Item 12a

Lanarkshire Board Meeting
31st January 2024

NHS Lanarkshire
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SUBJECT: Climate Emergency & Sustainability Annual Report

1. PURPOSE

For approval	☒	For Assurance	☐	To Note	☐

The 2022-23 Climate Emergency & Sustainability Annual Report is due for submission and publication on by 31st January 2024. This paper details the key elements of the submission and seeks approval for submission of the detailed workings.

2. ROUTE TO THE BOARD

This paper has been prepared by Jacqui McGeough, Deputy Director of Property, Planning and Performance and endorsed by the Sustainability & Environment Group.

3. SUMMARY OF KEY ISSUES

This paper has been prepared to update the Board on NHSL Sustainability & Climate Change performance and reporting requirements for 2022-23.

Background

NHS Lanarkshire has made significant progress in meeting national energy & emissions targets since monitoring and reporting began in 1990. This has been achieved mainly through;

- Property Rationalisation.
- Ongoing identification and funding of energy efficiency and carbon reduction measures, including;
- Upgrade & replacement of equipment with energy efficient alternatives
- Combined Heat & Power
- LED lighting
- Upgrading controls
- Insulation & Draught proofing
- Replacement of oil fired boilers
- Replacement of gas fired boilers and burners with more efficient models

NHSL **have achieved the 2030 Scottish Government target** having reduced building energy and use emissions by 75.5% against the 75% target against a 1990

baseline. This target figure takes into account the emissions from utilities; gas, electricity, oil, coal and water; which have been most consistently reported since the 1990 baseline.

In Sept 2022 the Boards First Sustainability & Climate Change Plan was endorsed by NHSLs Board, setting out our strategy to reach net-zero by 2045 at the latest and in October 2023, the finalised report on NHSL's Net Zero Map was received from NHS Assure.

Highlights from the financial year 2022/23

- The quality and quantity of the data reported has improved significantly in comparison to previous years resulting in a reported inflation of tCO_2e. In real terms NHSL has reduced carbon emissions by 7% in the reporting year when a like for like comparison is made with 21/22 data. 21/22 data is being re-submitted to SG policy team for comparative purposes.
    - 2021/22 reported data on **22** different categories, 2022/23 report includes data reported under **67 categories** (>200% increase in data categories reported), and is the main driver for the increasing total carbon emissions.
- Total CO_2e reported emissions is **41,763 tCO_2e for 22/23.** This increased from the 27,389 reported in 21/22 and is largely related to improved reporting as noted above.
    - In the current year we have reported on propellants and volatile gases affording a more accurate indication of our total emissions. Internal monitoring indicates a **significant reduction** in those that are **most harmful** over the last 3 years with a significant reduction in Desflurane from 901 tCO_2e in 18/19 to 77.3 in 21/22
    - Reporting of NHSL's Scope 3 emissions, including business travel and reporting of well to tank emissions associated with the use of fleet and business mileage is also now included.
- Total energy/kWh consumption **reduced by ~ 2.5%** (compared to 2021/22)
    - tCO2 emissions associated with electricity fell by ~ 1,126 tCO_2e (~17%) and consumption was reduced by ~ 9%.
    - tCO2 emissions associated with gas fell by ~ 33 tCO_2e (<0.5%), however consumption increased by ~ 0.3%.

The largest carbon emission and biggest challenge for NHSL, is in heating buildings and hot water which mainly uses natural gas to reach the appropriate temperatures, and decarbonising from natural gas to a net-zero alternative.

The second largest carbon emission reported comes the use of inhalers which use a propellant that has a very high carbon factor. The use of these inhalers has increased overall by 7% from 21/22, this mirrors a generally increasing trend seen over the past 4 years.

4. STRATEGIC CONTEXT

Corporate objectives	☒	AOP	☐	Government policy	☒

Government directive	☒	Statutory requirement	☐	AHF/local policy	☐
Urgent operational issue	☐	Other	☐		

Through the Climate Change (Scotland) Act 2009, all Public Sector Bodies have been named 'major players' and must publish an Annual Climate Change and Sustainability Report on the boards website. Scottish Government have indicated a publication date of 31st January 2024.

The aim of the submission (made via the portal) is to;

- Improve the quality of climate change data.
- Standardise reporting methodology across the public sector.
- Encourage transparency.
- Guide future Scottish Government strategic reports, support and policy-making
- Improve engagement with leadership

5. CONTRIBUTION TO QUALITY

This paper aligns to the following elements of safety and quality improvement:

Three Quality Ambitions:

Safe	☒	Effective	☒	Person Centred	☒

Six Quality Outcomes:

Everyone has the best start in life and is able to live longer healthier lives; (Effective)	☒
People are able to live well at home or in the community; (Person Centred)	☒
Everyone has a positive experience of healthcare; (Person Centred)	☒
Staff feel supported and engaged; (Effective)	☒
Healthcare is safe for every person, every time; (Safe)	☒
Best use is made of available resources. (Effective)	☒

The annual review ensures that all activities are carried out in a sustainable manner with due care for the environment against the requirements outlined in DL (2021)38 which are described in the following table;

6. MEASURES FOR IMPROVEMENT

The immediate challenges for NHS Lanarkshire is to identify and prioritise climate change impacts posing the greatest threat to the organisation. This is part of the Workplan for 2022-23 and will be supported by use of the NHS Scotland Climate Change Risk Assessment Toolkit.

The following table shows NHS Lanarkshire reported carbon footprint since reporting began in 2014-15.

Year	Scope 1*	Scope 2*	Scope 3*	Total tCO_2e	Comments
2014/15	13,630	17,189	3,223	**34,042**	Baseline footprint is 2014 -15 in line with other NHS Scotland Boards.
2015/16	16,989	15,528	3,283	**35,800**	
2016/17	14,862	14,966	3,383	**33,211**	
2017/18	15,833	12,488	2,589	**30,910**	
2018/19	16,635	9,010	2,606	**28,251**	
2019/20	16,370	7,307	380	**24,057**	The large decrease in Scope 3 emissions is attributed to a drop in staff travel during COVID-19.
2020/21	15, 933	7,648	791	**24,432**	
2020/21	15,688	6,746	4,953	**27,389**	The increase in Scope 3 emissions is attributed to NHSL
2022/23	18,322	5,620	17,819	**41,763**	Reported increase due to reporting of Scope 3

					emissions and inclusion of medical gases/ inhalers, business travel and well to tank emissions. A like for like comparison indicates a 7% reduction

The Green House Gas (GHG) Protocol Corporate Standard classifies GHG emissions into three 'scopes':

- **Scope 1** emissions are direct emissions from owned or controlled sources.
- **Scope 2** emissions are indirect emissions from the generation of purchased energy.
- **Scope 3** emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting organisation, including both upstream and downstream emissions.

7. FINANCIAL IMPLICATIONS

In order to meet the ambitious Scottish Government targets noted above a wide range of energy efficiency and low carbon initiatives will require to be identified and implemented within the timescales noted. It is anticipated the capital investment requirements to improve the infrastructure of our estate will be significant with limited availability of grant funding.

NHSL are working with Health Facilities Scotland on an audit programme as part of the "Route To Zero" strategy. Projects identified as part of this work would require to be developed into business cases and submitted to CIG for funding on a case by case basis. Applications for grant funding will be maximised to support efficiencies and improvements.

Work was initiated in 2022-23 which has continued into the current reporting year that should lead to reduced energy consumption/GHG Emissions in 2023/2024 and 2024/25 as follows;

a. Summer heating shut down initiative successfully reduced energy consumption between May and September
b. Mott MacDonald Consultants were appointed to carry out energy surveys on 5 NHS Lanarkshire sites resulting in NHSL securing £2.2M to progress energy efficiency improvements.
c. The funding above will support improvements to our Building Management System supporting the identification of opportunities for reducing energy consumption.
d. Development of NHS Lanarkshire's routemap to net zero – this was completed supported by Jacobs in 2023
e. Improved metering in some of our premises

8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS

There remains a reputational risk that the Board fails to make sufficient progress towards NHSScotland and Scottish Government targets to achieve net zero by 2040.

Internal risks associated with delivery are noted as follows:

Finance

- Significant capital investment required in infrastructure with lengthy return on investment periods
- Limited funding available internally and external grant funding opportunities are reducing
- Switching to options that reduce carbon can be cost prohibitive (cost vs carbon). This is a specific option in relation to decarbonisation associated with
    - Inhalers
    - Electricity
    - Electrification of fleet & vehicle replacement costs

Utilities

- Volatility of utility costs
- Availability of alternatives and tech to support e.g. hydrogen
- Electrical grid constraints – cost and time

Resource and Capacity

- Limited capacity within the core team
- No focused energy management resource
- Workstream leads have full time jobs
- Not fully meeting all requirements of DL(38) due to capacity
    - Energy Management System
    - Resourcing shortfalls

Investment is required in the gas and electricity generation industries in the coming years to ensure renewable energy generation targets are met. This means that utility costs are likely to continue to increase annually. As such energy efficiency and dependence on more renewable electricity and heat will limit NHSL exposure to fluctuations in costs.

9. FIT WITH BEST VALUE CRITERIA

This paper aligns to the following best value criteria:

Vision and leadership	☒	Effective partnerships	☒	Governance and accountability	☒
Use of resources	☒	Performance management	☒	Equality	☒
Sustainability	☒				

10. EQUALITY IMPACT ASSESSMENT / FAIRER SCOTLAND DUTY

Has an E&D Impact Assessment / FSD Assessment been completed?

Yes ☒
No ☐.

An EQIA has been carried out on the wider Sustainability Work Programme, policy and strategy.

11. CONSULTATION AND ENGAGEMENT

Not Applicable.

12. ACTIONS FOR THE BOARD

Board are asked to:

Approve	☒	Endorse	☐	Identify further actions	☐
Note	☐	Accept the risk identified	☐	Ask for a further report	☐

Board are asked to:

- Note the content of the report which summarises the key content noted in the Climate Emergency & Sustainability Annual Report submission to SG and published on NHS Lanarkshire website.
- Approve the submission and publication of NHS Lanarkshire's Climate Emergency & Sustainability Annual Report prior to the 31st of January 2024 deadline.

13. FURTHER INFORMATION

For further information about any aspect of this paper, please contact:

Jacqui McGeough, Deputy Director of Planning, Property & Performance