

Call in of Environmental Sustainability strategy

This short report is to respond to the questions about the Meridian Water Environmental Sustainability Strategy cabinet report regarding cost, risks and budgets. The call-in decision note that this responds to is included at the end.

Introduction

Meridian Water is a long-term programme, composed of many individual projects. These projects are both individual built projects, and cross cutting projects for the whole site. The Meridian Water Environmental Sustainability Strategy is an overarching document, describing the vision and direction in terms of Environmental Sustainability for the overall long-term Meridian Water programme.

The report states that this needs to be achieved within the currently agreed Financial Parameters for the overall programme of Meridian Water. The report is a 15-year roadmap, rather than individual business plans for each project.

For the success of the overall project, it is vital have these overall directions and objectives for sustainability as a focus, as the detailed project-by-project pathway towards these goal over the next 15 years depends on many factors that only become apparent over time. These factors include:

- Shifting building regulations and statutory standards
- Industry up-scaling and economies of scale
- Technology and innovation improvements
- Grants and financial incentives

The budget, delivery costs and risk are extremely important, and the report sets out how these are managed by:

- Alignment with the agreed Meridian Water financial parameters
- Authority reports for each project or workstream
- Overall reporting and review

Alignment with the agreed Meridian Water financial parameters

The overall, long term delivery of the Environmental Sustainability Strategy must be contained within the financial parameters of the overall project.

Paragraph 30: The Meridian Water team will seek to implement the requirements at the speed given in the Environmental Sustainability strategy while materially maintaining the financial metrics of the overall project i.e. approved capital programme budget and the Internal Rate of Return.

For any project, if we need to take the savings given by not adopting all or part of the strategy, then the adoption of the Environmental Sustainability Strategy will progress slower. That said, with external funding and an increased response by the construction industry, we can move quicker.

Authority reports for each individual project or workstream

Each project is unique, and it is impossible to assess costs for a project that only starts, for example, in 10 years' time.

This is a similar issue to the Climate Action Plan, which creates an overall long-term framework for a net zero carbon Enfield Council in 2030 and in the borough area by 2040. Similarly, the report states that full considerations of the financial implications of delivering these workstreams will follow.

As with all Council decisions, as separate actions/reports are brought forward for approval, where required they will be supported by business cases and there will be full consideration of the financial implications.

Adoption of the Enfield Climate Action Plan, Meeting Date 15 July 2020, Key decision 5136, Page 2.

Similarly for Meridian Water, each following individual project will need to include Environmental Sustainability as it seeks authority to progress forward. This will be in conjunction with affordability and risk, business cases where required and with implications worked out in detail. This ensures that the overall financial parameters are maintained, and that environmental sustainability is properly embedded within all projects, alongside all the other resultant benefits, such as the health and wellbeing of the residents and community.

For example

- The 30% open space objective from the Environment Positive section of the strategy will be considered as part of the MW Financial Model and Masterplan report we are taking to Cabinet in summer 2021.
- As individual authority reports seek approval for procurement, they will contain the way each one is to deliver the proposed Circular Economy section of the strategy.

As part of the Climate Change and Sustainability implications for each authority report, progress against the overall strategy will be included.

Overall reporting and review

Ongoing implementation management is in place, and projects report their progress against the Environmental Sustainability Strategy.

This culminates in an annual environmental performance summary, as described in the cabinet report:

Paragraph 50: An annual environmental performance summary report will be taken to Cabinet each year. The Implementation programme section of the Strategy identifies the key areas of activity over the next 10 years where known and will be further developed by the Meridian Water team in consultation with both internal and external stakeholders and in response to any updates to government policy and legislation or changes in local circumstances.

This provides an additional risk mitigation opportunity beyond each individual project. If the costs for sustainability were higher than expected on any project, for any reason, this would be mitigated by reducing the speed of implementation on subsequent projects.

Conclusion

The Meridian Water Environmental Sustainability Strategy does not commit the council to a higher cost of delivery as it is bound already by the agreed long-term financial parameters of the project. Progress, risks and costs of the Environmental Sustainability Strategy is included when each project seeks authority to progress, and monitoring, reporting and an annual review is in place to manage performance over time.

Decision to call in note:

(1) Reason why decision is being called in:

Financial implications

The decision has been agreed without incorporating the costs of the range of workstreams required to deliver the strategy. It does not explain the potential risks to delivery if the costs are higher than expected and how this would be mitigated?

Budget

The decision and strategy does not include the costs of delivery.

1. Outline of proposed alternative action:

That the Cabinet Member returns to the Overview and Scrutiny Committee with an addendum to the Meridian Water, Environmental Sustainability Strategy outlining the budget for delivery.

(3) Do you believe the decision is outside the policy framework?

No