2022 has a key priority to "Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment" which encompasses the decarbonisation agenda. However, the Council recognises there needs to be a much clearer alignment between the next iteration of the Council Plan, due to be published in the Autumn of 2022, and its Towards Net Zero Plan. The Council recognises that it is at the initial stage of its journey towards net zero by 2030.

The Council told us that the five ways of working, and the sustainable development principle are integrated into all of its decision making and that these areas would be considered for each of the individual projects within its Towards Net Zero Plan.

However, whilst the Plan was the subject of an impact assessment which included some consideration of these areas, a more detailed consideration of how the Plan is using the five ways of working to apply the sustainable development principle would strengthen arrangements.

The Council currently collects data on carbon emissions from several sources, however it needs a more comprehensive understanding of its carbon footprint to enable it to prioritise the proposed actions and interventions based on their financial and carbon impacts over the short, medium and long-term. The Council has told us that as part of its wider corporate project to improving the centralisation of data collection, it intends to refine how it defines and measures its carbon footprint and centralise the carbon data collection process during 2022-23.

The Towards Net Zero plan recognises the importance of governance, monitoring and review and has identified this as one of its five themes in the plan. However, governance, monitoring and review arrangements around the council's progress towards Net Zero is still at an early stage of development. At the time of our work the Net Zero Programme Board had not yet met. Whilst the Plan identifies key actions around governance, monitoring and review, no specific timescales have been agreed for when these important steps will have been completed. It will be important for the Council to put these key actions in place as quickly as possible to ensure it effectively manages its progress towards net zero.

The Council's current Scorecard Monitoring Report and its latest Annual Performance Report (2021/22) contain a small number of metrics on Carbon emissions. Whilst the Council measures some emissions data and has reported these to Welsh Government for 2019-20 and 2021-22, it is still developing its approach to collecting and publicly reporting on its progress around carbon reduction.

The development of the Council's Towards Net Zero Plan has not been directly informed by engagement or consultation with citizens. However, the Council told us that it intends to engage on this area as part of the proposed engagement on the new Council Plan. Having a clear understanding of citizens and wider stakeholders' perspectives and how they can support the Council will be an important stage in building a shared vision for its net zero ambitions.

In developing its Towards Net Zero Plan the Council engaged with other Councils, as well as the Welsh Local Government Association and the North Wales Economic Ambition Board. Whilst there are examples of collaborations around decarbonisation such as the “Energy Island Programme” the Council needs to continue to explore opportunities to work in partnership with other stakeholders if it is to deliver its vision of being net zero by 2030.

The Council has previously invested in several initiatives to support its Net Zero plans the most significant of these is the £2.6m in its Energy Efficiency Refit scheme and the Welsh Government funding for the new water and air source heating for its main council offices. The Council has also allocated a small revenue budget for climate change and invested in a new Climate Change Programme Manager. In addition to this the Council has allocated a further £200k for specific capital projects in 2021/22 with a further £300k in reserves for decarbonisation projects. However, it recognises the investment challenges for low carbon technology and that the resources currently earmarked for this area will not be sufficient to meet the Net Zero 2030 target. There is therefore a significant risk that the Council will not meet the net zero emissions target by 2030. If the Council is to meet this challenging target, it will need to ensure its Corporate Plan and Capital Strategy fully reflect the how it proposes to fund its low carbon projects and initiatives.

Recommendations

Exhibit 1: recommendations

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

Recommendations	
R1	<p>The Council should ensure that the high-level actions in its decarbonisation plan are:</p> <ul style="list-style-type: none">• prioritised based on clear criteria, including carbon and financial impact;• aligned with its Medium-Term Financial Strategy and Capital Programme; and• integrated into business plans.

Recommendations

- R2 The Council should develop a robust set of metrics to measure and report progress on its decarbonisation journey.

Yours sincerely

Alan Hughes

Audit Lead