

ENVIRONMENT CAPITAL SCRUTINY COMMITTEE	Agenda Item No. 7
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Report of the Executive Director of Operations

Contact Officer – Charlotte Palmer, Team Manager – Travelchoice and Climate Change
Contact Details – 01733 453538 or email charlotte.palmer@peterborough.gov.uk

PROGRESS AGAINST THE CARBON REDUCTION COMMITMENT AND CARBON MANAGEMENT ACTION PLAN

1. PURPOSE

- 1.1 This report provides an update detailing progress against the Council's carbon reduction agenda from the perspective of our legal obligations under the Carbon Reduction Commitment Energy Efficiency Scheme and our Carbon Management Action Plan.

2. RECOMMENDATIONS

- 2.1 This report provides an update detailing progress against the CRC and CMAP and therefore no specific recommendations are required other than to request that this remains a regular item for scrutiny to ensure continued progress.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 This area of work relates directly to the Sustainable Community Strategy, specifically the priority to create the UK's Environment Capital and deliver substantial and truly sustainable growth. This area of work enables PCC to get its own house in order, ensuring we are in a suitable position to lead action with local partners and residents whilst meeting our statutory obligations under the CRC.

4. BACKGROUND

In 2008, the UK government passed the Climate Change Act committing the UK to achieving CO2 emissions reductions of 80% of 1990 levels by 2050. One of the schemes the government introduced in order to ensure this target is met is the CRC.

4.1 Carbon Reduction Commitment (CRC) Energy Efficiency Scheme:

The government's CRC is an obligatory emissions trading scheme covering non-energy intensive users in both the public and private sector. It is a central part of the UK's strategy to achieve carbon emission reductions and applies to all organisations who consumed energy over a set threshold in 2008.

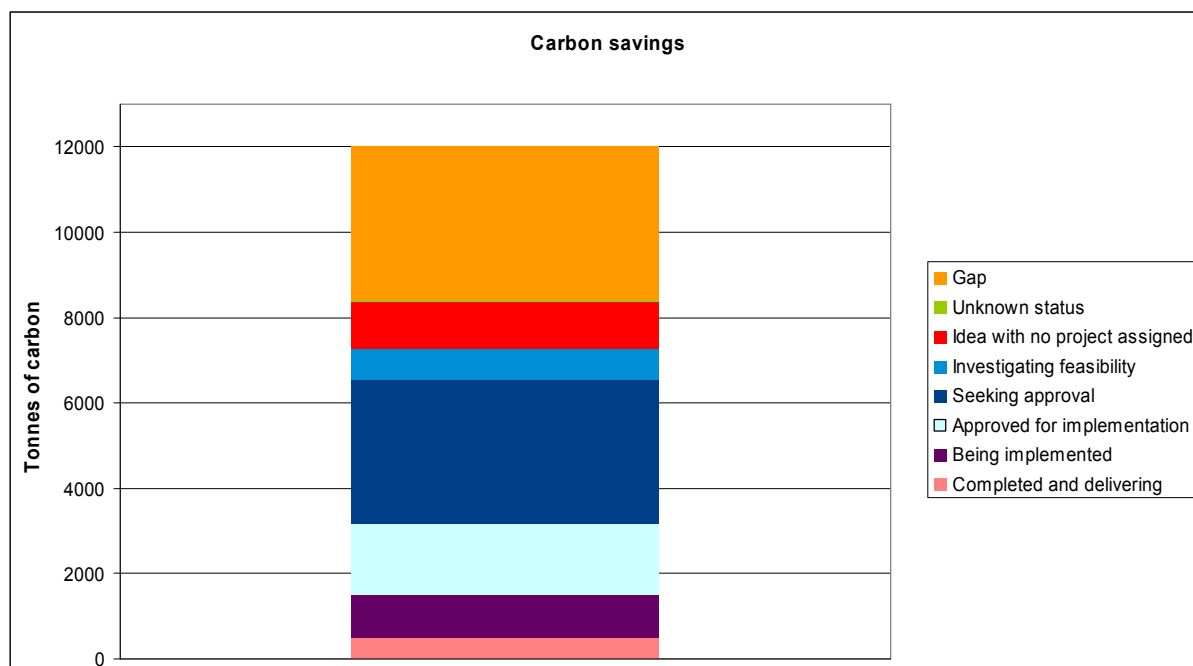
The scheme consists of overlapping phases, each starting with a qualification year, a 'Footprint year' and Footprint report, and then Annual Reports, sales and surrender of allowances and the production of a league table. PCC's registration as a full participant for the first phase was completed in September 2010. The scheme requires participants to purchase allowances for each tonne of carbon dioxide emitted at a fixed price of £12 per tonne during phase one, the price will be subject to market variability thereafter. This equates to a requirement for the Council to purchase allowances amounting to approximately £308k p.a during the first phase.

Crucially, following the comprehensive spending review, the scheme no longer recycles payments to participants depending upon performance. All allowances the Council are required to purchase effectively become a straight forward tax, therefore more than ever the emphasis

moving forward should focus upon achieving reductions in carbon emissions.

4.2 The Carbon Management Action Plan (CMAP):

This document details the mechanisms the Council will adopt to achieve carbon emission reductions arising from energy and fuel consumption and was developed in partnership with the Carbon Trust. The CMAP formally commits the Council to achieve a CO2 reduction of 35% of 2008/09 levels by 2014 which will reduce the Council's financial exposure to risk. This document was presented to this Committee on 15 February 2010 and formally adopted by Full Council in April 2010. Several projects have now been completed and further projects are in various stages of development with just over a quarter of the target still to be quantified, see below:



An example of some of the projects from each category are as follows:

Project status	Example Project	Tonnes CO2 saved per annum	Contribution to reduction target (out of 100%)	CRC allowances avoided (at £12 per tonne)
Completed and delivering	Jack Hunt Swimming Pool Refurbishment	158*	1.32%	£1896
Being implemented	Thin client roll out	124	1.03%	£1493
Approved for implementation (not scheduled yet)	Voltage optimization in Town Hall, Bayard Place, Regional Pool	182	1.52%	£2184
Seeking approval (e.g. project on Verto, currently being reviewed by project board, subjected to MTFP etc.)	Central Management System - enable dimming of street lighting city wide	825	6.88%	PCC's street lighting is passive UMS so not currently in the CRC
Seeking approval (e.g. project on Verto, currently being reviewed by project board, subjected to MTFP etc.)	Restore CHP plant in the Regional Pool	219	1.82%	£2628

Investigating feasibility (e.g. business case being developed, will seek approval once more details known)	LED lighting – Market Multistorey Carpark	304	2.53%	£3648
Idea with no project assigned (potential project requiring someone to develop and source of funding to be found)	City wide LED street lights	768	6.4%	PCC's street lighting is passive UMS so not currently in the CRC
Idea with no project assigned (potential project requiring someone to develop and source of funding to be found)	Town Hall zoning the heating system – phase 1	8.8	0.73%	£105
Unknown status (actual energy savings are unknown, but individual projects only small)	School refurbishments			

**slight change from figure in CMAP due to conversion factors published by Defra changing. Using the current factor gives saving for the period this factor is valid for.*

There are several project ideas that could contribute savings to the overall target which at present are included within the 'gap' section in figure 1.1. However, until these are developed further they are subject to considerable change and have therefore not been included.

In addition, several other aspects of the CMAP which do not have directly attributable carbon savings have progressed; these include:

- There is now a clause in all contracts of employments which emphasise the responsibility placed upon all employees to minimise their environmental impact.
- City schools have all agreed to fund a new 'Schools Carbon Reduction Officer' post to support them through the process of developing individual carbon management plans.
- Agreement to develop and launch a compulsory environmental e-learning programme for all employees has been secured alongside the production of a short film starring Gillian Beasley to open the training.
- A network of 25 Green Champions has been established across the organisation.
- Environmental awareness is now a key component in the corporate induction delivered by HR.
- A process for ensuring the environmental impact of a project is considered in all Cabinet Member Decision Notices has now been introduced.
- External funding has been secured to establish a £500k ring fenced fund for investing in energy efficient technology.

Over the next 12 months progress will be made against including further sources of carbon emissions including waste, water and commuter travel. This has not been possible until now due to other commitments.

5. KEY ISSUES

5.1 CRC:

In October each year from 2011 onwards the Environment Agency (scheme administrator) will publish a league table which will rank participants dependent upon performance within the scheme. This will be a publically available document; this is a further reason to ensure good performance in order to allow Peterborough to build upon our reputation as the Home of Environment Capital.

5.2 CMAP:

Steady progress is being made against the targets laid out in the document. In order for this to continue adequate resources need to be maintained.

6. IMPLICATIONS

- 6.1 This work ensures that the Council will achieve the targets laid out in the 2008 Climate Change Act.

7. CONSULTATION

- 7.1 No further consultation has taken place since this document was approved at Full Council in April 2010. A summary report will be produced detailing progress which will be made publically available via the Council's website.

8. NEXT STEPS

- 8.1 It is recommended that this remains a regular item for this Scrutiny Committee to ensure continued progress.

9. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1 More information about the CRC can be obtained from the Environment Agency's website:
<http://publications.environment-agency.gov.uk/pdf/GEHO1009BRCS-E-E.pdf>

Link to the Carbon Management Action Plan: <http://www.peterborough.gov.uk/pdf/env-cc-ct-cmap.pdf>