

REPORT OF THE DEPUTY DIRECTOR HOUSING AND COMMUNITY SAFETY  
TO THE EXECUTIVE  
6<sup>th</sup> FEBRUARY 2009

**LOCAL AUTHORITY CARBON MANAGEMENT PROGRAMME**

**1.0 Introduction and Report Summary**

- 1.1 This report asks the Executive to approve the attached draft Carbon Management Plan.
- 1.2 The Carbon Management Plan sets out how the Council can meet a proposed commitment to reduce carbon emissions from its own operations by 20% by 2012. In doing so the Council will meet its LAA2 commitments to reduce carbon emissions by 8 % by 2010 based on a 2008 baseline.
- 1.3 The contact officers for this report are Mark Saunders, Principal Energy Officer (01235-540603), e mail [mark.saunders@whitehorsedc.gov.uk](mailto:mark.saunders@whitehorsedc.gov.uk) and Paul Staines, Deputy Director Housing and Community Safety, telephone (01235 547621) e mail [paul.staines@whitehorsedc.co.uk](mailto:paul.staines@whitehorsedc.co.uk).

**2.0 Recommendations**

- i) *The Executive approve the draft Carbon Management Plan.*
- ii) *The Executive adopt a new corporate target of reducing carbon emissions from its own operations by 20% by 2012.*
- iii) *The Executive note that in addition to the £150,000 capital already proposed in the capital programme, there is a further requirement for £130,000 additional capital expenditure to fully fund capital projects in the Carbon Management Plan. This comprises £80,000 for new Abbey House boilers already bid for by Property and Estates and a further £50,000 for other identified measures.*
- iv) *The Executive note the importance of the Corporate Property Review, to the delivery of projects within the Carbon Management Plan.*
- v) *It is proposed that the first annual review of the Carbon Management Plan in 2010 is presented to the Council's Scrutiny Committee and future reports are built in to the committees review programme.*

**3.0 Relationship with the Council's Vision, Strategies and Policies**

- 3.1 This report relates to the Council's Vision.
- 3.2 The report relates to the Council's Climate Change Strategy.
- 3.3 The issues raised in this report are also relevant to the following strands of the Community Strategy:

- Environment
- Housing
- Recreation, Culture and Leisure
- Transport
- Community

#### **4.0 The Local Authority Carbon Management Programme**

4.1 In 2008 the Council successfully applied to take part in phase 6 of the Carbon Trust's Local Authority Carbon Management Programme (LACMP).

4.2 The LACMP is a Government sponsored project that provides professional, technical and change management guidance to the Council as it progresses through a structured programme devised and operated by the Carbon Trust.

4.3 The LACMP will enable the Council to achieve the following.

- Establish an accurate baseline and realisable short and medium term targets for emissions reductions.
- Adopt a truly corporate approach to reducing emissions.
- Realise cost savings from energy reduction measures.
- Reduce carbon emissions, enabling the Council to meet its own and LAA2 emissions reduction targets.

4.4 The programme has two key outputs, firstly the generation of an accurate carbon baseline upon which future progress can be measured and secondly the production a Carbon Management Plan (CMP). This plan contains details of the actions proposed to meet the Council's carbon reduction targets together with associated carbon and cost savings.

4.5 Currently the Council has a long term target to reduce carbon emissions by 60% by 2050 based on a 2007 baseline and a short term LAA2 target of 8% by 2010/11. As part of the approval of the plan the Executive are asked to approve a new medium term target of a 20% reduction by 2012. It is proposed that this be the key target for the Council's CMP.

#### **5.0 The 2007 Carbon Baseline**

5.1 The Executive will recall that a report updating progress on the baseline was brought to this Committee in October 2008. The baseline raised some important points which are summarised below.

- The Council has a 2007 emissions baseline is 4251 tonnes costing £1.2 million in energy costs.
- Most Council emissions are outside our direct control, therefore any success in reducing emissions will rely on the cooperation of third party contractors, notably waste and leisure contractors. For example 41% of emissions are from the leisure centres operated by SOLL and CLS (70% of leisure emissions are from the White Horse Tennis and Leisure Centre). Similarly 32% of emissions are from waste fleet and grounds maintenance operations (85% of fleet emissions are from the waste contract).
- Most of the financial savings that will occur through pursuing carbon reduction measures will not accrue directly to the Council.

5.2 The full 2007 baseline assessment has been placed on the Council's intranet site.

## **6.0 The Value at Stake**

6.1 A key component of the LACMP process is the establishment of the "added value" to the Council of proposed reductions in carbon emissions. This calculation, called the Value at Stake involves taking the Council's proposed emissions targets and working out what financial savings would accrue if these targets were met.

6.2 The LACMP is predicated upon the idea that the Council should be able to justify carbon emissions reductions financially as well as environmentally. For this reason the LACMP advocates prioritising measures which have a clear cost saving benefit to the Council as well as carbon reductions.

6.3 Officers on the Climate Change Project Team have completed these calculations and estimate that:

- If the proposed measures are not implemented, the Council and contractors can expect to incur cumulative additional energy costs exceeding £1million over 5 years.
- Should all actions be successfully implemented and savings accrue it is estimated that up to a quarter of this financial benefit would accrue directly to the Council from projects under our complete control.

## **7.0 The Carbon Management Plan (CMP)**

7.1 The draft CMP is a guide to the implementation of various projects that if delivered would result in the Council achieving its carbon reduction targets. The CMP details the individual projects and the process the Council will need to adopt to embed carbon management in the organisation. The CMP highlights four areas critical to the Council reducing emissions. These are

- Contractor emissions
- Governance
- Funding
- Corporate property review
- Ongoing monitoring.

### **Contractor Emissions**

7.2 The structure of the Council's emissions means that the projects which deliver the largest emissions reduction will be delivered through our leisure and waste contractors. For leisure projects this presents a challenge to the Council as, under current contractual arrangements, reductions in contractor's energy costs brought about by measures funded or part funded by the Council would not necessarily result in the Council receiving a financial benefit resulting from reduced costs. Officers have already begun to negotiate an appropriate savings sharing arrangement with leisure centre operators.

### **Governance**

7.3 Since all the projects in the CMP will be delivered via Council Service Plans it is important that all relevant service plans take full account of the CMP. It is also important

that any future plans which could have an impact on Council carbon emissions are subject to a carbon impact assessment. This will be required to ensure emissions don't rise in new areas not covered by the CMP and undermine attempts to meet our targets. Officers will work with the performance management section of the Council, to embed a carbon impact assessment element into the Council's service planning process, and to establish a comprehensive and robust performance management process, embedded into the Council's Corporate Governance regime.

## **Funding**

- 7.4 The Council has already proposed £150,000 capital until 2011, however further capital will be required to fully fund all the capital projects in the CMP over its life. Accordingly the Council will need to consider allocating a further £130,000 over the life of the plan. A bid has already been made by Property and Estates for £80,000 for replacement boilers at Abbey House, leaving £50,000 required for other projects identified in the plan. The timing of this additional resource is flexible but currently the rate of return on spending capital funding on energy saving projects (i.e. the savings secured) exceeds that which could be achieved through investing this money in the financial markets. It could therefore be prudent while interest rates are low to bring forward some of the larger capital projects in the plan to maximise returns.

## **Corporate Property Review**

- 7.5 The Council is currently undertaking a review of its property assets. The outcome of the review, which is not yet finalised, will have an impact on the viability of certain projects, for example investment in energy savings measures. Completion of the review is therefore necessary in order that a fully informed decision on these projects can be made.

## **Ongoing Monitoring**

- 7.6 Central to the success of this plan will be the establishment of a robust and accurate carbon and cost savings monitoring regime. The Carbon Management Plan will be reviewed annually as will the Council's LAA2 carbon reduction obligations. It is proposed that the first annual review in 2010 is presented to the Council's Scrutiny Committee and future reports are built in to the committees review programme.

## **8.0 Financial Implications**

- 8.1 Implementing the CMP will result in reduced energy costs for the Council which could cumulatively be as much as £200,000 by 2012. This figure could be higher if appropriate savings sharing agreements can be reached with leisure centre operators.
- 8.2 As mentioned in 7.4 the CMP requires about £280,000 capital to fully fund capital projects contained within it. However with high and rising energy prices and low interest rates, now could be an opportune time to divert capital funds into projects which will deliver energy savings with the potential to payback the original cost within 5 years or in many cases sooner.
- 8.3 Revenue funding for relevant projects will come out of the climate change strategy revenue allocation already made by the Council.

## **9.0 Legal Implications**

- 9.1 Under section 3 of the Climate Change and Sustainable Energy Act 2006, every local authority must, in exercising any of their functions, have regard to the most recently published energy measures report. The Council has, in preparing this report, had regard to the energy measures report for district Councils.

## **10.0 Conclusions**

- 10.1 This report introduces the CMP which will guide the Council in securing significant emissions reductions in line with our own Climate Change Strategy target and the Oxfordshire LAA2 target. The CMP will also have clear financial benefits in the medium term.

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