

Committee(s)	Date:
Policy & Resources	8 th July 2021
Subject: Climate Action Quarter 1 update 2021 & Request for delegated authority	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 5, 7, 10, 11, 12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	CAS programme funding
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: Director of Innovation & Growth Deputy Town Clerk & Chief Executive	For Decision
Report author: Grace Rawnsley, Climate Action Programme Director Stuart Wright, Climate Action Programme Manager Julia Makin, Climate Action Stakeholder Engagement Lead	

Summary

This paper provides members with an update on the Climate Action Strategy for the first quarter of year one.

We are making progress across all areas of the programme. All projects are within budget and scope. Most are on schedule, and we are working to resolve any early delays to ensure the overall programme is on track. A focus of this quarter has been delivering effective stakeholder engagement to ensure continued support and involvement across our audiences. A range of virtual and in-person events have been conducted including for residents, members, staff and businesses. The first quarter also saw the launch of the SME-focused pilot '4 Steps to Action' by the Heart of the City, and the approval of the phase one selection of the pedestrian priority scheme.

Some issues and risks have been identified in the programme which are addressed in this paper. Most notably, some of the actions associated in meeting our Net Zero target for 2027 are not achieving the required pace. As a result, this paper also requests the approval of delegated authority to the Senior Responsible Officer in consultation with a Chief Officer board and key Members.

Recommendations

The Policy & Resources Committee is recommended to:

1. Note the progress made across the programme during the first quarter of year 1.
2. Approve the request for authority to be delegated to mitigate the risk of delays impacting the Net Zero 2027 target, as set out in paragraphs 25-31.

Main Report

Background and context

1. In January 2020 the City Corporation set out on a fast-paced, cross-corporation journey to develop an ambitious [Climate Action Strategy](#). The resulting Climate Action Strategy was adopted at Court of Common Council on the 8th October 2020.
2. The Climate Action Strategy (CAS) marked the start of a new and transformative programme of action. It set out three interlinked primary objectives for the City Corporation and the Square Mile:
 - to support the achievement of net-zero emissions,
 - to build resilience, and
 - to champion sustainable growth.
3. The Climate Action Strategy also sets out 4 targets for the City Corporation and Square Mile:
 - Net zero by 2027 in the City Corporation's operations
 - Net zero by 2040 across the City Corporation's full value chain
 - Net zero by 2040 in the Square Mile
 - Climate resilience in our buildings, public spaces and infrastructure
4. The current programme is set over 6 years driving towards the 2027 target and making substantial impacts on the 2040 targets. The Y1 programme plan and budget were approved at P&R on the 8th April.

Programme Update – Quarter 1

Summary of progress

5. There are 13 Climate Action Project Plans that have been developed to guide delivery of its commitments and targets. Every quarter, project managers report their status against their plans to monitor overall Climate Action Strategy delivery progress. All projects are on budget and are making progress on their agreed scope of works.

Key highlights achieved in Q1

6. Engaging SMEs on climate action is a key workstream within the programme. On 1st July, the Heart of the City will launch a pilot of their new climate action programme for SMEs in the Square Mile. This programme provides support to SMEs on their journeys to net zero.
7. Phase 1 selection for the pedestrian priority scheme was approved at Streets and Walkways Committee. This is a key step in allowing us to progress with this important workstream. Reducing motor vehicle volume will help us to achieve our

goal of reaching Net Zero in the Square Mile. We will achieve this through increasing the comfort, safety, and efficiency of non-motorised modes of transport.

8. Across the programme, several capital projects are progressing through the relevant gateways.
9. The tender process for surveys in the Investment Property Portfolio commenced and is due to complete at the end of June and will be instructed mid-July. In addition, the route to market has been arranged for the Operational Property Portfolio top 15 buildings survey which will commence end of July.
10. The Centre of Excellence resource specifications have been finalised for the City Surveyor's department.
11. The financial investments workstream has appointed consultant resource and held the first 2 of 3 workshops designed to design the transition pathway on aligning investments to the Paris agreement. The work is on track to deliver a pathway, interim targets and a Taskforce for Climate Related Disclosures (TCFD) report by September.

Enabling workstreams update – Quarter 1

Performance and reporting

12. The Climate Action Dashboard entered the second phase of development with an expected completion date of August 2021. The timeline has moved from July 2021 to August 2021 due to delays in appointing a consultancy firm to support the ongoing development. Once fully operational, the dashboard will be hosted on our public website with regular updates for officers Members and the public.

Stakeholder engagement

13. Increasing climate literacy in support of informed decision-making has been a priority in quarter one. A variety of Member engagements have been conducted across the programme in support of this objective including:
 - A climate scrutiny orientation session delivered by the Climate Action Team on 22 April. The session was based on the Local Government Association and Centre for Public Scrutiny's curriculum and included a 'climate 101' section.
 - An orientation session on Financial Investments delivered by the Carbon Tracker Initiative for Members of Financial Investment Board on 21 May.
 - An orientation session on Whole Life Carbon delivered by Arup. Members of Planning and Transportation, Finance, Corporate Allocation Sub, Property Investment Board, Projects Sub, and other Members attended on 8 June.

14. An overview of the Year One Climate Action programme has been recorded as a presentation for officers. This will be presented live at a webinar with lead officers representing their project area at the beginning of July. Materials from all presentations are available on the intranet for Members and Officers, alongside recordings for some of the sessions.
15. The Climate Action pages of the [website](#) have been updated to include a suite of materials to support climate literacy. This includes a Year One Action Plan and a Climate Action Glossary and Guide which was created in partnership with residents. The webpages host useful guides to support action by residents and businesses. They also signpost the free support for SMEs delivered by the Heart of the City in support of the Climate Action Strategy.
16. We have also participated in 'in-person' engagement with community stakeholders. This includes the Virtual City-Wide Resident meeting and at a special event on 14 July showcasing a range of community-led action.
17. Resident stakeholders have been able to access, provide information and shape the approach to energy efficiency in residential housing. Residents from the Barbican and HRA housing estates were invited to invited to a series of workshops. The workshops have been conducted in addition to desk-based studies, an estate-wide online questionnaire, and site visits to understand energy use.
18. COP26 is a prime opportunity to position the City Corporation as a recognised leader in climate action. Engagement via London Councils Climate Roundtables, the Carbon Accounting Task and Finish Group and the Core Cities Investment Commission has provided the opportunity to share the City Corporation's approach to strategy development and governance tools. Through these fora, the City Corporation is leading on developing several tools and approaches. These include a London wide financing facility designed by the Green Finance Institute (GFI) and a consistent approach among London Councils to Scope 3 reporting. We are also involved in the development of a low carbon investment prospectus drawn from opportunities across UK cities, which will be taken to COP 26.

Risk and change control update – Quarter 1

Risks

19. Several workstreams are delayed getting essential resources in place – The Square Mile, Purchased Goods and Services, and the 4 buildings workstreams. Actions are being put in place to mitigate delays under all workstreams.

20. As highlighted in the Year 1 plan at April Policy & Resources Committee, a Centre of Excellence within the City Surveyor's Department is required to provide the capacity, expertise and quality assurance needed to deliver on the strategy targets. The specification for this key additional resource has been completed however, if not recruited by the next quarter this could disproportionately affect the Operational Portfolio due the risk of not meeting our 2027 target. The City Surveyor will make on-boarding this Centre of Excellence a key priority.
21. An additional dependency for Climate Action is the long-term plans for the major projects related to our operational buildings. These major projects will be discussed at the Resource Allocation Sub Committee in July which will give members an opportunity to familiarise themselves with the current challenges. Climate Action needs to be considered and incorporated into these plans to ensure that opportunities for accelerating climate action are capitalised on.
22. A further risk to the programme is the delays caused on mobilisation by governance processes. This issue has affected the building-related project plans primarily which have a direct impact on achieving our 2027 target. Mitigation for this risk is a proposed delegation of authority, as described in paragraph 30.
23. The above sections cover our programmatic risks. The Corporate Climate Risk CR30 describes our composite organisational response to climate change and focuses on areas within our control. A review of CR30 will take place in July at the next Audit and Risk Management Committee.

Change control

24. There are no proposed changes to the scope, budget, or timing of any of the projects. As projects progress and gain more clarity on outputs, there may be a change in the budget split between capital and revenue. The impact of which will need to be worked through at an operational level in conjunction with Chamberlain's, for both in year financing and as part of medium-term financial planning and annual budget setting. This will be highlighted through the relevant change control procedures and the amounts involved do not at present represent a material risk.

Request for delegated authority

25. The programme spans six departments and reports to nine service committees. All project plans have been agreed by service committees. The full programme is under the control of this committee with budgets agreed at the 8th April meeting.
26. Mobilising projects at pace and capitalising on opportunities for acceleration are necessary for the programme to meet targets. A key risk to delivering the programme is that pace is impeded by existing governance processes. In view of the number of bodies potentially involved in each project this is a very material

likelihood. However, it is vital that robust Member oversight and scrutiny is engaged in these crucial projects, given their scope, size, and corporate importance.

27. Thought has, therefore, been given to how decision-making arrangements could be revised to balance pace with appropriate oversight. To this end, it is proposed that the Senior Responsible Officer for Climate Action be provided with delegated authority to act in respect of a number of project approvals. As a result, key identified projects within these workstreams would be taken outside of the usual Project Procedure (i.e. Gateway reporting) arrangements.
28. The SRO would work in consultation with a Chief Officer board to ensure adequate peer scrutiny and corporate endeavour on the officer side. The SRO would also consult with identified lead Members prior to committing to decisions. The delegated authority arrangements would include:
 - Review and approval of gateway reports and issues logs related to capital expenditure up to £1m. (NB - expenditure above this limit will follow the normal gateway procedures).
 - Approval of revenue expenditure across the programme from the approved Climate Action budget.
29. Appendix 1 sets out the officer level governance for the programme as well as the proposed delegated authority levels. It also provides the membership for a Chief Officer level board that will oversee the programme.
30. This Committee has previously appointed three Members to lead on Climate Action, namely Members Bottomley and Ingham Clark, and Alderman Gowman. The approach proposed in this paper is endorsed by these Members. They will continue to be closely consulted on all elements of expenditure across the programme, as alluded to in paragraph 30. This support is given on the basis that this is a time limited pilot, which can deliver lessons and insight in time to fold into the wider work at the Corporation to review delegated authorities.
31. It should be noted that, as of 1 September 2021, the Deputy Town Clerk & Chief Executive will become the SRO for the programme, taking over from the Director of Innovation & Growth.

Corporate and strategic implications

32. Strategic implications: The CAS supports delivery against the following outcomes in the Corporate Plan, 2018-23:
 - Outcome 1: People are safe and feel safe
 - Outcome 5: Businesses are trusted and socially and environmentally responsible

- Outcome 7: We are a global hub for innovation in financial and professional services, commerce, and culture
 - Outcome 10: We inspire enterprise, excellence, creativity, and collaboration
 - Outcome 11: We have clean air, land and water and a thriving and sustainable natural environment
 - Outcome 12: Our spaces are secure, resilient, and well-maintained.
33. The strategy builds upon existing strategies and policies, including: The Responsible Business Strategy 2018-23, the Responsible Investment Policy, the City Procurement Strategy 2020-24, the Local Plan 2015, the draft City Plan 2036, the Transport Strategy 2018-43, the Air Quality Strategy 2015-20, the Climate Mitigation Strategy, the Carbon Descent Plan, the Transition to a Zero Emission Fleet Policy, the Renewable Electricity Policy & Sourcing Strategy and related campaigns, such as Plastic Free City. It is aligned to ongoing reviews of our financial and property investment portfolio.
34. Resource Implications – There are no additional resource implications arising from this report, although any changes between capital and revenue allocation will require appropriate consideration through governance procedures.
35. Risk Implications – To manage risk effectively in the programme, all projects have a risk register, and the overall risks are controlled through a corporation level risk CR30 – Climate Action Strategy.
36. Equalities Implications – A Test of Relevance was undertaken on the Climate Action Strategy and several positive impacts were identified for people in at least one of the following five protected groups - age, disability, race, pregnancy/maternity, and gender. No negative impacts were identified. Potential equalities impacts will be investigated and assessed on an ongoing basis.
37. No new legal, security, climate implications arise from the recommendations in this report.

Conclusion

38. Progress has been made across all 13 projects within the first quarter of year one. A key area of focus has been our work on stakeholder engagement both internally and externally. Working with Heart of the City, we will also launch the pilot for our support package to SMEs. However, some of the projects are experiencing delays which we are working to mitigate. To meet our Net Zero 2027 target, delegated authority is requested within the agreed budget to achieve the pace required.