



STROUD DISTRICT COUNCIL

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29 May 2019

ENVIRONMENT COMMITTEE

A meeting of the Environment Committee will be held on **THURSDAY 6 JUNE 2019** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00 pm.**

Kathy O'Leary
Chief Executive

Please Note: This meeting will be filmed for live or subsequent broadcast via the Council's internet site (www.stroud.gov.uk). By entering the Council Chamber you are consenting to being filmed. The whole of the meeting will be filmed except where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

AGENDA

- 1 **APOLOGIES**
To receive apologies for absence.
- 2 **DECLARATIONS OF INTEREST**
To receive declarations of interest.
- 3 **MINUTES**
To approve the minutes of the meeting held on 28 March 2019.
- 4 **PUBLIC QUESTION TIME**
The Chair of Committee will answer questions from members of the public submitted in accordance with the Council's procedures.
DEADLINE FOR RECEIPT OF QUESTIONS
Noon on Monday 3 June 2019.
Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud and sent by post or by Email: democratic.services@stroud.gov.uk
- 5 **PETITION**
A petition organised by Lee Sibley received on 25 April 2019, has been received as follows:
"Save Stroud & Save Rural England!"
Petition Words According to the respected think-tank Migration Watch UK:
"Our central concern is the current massive level of immigration which, if allowed to continue, would mean that the population of the UK would increase by 10 million in 25 years, 82% of it due to future migrants and their children. Migration is, of course, a natural part of an open economy and society but it must be sustainable and must have the assent of the British public - yet many in the media and political class have

long dismissed widespread public concern and the strong view of a clear majority that the current level of net migration of around a quarter of a million a year must be significantly reduced."

Stroud District council alone wants to build a staggering build of 12,800 plus more which they may have planned in their sleeves. This is not just about Stroud constituency this is happening all over the country up and down which is why me and David discussed the problems and our concerns for our great country and the character of our nation!

We hope you can help and support us by simply signing that's all we ask if you can share with friends and family even better or if you can pay to promote on Facebook and Instagram all would be appreciated and you would be proud when we finally take control over the situation and protect our environment.

Nearly all hedgehogs are fastly disappearing at a rapid pace this is alarming. Our wildlife are disappearing and unprotected any more they have no home to go to.

Think this way you have a house, car and money. Imagine coming home and nothing was there and it's all gone. The question I'm asking you is how would you feel? The answer would be you feel angry and disappointed that your home has been taken away from you and the environment. Yet this is what happening to animals and they are feeling the same way at the moment. We are making a hostile environment which is wrong!

This mass destruction hasn't just affected the countryside or habitats it's also affected us the young generations and old who used to or can't play in the woods or on farms no more as there are simply none left: I don't know how nobody could be moved by this.

According, to recent studies nearly over 50% of our countryside are disappearing and why the reason behind is the council are greedy and so are the developers.

MP's also no longer represents the people as have emailed David Drew for Stroud who is Shadow Minister for the Environment, Food and Rural Affairs. So, if he is a shadow minister for the environment and food and rural affairs surely he knows way better about the environment than anyone and a supposed to be campaigner for the countryside yet when I've emailed him all I simply get is I agree or a paragraph which is totally unhelpful.

This is shocking that no authority are alarmed by the scale of our disappearing farms. Maybe, it be too late to act!

All we are asking is could you please sign our petition that's all and share we're not asking for a lot we just need your help in order to achieve change. We cannot let this regime continue to destroy our generations just remember when you were kids playing in fields and now it's being taken away from us everyday. This is close to my heart for many reasons as love going for bike rides and long walks around the lanes and farm yards but it's all going everywhere you turn to the places you once love to get some quiet are going!

My name is and I am a pro-Brexit activist who lives in the beautiful village of Stroud in Gloucestershire. My village could be anywhere in England. It is full of good local people and has all the values that forms the backbone of our nation. Sadly our council wants to ruin this by selling land for the building a staggering 12,000 homes destroying our village. Now it's Stroud but soon it will be everywhere. We simply don't have enough homes for all these people coming to Britain. We need to look after our

own people. I am asking you to sign this petition we will submit to Stroud Council and also the Prime Minister. If you want England to remain a green and pleasant land then please sign NOW!"

In accordance with the Council's Petitions Scheme, the petition is to be debated by Committee. The petition organiser will be given 3 minutes to present the petition and the petition will then be debated by Committee for a maximum of 15 minutes.

6 PROGRESSING CARBON NEUTRAL 2030

To agree the actions set out within the report.

7 UBICO BUSINESS PLAN & 5 YEAR VISION 2019/2020

To note the business plan and agree to change the sign off progress for the business plan in subsequent years

8 APPOINTMENTS

- a) Performance Monitoring Representatives
- b) Outside Bodies

9 MEMBER REPORTS

- a) Planning Review Panel
- b) Stroud Concordat

10 WORK PROGRAMME

To consider the work programme.

11 MEMBERS' QUESTIONS

See Agenda Item 4 for deadline for submission.

Members of Environment Committee 2019-2020

Councillor Simon Pickering (Chair)

Councillor George Butcher (Vice-Chair)

Councillor Chris Brine

Councillor Paul Denney

Councillor Jim Dewey

Councillor Trevor Hall

Councillor Haydn Jones

Councillor Dave Mossman

Councillor Skeena Rathor

Councillor Haydn Sutton

Councillor Jessica Tomblin

Councillor Tim Williams

ENVIRONMENT COMMITTEE**28 March 2019****7.00 pm – 8.54 pm****Council Chamber, Ebley Mill, Stroud****3****Minutes****Membership**

Councillor Simon Pickering (Chair)	P	Councillor Haydn Jones	P
Councillor George Butcher (Vice-Chair)	P	Councillor Dave Mossman	P
Councillor Chris Brine	P	Councillor Gary Powell	A
Councillor Paul Denney	P	Councillor Haydn Sutton	A
Councillor Jim Dewey	P	Councillor Jessica Tomblin	P
Councillor Trevor Hall	P	Councillor Tim Williams	P

P = Present**A = Absent****Other Member(s) Present**

Councillor Nigel Studdert-Kennedy

Officers in Attendance

Director of Development Services	Planning Strategy Manager
Principal Planning Officer	Accountant
Principal Projects Officer	Neighbourhood Planning Officer
Head of Community Services	Democratic Services Officer

EC.044 APOLOGIES

Apologies for absence were received from Councillors Powell and Sutton.

EC.045 DECLARATIONS OF INTEREST

There were no declarations of interest.

EC.046 MINUTES**RESOLVED** That the Minutes of the Meeting held on 13 December 2018 are approved as a correct record and signed by the Chair.**EC.047 PUBLIC QUESTION TIME**

There were none.

EC.048 WORK PROGRAMME

Members agreed their work programme.

Councillor Brine expressed disappointment that the County Council had indicated its intention to withdraw its subsidy in respect of the collection of food waste. The Chair advised Members that further meetings with the County were planned.

RESOLVED To approve the work programme.

EC.049 MEMBER REPORTS

- a) Planning Review Panel (PRP) – Councillor Nigel Studdert-Kennedy reported that the main consideration for the Panel was the Emerging Local Plan 2020 – 2040. The responses from the consultation events were being considered.

In response to a question about the role of the panel, Members were informed that the Planning Review Panel was set up in 2014 as a cross party panel to review planning arrangements. Any recommendations are presented to the Committee.

- b) Stroud Concordat - the minutes of the meeting held on 10 December 2018 had been circulated to Committee prior to the meeting. The main discussions had been about parking in the town centre and a range of mechanisms were being explored.
- c) Performance Monitoring – Councillor Brine referred to the notes which had been circulated asking members to drive the agenda and to identify areas for review.

EC.050 BUDGET MONITORING REPORT 2018/19 Q3

The Accountant presented the budget report for quarter three which identified areas where there was a variance of plus or minus £20k. The projection was for a net overspend of £73k.

Members raised a number of questions around the budget and contract for refuse and recycling. It was confirmed that UBICO had looked at many potential issues relating to Brexit and companies handling recycling. It was noted that recyclates were going to companies in Birmingham and Norfolk.

RESOLVED To note the outturn forecast for the General Fund Revenue budget and the Capital programme for this Committee.

EC.051 DEVELOPMENT OF A STRATEGIC PLANNING FRAMEWORK FOR GLOUCESTERSHIRE COUNTY TO 2050

The Planning Strategy Manager introduced the report which was being presented to each district council in Gloucestershire. The Framework would provide for a coordinated approach to planning across the County and would assist the Duty to Co-operate. A Statement of Common Ground would be developed which would set out the long term vision for development across Gloucestershire through to 2050.

Members asked about the role of the Strategic Planning Coordinator for the County. The role was to provide better coordination between districts and to help districts to plan for any identified unmet needs across boundaries. This strategic approach would provide a process to tackle the challenge of cross border issues. The coordinator would make recommendations on such issues and the Statement of Common Ground would be reported to Committee and Council if required.

The Chair noted that Members had some concerns but acknowledged that it was important for the Council to have a voice on strategic planning matters.

RESOLVED Support the development of a broad Strategic Planning Framework for Gloucestershire to 2050 and beyond, through the preparation of a Statement of Common Ground, to be prepared by the six local planning authorities, Gloucestershire County Council and the GFirst LEP.

EC.052 CHALFORD COMMUNITY DESIGN STATEMENT

The Principal Planning Officer advised Members that community design statements, with guidelines, commenced in 1985 and had developed over time. The Local Plan contains policies which refer to design statements and the NPPF (July 2018) paragraphs 124-127 sets out clearly the role that design statements and guidance can have.

The Chalford Design Statement, once subject to formal consultation and adopted by the District Council, would become a 'supplementary planning document' which would have weight in decisions to ensure that the design of new buildings better complements the existing parish characteristics.

The Statement would be subject to a six week period of public consultation commencing in April, in accordance with the 2012 Regulations. The results of the public consultation and a final Chalford Design Statement would be considered at a future meeting of Committee.

In response to questions, the officer advised that design statements can be easier to progress and adopt than neighbourhood plans, but they still need to comply with the policies within the Local Plan and the NPPF.

RESOLVED To approve the draft Chalford Design Statement for the purposes of public consultation.

EC.053 STATEMENT OF COMMUNITY INVOLVEMENT (SCI)

The Planning Strategy Manager stated that a draft SCI had been approved by Committee in September 2018 and had been subject to a period of consultation. The report summarised the responses that had been received and set out revisions which had been made to the SCI in response to suggestions.

Councillor Brine asked if the planning IT system could produce a list of planning applications by ward so that Councillors could monitor the applications for their area. The Director of Development Services acknowledged that this point had been raised on a number of occasions but the software package did not provide this facility.

In response to a Member's question, the Planning Strategy Manager confirmed that trade unions came within the definition of the service sector under paragraph 2.6 of the Statement.

- RESOLVED** 1. To approve and adopt the final Statement of Community Involvement (Appendix A).
2. To approve the responses to consultees (Appendix B).

EC.054 **MINCHINHAMPTON NEIGHBOURHOOD DEVELOPMENT PLAN**

The Neighbourhood Planning Officer presented the Examiner's report and recommendations to the Minchinhampton Neighbourhood Development Plan. If accepted the Plan would then move to a referendum which would be held within 56 days of agreement to take the Plan forward.

The Chair congratulated everyone who had been involved in developing the Plan.

- RESOLVED** 1. To accept all recommended modifications of the Examiner's Report (Appendix A);
2. That the Minchinhampton Neighbourhood Development Plan, as modified, meets the basic conditions, is compatible with the Convention rights, complies with the definition of a neighbourhood development plan (NDP) and the provisions that can be made by a NDP;
3. To take all appropriate actions to progress the Minchinhampton Neighbourhood Development Plan to referendum in May 2019.

EC.055 **MULTI SERVICE CONTRACT RENEWAL**

The Head of Community Services gave a verbal update and confirmed that there had been improvements in the running of the contracts, there were regular finance meetings being held with UBICO. There had been some issues around the replacement of Green Recycling Bins. Arrangements had been made for Councillors to collect replacement bins for residents in their area.

In response to questions the Head of Community Services confirmed that Councils' were promoting more education on recycling. The Chair informed the Committee that Stroud was performing better than other districts in its levels of recycling.

RESOLVED To note the verbal update.

EC.056 **ENVIRONMENTAL POLICY**

The Director of Development Services presented the report, setting out that the Environmental Policy was a statement of the Council's environmental commitments, including the commitment to be carbon neutral by 2030. It was intended that the policy would not just be an internal document but also for external organisations that the Council does business with. The Chair added that the policy was one of the outstanding aspects of the Council and showed its commitment to environmental issues.

In response to questions, the Director of Development Services advised Members that details of the Council's use of natural resources were on the Council's website as part of the former EMAS monitoring system. In respect of the move to ISO 14001 accreditation, an internal assessment would be undertaken by officers from Bristol City Council prior to being externally audited as part of the accreditation.

The Chair confirmed that he would be pleased to visit parish and town councils to talk about the Council's approach to CN2030 and the role that those bodies could play.

RESOLVED To adopt the Environment Policy as set out in Appendix 1.

EC.057 MEMBERS' QUESTIONS

There were none.

The meeting ended at 8.54 pm.

Chair

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

6 JUNE 2019

6

Report Title	Progressing Carbon Neutral 2030 (CN2030)
Purpose of Report	To set out the Council's initial response to its declaration of a Climate Change Emergency and the proposed framework for moving towards a Carbon Neutral District by 2030.
Decision(s)	<p>The Committee RESOLVES to:-</p> <p>a) Set up a cross-party member-officer group to coordinate the actions set out in this report and to ensure actions undertaken to achieve CN2030 are embedded across the Council. This will include:</p> <ul style="list-style-type: none"> • Monitoring the national policy position in respect of energy standards for new homes to ensure that the Local Plan, when examined, reflects the latest national policy. • Commissioning work to inform the review of the Local Plan that identifies the potential contribution that could be achieved from the further roll out of renewable technologies and low carbon heat, including district heating, from across the district. • Responding to the consultation on LTP4 requesting that GCC maintain a focus on schemes that encourage modal shift to low carbon transport options and which support both existing and future communities. • Implementing the Council's Capital programme for investment in cycle paths/ greenways and integrate provision from new housing schemes. • Contributing to work at county level to achieve zero carbon standards for new developments, including lobbying of Government as appropriate. • Engaging the services of an energy agency to provide community retrofit advice and support.

	<p>b) Work with the Stroud District Local Strategic Partnership to take a cross sector lead in supporting the delivery of CN2030. This will include:</p> <ul style="list-style-type: none"> • Creating and recruiting to a new CN2030 sub group/Board. • Establishing the capacity and resource needs of the Transition Towns and other voluntary sector groups to contribute to community engagement to achieve delivery of CN2030 across the whole District. • Working with the Transition Towns and other key partners to run a seminar/ working conference and draw in a wider section of public and commercial partners. <p>c) Recommend recruitment of a new post within the District Council to support both the LSP and SDC in co-ordinating the CN2030 work.</p> <p>d) Commission work to define the District's baseline carbon emissions.</p> <p>e) Work with GFirst/LEP to establish sources of funding to support the implementation of the Gloucestershire Sustainable Energy Strategy.</p>
Consultation and Feedback	An initial discussion has taken place with representatives of Transition Stroud and the Chair and Vice Chair of the LSP.
Financial Implications and Risk Assessment	<p>Many of the actions within this plan will have financial implications for the Council. Before proceeding with any of them financial evaluation will be undertaken to assess those costs.</p> <p>As part of sound budgeting practice the Council has identified initial funds to begin meeting these commitments (See paras 41-45). As work develops and further funding is required, schemes will be subject to individual business cases as appropriate as is required by the Authority's Budget and Capital Strategies.</p> <p>Andrew Cummings – Head of Finance & S151 Officer Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk</p>

Legal Implications	<p>There are no specific legal implications arising from this report. Legal implications may arise on individual projects from the resolution as they are scoped and implemented, which will be provided as appropriate and required.</p> <p>Craig Hallett, Solicitor & Deputy Monitoring Officer Tel: 01453 754364 Email: craig.hallett@stroud.gov.uk</p>
Report Author	<p>Barry Wyatt Director of Development Services Tel: 01453 754210 Email: barry.wyatt@stroud.gov.uk</p>
Options	<p>CN2030 in itself is not a legal requirement and consequently there is no legal duty for the Council to undertake actions and activities in support of the target. However the Council has agreed a motion that establishes 7 expectations and this report sets out the Council's initial response.</p>
Performance Management Follow Up	<ul style="list-style-type: none"> • The Council's commitment to CN2030 will be an important element of our environmental auditing regime under ISO14001 which has replaced the previous approach under EMAS. • Environment Committee would receive regular updates from the performance monitoring members in addition to reports from the proposed LSP Board. • Under the mandate created by CN2030, reports requiring service committee or full Council approval will be brought forward. • The resolution agreed by council requires an annual progress report to Council. • A working group of members and officers will be useful to manage the Council's reduction in its operational CO2 emissions.
Background Papers/ Appendices	<p>Appendix A Implementation of Climate Change emergency Motion. There are numerous background evidence papers to both the main report and appendix. These can be provided but were too numerous to list.</p>

Background.

1. The Council's Environment Committee agreed on the 13th December 2018 the following motion which was subsequently agreed by Strategy and Resources Committee on the 9th January and at Council on the 24th January.
 - a. To set out a plan of action, including clear targets and transparent reporting, to develop district wide locally determined contributions to

complement national determined contributions in line with the Paris Agreement to limit global warming to 1.5C.

- b. To include planning and support in the District for adaptation to the climate change that is already happening.
 - c. To develop a strategy for Stroud District Council to play a leadership role in promoting community, public and business partnerships for this Carbon Neutral 2030 (CN2030) Commitment throughout the District, County and region.
 - d. To work with partner bodies across the county to ensure that the climate emergency is adequately reflected in the development and implementation of all county wide strategies and plans, including Gloucestershire 2050, the Gloucestershire Industrial Strategy, Gloucestershire Energy Strategy and Gloucestershire Transport Plans.
 - e. To investigate all possible sources of external funding and match funding to support this commitment.
 - f. To work with key partner organisations within the County and region to secure external funding.
 - g. To report back on an annual basis to Council on progress made.
2. The report at Appendix A was written by Councillor Simon Pickering and sets out the more detailed context for this report, which responds, in part, to items (a) (b) and (c) above. The appended report usefully describes the headline issues and actions but does not seek to define how the council working with partners will achieve the challenges.
3. The appended report details key changes required over the next 11 years to become a carbon neutral district and are summarised below.
- a. a complete shift to very low or zero carbon electricity generation, mostly renewable and much of it decentralised;
 - b. smarter and more flexible management of electricity demand, including storage, to enable higher penetration of variable renewable generation and to optimise electricity system operation;
 - c. huge reductions in energy demand by improving significantly the energy performance of our buildings (across all sectors and all tenures) and the equipment and processes within them;
 - d. decarbonisation of heat (i.e. stop relying on fossil fuel gas and oil) for buildings, hot water and industrial processes;

- e. dramatic steps to cut the carbon emissions of road transport by switching to walking, cycling, efficient mass transport (not powered by fossil fuels) and a huge rise in the use of electric vehicles;
 - f. ensuring new build developments achieve their full low carbon potential and contribute effectively to a smarter energy system;
 - g. a dramatic reduction in emissions from agricultural food production and land use
 - h. a huge reduction in the generation of waste and a dramatic increase in low carbon means of dealing with waste;
 - i. a dramatic increase in the capture of carbon particularly, but not necessarily exclusively, through tree planting and land management
4. Given the scale of the challenge to achieve a net zero carbon goal it is likely that some of these future measures will entail radical steps that will require far reaching policy and societal changes. They will also rely on the measures taken at a national and international level to achieve an overall carbon reduction target. As was recognised in the agreed motion, the council cannot do this alone.
5. The report is not however intended to provide a step by step response to how the 9 key changes or outcomes set out above are to be achieved, but its purpose is to describe the initial pathways and process that will be engaged in order to achieve the outcomes. In addition to these initial steps, it is envisaged that a further plan of action will be developed under the governance arrangements proposed below.

Governance Arrangements

6. As described above, the achievement of CN2030 cannot be achieved by the Council alone. With this in mind it is critical that the Council engages with organisations and individuals from across the spectrum. With support, the Local Strategic Partnership (LSP) could potentially present an opportunity to bring those wider stakeholders together, develop the plan of action and provide an oversight to the constituent member's contributions. This may be best achieved through the creation of a sub group or board with a membership that has a direct stake in the CN2030 agenda. It is recommended that the District Council approaches the Local Strategic Partnership at their June meeting and seeks their agreement to create a CN2030 Board, where its constituent members would own the agenda, further develop and implement actions. The Board could report back to the LSP and its constituent members, including the District Council, who would report back to their respective organisations. This is similar to the approach taken previously in 2007 when the LSP created the Global Challenges think tank which spawned the Council's environment 'Green Paper' and the subsequent Target 2050 programme which achieved national recognition and built upon

the success of the Gloucestershire Warm and Well Partnership which still flourishes today.

7. The objectives of the Board will need to be clearly spelt out and require further discussion. They could include: to oversee development, promotion, implementation and monitoring of the CN2030 strategy and a plan of action; to identify, develop, propose and promote carbon reduction and adaptation projects; and to inspire and champion initiatives to achieve CN2030 across communities, public bodies and businesses. The membership of the Board would be crucial. In order to be effective it would need to bring together representatives from public authorities, private sector organisations, businesses, technical experts and crucially community organisations such as the Transition Town movement as a key linkage into mobilising the community and mainstreaming carbon reduction and adaptation programmes alongside energy agencies such as SWEA (Severn Wye Energy Agency).
8. The approach to communications would need to be established by the Board in order to encompass the range of views and audiences and to mobilise community involvement and engagement. A number of Parish Councils have already set out their own commitments to achieving CN2030 and have requested further support in working with their communities.
9. The approach to mainstreaming, that will need to be established between the Board members, has been the subject of recent research that suggests moving away from behavioural campaigns that 'nudge' to those that 'think'. Studies of people who have consistently adopted low-carbon lifestyles support this approach, where their low-carbon lifestyles were impacted more by campaigns that actively made connections with societal concerns to promote a holistic view of a lower-carbon future, than 'to-do' lists of behaviour changes.
10. Clearly for the LSPs ownership to be a success, its administration needs to be appropriately resourced. It is therefore recommended that the District Council creates a post with this responsibility along with being the operational focus for CN2030.
11. Given that Forest of Dean District Council and Cheltenham Borough Councils have both adopted a similar resolutions the option of a shared resource is being investigated as the necessary challenges and potential measures are likely to be very similar. Discussions are also taking place with other Gloucestershire authorities.

Recommended Actions.

- a) Set up a cross-party member-officer group to coordinate the actions set out in this report and to ensure other actions undertaken to achieve CN2030 are embedded across the council.
- b) Work with the Stroud District Local Strategic Partnership to take a cross sectorial lead in supporting the delivery of CN2030 and to create and recruit to a new CN2030 sub group/Board to achieve this.
- c) Immediately recommend the creation of and recruitment to a new post within the District Council to lead on the CN2030 work and support both the LSP and SDC.

Establishing the baseline - Current CO2 emissions from the District

12. The Council and committee resolutions assume that CO2 targets will be set and progress monitored. In the appended report it sets out the total emission's from Stroud District was 778 million tonnes of Carbon or 6.6 tonnes (co2e) per person per year. However, and in order to demonstrate the challenges associated with identifying a baseline, this figure does not include emissions associated with motorways passing through the district, products consumed within the district but produced elsewhere (including building materials and food) nor emissions from flights by district residents and businesses. So the figure of 6.6 t CO2e per person per year is likely to be significantly less than the carbon account of every resident that lives within the district.
13. While per capita carbon emissions associated with transport, gas and electricity consumption in Stroud have reduced by 26% between 2005 and 2016, broadly in line with national reductions, and are now 38% less than in 1990. These reductions have been largely delivered by decommissioning of coal-fired power stations, closure of heavy industry, significant improvements in the efficiency of road vehicles, the significant UK growth of renewables and by gains from energy efficiency improvements in buildings and equipment (boilers, appliances and lighting).
14. Given the challenges associated with establishing an all-encompassing baseline and in the absence of an agreed national methodology a great deal of time and energy can be consumed in establishing a figure which is always going to be subject to significant variability. However even taking a reduction target of 6.6tCO2e per person represents the proverbial Everest to climb. In this respect it is not essential at this early stage to know how exactly how high the mountain actually is but just that we need to start climbing now and climb quickly in the knowledge that when we think that every opportunity has been explored and implemented, the summit is still likely to be out of sight.
15. Performance can be monitored in the same way that the Council managed its Carbon Reduction Plan. This was to collate various initiatives with potential carbon savings estimates and then post implementation, capture the savings. The focus of the reporting would inevitably need to be on actions that the

CN2030 Board can control and aim to capture contributions that are significant enough to impact on government statistical data sets, although a summary of smaller projects will be necessary to maintain momentum.

Recommended Actions.

- d) Commission work to define the District's baseline carbon emissions.

Raising Standards in New Private Homes

16. Improving the energy efficiency of new homes has long been a hot topic of debate locally and at a national level the policy supporting councils to push the agenda beyond the building regulations is not straight forward. The Council has already commissioned work to establish what target could be legitimately set within the current national policy environment. At the current time this evidence supports a planning policy requiring all new homes to achieve a SAP rating of at least 86 (which is equivalent to the now extinct code level 4. (Passivhaus could be around SAP 94 but the methodologies do not make easy comparison)). To move beyond this position to one of carbon neutrality at the current time is not supported by national policy and would not therefore survive a local plan examination. The Council will need to monitor the situation as we move towards the local plan examination and if the national position changes then we will need to flex the plan to accommodate.
17. An additional issue relates to the long lead in time for larger developments where key decisions that could influence future energy performance take place up to 10 to 15 years upstream of commencement. Within the current policy context the best approach is to flag potential future requirements so that the industry can maintain flexibility to accommodate more stringent future CO2 targets.
18. Carbon neutrality in terms of new build homes is likely to need a number of policy and legislative changes at a national level to accommodate the implications. The challenge is increased if consideration is given to operational emissions (TV, washing machine, cooker etc) in addition to regulated emissions (heating and lighting) which are controlled by the Building Regulations. This would require the establishment of a mechanism for allowable solutions (essentially offsetting) as within the boundary of all sites sufficient energy generating measures could not be achieved.
19. Government has also signalled its intention to move away from fossil fuelled gas and instead focus on efficient electrical powered heat (ground source heat pumps or air source heat pumps). However it is unclear as to how this energy shift will be enacted through policy or legislation and until that time the District Council cannot require this approach.
20. One of the key building blocks in the Gloucestershire Sustainable Energy Strategy (GSES) is to develop stronger planning policies to require zero-carbon, smart-enabled new developments. To this end, the strategy includes the intention "to work to achieve zero carbon and smart enabled standards for new developments as new Local Plans are developed". The Council will contribute to this work, including joint lobbying of Government as appropriate.

Recommended Action

- e) Monitor the national policy position in respect of energy standards for new homes to ensure that the Local Plan, when examined, reflects the latest national policy.
- f) Contribute to work at county level to achieve zero carbon standards for new developments, including lobbying of Government as appropriate.

Raising standards in existing private homes – Retrofit

21. It should be recognised that the potential carbon saving coming from increasing the standards in new homes, while important, is relatively small given the significant improvements in standards to date and the comparatively small numbers of homes (5000) that will be built up to 2030 compared to the existing stock (60,000 by 2030) where the churn in redeveloping that stock is very slow. The retrofit of existing homes is therefore a key challenge to address in achieving zero carbon.
22. Under the title 'Target 2050', the Council previously initiated a project with the Severn Wye Energy Agency which focused on mapping out what a 60% reduction in CO2 emissions would look like across a range of house types. At the time this was a ground breaking piece of work and the legacy of parts of that approach still continue. This work needs to be re-visited and developed in the context of the GSES commitment to develop a proposal for a low carbon housing retrofit accelerator programme. This could, for example, result with SWEA working alongside the Transition Towns groups and the growing number of community based climate action groups in order to get greater community mobilisation. The previous approach failed to get sufficient penetration, partially as the previous focus for funding was one of fuel poverty and not carbon reduction.
23. The Target 2050 project originated from a background of supporting those most at risk of fuel poverty and the carbon savings associated with cost saving measures were almost as a by-product of that principle activity. While the focus is clearly on carbon savings the majority of the actions to achieve this end will also support those at most risk of fuel poverty. However some actions such as swapping to a green energy supplier (in isolation from energy reduction measures) may cost more and consequently would not be an option for those at risk of fuel poverty even if they were able to do so as some pre-payment meter providers do not provide this option.
24. SWEA were particularly effective at being responsive to government funding schemes by maintaining an up to date database of potential clients which enabled a quick evidence based application to be made when funding schemes were launched.
25. Retrofit to achieve carbon neutrality is unlikely to be achievable within the confines of most existing dwellings and their curtilages both technically or economically and consequently solutions will require significant offsetting interventions in terms of large scale locally based renewable energy schemes.

26. The Target 2050 project created a web based installers list of Gloucestershire based companies involved in energy retrofit called 'Link to Energy'. This list is still maintained and is important moving forward in order to support local wealth building.
27. It should be noted that a report for Joseph Rowntree Foundation (Hargreaves et al 2013) <https://www.jrf.org.uk/report/distribution-household-co2-emissions-great-britain> found a strong correlation between carbon emissions and household income. Therefore, it is likely that the greatest carbon savings can be achieved by those households with the greatest disposal income who will also benefit from the greatest savings in their energy costs.

Recommended Actions

- g) Engage the services of an energy agency to provide community retrofit advice and support.
- h) Establish the capacity and resource needs of the Transition Towns and other voluntary sector groups to contribute to community engagement to achieve delivery of CN2030 across the whole District.

HRA Existing and New Stock

28. The action plan that sits under the HRA Energy Strategy is due to be updated. The challenges associated with achieving carbon neutral retrofit in the HRA stock are the same as those in the private sector as set out at para 23 above. While energy standards in HRA new build would be expected to comply with the same standards as private developments, the HRA could chose to exceed those standards or make off site contributions, however this will impinge on viability and needs to be considered on a case by case basis.

Recommended Action

- i) Work with officers and members of the Housing Committee to ensure CN2030 is embedded into the work of the HRA as well as other providers of affordable housing in the district.

Renewable Energy

29. Members will be aware of the recently published Gloucestershire Sustainable Energy Strategy <https://www.gfirstlep.com/downloads/2019/gloucestershire-energy-strategy-2019.pdf>
30. The strategy looks towards a Carbon Neutral Gloucestershire by 2050 which is consistent with Governments emerging timetable but 20 years beyond the District Councils CN2030 agreement. The strategy is excellent in setting out all the 'whats' and some of the 'hows' but the burden of the next steps fall to GFIRST/LEP to take forward. This is a huge challenge for the LEP to resource this complex piece of work but it does underpin Gloucestershire's future approach to renewable energy. This needs to be coordinated across districts and importantly relies on studies and approaches that are common across all districts, grid capacity being a particular issue.

31. SDC needs to move now on some of this evidence gathering in order to inform the Local Plan review. The outputs being to identify potential capacity of 'in district' renewable energy generation and then establishing a policy framework to support deployment. The current national policy framework will need to be considered against any local aspiration. Opportunities may arise for the District Council to invest in renewable energy schemes and work in partnership with community energy groups.

Recommended Actions

- j) To commission work to inform the review of the Local Plan that identifies the potential contribution that could be achieved from further roll out of renewable technologies and low carbon heat, including district heating, across the district.
- k) To work with GFirst/LEP to establish sources of funding to support the implementation of the Gloucestershire Sustainable Energy Strategy and Stroud CN2030.
- l) Investigate options for investing in renewable energy generating and/or storage within the district to inform a subsequent business case for council approval.

Reducing Transport emissions

32. While 43 % of Gloucestershire's emissions are related to transport the district Council has little direct legislative influence over this.
33. Fundamental planning principles aim to promote sustainable development that minimises the need to travel and where it is necessary to promote the most sustainable means. This basic principle underlines the approach taken in the Council's Local plan.
34. The Council's Capital program provides £300K for investment in Cycle paths and their planning. New developments are also expected to make provision depending on the specific circumstances.
35. Aside from the highway issues associated with new developments, the County Council provides the strategic planning role in respect of Transport through the LTP4 (Local Transport Plan 4). This covers the promotion of modal shift to more sustainable means and is used as a means of allocating resources, the District Council contributes to revisions of the plan.

Recommended Actions

- m) Implement the Council's Capital program for investment in Cycle paths/greenways and integrate provision from new housing schemes.
- n) Respond to the consultation on LTP4 requesting that GCC to maintain a focus on schemes that encourage modal shift to low carbon transport options and which support both existing and future communities.
- o) Consider joint commissioning EV charging points with GCC at suitable SDC owned locations.

Waste

36. In terms of future options regarding the collection and recycling of waste we need to ensure that a carbon accounting approach is taken towards all aspects of the service. While the District Council has control over the method of collection, it is not the Disposal Authority and therefore does not make decisions regarding low carbon means of disposal. Local options for the anaerobic digestion of food waste may be worth exploring but currently it is already digested and therefore the opportunities to extract greater carbon benefit are limited.

Food and Agriculture

37. Agricultural policy is largely outside the remit of the District Council although, through planning policy and the implementation of green infrastructure requirements, there may be some opportunities to influence land management. A key role will however be in the promotion of low carbon food through Council facilities and communication. It is envisaged that the CN2030 Board will give consideration to how such initiatives can be built into a plan of action

Adapting to a Changing Climate

38. It is usual for Climate change activity to be categorised under one of three headings:

- Mitigation – reducing CO₂ and other greenhouse gas emissions
- Adaptation - to alter what we do to take in to account that the climate is changing and
- Resilience – to take action to prepare for the harmful consequences of climate change.

The greater the actions to mitigate, reduce the need for the other actions but the point has been passed where no adaptive or resilience actions are necessary.

39. The planting of woodland for example, can be both a mitigating and a resilience action in terms of carbon sequestration and reducing the rate of surface water run-off and thereby reducing the flooding impact of severe rainfall. The opportunities and mechanisms for such interventions within the district would need to be explored and links in to the Council's 'Natural Flood Management' work.

40. From 2008-2010 local authorities reported against a process-based framework to help their preparations for a changing climate. This was known as NI188. In 2010, the Department for Communities and Local Government (DCLG) announced it would end central performance monitoring and the National Indicator (NI) set. However the approach taken under NI 188, as set out in the guidance, may still be useful for local councils as an adaptation framework to use on a voluntary basis.

Recommended Action

- p) With the engagement of services across the council and external partners, update the work done on adaption to climate change previously under NI188, taking into account the range of potential actions identified in section 3 of Appendix A.

This links in with the Councils Civil Contingencies responsibilities.

Finances and Procurement

41. The above recommendations for initial actions are not at a point where the costs can be accurately determined. Further discussions need to take place regarding additional staff, specifying the support required from an energy agency, SDCs share of supporting the implementation of Gloucestershire's Energy Strategy, the cost of commissioning an evidence base to support relevant Local Plan Policy work and procurement decisions regarding future fuel (gas electricity) suppliers.
42. The amended motion to the Environment Committee requested that the Council identified funds through the normal budget setting process to fund the scoping and delivery of the Council's Carbon Neutral 2030 Commitment.
43. The budget agreed by Council in February 2019 included a £60k revenue sum in the 2019/20 revenue budget.
44. In preparation of its annual accounts for 2018/19 the Council has reviewed the level of reserves that it holds earmarked for Council priorities. This has included topping up the level of the pre-existing Climate Change reserve by £32k to reach a level of £200k to support these actions.
45. Strategy and Resources Committee agreed in March 2019 to include "Supporting a Zero Carbon District" as one of the priorities for the distribution of the gain from the Business Rates Pilot, now known to be £897k. Therefore actions arising from this plan can also be considered as part of the wider uses of that funding.
46. As part of the review of the Council's procurement strategy, consideration will be given to the carbon impacts associated with goods, works and services that the Council procures. This strategy will be separately reported to Strategy and Resources Committee.

Appendix A

Stroud District Council

Implementation of Climate Change Emergency Motion:

CONTENTS

1. Introduction	154
2. Benefits	16
3. Adaption to climate change	17
4. Changes required to become a Carbon Neutral	19
5. Actions In Stroud District	20
6. Governance structures and partnership working	27
7. Target setting and monitoring	27
8. Implementation Plan	28
9. Baseline Data	28

1. INTRODUCTION

- 1.1. A Climate Emergency was announced by the Stroud District Council Administration on 16th November 2018 which pledged to “do everything within the Council’s power to make Stroud District Carbon Neutral by 2030“(Appendix 1).
- 1.2. This public call for action was followed up by a motion to the Environment Committee on 13th December 2018 which, after a minor amendment regarding timing of agreeing funding, was passed with unanimous support from all political parties (Appendix 2). This motion set out seven actions:
 - 1.2.1.To set out a Plan of Action, including clear targets and transparent reporting, to develop District wide Locally Determined Contributions to complement National Determined Contributions in line with the Paris Agreement to limit global warming to 1.5C.
 - 1.2.2.To include planning and support in the District for adaptation to the climate change that is already happening.
 - 1.2.3.To develop a strategy for Stroud District Council to play a leadership role in promoting community, public and business partnerships for this Carbon Neutral 2030 Commitment throughout the District, County and region.
 - 1.2.4.To work with partner bodies across the county to ensure that the climate emergency is adequately reflected in the development and implementation of all county wide strategies and plans, including Gloucestershire 2050, the Gloucestershire Industrial Strategy, Gloucestershire Energy Strategy and Gloucestershire Transport Plans.
 - 1.2.5.To investigate all possible sources of external funding and match funding to support this commitment.
 - 1.2.6.To work with key partner organisations within the County and region to secure external funding.
 - 1.2.7.To report back on an annual basis to Council on progress made.
- 1.3. The Environment Committee at which this motion was approved was probably unique in the history of Stroud District Council in terms of the number of local citizens attending the meeting in support of the Council rather than in opposition of something the Council was doing.
- 1.4. The Annual Budget and Satisfaction telephone survey asks both SDC residents and businesses for their opinions on the Council’s priorities and progress on improving the environment. This is a statistically robust survey carried out by an independent organisation.
- 1.5. The 2018 survey has reaffirmed the past 5 years of outstanding results -86% residents and 90% of businesses agreeing our priority to ‘Help the community to minimise its carbon footprint adapt to climate change and recycle more’, with 78% of both residents and businesses agreeing that SDC is working to improve the environment.
- 1.6. Stroud District Council is unique by having become, in December 2015, the first local authority in Europe to become Carbon Neutral in terms of its own operations.
- 1.7. (<https://www.stroud.gov.uk/media/208649/agenda.pdf>) and Appendix 3). This was achieved by the ongoing activities of the Council dating back to the late 1990’s with

updated programmes of work and targets set by different administrations with strong cross political party support.

- 1.8. To become a Carbon Neutral District by 2030 is a considerably more ambitious target as set out in the approved motion which will require the Council to work in partnership with a wide range of partners and all the citizens of the District. This creates great opportunities and the potential to realise significant economic, social and environmental benefits as well as minimising future litigation risks.
- 1.9. Both the UK Government and the Committee on Climate Change consider that this shift to a very low carbon energy future represents the best course for the UK's economic development. There is also a statement in the final text from COP 24 in Poland (Annex 1-part 4a1 December 2018) on how to assess Nationally Determined Contributions that refers to preparing implementation plans to include "4. Planning processes: Information on the planning processes that the Party undertook to prepare its nationally determined contribution and, if available, on the Party's implementation plans, including, as appropriate: (l) Domestic institutional arrangements, public participation and engagement with local communities and indigenous peoples, in a gender-responsive manner. "This statement gives a much greater role to local Councils and Regional bodies in the UK and around the world.
- 1.10. Carbon neutral which means to that while some emissions are still being generated by a process/ building/area these emissions are being offset somewhere else making the overall net emissions zero. This is different from Zero carbon means that no carbon emissions are being produced from a product/service e.g. zero-carbon electricity could be provided by a 100% renewable energy supplier.

2. BENEFITS

- 2.1. Many of the steps required to become carbon zero by 2030 will significantly contribute to a lower risk of fuel poverty and its associated health impact while others can reduce the air pollution associated with emissions from vehicles and heating systems. Cutting energy through energy efficiency measures is the most effective long-term method of reducing fuel poverty. To enable walking and cycling to become the primary mode of transport for short distances is the most effective means of reducing local air pollution and promoting numerous health benefits and community development.
- 2.2. Putting Stroud District on a course to securing these benefits for its businesses and residents will require purposeful effort from many different stakeholders in the district, county and region acting across many different fronts with a shared purpose. GFirst LEP (the Local Enterprise Partnership) and Gloucestershire County Council are in the process of developing a new Energy Strategy for Gloucestershire and both will be key partners in delivering Stroud District Council's ambitious plan.
- 2.3. There are very significant economic gains from moving to a low carbon economy. More than two thirds of the value of the District's current expenditure of over £0.16 billion a year on electricity, gas, oil, coal, petrol and diesel is exported from the county. Improving the energy performance of buildings and equipment in the county and shifting to EVs for transport could reduce the district's energy bill by £10 million (releasing the money for more locally beneficial expenditure) and create an energy productivity gain for its businesses of some 20%.
- 2.4. If the energy performance improvements are undertaken by companies based in the county, the potential Gross Value Added (GVA) gains are significant. For example: improving all the District housing to an EPC of C requires an investment of £0.4 billion

and could generate £0.2 billion GVA for the District and County's building and heating engineering businesses. Similarly, the required investment of about £ 0.4 billion in new renewable energy capacity by 2030 could result in some £80 million of GVA if the focus is on using District/ County-based engineering, construction, legal and financial expertise. If the investment was sourced from local and community sources, the long-term value of the investment (typically an annual return of 6 – 7%) would also be retained within the County, increasing the investment's local economic multiplier effect.

- 2.5. By taking a lead nationally in developing the understanding, skills, techniques and technologies to deliver fossil-free heat (through an 'ultra-low carbon thermal energy cluster' which creates a focal point for interested parties) Gloucestershire's and Stroud's businesses will be in prime position to gain the GVA from heat decarbonisation both within the county and by exporting technologies and services to other parts of the UK as they address this challenge.
- 2.6. Delivering on the ambitions outlined in this strategy also offers wider environmental benefits and strong health and social benefits. These particularly arise from reducing air pollution through the switch to EVs and by tackling fuel poverty through improving the energy performance of Stroud's housing stock.
- 2.7. This document begins to set out a draft strategy with some indicative targets. However, there will need to be specific measurable targets. This should be considered as an evolving strategy but one that is focussed on those targets that are both technically viable immediately and generate significant gains.

3. ADAPTION TO CLIMATE CHANGE

- 3.1. Adapting to the changing climate is a dynamic policy area for government. Plans and strategies to deal with the changing climate are being developed by several government agencies and are brought together in The National Adaptation Programme and the Third Strategy for Climate Adaptation Reporting: Making the country resilient to a changing climate (Defra July 2018). The key risks and adaptations currently considered appropriate are outlined below:

Flooding and coastal change risks to communities, businesses and infrastructure is a high risk now and is expected to remain a high risk in the future.

3.1.1 Actions required:

- make sure everyone is able to access the information they need to assess any risk to their lives, livelihoods, health and prosperity posed by flooding and coastal erosion;
 - bring the public, private and third sectors together to work with communities and individuals to reduce the risk of harm – particularly those in vulnerable areas;
 - make sure that decisions on land use, including development, reflect the level of current and future flood risk;
 - boost the long- term resilience of our homes, businesses and infrastructure;
 - take action to reduce the risk of harm from flooding and coastal erosion including
 - greater use of natural flood management solutions;
 - include flood risk as a key feature of adaptation reporting from infrastructure
- 3.2. Stroud District will therefore need to:
 - Regularly update the Disaster Management Plan for the district and in partnership with the County Council

- Ensure the Local Plan reflects the level of current and future flood risk
- Continue to work with the Environment Agency and Internal Drainage Board to minimize the long-term risk of flooding to the Vale
- Continue to install natural flood management measures (NFM) in river catchments within the District. Currently, 21% of the Frome catchment flows through NFM structures and this will need to be increased to as close to 100% as is practical.

Risks to health, well-being and productivity from high temperatures are also a high risk now and are expected to remain a high risk in the future.

3.2.1 Actions required:

- work with infrastructure operators included in the third cycle of adaptation reporting to outline risks posed to their productivity from climate impacts
- deliver more, better quality and well-maintained local Green Infrastructure
- adapt our health systems to protect people against the impacts of climate change, such as ensuring all clinical areas in NHS Trusts have appropriate thermal monitoring in place

3.3. Stroud District Council will therefore need to;

- Ensure the installation and maintenance of Green Infrastructure via the Local Plan and suitable conditions or Section 106 agreements in subsequent developments

Risk of shortages in the public water supply for agriculture, energy generation and industry.

3.3.1 Actions required

- work to restore natural processes within river systems to enhance water storage capacity;
- work towards setting challenging and ambitious goals to reduce water leakage

3.4. Stroud District Council will:

- Continue to implement NFM measures through the District to moderate water flows and support recharge of aquifers

Risk to natural capital including terrestrial, coastal, marine and freshwater ecosystems, soils and biodiversity.

3.4.1 Actions required

- introduce a new Environmental Land Management scheme which will deliver environmental outcomes
- develop and start to implement a Nature Recovery Network, linking habitat restoration and creation to improved access, flood protection and water quality
- incentivise good soil management practices that enhance soil's ability to deliver environmental benefits through future environmental land management schemes
- introduce a sustainable fisheries policy as we leave the Common Fisheries Policy and prepare marine plans that include policies for climate adaptation
- build ecological resilience on land, in our rivers and lakes and at sea
- Protect soils and natural carbon stores.

3.5. Stroud District Council will

3.5.1 Implement the Severn Estuary and Cotswold Grassland SAC Management Schemes

3.5.2 Ensure the Local Plan provides for linking habitat restoration and creation to improved access, flood protection and water quality

Risk to domestic and international food production and trade.

3.5.2 *Actions required:*

- Ensure a food supply chain which is resilient to the effects of a changing climate
- Review and publish the updated UK Food Security Assessment

3.6 Stroud District can through the Local Plan:

- Protect the most productive agricultural land to allow conversation to production of crops for local consumption
- Support development of horticultural business
- Support glass houses and poly tunnel for growing of crops for local production
- Ensure appropriate housing for agricultural and horticultural workers

Risk of new and emerging pests and diseases and invasive non-native species affecting people, plants and animals.

3.6.1 *Actions required:*

- Manage existing plant and animal diseases and lower the risk of new ones;
- Tackle invasive non-native species.

3.7 Stroud District Council will:

- Through the Environment Health function, work to prevent importation of pest, diseases and non-native species through Sharpness Docks
- Ensure eradication of non-native plants on council owned or council managed land
- Work with appropriate to tackle threats to humans from non-native animals

3.8 The effects of the changing climate are already impacting on Stroud District and adaption measures are already being implemented. Many of these are considered in the existing Stroud District Local Plan (2015) and the Emerging Strategy (2018). As a result of flooding in 2007 Stroud District Council, in partnership with the Environment Agency and several key partners, has developed a nationally recognised Natural Flood Management programme.

3.9 The planning for adaptation that is already taking place in the District should be extended by encouraging and enabling local communities to discuss local impacts and adaptation measures. The most effective way of doing this requires further consideration. One option may be to organise a workshop for local community groups, and Parish and Town Councils, focusing on local resilience building. Thought will need to be given to how this sort of initiative links with actions to mobilise stakeholders to engage with carbon reduction measures (see para 6.2).

4. CHANGES REQUIRED TO BECOME A CARBON NEUTRAL

4.1 The changes required over the next 12 years to become carbon neutral are already well understood. They are, by and large, the changes required nationally and across every other part of the UK to move to a low carbon economy, as documented in official Government national strategies and plans as well as in various reports by NGOs. These fall into several broad categories as set out below;

- a complete shift to very low or zero carbon electricity generation, mostly renewable and much of it decentralised;

- smarter and more flexible management of electricity demand, including storage, to enable higher penetration of variable renewable generation and to optimise electricity system operation;
 - huge reductions in energy demand by improving significantly the energy performance of our buildings (across all sectors and all tenures) and the equipment and processes within them;
 - decarbonisation of heat (i.e. stop relying on fossil fuel gas and oil) for buildings, hot water and industrial processes;
 - dramatic steps to cut the carbon emissions of road transport by switching to walking, cycling, efficient mass transport (not powered by fossil fuels) and a huge rise in the use of electric vehicles;
 - ensuring new build developments achieve their full low carbon potential and contribute effectively to a smarter energy system;
 - a dramatic reduction in emissions from agricultural food production and land use
 - a huge reduction in the generation of waste and a dramatic increase in low carbon means of dealing with waste;
 - A dramatic increase in the capture of carbon particularly, but not necessarily exclusively, through tree planting and land management.
- 4.2 It is clear that not all these ambitious targets can be realised by local government acting alone; it will require concerted effort from national government, national network operators, national and local business and finance working together. However, there are several roles that Stroud District Council can play working in partnership with the citizens of the District, key statutory and non-statutory partners and, most importantly, with businesses across the District. These include: leadership & delivery, coordination, engagement, policy and planning.
- 4.3 It needs to be recognised that delivery will require dramatic changes which are likely to lead to resistance from various quarters and it will be important to remain focussed and purposeful whilst avoiding being distracted by potential conflict.

5. ACTIONS IN STROUD DISTRICT

A complete shift to very low or zero carbon electricity generation, mostly renewable and much of it decentralized;

- 5.1. The current total use of electricity in Stroud District is 545 GWh per annum. Nationally, approximately 29% of electricity is generated from renewable sources. Within Stroud District approximately 12% of energy is generated from renewable sources, the majority (78%) from solar PV.
- 5.2. Much of the increase in renewable energy will be due to an end to coal generation and the growth in offshore wind and increased onshore wind energy in Scotland and large scale solar throughout the UK.
- 5.3. But more will need to be done within the District, both to reflect the potential here and to make a reasonable contribution to achieving the national target.
- 5.4. A district target for generating renewable energy by 2030 will need to be agreed. However, if 45% of electricity consumed in the District for renewable generation would

represent roughly a quadrupling of current within-district generation from new onshore wind, solar PV and hydro schemes.

- 5.5. The Stroud valleys were traditionally powered by over 50 watermills and studies during the 1990's identified at least 12 sites which may be suitable for the installation of new turbines. The installation of natural flood management throughout many of the catchments is likely to moderate water flows through the year which, combined with the development of new efficient low head systems, and the requirement of virtual power plants for reliable power purchase agreements (PPAs) may enable the future development of more hydro. Based on the original Hebe study (1997) these could generate at least 1GWh. However, with the exception of the small scheme on the canal at Dudbridge, there has been limited progress to date.
- 5.6. Currently 1 in 19 houses within Stroud District have PV panels, there are 2 field-scale schemes and an increasing number of businesses have installed roof-mounted PV panels. Stroud District Council has installed a PV system on Stratford Park Leisure centre, the Pulse at Dursley and on 590 council houses.
- 5.7. Recent changes in the feed-in tariff and the stopping of the domestic sale of energy to the grid have provided a negative message to the domestic market. However, developments in home battery storage, increased uptake of EV, smart home energy systems, energy storage systems, commercial power purchase agreements, and continued decline in PV panel prices, combined with effective communication, are likely to ensure continued uptake.
- 5.8. Whilst much of this can be accommodated on existing roofs, there will be a need for new field -scale schemes, probably directly linked to end users. Enabling 1 in 5 houses to install roof-top solar panels by 2030 would add at least 20 GWh of new solar PV electricity generation. Assuming a further 20GWh on commercial roofs, this would leave a further 498ha of ground mounted solar (just over 1 % of the land area of Stroud District).
- 5.9. Subsidy-free onshore wind is likely to be viable with appropriate grid capacity, a direct end user and, under current planning guidance, overwhelming public support. This requires a significant change in the political appetite for onshore wind in the district. The most favourable wind within the District, on the top of the Cotswold scarp, is currently within the AONB so would require an exception to national planning guidance. To generate 50% of the predicted electricity requirement outside the AONB and within the Vale would require a further 39 four MW (150 blade tip) turbines. Whilst technically feasible this would need further strengthening of grid capacity as well as strong public and political support.
- 5.10. However a combination of technologies along with further energy efficiencies in homes and industry would suggest a target of a further 10 large turbines and 249 ha of ground mounted if combined would with the rapid expansion of roof mounted solar would approach 50 % of renewable electricity generation within the district by 2030.
- 5.11. Current grid capacity is currently constrained in large areas of the District. Therefore, it will be important to work with Western Power Distribution to identify areas for large scale deployment of new renewable electricity generation capacity to allow appropriate grid strengthening and or deployment of large-scale energy storage
- 5.12. Stroud District Council will play a key role in promoting future uptake and development of new renewable electricity generations by:
 - taking a lead in development of PV, battery storage and smart power systems in new- build Council housing;
 - installation of PV, battery storage and smart grid technology on appropriate Council owned buildings;

- Considering investing new field-scale solar developments potentially combined with grid scale energy storage and sleeved PPA to optimise revenues. This may be in partnership with a community energy group (and therefore attract significant community investment);
- developing new guidance for the development of Neighbourhood Plans that actively supports new renewable energy developments;
- actively working with Western Power Distribution to ensure grid capacity for new renewable energy generation and deployment of energy storage;
- using the development of appropriate policies in the Local Plan review to:
 - Introduce appropriate policy guidance to encourage the installation of PV panels (combined with battery storage) on existing housing including listed buildings and in conservation areas;
 - Introduce appropriate policy guidance to encourage the installation of PV panels (combined with battery storage) on commercial buildings throughout the District including those within the AONB;
 - Allocation of suitable areas of land within the District following paragraph 151 of the NPPF for renewable energy including onshore wind and large field-scale solar developments;
 - development of appropriate policies to encourage the development of new hydro power schemes through the District;
 - development of appropriate policies to encourage new small and medium scale tidal power schemes within the District

5.13 There will be a very significant role for individual citizens in the development of new renewable energy generation through:

- installation of new roof-mounted PV on their own properties potentially with battery storage & linked to EV charger, with a PPA to an energy company, as part of a large virtual power plant or with a smart system to allow peer to peer selling and buying of power;
- active support of new largescale renewable energy developments;
- investment in community renewable energy generation and storage projects;
- Purchase of power from energy companies that invest in new renewable energy generation (not just those trading in existing renewable energy).

5.14 However, the level of citizen involvement will be dependent on a number of factors which will include national Government policy and incentives; mortgage companies and the capacity and viability of commercial installers. Community energy groups and Stroud District Council can play a role through appropriate accurate communication and support for early adopters. Stroud District Council can also play a crucial role through supportive planning policies.

5.15 The development of new solar generation will be dependent on the financial viability and capacity of business to install new PV arrays and, for roof installation, the availability of scaffolding. This will be linked to demand for new installation and, perhaps more importantly, consistent national policy. However, the development of supportive planning policies and energy performance requirements of new-build by Stroud District Council will contribute to supporting local installers.

5.16 Business and commercial organisations not directly involved in renewable energy will need to be encouraged to install new renewable generation on their own buildings.

However, these will need attractive PPA arrangements, commercial partners, supportive planning policies, grid capacity and citizen support.

- 5.17 Community energy groups have the potential to play a vital role in the development of new renewable energy generation particularly through new investment facilities to fund new schemes and return surplus income to support projects to combat fuel poverty.

Smarter and more flexible management of electricity demand, including storage, to enable higher penetration of variable renewable generation and to optimize electricity system operation;

- 5.18 The development of smart flexible energy management and battery storage will be dependent of several factors particularly technology development and national guidance and grid capacity which are largely outside the remit of Stroud District Council
- 5.19 However, there is potential for the use of Council land for the installation of battery storage and for installation of battery storage combined with PV in all new Council houses, which may provide new commercial opportunities for income generation for the council or investment opportunities for community energy groups.
- 5.20 The Local Plan Review will need to include policies which will require all new developments to be zero carbon and smart-enabled. Community groups and influential citizens can play an important role in being early adopters of installation of home battery storage.

Huge reductions in energy demand by improving significantly the energy performance of our buildings (across all sectors and all tenures) and the equipment and processes within them;

- 5.21 The Government Clean Growth Strategy sets a target of all fuel-poor homes to be upgraded to Energy Performance Certificate (EPC) Band C by 2030 and an aspiration is for as many homes as possible to be EPC Band C by 2035 where practical, cost-effective and affordable. It also sets a long-term trajectory to improve the energy performance standards of privately rented homes, with the aim of upgrading as many as possible to EPC Band C by 2030 where practical, cost-effective and affordable.
- 5.22 To meet a carbon neutral target will require retrofit activities on the vast majority of Stroud housing stock and of non-domestic buildings which are currently below a C rating. This should be subject to appropriate consideration of the character and construction fabric of buildings of recognised heritage value and also reflect the need to avoid overheating as the risk of summer heatwaves increases.
- 5.23 At current energy prices and household income levels, there are very few households in England in C rated homes which are officially fuel poor (under the 'Low Income High Costs' definition). Achieving this target would therefore also help to ensure that fuel poverty in the District was effectively addressed. Making these improvements will reduce energy bills because, even though the price per unit of energy is expected to increase, the more energy efficient homes will be using fewer units. It will also reduce the scale of heat demand sourced from oil or gas which will not be decarbonised by national policies until 2040.
- 5.24 There are a large number of older Redbrick and Cotswold stone properties within the District, both rented and privately owner. These are often the least energy house within the District. For homeowners, there are often very significant cost savings on energy by elimination of draughts, insulation of lofts and walls as well secondary glazing.

- 5.25 In the rented sector, period properties retrofitted to achieve modern standards of insulation (while preserving the character and beauty) tend to make for happy tenants who are able to pay more for rent and remain in the property longer.
- 5.26 Given the timescales and the current state of the housing stock (as from the County EPC data), this target requires a very high rate of homes being improved to a C rating each year. The rate of refurbishment is therefore probably not the issue; it is the fact that the refurbishment currently being undertaken is not focused on improvements which lower carbon emissions and improve the energy performance of the building.
- 5.27 The local authorities, with the County and Health Service, are working together to tackle fuel poverty, marshalled by Severn Wye Energy Agency (SWEA) through the Warm and Well programme. SWEA also has a track record in delivering energy advice and low carbon housing retrofit initiatives across the County and has established a network of local retrofit contractors (Link to Energy) which could provide the foundation for a more concerted programme to increase low carbon retrofit rates.
- 5.28 Minimum Energy Efficiency Standards (MEES) apply to all rented properties for domestic and commercial use in UK. The Government has legislated that from April 2018, rented properties are required to have an EPC rating of E. This is expected to rise to D in 2023 and C in 2030.
- 5.29 Effective enforcement of the Private Rented Sector Minimum Energy Efficiency Standards (PRS MEES) is needed to secure greater investment by private landlords in improving the least energy efficient housing. This will not happen under the current arrangements whereby, as the top tier local authority, GCC Trading Standards holds the formal responsibility for enforcement yet has other priorities and significant resource constraints. This responsibility needs to be transferred to District Council private sector housing teams (as requested by Stroud DC) so that they can: (a) integrate the enforcement of MEES alongside their other engagement with landlords and with Warm and Well, and; (b) apply for funds where available to support delivery.
- 5.30 The community energy sector in the County is of relatively modest scale and impact but has recently re-galvanised its efforts and is starting to organise county-wide with a view to increasing its effectiveness and impact.
- 5.31 Green Open Homes activities in Stroud have been led by community organisations seeking to normalise low carbon retrofit and inspire households to upgrade their own homes; they have continued to be active after nationally available grant support ended. However, the limited supply chain for low carbon housing retrofit (already busy on normal refurbishment activity) means that enthused householders can find it difficult to obtain quotes and initiate work. The local 'low carbon contractor finder' scheme, Link to Energy, is relatively low profile and there are significant opportunities to develop this.

Decarbonisation of heat (i.e. stop relying on fossil fuel gas and oil) for buildings, hot water and industrial processes;

- 5.32 The Committee on Climate Change has indicated that by about 2040 the UK will need to stop relying on carbon-based fuels (coal, oil and gas) to generate heat to keep buildings warm or produce hot water or steam for industrial processes) in order to be on target to meet national carbon emission reduction targets for 2050. While the detail of how this will be done remains unclear, there are several different approaches which will need to be considered:
- a) Reducing demand for heat in existing and new buildings;

- b) Optimising the roll-out of heat networks in urban centres and delivery of zero carbon heat supplies through them using waste heat and/or renewable heat;
 - c) Identifying and realising opportunities to recover waste industrial heat to supply heating locally (thus displacing other fuels);
 - d) overcoming barriers to increase take up of renewable heat technologies and/or fuels including air-, water- and ground- source heat pumps (because electricity will be very low carbon by then), biomass and bio-wastes in buildings and industrial processes;
 - e) Generating and using green gas locally, either directly or via the gas network and
 - f) Injecting hydrogen into the gas network to displace fossil fuel gas (whilst ensuring the hydrogen production is zero carbon rather than derived itself from fossil fuels through reforming natural gas).
- 5.33 The incinerator at Javelin Park and other industrial processes in the District (e.g. Muller at Stonehouse) will be producing significant amounts of heat which is currently wasted. There are opportunities for heat networks in new developments linked to industrial processes throughout the District.
- 5.34 Within Stroud District, in addition to the reduction in overall heat demand, there are significant opportunities for the development of Anaerobic Digestion to inject bio methane into the gas grid network from existing water treatment works, waste food, farm waste and use of purpose grown crops such as grass and herbal lays grown on marginal grassland or as temporary ley of arable land infected with blackgrass.

Dramatic steps to cut the carbon emissions of road transport by switching to walking, cycling, efficient mass transport (not powered by fossil fuels) and a huge rise in the use of electric vehicles;

- 5.35 Transport and transport planning do not fall within the strict remit of the District Council. However, the District Council is providing financial support for the development of strategic cycle routes within the District and has a role through the planning process in the strategic location of new developments and the installation of appropriate infrastructure that will enable walking, cycling and mass transport to be the preferred option for travel via appropriate policies within the revised Local Plan. The rise in EV vehicles is currently very rapid, driven largely by the development of technology and market forces, with their registration doubling every year. It is expected that by or before 2028, every second new car will be an EV vehicle. It appears that with increasing range of batteries, the greatest demand for EV charging points will be in domestic homes. The demand for home charging points will increase rapidly and, whilst grid capacity provision will be a role for the Western Power Distribution (WPD), there is likely to be a role for suitable planning policies to facilitate installation of EV charging points on listed buildings and in conservation areas and all new- build houses as well as potentially on lamps. The provision of EV charging points for staff and Council vehicles will need to be considered along with the need for EV charging points in Council car parks. By 2030 the provision of suitable facilities and planning policies for driverless cars will need to be considered.

Ensuring new build developments achieve their full low carbon potential and contribute effectively to a smarter energy system;

- 5.36 Unless new build developments achieve zero net carbon emissions, the planned growth of 12,500 homes will increase total carbon emissions if they are built to current building

regulations. Following this approach rather than imposing more stringent energy performance targets would result in larger carbon emission reductions being required from other areas of action – which may not be possible given the challenging contributions these other areas are already expected to make.

- 5.37 Therefore, Stroud District Council has crucial role to play in including policies within the revision of the Local Plan that set sufficiently high energy performance criteria for all new-build housing from the time of adoption of the revised Local Plan in 2021. The District Council can also set an example by ensuring that all new housing built on council-owned land and council housing is built to a standard that ensures zero net carbon emissions. This may be through modular construction and would probably include PV, energy storage and enable smart home technology.

A dramatic reduction in emissions from agricultural food production and land use;

- 5.38 Agricultural policy is largely outside the remit of the District Council although, through planning policy and the implementation of green infrastructure requirements, there may be some opportunities to influence land management. A key role will however be in the promotion of low carbon food through Council facilities and communication. This will need to involve the active promotion of vegan and vegetarian diets and, where meat is included in the diet, ensuring it is from extensive farming systems. Stroud District already boasts one of the best local food farmers' markets in the UK, vegetarian restaurants, a vegan school food Production Company and the world's only vegan football club. Therefore, the implementation of this will need to build on this unique and strong foundation.

A huge reduction the generation of waste and a dramatic increase in low carbon means of dealing with waste;

- 5.39 Since the introduction of the new collection scheme, Stroud District has already seen the greatest increase in recycling rates by any English Authority and now has the least amount of residual waste to landfill. Recycling and sending food waste to an anaerobic digester (AD) at Bishops Cleeve to be turned into bio methane and injected into the gas grid network to replace fossil fuel gas are currently the most effective means of reducing carbon emissions from waste. However, there is still a significant amount of waste generated in the District and a significant amount not being recycled or food waste sent to the AD plant.

A dramatic increase in the capture carbon, particularly but not necessarily exclusively through tree planting and land management;

- 5.40 The potential role and funding of commercial industrial-scale carbon capture is set out in the Government Clean Growth Strategy (Beis 2017). These are likely to be large scale plants close to energy intensive industry. However, it may be appropriate for the District Council to consider developing appropriate supportive policies within the revision of the Local Plan, should small scale commercially viable technology be developed both for new build and retrofitting (e.g. Javelin Park incinerator).
- 5.41 The Government Committee on Climate Change has recently (November 2018) published a report on Biomass in a Low-Carbon Economy which recommends increasing the woodland cover in England from 13% to 16% and potentially to 19% by 2050 to increase storage of carbon and the sustainable production of timber for low carbon

construction methods (particularly use of cross laminated timbers). Stroud District covers some 460 sq. km. Current woodland cover is relatively low (circa 10%). There is significant potential for greater sequestration through better woodland management and the production of biochar.

- 5.42 The planting of a further 10% of the District with broad leaf trees (4,600 ha) would be the equivalent of an additional store of 24Gt tonnes of CO₂ per annum. However much of the commercial unproductive land within the District is internationally important as coastal grazing marsh or chalk grassland and thus will require careful strategic planning.

6. GOVERNANCE STRUCTURES AND PARTNERSHIP WORKING

- 6.1. The development and implementation of these changes will require a focussed action by a range of organisations working together in a genuine and effective partnership that can respond quickly to opportunities. It will require a can-do attitude, highly effective communication with minimum bureaucracy, excellent networking mechanisms between delivery partners and businesses to carry out this work. It will need to involve or link to developers, installers, funders, services providers, and community energy groups, Severn Wye Agency, GFirst LEP, and Gloucestershire County Council. However, it will be very important not to duplicate the Gloucestershire Sustainable Energy Partnership and a close working relationship with the emerging Gloucestershire Sustainable Energy Delivery Group will be required.
- 6.2. In order to work in effective partnership, and develop a strong sense of shared purpose, it will probably be necessary to establish some form of district-focused, purpose-driven governance body, and to organise initial workshops to mobilise and involve stakeholders. Recent papers from Transition Stroud make suggestions which should be reviewed alongside the points above to identify an appropriate approach in Stroud District. (Ref 'Thoughts on Expenditure to Support Scoping and Delivery of the Stroud District Carbon Neutral 2030 Commitment' 5 December 2018, and 'Mobilising Local Stakeholders for Carbon Neutral Stroud', 4 January 2019.)
- 6.3. To ensure the District Council is effectively focussed on the carbon neutral by 2030 and adaption actions it will be important that this is clearly articulated in future corporate delivery plans and budgets. Clear officer and committee responsibilities need to be allocated. It may be appropriate to include a new box in the standard committee paper format to check each proposal's compatibility with the carbon neutral and adaptation commitments of the council.
- 6.4. There are already a small number local area-based climate change action group which should be encouraged and potentially expanded. Climate change action groups based in small areas or on just one or two streets may have many advantages. Particularly were there are properties of similar design and construction which would provide opportunities cost effective retrofit programmes on a large number of houses in one location.

7. TARGET SETTING AND MONITORING

- 7.1. Carbon emissions per capita in Stroud have reduced by 26% between 2005 and 2016 (Table 1), broadly in line with national reductions, and are now 38% less than in 1990. These reductions have been largely delivered by decommissioning of coal-fired power stations, closure of heavy industry, significant improvements in the efficiency of road vehicles, the significant UK growth of renewables and by gains from energy efficiency improvements in buildings and equipment (boilers, appliances and lighting).

- 7.2. In 2016 the total emissions from Stroud District was 778 million tonnes per annum (6.6 tonnes per person carbon equivalent per annum).
- 7.3. However the total emissions over which local authorities may be expected to exert some influence were 555.9 MtCO₂e per annum (4.8 tonne per person per annum). The Government's legal commitments under the Climate Change Act 2008 are likely to reduce UK emissions by a further 25% (1.2 tCO₂e per person per year or 138.9 MtCO₂e) by 2030 leaving something in the region of the equivalent of 3.6 tCO₂e per person per year (417 MtCO₂e per annum). To reach the agreed target of a carbon neutral District by 2030 will require setting targets for reduction, capture and offsetting significantly over and above the nationally agreed targets.

8. IMPLEMENTATION PLAN

- 8.1. Many of the activities required for Stroud District to become Carbon Neutral are not within the direct control of the Council. The Implementation Plan will need to be rapidly developed in partnership with the citizens and a wide range of partners. A crucial role of the Council will be to provide leadership to enable the dramatic changes required.

9. BASELINE DATA

Year	Total		Local authority potential influence	
	2005	2016	2005	2016
Industry and Commercial Total Mt CO ₂ e	282.8	186.9	281.9	186.9
Agriculture Total Mt CO ₂ e	17.8	15.7	14.1	13.6
Domestic Total Mt CO ₂ e	290.3	194.8	290.3	194.8
Transport Total Mt CO ₂ e	433.4	419.1	177.3	171.7
Grand Total Mt CO₂e	993.3	778.5	763.5	566.9
Population ('000s, mid-year estimate)	110.1	117.5	110.1	117.5
Per Capita Emissions (t CO₂e)	9.0	6.6	6.9	4.8

Table 1: 2005 and 2016 Carbon Emissions for Stroud District

Beis 2018 (<https://www.gov.uk/government/collections/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics>)

Local Authority potential Influence: These figures are derived from BEIS published data on local and regional carbon emissions. These column uses subset of data which excludes large industrial plants (i.e. those included by the EU Emissions Trading Scheme) and motorway transport. This is designed to reflect those emissions over which local authorities and regions may be expected to exert some direct influence. These figures also do not include the emissions from products consumed in the District but manufactured elsewhere. Nor do they cover emissions from flights by district residents and businesses.

	kWh
--	-----

GWh								
Domestic	Non-Domestic	All	Domestic		Non-domestic		All	
Total	Total	Total	Mean	Median	Mean	Median	Mean	Median
225	320	545	4,239	3,267	67,183	8,788	9,424	3,366

Table 2 Annual Electricity Consumption per meter (for each domestic property there is normally one meter in each house)

(Beis 2017) <https://www.gov.uk/government/statistical-data-sets/regional-and-local-authority-electricity-consumption-statistics>

Sales (GWh)			Averages (kWh)					
			Domestic		Non-domestic		All	
Domestic consumption	Non-domestic consumption	Total consumption	Mean consumption	Median consumption	Mean consumption	Median consumption	Mean consumption	Median consumption
582	247	829	13,476	11,712	480,119	122,469	18,978	11,807

Table 3 Gas Consumption 2017 per meter (for domestic properties there is normally one meter per house)

(Beis) <https://www.gov.uk/government/collections/sub-national-gas-consumption-data>

**STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE**

**AGENDA
ITEM NO**

6 JUNE 2019

7

Report Title	UBICO BUSINESS PLAN & 5 YEAR VISION 2019/2020
Purpose of Report	To provide an update on the Business Plan & 5 Year Vision 2019/2020 from Ubico
Decision(s)	The Committee RESOLVES to note the business plan and AGREE to change the sign off process for the business plan in subsequent years
Consultation and Feedback	Officers and shareholders
Financial Implications and Risk Assessment	<p>There are no financial implications arising directly from this report.</p> <p>The attached business plan is consistent with the MTFP and the Council will continue to work with Ubico to identify efficiencies and opportunities for the service.</p> <p>Andrew Cummings – Interim Director of Resources Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk</p>
Legal Implications	<p>There are no legal implications arising from this report.</p> <p>Mike Wallbank Solicitor E-Mail: Mike.Wallbank@stroud.gov.uk</p>
Report Authors	<p>Mike Hammond Head of Community Services Email mike.hammond@stroud.gov.uk Tel 01453 754447</p> <p>Kathy O’Leary Chief Executive Email kathy.oleary@stroud.gov.uk Tel 01453 754290</p>
Options	The report is for information only.
Performance Management Follow Up	Directors and Shareholders meetings are held quarterly to progress the business plan. Officers also meet with Ubico on a monthly basis to discuss operational performance.
Background Papers/ Appendices	Ubico Business Plan & 5 Year Vision 2019/2020

1. INTRODUCTION / BACKGROUND

- 1.1 Stroud District Council entered an agreement with Ubico in 2016 to provide services covering the collection of waste, recycling, street cleaning, grounds maintenance and building cleaning. This is commonly known as the multi service contract.
- 1.2 The agreement is currently performing well as can be demonstrated by the data published by the County Joint Waste Committee (JWC). There has been a dramatic increase in recycling rate and decrease in waste to landfill since the changes made since the implementation of the 2016 agreement.
- 1.3 The service has been recognised nationally as an exemplar by Defra and the service has been shortlisted for the National Recycling Awards for the Cutting Waste to Landfill category and the Food Waste Initiative category.

2. BUSINESS PLAN PRODUCTION AND AGREEMENT

- 2.1 The annual business plan is produced by Ubico and taken to the Directors and Shareholders meeting in February/March of each year for agreement for the following financial year.
- 2.2 In previous years this has been agreed to and signed off by the Council's Ubico Shareholder (the Chief Executive). Previously the Director of Customer Services has been a director on the Ubico Board, and following her retirement, the Head of Community Services has been an observer on the board pending the appointment of a new Director.
- 2.3 In future years it is proposed that the draft business plan is brought to this Committee prior to the Directors and Shareholders sign off meetings, to allow for members comments to be considered prior to the report being finalised and endorsed by Shareholders.

3. CONCLUSION

Members are recommended to note the business plan for the financial year 2019/20 appended here, and to agree the recommended change to the sign off process to enable earlier input into the future draft business plans.



2019/20 Business Plan

&

5 Year Vision

Foreword

In 2019 Ubico will be eight years old. In that time we have achieved success, grown quickly, faced the challenges of expansion and have built a company with a clear ambition to deliver greater efficiencies and surpluses back to our shareholders.

As an environmental services company operating across 1200 square miles of Gloucestershire and West Oxfordshire, our purpose to keep spaces and places clean and green for every resident, visitor, town, village and community. Undertaking this responsibility carries risk. Performance standards for the services Ubico delivers have to remain high – even the smallest percentage shift of 0.01% in service standards can result in a higher number of complaints. Equally, maintaining high standards for health and safety and compliance is of paramount importance.

This means Ubico's first priority will always be to deliver, safe, reliable, high quality and resilient services that our shareholders, clients and customers trust.

Local authority budgets and medium term financial forecasts remain uncertain and it is unlikely that the pressure on Local Government budgets will reduce in the medium term. Ubico must continue to work hard to demonstrate that we are providing value for money services and remain the provider of choice for our shareholders. We can achieve this through transparency, accuracy and a shared endeavour with our shareholder partners to strive to identify and invest in opportunities to deliver further savings or income. In 2019, Ubico will continue to improve our governance and processes so that we are able to maintain and build on our partnerships and provide improved management and financial information that meets the needs of our shareholders. Sharing accurate and meaningful information will allow commissioners to make informed decisions about the future of their services.

But Ubico has a wider ambition to make a bigger contribution to our shareholders and communities. Opportunities exist to deliver greater shareholder value and we can make a more meaningful impact to the local economy by offering good jobs and training to our workforce.

To consistently deliver high performance, we must maintain a dedicated and committed workforce with the right skills and behaviours. In 2018 Ubico employees designed and launched new corporate values with the intention to embed this further in 2019 through the development of a medium term people strategy that will support recruitment and retention,

enhance training and ensure that Ubico has an organisational culture that will deliver its long term goals.

To maximise shareholder value, Ubico must set a more ambitious five-year plan and begin a new phase in the development of the company, underpinned by exploring updated service contracts and business cases with our shareholders. A new longer term vision will seek to invest in opportunities that will both deliver operational savings for existing operational services but also offer commercial potential.

We will continue to use our operational knowledge and industry expertise to mitigate risks, deliver change and present commissioners with options that challenge the status quo on how we use our people, vehicles, assets and technology to be more effective and efficient.

In 2019 Ubico will pursue external commercial growth by realising the potential of the unique skill set we have available and offer opportunities for investment that will aim to deliver greater commercial income.

A handwritten signature in black ink, appearing to be 'G. Edmundson', with a long horizontal stroke extending to the right.

Gareth Edmundson
Managing Director

Contents

Foreword	2
About Ubico	5
Our Vision & Mission	6
Outcomes and Measures	7
Ubico 2019-24 Strategic Pillars	9
People	10
Operations	14
Value for Money	23
Commercial	30
Corporate and Social Responsibility	36
Governance	37
Board Effectiveness Review	38

Appendix A – 2019/20 Actions

Appendix B – 5 Year Vision Milestones

About Ubico

- Projected turnover in 2019/20 **£34m**

Services delivered:

- Waste & recycling collection
- Storage and processing of recyclable material
- Household recycling centres
- Street cleaning services
- Building and public convenience cleaning.
- Grounds maintenance
- Fleet maintenance
- Winter maintenance
- Consultancy, advisory and project management services

Our Shareholders



COTSWOLD
DISTRICT COUNCIL



Our vision

To deliver safe, high quality, and value for money services, adding value to our shareholders, customers and communities.

Our mission

To utilise our skills, knowledge, expertise and resources to drive innovation, integration, efficiency and commercial success and to make a lasting, positive contribution to our people and our environment.

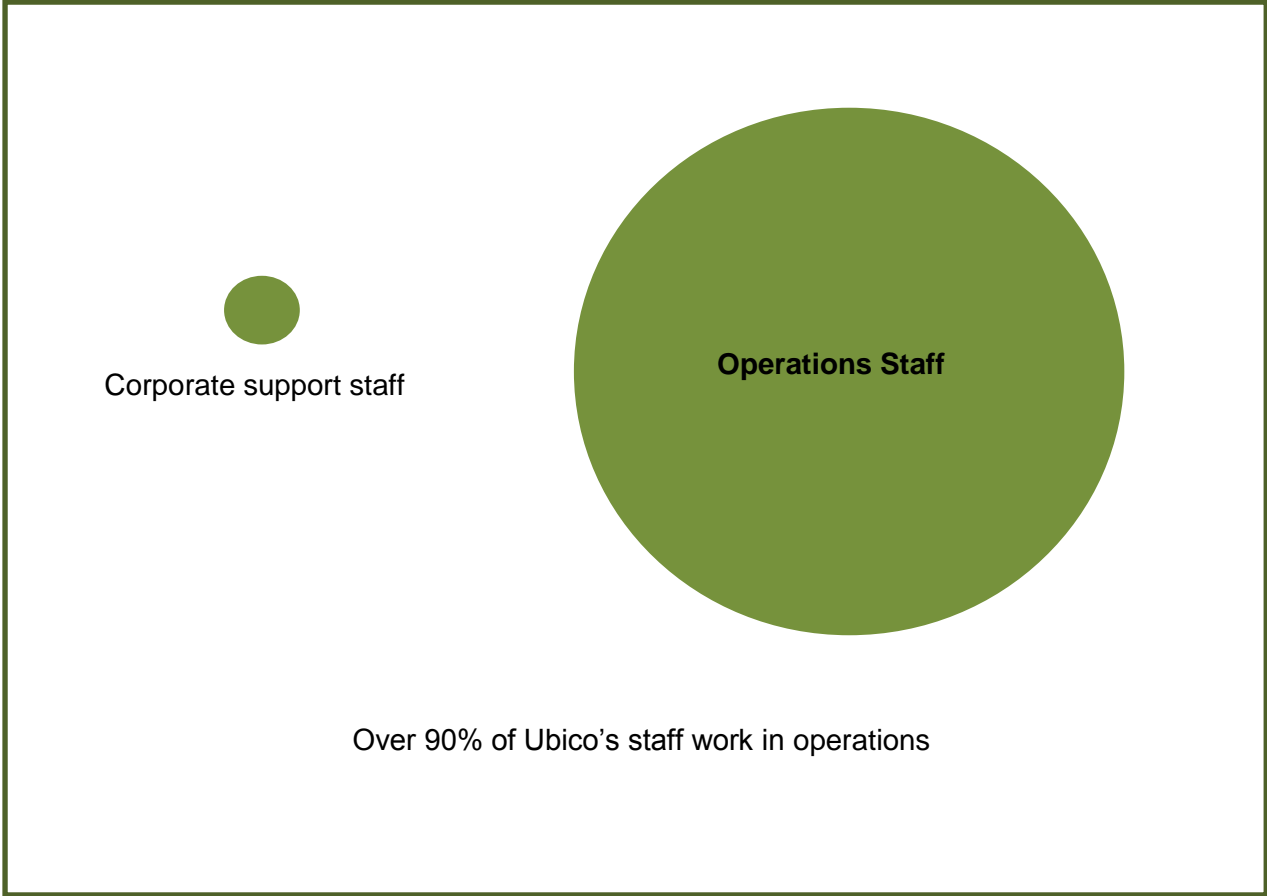
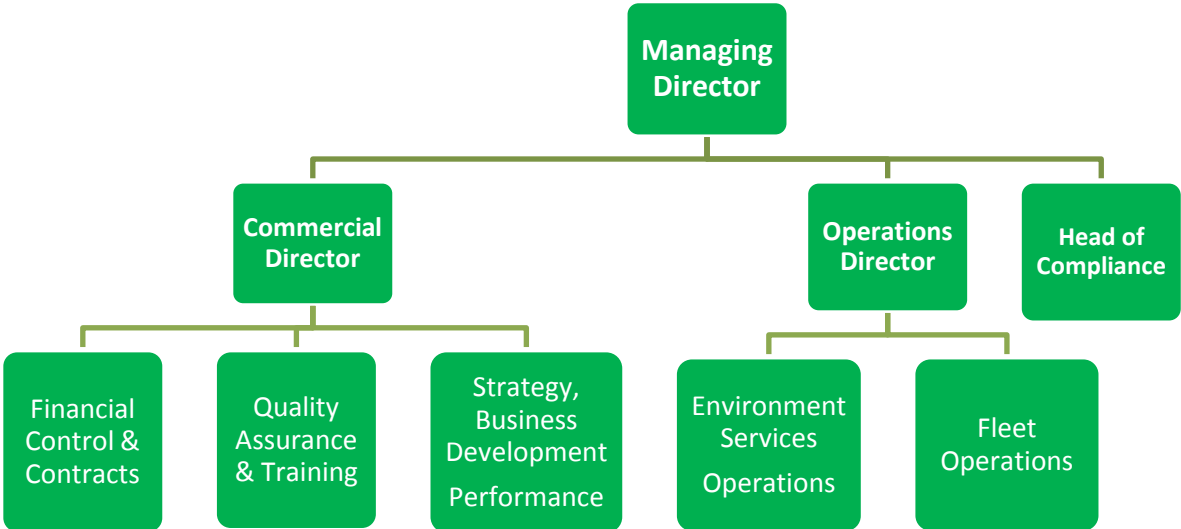


Headline Outcomes and Measures 2019-2024



Strategy Map		Headline Score Card	
Process: Operations Management Theme: Reliable, High Quality, Cost Efficient Service	Objectives	Measurements	Target
Shareholders	<ul style="list-style-type: none"> Delivering value - efficiencies and net profits 	<ul style="list-style-type: none"> % of Teckal headroom used Savings or returns on investment proposals 	<ul style="list-style-type: none"> >15% >5%
Commissioner & Customer	<ul style="list-style-type: none"> Efficiencies Value for Money Reliability Resilience Quality 	<ul style="list-style-type: none"> Contracts renewed & awarded Service KPIs - Missed Bins (per 100,000 collections) 	<ul style="list-style-type: none"> >80% <0.05 %
Ubico	<ul style="list-style-type: none"> Quality Service Innovation Safety & Compliance 	<ul style="list-style-type: none"> Service complaints & compliments H&S & Fleet KPIs 	<ul style="list-style-type: none"> Maintain & improve Fleet Audit Scores >85%
People	<ul style="list-style-type: none"> Training / Talent Positive Culture Employee Retention 	<ul style="list-style-type: none"> Employee Investment Vacancies filled first time Employee Resignations 	<ul style="list-style-type: none"> 80% of annual training budget >90% <10% attrition

Ubico Headline Structure



Ubico 2019 – 2024 Strategic Pillars

Ubico's 2019/20 business plan and our 5 year vision will be built around four key elements.

1. **People**

Our competitive advantage is delivered through our dedicated and committed employees that live our values. We will identify, retain and invest in talent to deliver a culture that achieves our company ambitions.

2. **Operations**

We will deliver safe and high quality services that strive for greater efficiencies and service improvements by harnessing innovation and opportunities for integration.

3. **Value for Money**

We will provide transparent and accurate management information that demonstrates and compares our high performance against clear and realistic measures. We will identify financial risks and work in partnership to resolve and meet future challenges.

4. **Commercial**

We will identify and capitalise on investment and commercial opportunities to deliver greater returns and efficiencies to our shareholders.

Our Values



deliver quality
be safe
do the right thing
care for our environment
work together

1. People

Our competitive advantage is delivered through our dedicated and committed employees that live our values. We will identify, retain and invest in talent to deliver a culture that achieves our company ambitions.

Ubico in 2019

In 2019, the majority of Ubico employees are retained on the company's Terms and Conditions. However, the West Oxfordshire Waste and Recycling staff continues to be retained on the terms and conditions at the point of TUPE in 2017. Furthermore, Ubico's breadth also creates geographical challenges in recruitment, retention and pay rates due to local market forces.

Ubico follows the National Joint Council (NJC) on pay awards and in 2018/19, made a 3% contribution to our Ubico pension scheme.

In early 2018, the company launched new Corporate Values and Ubico continues to invest in staff to increasingly embed the values, develop a positive organisational culture that represents Ubico's identity and ethos. The number of qualified Transport Managers and staff with a Certificate of Technical Competence (CoTC) related to environmental compliance at our permitted sites has significantly increased. Twelve staff have been trained as ROSPA Driving Assessors to support and improve new drivers in the organisation, to enable us to monitor driving standards across the company and to refresh and review training within our driver workforce.

Ubico continues to provide regular training across all core health and safety competencies (e.g. manual handling, reversing, bin lifts etc.) as well as offering Operator Licence and Institute of Occupational Safety and Health (IOSH) training to staff across the organisation and to our partners.

The operational demands of the work our staff undertake results in musculoskeletal factors being the biggest cause of absence.

Future Priorities

Ubico's growth and recruitment has provided a workforce from public and private sector backgrounds. While a diversity of experience and skills is to the company's benefit, Ubico still needs to develop a more consistent staff culture bound to our corporate values.

Embedding consistent Ubico behaviours which reinforce safety and working together to overcome operational, corporate or geographical challenges remains a key priority.

Upskilling and training staff, particularly those that may have moved to Ubico via TUPE transfer, to ensure that they can undertake their responsibilities effectively will remain a short and medium term focus. Improving training to support managers to tackle performance issues consistently will also increase Ubico's operational effectiveness.

While Ubico is increasingly benefitting from acquiring staff from more diverse private sector and corporate backgrounds, the company has identified that we must continue to develop the commercial awareness of our employees. This includes the procurement and contract management of our private sector suppliers as well as the entrepreneurial and technical competency to identify new opportunities and to develop viable business cases.

High employment has created challenges for recruitment and retention across Ubico partnerships. The challenge is greatest in West Oxfordshire where pay rates are highest within our operating region.

A challenging labour market has compounded Ubico's use of temporary agency staff, which is currently too high across our contracts. This needs to be reduced in order to reduce spend into the private sector. However, Ubico will always have a demand for temporary staff to cover sickness and holidays and should explore more creative solutions to drive efficiencies.

The national shortage of LGV drivers continues to be a risk to operational resilience and reliability. Ubico are utilising the Apprenticeship Levy to offer development opportunities to non-driving staff to gain their LGV licence to mitigate the national driver shortage. Nationally, competitive rates of pay are not only increasing cost pressures but also contributing to pockets of poor performance related to inexperienced drivers. Ubico expects that the development of internal staff to become LGV drivers, as well as the addition of the driver assessors will help to mitigate this issue.

The growth of Ubico, and resulting growth in the size of the workforce has placed greater demand on HR services and operational managers, and presents a challenge in terms of remaining efficient and effective in handling the volume and complexity of staffing issues. We intend to review our HR policies and procedures and make changes to processes to ensure they are streamlined and efficient, and we will also seek to introduce technology to improve governance.

Legislative changes to pension schemes will increase the overall contributions that employees are required to make to their pensions, should they choose to remain in their stakeholder pension scheme. Ubico believes the company pension should be part of an overall package that attracts staff and encourages them to remain with the company. To support this Ubico will match the level of contribution that its employees must make.

Finally, while Ubico has made significant progress to introduce improved nurse-led absence and Employee Assistance Programme (EAP) to support staff, the company can do more to take a more whole-system, preventative approach to maintaining staff welfare to reduce rates of absence.

To coordinate and deliver the necessary support and investment in our employees, Ubico will develop and present to Board a new People Strategy that will set clear outcomes and actions. We will work with our immediate HR service and wider partners to deliver against the actions within the strategy.

2019/20 Actions

- **Develop and implement a new People Strategy**
- **Implement a new company-wide code of conduct, gifts and hospitality & register of interests.**
- **Expand the use of our Apprenticeship Levy to train our own drivers**
- **Increase the Ubico contribution to the corporate pension scheme to 4% to be in line with legislative changes.**
- **Complete a review of Ubico Terms & Conditions for all staff.**
- **Embed and improve counter fraud resilience through implementing an action plan in partnership with our audit partners' anti-fraud team.**

Ubico by 2024

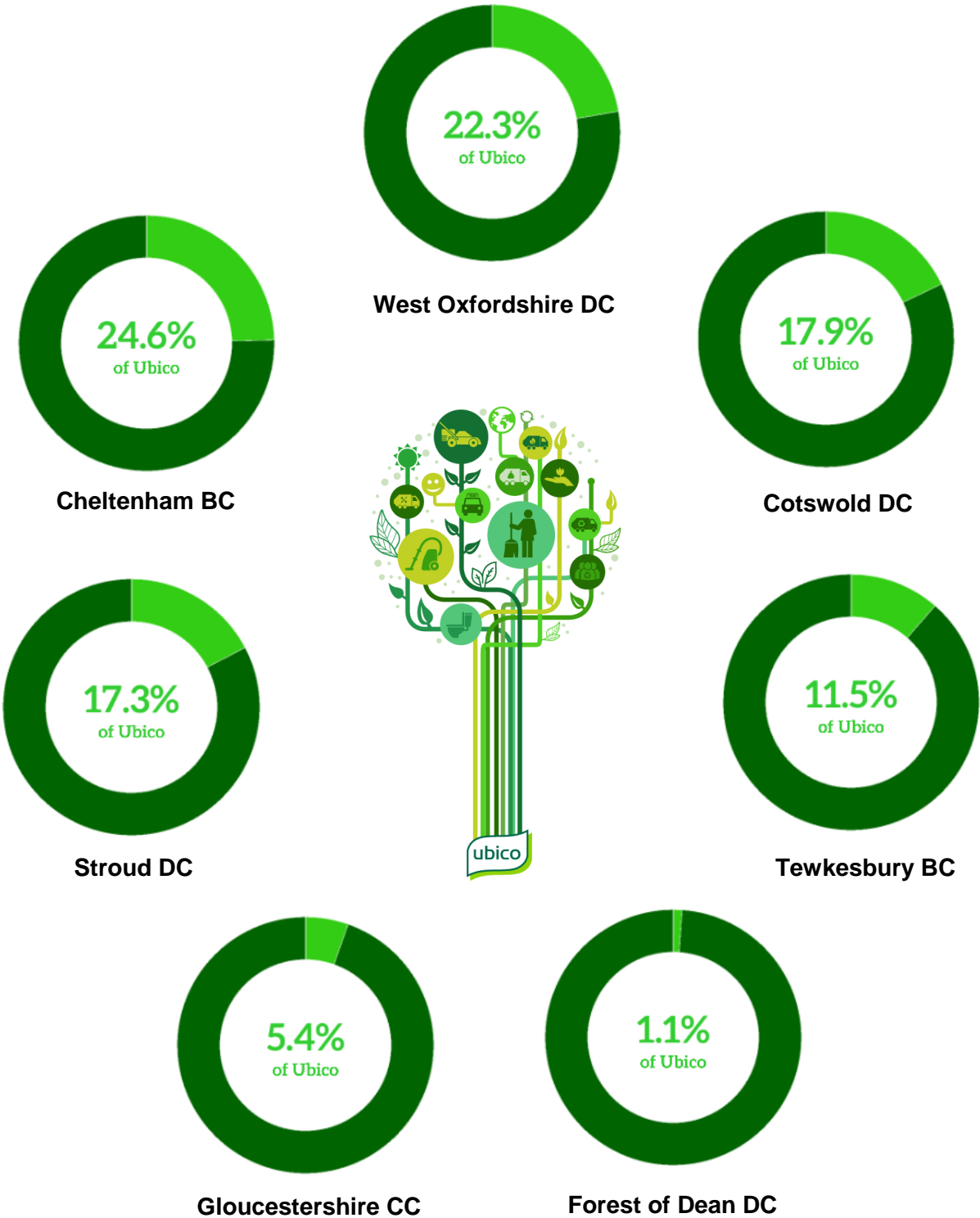
- **Our corporate values and behaviours will be consistent and embedded across the organisation and we will maintain a positive and supportive organisational culture.**
- **We will have a scalable senior management structure that is agile and adaptable to growth.**
- **We will have leaders at every level who have the skills to drive continuous improvement, safety, innovation and efficiency.**
- **We will offer opportunity to develop skills, qualifications and ensure internal staff can progress and that succession planning is part of our organisational culture.**
- **We will have a market leading, in-house training function that is used internally and externally with partners and third parties.**
- **We will provide our own temporary and agency staff to Ubico and third parties.**
- **Our terms and conditions will be competitive and meet the needs of the company.**
- **Our HR policies and processes will be streamlined, efficient and effective and will support managers to address staff performance.**
- **Ubico employees will be commercially aware, agile and adaptable to changes in legislation and the market.**

2. Operations

We will deliver safe and high quality services that strive for greater efficiencies and service improvements by harnessing innovation and opportunities for integration.

Ubico in 2019

Operational size by turnover:



Ubico continues to achieve consistent performance across our operating region.

Strengthened operational management introduced in 2017 has delivered results in rebuilding and strengthening relationships with commissioners and driving change and improvements to our compliance and performance.

All contracts retain up to date Emergency Business Continuity Plans and overall operational reliability is good. Pressures exist due to a lack of spare vehicles in Cheltenham recycling, an ageing recycling fleet in Cotswolds, and collection rounds reaching their operational capacity in pockets across contracts due to housing growth.

Work to support the mobilisation of the Energy from Waste Facility at Javelin Park is ongoing. This project has required significant staffing and resource demand but Ubico has responded well to the challenge and test of resilience.

Ubico Operational Priorities

Health & Safety & Environmental Compliance

Keeping our workforce safe will always be our first priority and highest risk.

In 2018 considerable work was undertaken to continue to harmonise our health and safety and environmental compliance systems and processes, to drive continuous improvement and to review roles, responsibilities and accountabilities, this latter work resulting in the creation of the post of Head of Compliance. In addition, Ubico enhanced its Health and Safety reporting to identify year on year trends and provide more meaningful data to managers providing a clearer picture on Ubico performance and enabling informed decision making and intervention.

Acquiring meaningful and accurate benchmarking data for the purposes of comparison, monitoring and improvement remains challenging.

Ubico's core priority in 2018 was working towards achieving the International Standard for Health and Safety (ISO45001). An external audit of Ubico's management systems was completed in December 2018, with a follow-up audit to confirm the certification of the standard due in April 2019.

Achieving and embedding this ISO standard will be a core priority for 2019/20. This gives an independent external check of our management systems.

Ubico also implemented a corporate restructure in 2018 to strengthen the company's compliance function. This has provided Ubico with more robust internal monitoring to check whether safe systems of work, training and risk assessments are being followed and executed appropriately. On-going enhancement of the company's compliance function will progress in 2019/20 as a means of driving a culture of health and safety and continued improvement.

Partnership working and investment has enabled Ubico to strengthen our environmental compliance by making key changes to operational depots. However, further investment is needed at some sites to ensure that Ubico can demonstrate the highest standards of compliance. This will be progressed in partnership with the relevant shareholders.

Fleet Operations

Fleet operations underwent considerable change in 2018 in order to meet the needs of our expanded company.

The fleet function, including the corporate and workshop staff, was moved under the Operations Division to enable stronger partnership working between fleet and operational services.

In addition, a series of improvements to process and systems were implemented following an external review from the Freight Transport Association (FTA).

Ubico is working to implement a Fleet Management System to provide a more robust system to underpin the maintenance and management of vehicles and improve performance reporting.

Ubico has successfully increased its number of qualified Transport Managers and we are now in a far stronger position with regard to compliance with the requirements of our Operator Licence. We will undertake a review of the Fleet Maintenance and Management function, including roles and responsibilities, to ensure greater resilience and compliance.

During 2019 we will undertake a restructure of the fleet operations to better meet the company's aims and aspirations and work with shareholders on investing in our workshops to provide improved brake testing capability, in line with regulatory changes, and to maintain and improve MOT pass rate performance.

Technology

Ubico continues to operate with an out-dated back office system to underpin operations.

Webaspx software is used to model and plan round changes, and cameras and trackers are used to monitor vehicles, however, day-to-day collections and maintenance remains a largely manual, paper-based process. Improvement is also required on both software and hardware systems to make them more effective, efficient and improve the management information provided to staff.

Almost all shareholders have expressed an interest in procuring systems that will deliver a more responsive and efficient operation. Ubico will work in partnership to undertake an end to end review of information transfer with a view to maximising the value of new technologies, which will likely incorporate of new technology. This will deliver benefits to both the councils and Ubico, allowing shareholders to get real time information on collection rounds and Ubico to be able to both report and respond to issues more easily, effectively and swiftly.

However, it is a key priority for Ubico that the procurement of any system is undertaken in a coordinated and joined-up manner so that the company does not have an inefficient legacy of multiple different software systems.

2019/20 Actions

- **Complete and embed ISO 45001 management system.**
- **Retain and renew certifications for CHAS & EXOR.**
- **Review core H&S training to identify and improve core training to operational staff.**
- **Embed and develop Ubico's compliance function to provide more robust internal monitoring of health & safety, fleet and environmental practice.**
- **Improve internal fleet processes to maintain high compliance standards.**
- **Complete investment in workshops to improve vehicle maintenance and MOT testing rates.**
- **Work with commissioner to jointly operate an in-cab technology to drive efficiencies.**
- **Implement a Fleet Management System to improve process governance and performance reporting.**

Priorities by Contract 2019/20

Cheltenham

A programme of procurement has been progressed which will reduce Cheltenham's reliance on hire vehicles in 2019/20, particularly within the grounds maintenance and street cleansing services. It is important that CBC maintain a suitable fleet replacement programme to keep cost down and, Ubico will continue to work in partnership with Cheltenham to ensure the success of this cyclical programme.

The Cheltenham contract is currently Ubico's largest operation. Many of the Ubico services across streets and grounds have seen organic growth without relative investment. Many street services in particular have absorbed cleansing responsibilities placing further pressures on costs and resources.

The Swindon Road depot will become increasingly congested in the medium term. It will require significant investment if it is to accommodate both Cheltenham and Tewkesbury's future fleet needs as the services grow to adapt to extensive housing developments. The transfer station and plant and workshop equipment will also need investment and replacement in the short to medium term.

Out of all Gloucestershire collection contracts, Cheltenham and Tewkesbury will be most impacted by the mobilisation of Javelin Park EfW. Ubico will continue to work in partnership with CBC, TBC and GCC to ensure a smooth transition of this change in operational service delivery, identifying efficiencies at any opportunity.

2019/20 Actions

- **Mobilise operation for the commissioning of Javelin Park EfW.**
- **Reset service priorities for street and grounds services in partnership with CBC.**
- **Explore options for alternative depot locations that meet future needs, offer a viable waste transfer facility and provide future commercial opportunities .**
- **Work in partnership with CBC to review environmental policies.**
- **Explore potential for greater service integration with Tewkesbury to deliver operational efficiencies and improvements on collection rounds, trade waste and streets and grounds services.**

West Oxfordshire

Significant improvements were made to the Downs Road depot throughout 2018 to provide improved welfare facilities and make essential health and safety and compliance improvements following the transfer of the lease from the previous operator.

Operational performance continued to improve in 2018 and now consistently out-performs the previous contractor. Take-up of the new recycling service has outstripped predictions. This has led to an increase in costs to meet with the demand for additional containers and bins to accommodate recycling volumes.

While some savings were delivered in 2018/19, a central priority will be to achieve and embed more structural operational savings and efficiencies in 19/20 in partnership with West Oxfordshire to complete service transformation.

2019/20 Actions

- **Confirm and implement agreed operational efficiencies with WODC.**
- **Work in partnership with WODC to promote recycling scheme and keep contamination to a minimum.**

Cotswold

In 2018 Ubico supported CDC to develop options for service change. Ageing vehicles and property growth will continue to present a series of operational and financial challenges to the service up to the point of service change planned for the autumn of 2019.

Street cleansing services have also faced pressure from property growth, which stretches service capacity.

A key priority for 2019/20 will be the implementation of service change, which will involve employees across corporate support and operational functions working together to finalise rounds, costs and prepare vehicles following delivery.

Continuous improvement of the Packers Lease depot will maintain high standards of compliance. Works have started on site to improve Health and Safety and Ubico will continue to work in partnership with CDC to drive further improvements to the depot.

2019/20 Actions

- **Prepare and deliver collection service change including the implementation of a new back office system**
- **Review and re-commission street services.**
- **Continue vehicle procurement to maintain fleet.**

Stroud

Strong partnership working with Stroud DC resulted in the purchase of vehicles to replace ageing fleet in 2018. This will assist in reducing costs of vehicle maintenance. Efficiency savings were delivered in the contract across grounds and cleaning services in 2018 to contribute towards wider Stroud DC savings targets.

Property growth continues to create service pressures and a key priority in August of 2019 will be the introduction of a new recycling round to ensure that the service can continue to complete scheduled collections on-time in the medium term.

Working in partnership with Stroud DC, Ubico will undertake a review of the current garden waste service. The aim is to identify and introduce efficiencies in the rounds and investigate the market for potential growth of the service in order to deliver financial reward.

Ubico will also continue to support Stroud to meet its medium term financial strategy priorities.

2019/20 Actions

- **Implement new recycling round to increase capacity.**
- **Complete service review with SDC to meet financial strategy.**
- **Complete vehicle procurement to ensure fleet is fit for purpose.**

Tewkesbury

Tewkesbury continues to improve performance on reducing missed collections, reaching very low levels of 0.06% in 2018/19.

However, service challenges were experienced in grounds maintenance early in the financial year. Late finishing winter maintenance combined with a strong growing season created operational challenges that reduced service quality and the team's ability to clear the backlog

of work. It will be a key priority to ensure that the grounds maintenance service has the right equipment and resources to deliver a service that meets the needs of the commissioner in 2019. Ubico is already working closely with Tewkesbury to assist with a wholesale review of the grounds maintenance service.

The street cleansing service has also been placed under increased pressure due to a growth in homes and Ubico will work with Tewkesbury to reset service priorities.

Tewkesbury will also be impacted by the mobilisation of Javelin Park and Ubico will be focussed on ensuring that direct delivery of some refuse is provided without any service disruption. Working in partnership with Cheltenham to identify a solution to a shared depot will be a key medium term priority.

2019/20 Actions

- **Implement and review changes to grounds maintenance.**
- **Implement changes to street services.**
- **Mobilise direct delivery to Javelin Park.**
- **Explore opportunities for integration of services with CBC.**

Gloucestershire CC

In 2018 Ubico successfully implemented a reduced opening hours pattern agreed by the commissioner and worked collaboratively to make site improvements at Pyke Quarry.

In 2019/20 Ubico will continue to work in partnership with the commissioner to deliver an efficient and effective service and to support their investment in the remaining sites. A key priority will be the replacement of ageing infrastructure that has created high costs of maintenance and repair. Ubico will also be proactively working to support service reviews and the introduction of further operational changes to meet medium term financial targets.

2019/20 Actions

- **Work in partnership on site investment and improvement plan.**
- **Implement service changes to meet medium term financial targets.**

Forest of Dean DC

Ubico continues to operate a small number of grounds maintenance, caretaking and building cleaning services for the Forest of Dean.

A key priority for 2019 will be to ensure that clarity is reached on specifications for services, and that the appropriate contract sum is available to complete works outlined.

2019/20 Actions

- **Ensure specification and contract sums are appropriate for the costs of the Ubico operation**

Ubico by 2024

- **Maintain the highest standards of health and safety, environmental and fleet compliance, always striving for improvement.**
- **Integrated collection rounds to deliver greater efficiencies for shareholders**
- **Greater sharing of vehicles and people to increase operational resilience and efficiency.**
- **Review of depot sites and assets to harness their potential.**
- **An integrated back office system that will provide real time information and deliver a positive, end to end customer experience that will improve service and improve efficiency.**
- **Work in partnership with Ubico shareholders to explore the potential for full integration of collection methods.**

3. Value for Money

We will provide transparent and accurate management information that demonstrates and compares our high performance against clear and realistic measurements. We will identify financial risks and work in partnership to resolve and meet future challenges.

Ubico in 2019

Partnership Sums

Contract	2019/20 Partnership sums £000
Cheltenham BC	£8,921,m
West Oxfordshire DC	£7,435m
Cotswolds DC	£6,081m
Stroud DC	£5,873m
Tewkesbury BC	£3,921m
Gloucestershire CC	£1,861m
Forest of Dean DC	£389k
Total	£34,481m

Developing partnership sums – cost assumptions.

Ubico implemented a new approach to agreeing partnership sums in 18/19. The company started discussions earlier with council partners to allow for more productive discussions on cost pressures, potential mitigations and to improve alignment with Council budget setting processes.

As part of the partnership sum setting process, Ubico has discussed a series of cost factors such as inflation, NJC pay awards, pensions, fuel prices, insurance premium taxes and the strength of local labour markets in order to agree 2019/20 partnership sums. Ubico's costs and associated partnership sums have seen increases since 2017/18 largely due to external inflationary factors and pay awards. As such the following assumptions were discussed and included with the proposed 2019/20 sums.

Diesel

Ubico uses large amounts of diesel to operate its vehicles and fuel economy for LGVs averages between 3-5MPG. All diesel is bought in US dollars and any economic uncertainty or a weak pound will compound potential cost increases. In 2018/19, the UK continued to experience both a weaker pound as well as increases in the price of fuel. An increase of 15% was discussed and agreed with all commissioners for 2019/20 increasing the price per litre to **£1.127** from £0.98p in 2018/19.

Temporary Staff

As an operational service, Ubico will continue to have a reliance on temporary staff to cover both sickness and holidays. Ubico builds in an assumption of 9 days' absence per person per year, plus holidays. While Ubico has set this budgetary assumption, the physical nature of the work undertaken results in sickness levels in some contracts being higher than this figure which can place a cost pressure on the service.

Pay & Pension

Ubico continues to be linked to the NJC awards for pay. In 2019/20 this represented a minimum of a 2% increase with some lower paid staff receiving a larger increase, for example, loaders received 2.7% increase. Due to changes in national legislation to pensions, requiring higher contributions, Ubico agreed with commissioners to increase Ubico's pension contribution by 1% to 4% in total. This will ensure that the company shares the burden of pension contribution equally with the employee.

Driver pay – local supplements

The national shortage of drivers has created cost pressures and difficulties in recruitment. To combat recruitment challenges driver supplements have been included within contract sums at the following rates.

West Oxfordshire - 15% (does not apply to employees transferred from Kier under TUPE as driver pay rates were already elevated compared to standard Ubico T&Cs).

Cheltenham and Tewkesbury – 7.5% This has seen a small increase at the Swindon Road Depot due to recruitment challenges

All remaining partnerships retain a 5% supplement.

Insurance

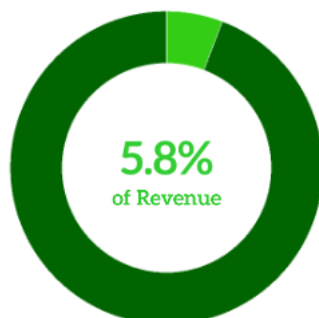
Insurance premiums have increased for the company for a range of factors. As cars have become more sophisticated, the costs of more minor repairs has increased. In addition, Ubico experienced elevated levels of incidents that resulted in higher claims. To respond to this Ubico has implemented a range of measures in partnership with our insurance provider to reduce accidents. This has included developing our own capacity to assess drivers. While it is positive that vehicle accidents have reduced since these measures have been implemented, an increase of 10% has been included into the vehicle insurance premium and an inflationary increase of 2.3% (CPI) for the rest of the premium (for example, employers and public liability).

Inflation

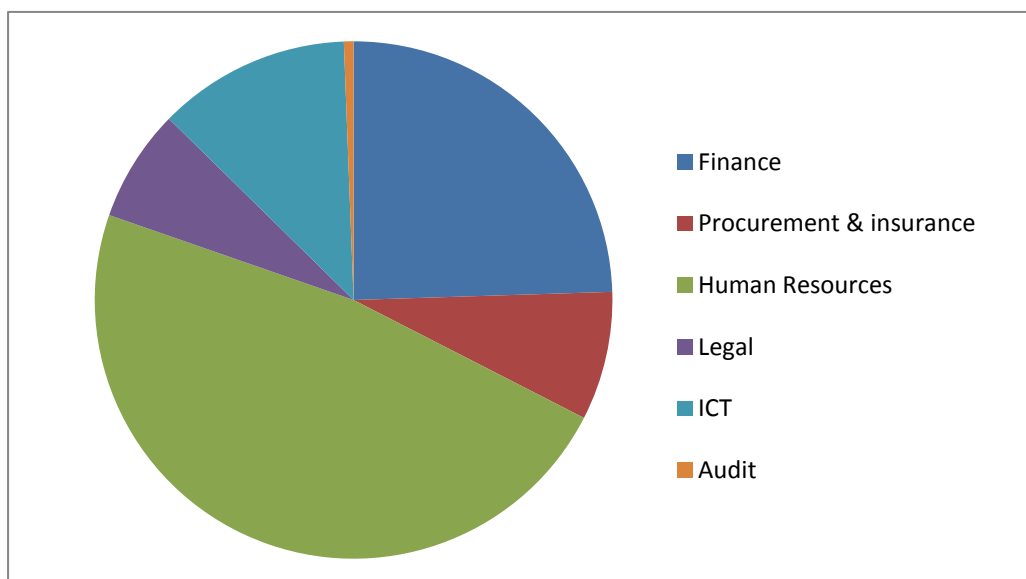
Business rates are linked to CPI and an increase has been included at 2.3%, while a wider rate of 2% inflation has been assumed on other materials and supplies to the company.

Total Corporate Overhead

Total Overhead



Detailed breakdown



Delivering Value for Money

Ubico has experienced cost increases in that last two years relating to external factors such as fuel prices and wage inflation. This is likely to continue in the short to medium term. In addition, in 2018/19 partnerships such as the West Oxfordshire Waste and Recycling service costs that were in excess of the service model developed prior to mobilisation. It is therefore vital that Ubico strives to build trust and confidence among commissioners and shareholders that the company is delivering value for money and remains the most affordable option for our partners.

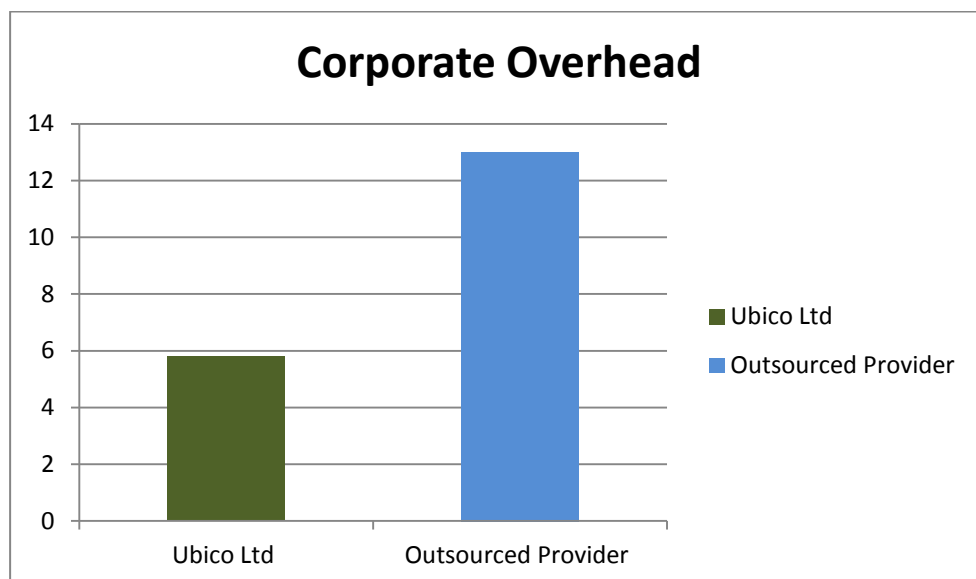
In 2019/20 Ubico will develop more consistent and tangible measures to benchmark our performance to ensure that the company remains the provider of choice.

Ubico has already made progress in this regard. In 2018/19, Ubico's Stroud Partnership was subject to an external assessment from a Specialist Environmental Services Consultant from the Association of Public Service Excellence (APSE) to review and test service productivity and costs to determine whether the company was providing Stroud District Council value for money.

The outcome of the detailed service review were very positive for the company with the review concluding that the service was in the top quartile for productivity when compared to Stroud District Council's benchmarking group and that overall and that Ubico was a providing value for money to the authority.

Ubico will continue to assess its delivery of value for money with further external assessments and work in greater collaboration with organisations such as APSE, to demonstrate services are efficient and provide greater certainty that potential savings identified can be delivered and implemented without detriment to the overall service.

Comparison of Ubico's Corporate overhead



Ubico still compares favourably when compared to traditional outsourced providers within the market. Outsourcing will result in a typical overhead of 9% and profit margin of 3-4% being added to the contract value. Ubico's corporate overhead remains at 5.8%,

That said, Ubico will continue to strive to deliver efficiencies back to shareholders by exploring greater innovation, integration and partnership working to create savings. The procurement of fleet, hired vehicles and our supply chain of parts and materials remains a key area to develop to ensure that shareholders take advantage of their collective buying power, and Ubico maximises efficiencies. Additionally, conversations will continue with commissioners in relation to rationalisation of depots, integration of services and transforming end to end customer interaction.

With the commitment of shareholders, further efficiencies can be delivered through greater integration of people, vehicles and assets. Ubico is dedicated to delivering services that meet the needs of commissioners, and it is important that Ubico continues to highlight the additional costs of retaining differences between services and, in particular, collection methods.

Ubico will continue to work in partnership with commissioners and the Joint Waste Team to make a strong case for greater integration in the medium term.

Transparency & Accuracy

Ubico made considerable progress to improve financial reporting and the production of management information to commissioners. The addition of in-house finance officers and the gradual transformation of the finance service has improved Ubico's ability to meet commissioner reporting needs, allowed joint review of financial risks and identification of savings and efficiencies. Ubico has moved to a monthly finance report which is provided in full detail where requested. Complete transparency has supported Ubico in demonstrating the genuine cost of service and has allowed for more informed dialogue.

Ubico also redesigned its partnership sum setting process for 2019/20, commencing dialogue and interaction with the commissioners much earlier than in previous years, and by being more proactive with both commissioners and finance officers on priorities for 2019/20.

Whilst this updated process has been well received, Ubico needs to continue to improve for 2020/21 by starting this dialogue earlier still and by aligning Ubico's reporting to Council decision making or consultation meeting schedules to support our finance partners.

A further key focus will be improving the accuracy of Ubico's financial reporting. This will be achieved by reviewing internal processes and through supporting supervisors and operations to improve financial management. Additional training will be provided to enable key operational staff to gain a better understanding of their spending, the phasing of their budgets, and to more accurately estimate committed and expected spending during the year. If more certainty is provided to commissioners then the collective ability of managing financial risks will improve.

Ubico will also begin discussions with shareholders regarding the renewal of Ubico contracts, both to provide certainty for the company but also to enable the delivery of further savings stemming from greater integration, investment or innovation or to deliver large projects such as depot relocation or rationalisation. These ambitions will ultimately be hampered if the long term security of the company is not secured.

It is also acknowledged that both Gloucestershire CC and the Forest of Dean are both small shareholders in terms of contract value and it should remain an ambition for Ubico to extend and grow the operational services delivered for both of these shareholders.

In 2018 Ubico expanded and improved its reporting of management and performance information across the company and back to commissioners. Monthly management reports are now produced for each contract that reports the following core sets of indicators:

- Operational performance
- Health & safety data
- Fleet Compliance
- Financial monitoring
- HR (sickness absence & vacancies)

In 2018 Ubico re-designed its Corporate Risk Register and the Board increased the scrutiny of the Executive to ensure that risks were actively being reviewed, mitigated and managed. The full corporate risk assessment is presented at each Board meeting and the risk registers are shared individually with both shareholders and commissioners to ensure that there is complete transparency on live risks and issues within the company.

2019/20 Actions

- **Implement an updated contract sum setting process for 2020/21 financial year.**
- **Embed the monthly production of management and performance information to meet corporate and commissioner needs.**
- **Complete and implement procurements (detailed in appendix 1).**
- **Provide training to Operations Managers on financial monitoring and forecasting.**
- **Provide training to managers on procurement and contract/client management.**
- **Explore shared procurement of vehicles with shareholders to streamline the process and maximise buying power.**

Ubico by 2024

- Maximised operational savings and efficiencies for shareholders.
- Deliver price certainty and assurance on Ubico's ability to deliver value for money.
- Be the provider of choice for operational services reducing shareholder need to undertake costly procurement.
- Deliver procurement of vehicles and equipment on shareholder's behalf.

4. Commercial

We will identify and capitalise on investment and commercial opportunities to deliver greater returns and efficiencies to our shareholders.

Ubico in 2019

Ubico started a new phase of development in 2018. Ubico restructured the corporate Business Development function to strengthen the company's commercial focus and ability to develop proposals for investment.

The company has successfully sold consultancy services to three local authorities and developed a strong portfolio of services that are rooted in Ubico's operational knowledge and experience. Consultancy and advisory services have been provided relating to:

- Operational management
- Teckal and local authority trading companies
- Commercial opportunities and culture

Ubico will look to strengthen its advisory and consulting offer by exploring potential partnerships that will build a more attractive and agile commercial offer to our clients.

The company also began to explore the potential for delivering greater surpluses and dividends from its fleet operations activities.

Ubico progresses with acquiring and developing its own hire fleet to reduce shareholder costs and reviewed the structures and operations of the workshops to drive greater

operational efficiencies and explore further potential in increasing the maintenance work undertaken for external customers.

The market for electric vehicles continues to develop and Ubico remains proactively engaged in the market and with shareholders. Ubico will develop its approach to green vehicles in two ways. Firstly by working with commissioners to use more electric vehicles in our operations and secondly to capitalise on the commercial opportunities that may be available from the maintenance and provision of electric and green vehicles.

Commercial waste is an ongoing area of interest to shareholders to exploit and Ubico has supported commissioners to explore the potential for sharing and investing in services to deliver a greater commercial return.

2019/20 Commercial Priorities

Vehicles & Assets

Ubico is not currently maximising the use of the vehicles or assets that it operates.

Retaining vehicle assets under shareholder ownership creates barriers to commercial success, leads to inefficiency and can expose shareholders to greater financial risk if vehicle costs remain in silos within each individual contract.

While some sharing of vehicles has taken place between shareholding authorities, the full potential of the vehicle assets that Ubico operates is yet to be realised. By Ubico managing assets more effectively it will increase the company's ability to deploy vehicles based on need and to use them more widely for commercial purposes.

Improved management or ownership of vehicles will help to:

- Smooth the costs of maintenance through a seven year fleet cycle across contracts
- Reduce the reliance and financial impact of hire vehicles
- Increase resilience
- Increase commercial use

Ubico's other key resources are its operational depots. Again, the commercial value of these sites has not yet been maximised and the company will increasingly explore the potential to:

- Share and integrate operations to release assets for commercial use

- Increase commercial activities from operational sites
- Work in partnership to identify new sites or locations that will reduce costs or increase commercial potential

Ubico will bring forward proposals to the Board in the first quarter of 2019/20 to offer a re-designed procurement and vehicle management process for shareholders.

Investment

Shareholders have invested significant amounts of capital to support operational service delivery – largely in vehicles and plant equipment that are used to meet agreed specifications.

However, investment for commercial return thus far in Ubico has been minimal. Ubico will present a number of investment opportunities to shareholders in the years ahead in the following areas:

Hire Vehicles

Ubico has already developed an initial pilot for hire vehicles and will offer further opportunities for investment in hire fleet for commercial return if the pilot proves to be a success. The model developed has demonstrated that by Ubico developing a pool of hire vehicles it is estimated will generate a return on investment averaging 12% across a 3 year period. The Board are clear that developing a diverse range of vehicles that can be used internally to reduce costs as well as offer potential income from third parties represents a viable opportunity for the company to further pursue in 2019/20.

Commercial Waste

Ubico will develop a range of options to develop a commercial waste offer to reflect shareholder appetite to generate additional income and realise greater commercial profit from this sector.

Ubico will bring forward a paper in the first quarter of 2019/20 that will explore the potential to establish a full commercial and integrated subsidiary that would enable the company to offer a trade waste service across the Ubico operating region. An initial stage in this development may be to invest in a pilot to develop an existing trade waste service operating from the Cheltenham, or West Oxfordshire partnerships to enable the testing and development of the appropriate technology and equipment to deliver a more sophisticated and customer focussed service.

Fleet Maintenance

As an extension of fleet capabilities Ubico will also look to the provision of other fleet services, such as vehicle washing, and supply of parts and tyres, to see if there is value in Ubico becoming more involved in these markets. Firstly to reduce internal costs to existing shareholders, but also to explore external commercial growth via third parties. In 2019 the Fleet department will be restructured and consolidated under the Head of Fleet Operations to enable and expedite the development of the fleet service and its commercial potential. Business cases have already been developed for investment and will be put progressed in 2019.

Material recovery and disposal

Ubico's existing core focus is on the collection of material and not in disposal or onward sale. If Shareholders are exploring alternative depot locations, Ubico should look to potential opportunities to explore whether material recovery and sale offers commercial growth to the company and increased value to shareholders. The mobilisation of Javelin Park and the necessity for the Cheltenham and Tewkesbury partnerships to rely on waste transfer provides Ubico with the opportunity to offer a long term solution and to replace the existing waste transfer contract. If Ubico is able to develop and operate a waste transfer facility then this will also broaden the potential for a more resilient and successful commercial waste service.

Temporary Staff

An area of costs that Ubico should aim to reduce through commercial opportunity is the provision of temporary staff. Ubico incurs costs for agency fees for temporary staff that it has to employ to maintain services.

As with fleet hire, Ubico will explore investing in the creation of a staffing agency in order to reduce internal costs and also test whether there is a market for provision and supply of agency staff to third parties.

In the medium and long term, Ubico should provide a flexible and agile corporate structure that will allow us to work in partnership with shareholders to provide opportunities to diversify their commercial investments.

Marketing and Sales

Ubico increased its market presence at key conferences in 2018 and will continue to raise its market profile in 2019/20. Ubico has gained interest from other local authorities who are exploring commercial opportunities and trading companies. Developing Ubico's brand will provide an avenue to win further work for our consultancy and advisory services.

Ubico has not yet harnessed the commercial potential of the services that it currently provides. Ubico will work with partners to conduct robust business analysis on existing services and then test and explore the potential to sell more services to existing and new customers.

Upselling is a well-used business practice and Ubico will explore upselling potential in the following areas:

- Garden Waste & grounds maintenance services
- Fleet services

However, the ability to deliver greater commercial income may be dependent on shareholder appetite for risk and a willingness to invest in appropriate technology or capacity to win and manage external contracts and clients.

Finally, Ubico continues to bid for third party work primarily centred on grounds maintenance. However, Ubico's commercial capabilities are limited by the capacity of existing staff and our skill to successfully price and write competitive bids.

The Strategy and Business Development function will drive analysis of our existing operational functions and look to create an improved bid framework as well as introduce training to staff on commercial bidding for contracts and work.

Investment will also be required from shareholders if there is a desire to expedite Ubico's capacity to bid for and compete for contracts.

Future Diversification and Expansion

The consolidation of Ubico's governance, systems and processes from 2016-2019 has placed the company in a much stronger and scalable position for potential future expansion and diversification. However, growth must be justified and not accepted if the benefits and value to shareholders are not viable.

At present Ubico has a strong regional presence but delivering efficiencies are limited by current operational and geographical barriers. If greater integration of services was achieved, combined with the geographic inclusion of Gloucester City, then few barriers would remain to maximising shareholder value and operational efficiency. Therefore a strong case can be made to explore a partnership with Gloucester City when they approach the future review of their environmental contracts. A similar argument could also be made for the inclusion of other neighbouring authorities, but this may prompt a review of the existing governance of the company to ensure that it remains fit for purpose.

Expansion could also be delivered by Ubico providing management services and support to other independent Teckal companies; however, this must be achieved and provided in a way that does not reduce the resilience gained from Ubico's recent consolidation. Overall it is vital that any future commercial expansion be tested against its potential to add value to our shareholders, our employees and the communities we serve.

2019/20 Actions

- **Develop and test commercial opportunities in expanding fleet hire operation.**
- **Develop and market our consultancy and advisory business.**
- **Explore investment in green and electric vehicles including maintenance and charging infrastructure.**
- **Explore and develop proposals for Ubico management and ownership of fleet vehicles.**
- **Explore and test potential shareholder value in Ubico developing a temporary staffing subsidiary.**
- **Test and deliver investment proposals to develop a dedicated appropriate customer management, sales and marketing function**
- **Improve the commercial training of key staff.**
- **Explore the potential for key business acquisitions to expedite commercial returns.**
- **Explore and test a framework for medium term expansion and diversification.**

Ubico by 2024

- Maximised shareholder value from harnessing the potential for greater integration across the Ubico operating region through capitalising on geography and shared use of people, vehicles and assets.
- Utilise shared infrastructure to deliver refuse to Javelin Park efficiently.
- Will deliver greater profits from expanded commercial fleet, grounds, and collection services.
- Will have a dedicated sales team that manages customers and wins new business.
- Will have established commercial subsidiaries that are providing a range of services across fleet services and supply of temporary staff.
- Maximises use of depots by investing in the disposal and recovery of materials.

Corporate and social responsibility

Ubico Ltd is committed to adopting best practice in this area and continues to ensure that Corporate Social Responsibility (CSR) is embedded into our policies, plans and business practices to the benefit of staff, the wider community and the environment. CSR is at the heart of our vision and corporate values.

The Board of Directors, managers and employees at all levels will have regard to the social and environmental impacts of the company's business. In 2018/19, we will:

- continue to use procurement opportunities to gain social, economic and environmental benefits for the communities we serve;
- locally source goods and services wherever economical and practical;
- provide local employment opportunities with good employment standards and practices;
- provide apprenticeship opportunities;
- provide opportunities for learning and development and support disadvantaged groups;
- support community initiatives and events;
- work in partnership with the voluntary and community sector; and
- encourage voluntary participation in national and local initiatives.

Ubico employees have made a commitment to select local charities to support. Ubico has a long established partnership with the National Star College and uses their facilities and services for many company events and for printing of company materials. In 2019, the company will choose further local charities to work in partnership with based on their needs and how we can make the most positive impact.

We recognise that our business operations have an impact on the environment through emissions to land, air and water, the consumption of resources and the generation of waste. We are committed to minimising any adverse impacts on the environment and preventing pollution associated with our activities through continual improvement to our operational methods and working practices. We will comply with environmental regulations and other external requirements in order to minimise our environmental impact. We have achieved ISO 14001 certification for our environmental management system in the Cheltenham, Gossington and Packer's Leaze depots and will seek to achieve the same for our other depots.

Governance

Good corporate governance and the continued professional development of the Board of Directors and the Senior Management Team is a key objective. To safeguard the future of the company we must ensure appropriate competency standards and qualifying criteria are applied to all Directors and follow the spirit of the UK Corporate Governance Code. At all times the company will remain open, transparent and accountable.

We regularly review our policies, procedures and governance arrangements to ensure they are fit for purpose, represent good practice and meet all relevant legislative and regulatory requirements. The Managing Director, Commercial Director, Operations Director, Business Administration Manager and Legal Advisor will continue to meet regularly to monitor and review to ensure that our governance arrangements are fit for purpose for a company of Ubico's size.

An internal audit plan is completed annually. In 2018, ARA was commissioned to provide audit services and will be Ubico's provider in 2019/20. A full audit plan is agreed by the Board and all audit findings are sent to Directors to review and scrutinise.

External audit of the company's accounts is determined by Shareholders at the Annual General Meeting.

Board Effectiveness Review

In 2017, a Board Effectiveness Review was commissioned from an external company to provide recommendations as part of maintaining good corporate governance. The effectiveness review was based on interviews with Ubico Directors and Shareholders and a review of all Board papers and governance documents.

Findings of the review were completed in December 2017 and implemented throughout 2018 culminating in a change in the shareholder agreement which allowed for a change in composition of the Board.

A key focus of 2019/20 will be to induct the new, independent Directors and allow the new reconstituted Ubico Board to work together.

**STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE**

**AGENDA
ITEM NO**

6 JUNE 2019

8b

Appointment of Outside Bodies for 2019/20

Organisation	Nominations to date (29/05/2019) for 2019/20 Updated version will be available at Committee
Berkeley Nuclear Stakeholders	Councillor Lindsey Green
Cotswold AONB	Councillor Martin Whiteside
Lower Severn Drainage Board	Councillor John Jones
Minchinhampton & Rodborough Commons Advisory Committee	
Stroud Concordat	Councillor Simon Pickering
Stroud Valleys Project Board	
Rural SUDS Steering Group	Councillor Simon Pickering Councillor Dave Mossman

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

10

6 JUNE 2019

WORK PROGRAMME

Date of meeting	Matter to be considered (ie insert report/project title)	Notes (eg lead member and officer)
12.09.19	Work Programme 2019/20	Leads: Chair and Director of Development Services
	Member Reports a) Planning Review Panel b) Stroud Concordat c) Performance Monitoring	Leads: Cllr N Studdert-Kennedy Cllr S Pickering Cllrs Brine and Sutton
	Budget Monitoring Report 2018/19	Lead: Accountancy Manager
	UBICO performance	Head of Community Services
	Green Infrastructure, Sport and Recreation Study	Principal Planning Officer
	Adopt Chalford Design Statement as SPD	Principal Planning Officer
	12.12.19	Work Programme 2019/20
Member Reports a) Planning Review Panel b) Stroud Concordat c) Performance Monitoring		Leads: Cllr N Studdert-Kennedy Cllr S Pickering Cllrs Brine and Sutton
06.02.20		Work Programme 2019/20
	Member Reports a) Planning Review Panel b) Stroud Concordat c) Performance Monitoring	Leads: Cllr N Studdert-Kennedy Cllr S Pickering Cllrs Brine and Sutton
02.04.20	Work Programme 2019/20	Leads: Chair and Director of Development Services
	Member Reports a) Planning Review Panel b) Stroud Concordat c) Performance Monitoring	Leads: Cllr N Studdert-Kennedy Cllr S Pickering Cllrs Brine and Sutton

Information Sheets

Ref/Date	Topic	Author

Items for future meeting

Community Involvement