

Senedd Cymru | Welsh Parliament

[Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith](#) | [Climate Change, Environment and Infrastructure Committee](#)

[Datgarboneiddio'r sector cyhoeddus](#) | [Decarbonising the public sector](#)

Ymateb gan Cyfoeth Naturiol Cymru | Evidence from Natural Resources Wales

Building on Audit Wales' work, the Committee would welcome your views on any or all of the following:

1. What are your views on the role of the Welsh Government in supporting public bodies to deliver on the five 'calls for action' identified in the Audit Wales' report?

Clearly Welsh Government has a key role in delivery of the 'calls to action' detailed in the Audit Wales report.

Firstly, it is essential that WG deliver decarbonisation as an organisation itself.

Secondly, WG should facilitate collective responsibility and collaboration across the Welsh public sector – this is particularly important given that the ambition for the Welsh public sector to be net zero by 2030 is a collective goal rather than an individual organisational goal.

Thirdly, as the Welsh public sector is funded through WG, it is essential for WG to recognise the scale of challenge in terms of additional investment and increased capacity and competence in decarbonisation that is required over the coming years – much of the easy to do investments that save both money and energy have been delivered, such that the financial challenges for all public sector organisations the further down the decarbonisation journey we go is inevitable. This is illustrated by the fact that it is and will become increasingly difficult for decarbonisation actions to meet the criteria for Invest to Save.

A clearer recognition of the scale of the challenge by WG and the need for support is essential – this can build upon the positive collaboration through the Net Zero Carbon reporting work and fora such as the Local Government Climate Strategy Panel that WG have delivered/supported to date.

2. What are your views on the Welsh Government's Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector as a means of providing strategic direction to public bodies?

Through Net Zero Wales and the Welsh Public Sector Route Map both the public sector ambition for carbon neutrality by 2030 and the Wales-wide target are clearly stated and provide broad strategic direction to NRW and the wider public sector.

With regards the Route map, we were consulted during its development, indeed the themes within it were based on NRW's Carbon Positive project outputs. The Route map does provide a very high level of strategic direction that will be useful for some organisations at an early stage in developing their approach, but it has less value now to NRW given that we have developed a more specific set of Forward Plans for our Built Estate, Transport and Procurement decarbonisation for example.

The strategic objective of a carbon neutral public sector was not something that NRW or others in the public sector were consulted upon and not something that has been formally defined. Indeed, the full scale of the challenge of meeting this ambition is as yet undefined across all organisations in the Welsh public sector. It is unclear where each organisation needs to be by 2030 in terms of either emissions or, where relevant, carbon sequestration.

The recently compiled baseline carbon reporting submissions from each organisation have been collated but there has been no evaluation based on that data as to whether the ambition for net zero by 2030 is an achievable one as far as we are aware. It is almost certainly the case that the cost of delivering a net zero public sector will be way beyond existing budgets. Consequently, the feasibility and viability of the target should be reviewed using the public sector Net Zero Carbon Reporting assessment, bearing in mind that the public sector footprint will be almost certainly an under-estimate due to poor reporting of Scope 3 emissions.

Absolutely key to the challenge will be the fact that a very large proportion of public sector emissions as defined in the reporting will be in the supply chain and outside the operational control of organisations so that the sector will be reliant on commercial providers of goods and services to be phasing down emissions ahead of the curve for wider national Welsh and UK targets. Even if this is possible there is a likelihood that attainment of the overall target will still require significant expansion of the sequestration half of the equation – something that most of the public sector is not able to contribute significantly towards.

In summary, the Route map and net zero ambition provide a direction but do not provide any analytical plan as to the viability of the ambition nor the route to its attainment. To achieve Net Zero, clear, attainable and measurable goals have to be set across the whole of the Welsh public sector, with progress monitored using improved carbon reporting data.

3. What are your views on the progress made by public bodies in the priority areas for action set out in the route map - Sustainable procurement; Net zero buildings; Mobility and transport, and Land use:

Assessing progress in recent years in each of these areas is problematic due to the influence of Covid on working practices. Between the 2019-20 net zero reporting baseline year and 2020-21 NRW's organisational travel and building emissions decreased as movements were restricted. Commute emissions decreased significantly whilst homeworking emissions increased. In 2021-22, as we returned to more normal working practices, emissions in some areas including travel and waste increased again, but total emissions (excluding supply chain and land use) remained lower than the 2019-20 baseline.

Following Covid, NRW is reviewing its accommodation and hybrid flexible working policies which should sustain and further reduce our building and travel emissions. Our supply chain emissions have increased since the baseline year; however, this is reflective of an increase in spend and

highlights the need for our planned improved supply chain emissions monitoring – there is a case for other metrics relating to C intensity such as per employee or per unit of spend to be used.

Attempts to review progress to date using the net zero reporting submission data are made more difficult by annual updates and additions to the Net Zero reporting submission spreadsheet, which means that annual data sets are not directly comparable since the start of reporting in 2019-2020. While there is a case for improved reporting it is important to enable comparisons between years and stability of reporting requirements in future.

Some of the progress in decarbonisation by NRW within the priority areas in the route map are summarised below.

- **Sustainable Procurement:** Over the last few years NRW has trialled several approaches to incorporate carbon reduction requirements into case study specifications and tenders. One example is the inclusion of a requirement for contractors on our civil engineering framework to use the EA's Carbon Planning Tool on each project to plan and evidence emission reductions. We are now developing a strategic plan for supply chain decarbonisation, to introduce a tiered system of carbon reduction and reporting requirements for all contracts. Our invitation to quote and initiation to tender templates will include core decarbonisation questions to be answered by every bidding supplier. Suppliers on lower value contracts will be asked to provide organisational emissions data through an NRW questionnaire, and suppliers on high value contracts will be asked to provide contract level emissions data using carbon calculator tools. We are in the process of commissioning a review of suitable carbon calculators for use with NRW suppliers. Our supplier requirements will be trialled over the next few years with a view to rolling out to all contracts by 2025. This will also support improved monitoring of our total supply chain emissions, moving from spend-based to supplier provided emissions data. Progress is slow due to limited capacity and the need to develop supporting tools, templates, and procedures for delivery.
- **Mobility and transport:** NRW's annual business mileage has reduced by 27% between 2019 (6 million miles) to 2022 (4.4 million miles). Total transport related annual emissions (including staff commute but excluding plant and machinery) has decreased by 70% from 2019 (4,325 tCO₂e) to 2022 (1,316 tCO₂e). The main source of emissions reduction is from a decrease in staff commuting to offices resulting in annual commute emission decrease by 95%. From April 2022 NRW has started to replace red diesel with hydrogenated vegetable oil (HVO) for non-road going vehicles, plant, and machinery. Based on 2019 baseline year usage, we anticipate this to deliver a reduction in emissions from 339 tCO₂e to 25 tCO₂e, avoiding 314 tCO₂e annually. NRW's plans are to replace around 20% of badged/pool vehicles with EVs per year. Depending on global supply chain issue, NRW anticipates having a fully electric badged/pool (except 4x4 and HGVs) fleet around 2026.
- **Net Zero buildings:** The Covid 19 pandemic and resultant shift in working practices to a greater hybrid mix of office and homeworking is making NRW rethink its built estate. Our Renewal Programme seeks to create a flexible workplace for the future whilst addressing the climate and nature emergency. A new accommodation strategy and delivery plan is in development, with a set of 22 decarbonisation principles to support rationalisation and decarbonisation of the NRW built estate. Alongside this, a Forward Plan for decarbonisation of the remaining built estate is being developed which will demonstrate what could be achieved through strategic asset rationalisation and a programme of energy efficiency and renewable energy retrofits. There has also been significant progress made towards decarbonising NRW's built estate through: i) a range of energy efficiency measures and renewable energy technologies installed across the built estate including LED lighting, solar PV, heating controls etc. ii) several buildings have had their heating systems

converted to use biomass; iii) in depth decarbonisation surveys completed for 14 of NRW's highest energy consuming buildings. The aim of these surveys being to assess what measures (and their costs) were needed to reduce the energy consumption and associated emissions from the buildings as much as practically possible.

- Land Use: It is important to understand that even on the large NRW Estate covering approx. 7% of Wales, we have very limited potential for any change in land use as the vast majority of land is either already productive forestry that is sequestering carbon, nature reserve sites for which we need to maintain existing habitats or occupied by infrastructure such as flood defences. However, there is significant potential to restore peatland on the Estate and thereby reduce organisational emissions. This work is being delivered by the WG supported National Peatland Action Programme that has published annual progress reports during its first 2-years – see National Peatland Action Programme: Year 2 Report 2021-2022 (cyfoethnaturiol.cymru) for further details.

4. What are your views on the support provided by the Welsh Government to deliver progress in the priority areas, including any gaps?

We welcome the WG funded support provided to the public sector by WG Energy Service (WGES) and WRAP, including the recent WGES's work on procurement decarbonisation. Research projects carried out for NRW though these support mechanisms have helped to develop our evidence base for decarbonisation, notably through a detailed WGES review of the NRW fleet, and an analysis of the emissions impact of recycled and virgin aggregates by a WRAP sub-contractor to inform development of an NRW civil engineering procurement framework. We strongly support the continued funding of these mechanisms and the recent development of a wider focus to WGES support. We hope to access further ad-hoc advice through them again in future.

Following the first year of net zero reporting, Aether identified three Welsh public sector supply chain emissions hotspots within the construction, manufacturing and social care services areas. We suggest that these areas should be a focal point for WG / WGES to provide further support for public sector supply chain decarbonisation e.g., potentially developing example tender questions for procurement exercises in these sectors or funding sector specific carbon calculator and/or carbon management tool development and associated training.

Support could be improved through improved co-ordination of action across Wales. Through the Local Government Climate Strategy Panel and the Local Government Support Service, WLGA are developing a supply chain decarbonisation approach and progressing a land use emissions calculator for Local Authorities. We are also aware of several supply chain decarbonisation toolkits being developed by NRW, WLGA and Denbighshire Council. It is important that similar coordination and support is needed for all Welsh public sector organisations – at present there is significant coordination for decarbonisation within the NHS and Local Authority sectors but no strategic coordination across much of the rest of the Welsh public sector. Further, co-ordination led by WG could improve efficiency of the allocation of scarce suitably skilled staff capacity within the public sector to develop and deliver such tools and processes. It would also be advantageous to develop a shared bank of public sector best practice examples capturing lessons learnt in a similar way to the Carbon Positive project outputs that NRW developed some years ago.

Further support could be provided to help public sector organisations better understand and manage land-based emissions and carbon sequestration potential across the public Estate. A calculator recently developed by Centre for Ecology and Hydrology for UK Water Industry Research

(UKWIR) and the UK water companies to calculate the emissions and sequestration impact of their land combined with the latest Welsh specific habitat mapping data could provide a public sector wide approach, improving on the current very basic land use calculation approach in the Net Zero reporting methodology.

In addressing this question, it is important to recognise that the size of the resource within WG that is seeking to facilitate and coordinate work in this topic is small while the scale of need is very large. There is a clear need as Audit Wales identified for all organisations including WG to increase the skills and capacity in terms of staff to deliver decarbonisation action.

5. Do you have any other points you wish to raise within the scope of this inquiry?

No, nothing to add.