



**Cabinet**

**Tuesday, 14 May 2024**

**Rushcliffe Carbon Offsetting Framework**

## **Report of the Director – Neighbourhoods**

### **Cabinet Portfolio Holder for Planning and Housing, Councillor R Upton**

#### **1. Purpose of report**

- 1.1. On 10 March 2020, Cabinet agreed a target to become carbon neutral by 2030, from the Council's direct operations, and adopted a Carbon Management Action Plan to monitor progress against the target.
- 1.2. To achieve this target, the Council's Carbon Management Action Plan, which is currently set across eight broad themes, has several projects underway to decarbonise the Council's property assets, fleet vehicles and update the Council's policy and regulation framework. It is accepted that, due to the nature of the Councils' operations, to achieve carbon neutral status, some carbon offsetting will be required. Based upon a 90% reduction in emission from the measured 2008/09 baseline, a residual 360 tonnes of carbon emissions would remain and this would need to be offset/sequestered.
- 1.3. The report sets out a Framework for the Council's carbon offsetting requirements to achieve this target.

#### **2. Recommendation**

It is RECOMMENDED that Cabinet:

- a) approves the Carbon Offsetting Framework for the repurpose or acquisition of land or partner with other agencies to deliver carbon offsetting in the Borough of Rushcliffe; and
- b) delegates responsibility to the Director – Neighbourhoods in conjunction with the Council's S151 Officer to implement the Carbon Offsetting Framework, in accordance with the Council's Acquisitions and Disposals Policy and Financial Regulations.

#### **3. Reasons for Recommendation**

- 3.1. In December 2021, Cabinet adopted the Climate Change Strategy 2021-2030. The Strategy reaffirmed the Council's commitment to be carbon neutral from the Council's operations by 2030. It also included a confirmation of its commitment to be "Net Zero" as a Borough by 2050, in line with national

government targets. The wording of the Strategy was strengthened, at this time, to recognise the ecological crisis.

- 3.2. Even if all the actions contained in the Carbon Management Action Plan are successfully implemented, there will still be some requirement for carbon offsetting and, therefore, this Framework represents an important component of the Council's Carbon Management Action Plan to achieve the commitment to be carbon neutral by 2030. The Framework's focus on offsetting within the Borough of Rushcliffe also supports the establishment of a range of habitats to promote ecological recovery.

#### **4. Supporting Information**

##### **Framework background**

- 4.1. The Council's Senior Ecologist has undertaken a comprehensive study of the habitats in the ownership of the Council and has determined that the Council owns 170.4 hectares of natural habitats within its property portfolio.
- 4.2. The habitats have been split into tree cover; shrub, scrub and hedgerow; natural/low management grasslands; and wetland/aquatic habitats. The conclusion of this study has determined that the total carbon dioxide sequestered on Rushcliffe Borough Council property portfolio per year is 1724.27 T CO<sub>2e</sub>.
- 4.3. The offsetting sequestration of the Council's habitats has been factored into the Council's own operating emissions and has determined that after the Council has decarbonised as much as it can, it will still produce carbon from its daily operations, e.g., the buildings, fleet vehicles, and materials the Council purchases or uses.
- 4.4. The Council will need to offset (sequester) this carbon to meet its Net Zero by 2030 commitments and, with the existing habitat created factored into the targets, additional land for offsetting will be required to achieve the target.
- 4.5. Action to increase sequestration of carbon will be undertaken, by:
  - Assessing our own property portfolio and increase carbon sequestration by planting/managing property to maximise sequestration. This may include working with tenants of Council property to end tenancies or agree new management of tenanted land and planting on public open space.
  - Working with partner organisations e.g., public authorities, charities etc. to seek opportunities to undertake planting for sequestration on their estate.
  - Seeking to purchase/acquire land (e.g., long term lease or land to be transferred to the Council as planning gain) for use as land for planting for carbon sequestration.
- 4.6. We are additionally promoting carbon sequestration to landowners within the Borough, working with partners, to address the Borough-wide carbon footprint.

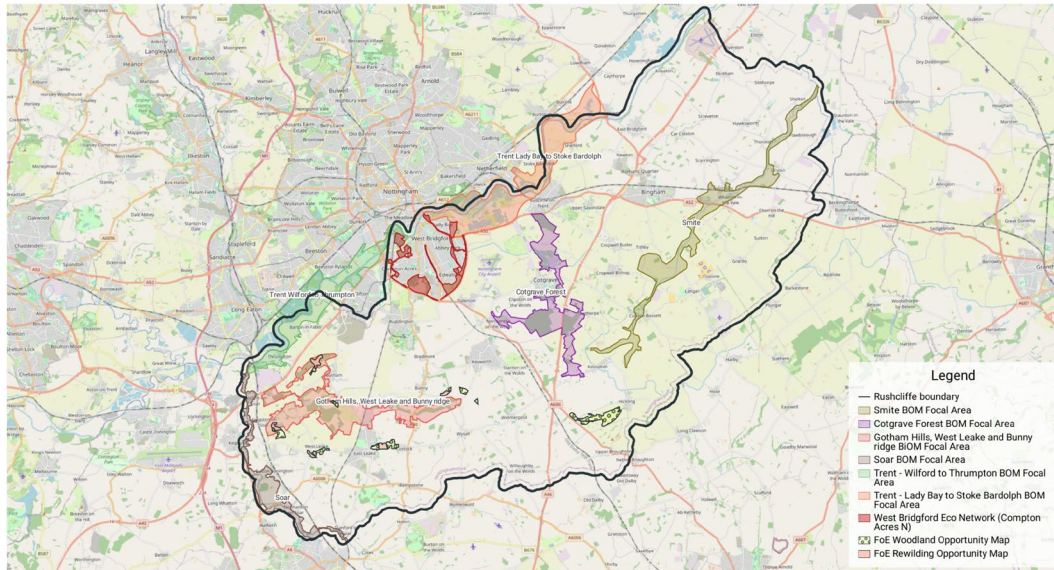
- 4.7. Carbon can be sequestered by natural habitats such as woodland, meadows and wetlands. Mixed species woodland that are provided over long time scales, sequester more carbon than other habitats (other than coastal habitats).
- 4.8. Officers have calculated that the authority will require approximately 40 hectares of additional woodland, over its current woodland holdings and a further 10 hectares of meadow or wetland to offset its carbon emissions from its own operations as a sustainable mixed approach to offsetting.
- 4.9. A mixed approach is desirable because newly planted woodlands do not sequester carbon for approximately five years. Therefore, to meet the 2030 target, the Council needs to plant new woodlands as soon as possible. This Framework provides the mechanism for the Council to do this.

#### **Framework Principles – what to plant**

- 4.10. Woodland will provide the best carbon sequestration. However, to gain the best biodiversity gains, this should be provided alongside other habitats including meadows, wetlands and hedgerows. Where native woodland already exists, the highest biodiversity gains are provided by allowing woodland to naturally develop instead of planting woodland; however, this takes longer for the woodland to establish.
- 4.11. It is better, therefore, to have a mixed approach planting trees and allowing natural regeneration, cutting areas to provide shrubs and herbaceous species, cutting other areas as grassland, and creating ponds and wetlands.

#### **Framework Principles – where to plant**

- 4.12. Considering the focal areas identified in the Biodiversity Opportunities Mapping Report for Rushcliffe, the aspiration of the Environment Agency for increased riverside wet woodland, the increased multiple benefits of urban fringe areas, and a study of woodland opportunities produced by Climate Action, a series of priority areas for offsetting have been identified across the Borough.
- 4.13. The map below identifies areas predicted to provide the best opportunities for 're-wilding'. These areas will provide the best opportunities for both carbon sequestration and biodiversity. These areas, or adjacent areas, should be a priority for acquisition within the Framework.



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- 4.14. The Framework also takes into consideration existing uses, in particular existing agricultural land and land availability. Therefore, any acquisition of land for offsetting is proposed to go through the Council's Acquisitions and Disposals Policy, setting out the opportunity, the sequestration potential, its existing uses and financial value.
- 4.15. The Council will also revisit its own estate to establish if there are opportunities to increase its offsetting potential. The Council will also seek to develop programmes to work with farmers, landowners, statutory providers, and third-sector providers to deliver nature-based carbon sequestration on land within Rushcliffe.

## 5. Alternative options considered and reasons for rejection

- 5.1. The Council could choose not to develop a Carbon Offsetting Framework; however, it has been established that the Council will need to offset 360 tonnes of carbon per annum to achieve its Net Zero carbon commitments from its own operations by 2030 and therefore the 'do nothing' option is rejected.
- 5.2. The Council could choose to acquire land outside of the Borough of Rushcliffe where lower land values could be achieved; however, this would not contribute to the Council's recognition of the ecological crisis and its commitment to improve habitats across the Borough. This option is therefore rejected in preference for creating habitats within the Borough's boundaries where the majority of the carbon has been produced.

- 5.3. The Council could choose to offset carbon as a purely financial exercise by buying or trading in carbon credits where the Council's emissions would be offset by a third-party provider. This would not provide the leadership role which the Council wishes to achieve in improving and enhancing the habitats across the Borough as part of the Council's corporate commitment to the environment and is therefore rejected.

## **6. Risks and Uncertainties**

- 6.1. The pressures on agricultural land have never been greater, in addition to food production, the increasing pressures from housing development, renewable technologies such as solar and wind, biodiversity net gain and carbon offsetting present the risk of increasing land values into the future.
- 6.2. To mitigate this risk, the Council needs to ensure that we have a robust framework in place, where buying land for offsetting is only pursued as a last resort, when all other offsetting options have been exhausted and that the land represents the best opportunity for offsetting. This will be cross referenced with the Acquisitions and Disposals Policy, therefore mitigating the risk of removing the most productive agricultural land.
- 6.3. As with any acquisition there is a risk of increased maintenance costs. The maintenance cost contained within section 7 have been determined with the information that we have available to us at the current time. Therefore, ongoing evaluation of the maintenance costs of our own estate and future land for acquisition needs to be carefully considered and a site-specific risk assessment needs to be undertaken at the point of acquisition. The site-specific risk assessment should include but not be limited to items such as site security, fly tipping, environmental factors etc.

## **7. Implications**

### **7.1. Financial Implications**

- 7.1.1. The average price for agricultural land in 2023 within the East Midlands was approximately £21.6k per hectare (£9k per acre) according to Savills UK (Newsco Insider Limited, 2023). In Rushcliffe, this value is often inflated by the demand for development. Costs are likely to increase in the future as the demand for land for biodiversity net gain and carbon offset impact the market.
- 7.1.2. Careful consideration needs to be given to future revenue costs. The cost for planting woodland with tree whips by a contractor, equates to approximately £8k per hectare (Woodland Trust, 2023) with maintenance and replacement costs of £2.5k per hectare for the first five years. Various funding support schemes are available for tree planting and ongoing management, and these will be actively pursued to mitigate any revenue impact arising from offsetting.

- 7.1.3. Going forward, the maintenance costs referred to in paragraph 7.1.2 would decrease with ongoing costs of approximately £1k every five years (at 2023 prices).
- 7.1.4. The original Climate Change Reserve was established at £1m. The projected balance at the end of 2023/24 is £228k. The 2024/25 budget will see the reserve topped up by £850k from New Homes Bonus (£750k) and additional Government Grants (£100k). The projected balance at the end of 2024/25 is £805k.
- 7.1.5. A nominal allocation of £100k per annum could be set aside from the Climate Change Reserve to provide a budget for the acquisition of land for offsetting over the next five years. Each opportunity would need to go through the Council's Acquisitions and Disposals Policy to ensure financial compliance and a Capital Appraisal should be drafted to support amendment to the Capital Programme with the corresponding release from the Climate Change Reserve. However, it should be noted that the allocation of £500k over the next five years would be insufficient to acquire 50ha outright (at current prices £1.08m would be required) so all other options would need to be exhausted to achieve the offsetting target.
- 7.1.6. There is pressure on this reserve going forward as the Council strives to meet its commitment to achieve a carbon neutral target by 2030. The nominal allocation of £100k per annum for carbon offsetting, whilst this can be contained in the balance available, will add to this pressure. In the outturn report for 2024/25 and future years, any underspends will be assessed with a view to identifying a top-up to the Climate Change Reserve. A further option will be to, as part of the Council's MTFs, identify £100k per annum of 'headroom' to help replenish the Climate Change Reserve and support land acquisition for carbon offsetting.

## **7.2. Legal Implications**

- 7.2.1. In 2019, the Government passed legislation to commit the UK to a legally binding target of Net Zero emissions by 2050. The target requires the UK to bring all greenhouse gas emissions to Net Zero, compared with the previous target of at least 85% reduction from 1990 levels. The Council's Carbon Management Action Plan supports this aim at a local level.
- 7.2.2. Public bodies (including local authorities) must consider what they can do to conserve and enhance biodiversity in England, as per The Natural Environment and Rural Communities Act 2006 and enhanced under The Environment Act 2021.

## **7.3. Equalities Implications**

Tackling climate change through reducing emissions has the potential to benefit groups vulnerable to heat, flooding and air pollution.

#### 7.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no implications arising from this report that impact on community safety in respect of Section 17 of the Crime and Disorder Act 1998.

#### 7.5. Biodiversity Net Gain Implications

This work is complimentary to the work on Biodiversity Net Gain.

### 8. Link to Corporate Priorities

The Environment	This work will enhance the environment in Rushcliffe by reducing carbon impacts while supporting biodiversity
Quality of Life	Through an improved environment, a benefit to quality of life will be achieved
Efficient Services	This work seeks to balance the cost of carbon impacts
Sustainable Growth	Land for carbon sequestration beyond the Council's direct carbon emissions will help to reduce carbon impacts through growth and development

### 9. Recommendation

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<b>Background papers available for inspection:</b>	Newsco Insider Limited, 2023, online at <a href="https://www.insidermedia.com/news/midlands/farmland-values-increase-as-demand-surges-savills">https://www.insidermedia.com/news/midlands/farmland-values-increase-as-demand-surges-savills</a> , accessed 15/04/2024  Woodland Trust, (2023) MoreWoods, Woodland Trust online at <a href="https://www.woodlandtrust.org.uk/plant-trees/trees-for-landowners-and-farmers/morewoods/">https://www.woodlandtrust.org.uk/plant-trees/trees-for-landowners-and-farmers/morewoods/</a> accessed 13/12/2023
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