

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 23rd July 2012
Report of: Strategic Director – Places & Organisational Capacity
Subject/Title: Carbon Management Plan Annual Monitoring Report
Portfolio Holder: Cllr Rod Menlove, Portfolio Holder for Environment

1.0 Report Summary

- 1.1 In March 2011, Cheshire East Council published its Carbon Management Plan, to reduce CO₂ emissions and energy costs between 2011–2016. This document identifies a range of projects to be developed over the five year period to achieve a 25% reduction in our energy consumption from the 2008/09 baseline. This is equivalent to 51,037 tonnes of CO₂. If we do not take action now to reduce our energy use and meet this target it is estimated that it will cost the authority an additional £ 13.2 million over the next 5 years.
- 1.2 Within the plan there is a commitment to an annual progress review:
- “The Council acknowledges that a plan is only as good as its management and its delivery. While progress is regularly monitored, a full scale review will take place each April. This review will cover our CO₂ savings against targets collectively and individually for each project and closely monitor the financial investment and savings too. The outcome of the review will be reported to Cabinet”.*
- 1.3 Since the publication of the plan we have achieved a saving of **3303 tonnes of CO₂** and there has been good progress in implementing the 55 identified projects. This is a significant achievement, though it should be noted that this is effectively savings achieved through projects implement in 2009/10 and 2010/11, so is effectively 2 years worth of activity. To achieve our target of **12,759 tCO₂ by March 2016**, we need to achieve the same level of savings each year for the next 4 years as we have done in the past two.
- 1.4 Within the original plan, the identified projects did not account for all the savings needed. There is a gap of 4.8%, or 2504 tCO₂. This gap is likely to grow larger with time as some of the projects are not implemented or do not achieve the savings predicted. In response, new projects need to be developed. This list requires refinement and it is intended that they be reviewed and new projects are being developed in conjunction with staff and Councillors over the forthcoming year.

1.5 Details of the progress to embed carbon management within the organisation through a review of the Carbon Management self assessment matrix is attached as Appendix A.

2.0 Decision Requested

2.1 Accept the figures presented as the Carbon Management Plan annual monitoring report 2011-12.

3.0 Reasons for Recommendations

3.1 Cheshire East Council made an early commitment to reducing its impact by signing up to the Nottingham Declaration in 2008/09. In the same year, as the third largest unitary authority in the North West, we had an annual energy bill of £9.9 million and emitted almost 52,000 tonnes of CO₂. Both our energy costs and carbon footprint will continue to rise if action is not taken to significantly reduce consumption.

3.2 In addition, the prospect of the Councils participation in Phase 2 of the governments Carbon Reduction (Energy Efficiency) Commitment from 1st April 2013 at a cost of £12/tonne of CO₂ poses an additional financial incentive on the authority to reduce its carbon emissions. The cost for our participation in 2013/14 is estimated to be **£507,528**, and unless action is taken to reduce our carbon emissions, will only continue to increase each year. The table below highlights the sources of the Councils emissions:

Category		t CO ₂ 200 8/9	%
Buildings and Street Lights	Office buildings	3,868	8%
	Libraries	722	1%
	Primary Schools	9,502	19%
	Community and day centres	2,799	5%
	Secondary Schools	13,325	26%
	Other buildings	3,665	7%
	Streetlights	7,053	14%
	Leisure centres	3,439	7%
Transport	Fleet	4,563	9%
	Business	2,099	4%
		51,037	100%

3.3 By working with the Carbon Trust to produce a five year Carbon Management Plan, Cheshire East Council set out to:

3.3.1 achieve a reduction in energy use and associated carbon emissions and deliver **cost savings** from carbon reduction activities in our buildings, schools, transport provision and street lighting,

3.3.2 reduce the demand for energy and fuel and **increase efficiency** of the organisation, and

3.3.3 **demonstrate leadership** to the public and the community through actions in our schools, libraries, leisure centres and adult services.

3.4 Carbon management is identified as a key objective of the Cheshire East Council Corporate Plan 2011-13:

“In addition to working with residents and businesses to reduce carbon emissions, we have developed a carbon management plan in association with the Carbon Trust. This plan puts in place a 5 year strategy to reduce our carbon emissions by 25% by 2016”.

And Cheshire East Council’s Business Plan 2012 -15:

“The Council has set clear targets for reducing carbon emissions which will not only reduce our overall carbon footprint but minimise the amount of money we now have to pay to Government under the Carbon Reduction Commitment”.

4.0 Wards Affected

4.1 All Wards are affected

5.0 Local Ward Members

5.1 None

6.0 Policy Implications including – Carbon reduction - Health

6.1 As referred to in the Report.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

7.1 As a monitoring on the 2011/12 year, there are no direct financial implications of the report. Looking forward, the budgetary effects of energy costs, changes in usage and any related financial consequences will be monitored through 2012/13 and also considered in future medium term business planning.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 The legislation surrounding the requirements placed upon Government and local authorities, and other provisions in relation to energy and carbon reduction, is found in the successive Energy Acts of 1983, 2004, 2008, 2010 and 2011 and the Climate Change and Sustainable Energy Act 2006, plus various secondary legislation which has been made under them. The emerging draft Energy Bill, which will add to the existing climate change legislation, is currently passing through the Parliamentary process and at the moment at the stage of being scrutinised by the Energy and Climate Change

Committee. The Parliamentary website indicates that a report which will take the emerging Bill to its next stage is anticipated in mid-July.

9.0 Risk Management

9.1 Cheshire East Council made an early commitment to reducing its impact by signing up to the Nottingham Declaration in 2008/09. In the same year, as the third largest unitary authority in the North West, we had an annual energy bill of £9.9 million and emitted almost 52,000 tonnes of CO₂. Both our energy costs and carbon footprint will continue to rise if action is not taken to significantly reduce consumption.

9.2 The prospect of the Council's participation in Phase 2 of the Government's Carbon Reduction (Energy Efficiency) Commitment from 1st April 2013 at a cost of £12/tonne of CO₂ poses an additional financial incentive on the authority to reduce its carbon emissions.

10.0 Background and Options

10.1 When published, the Carbon Management Plan identified 55 projects that would deliver just over 95% of our target. This left room for further projects to be identified that would deliver a further 4.8% of the target, equivalent to 2504 tonnes of CO₂.



10.2 Within the plan, these 55 projects were divided into 43 “existing projects”, 10 “planned projects” and 2 “medium/long term projects”, depending upon their level of development and funding available.

10.3 Detailed reporting of progress against each of these 55 individual projects is undertaken by the Carbon Management Report. In summary, of the 55 projects:

10.3.1 Forty have already been successfully completed and are on target to achieve their predicted savings (mostly from existing projects);

10.3.2 Seven are ongoing with good prospects for achieving the anticipated savings within the plan's timeframe (from planned projects)

10.3.3 Three of the projects originally identified have not been implemented (from existing projects);

10.3.4 Four projects are constrained by resources available to implement them and need better data and/or performance measures developing (Good Housekeeping, Green ICT, Staff travel and Schools Engagement);

10.3.5 One has been implemented but not achieved the savings originally identified (the Invest to Save budget 10/11),

10.4 The projects that have taken place since the production of the Carbon Management Plan have saved the authority **3303 tCO₂ to 31st March 2012**. This is a significant achievement, though it should be noted that this is effectively savings achieved through projects implement in 2009/10 and 2010/11, so is effectively 2 years worth of activity. To achieve our target of **12,759 tCO₂ by March 2016**, we need to achieve the same level of savings each year for the next 4 years as we have done in the past two. Therefore, the pace of implementation needs to increase if we are to ensure we achieve the challenging target we have set ourselves.

10.5 It is likely that as we progress through the next year or two of the Carbon Management Programme, the gap between our achievements and our target grows. This is in part because we have already identified those projects which are more straightforward to complete, and identifying savings will become increasingly challenging. It is also likely that some of those projects which are ongoing may not deliver the savings anticipated unless additional resources become available to them.

Embedding Carbon Management within the Council

10.6 For the Carbon Management Plan to be successful it needs to be owned across the Council, or “embedded”. We used the Carbon Trust’s Carbon Management 5 level Embedding Matrix (enclosed in Appendix A to this report) to determine our starting point when the plan was published in March 2011. Targets were also set at that point for progression. An assessment of progress against those targets at March 2012 is also set out below.

10.7 Each element is led by a senior officer whose role is to ensure progress and to report that progress to the Programme Board and to the Council. The Matrix demonstrates that carbon management is not just about technical projects but relates to all Council activity from strategy development, communications and training, responsibility, accountability, monitoring and review, programme management, finance and investment and policy alignment.

10.8 As can be seen, although some progress has been made in many areas, there is still some way to go in embedding carbon reduction into all of the Council’s actions and activities.

Category	Level (of 5) at March 2011	Target level by date	Level at March 2012	Target level at 2014
Corporate Strategy	3	4 (by March 2012)	4	5
Programme Management	3	4 (by December 2011)	3/4	5
Responsibility	2	4 (by March 2012)	3	5
Data Management	4	4 (by December 2011)	4	5
Communications and Training	3	4 (by December 2011)	3/4	5
Finance and investment	4	5 (by March 2012)	4	5
Policy alignment	2	3 (by September 2011)	3	5
Schools engagement	3	4 (by March 2012)	3/4	5

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Michelle Burrow

Designation: Senior Carbon Management Officer

Telephone Number: 07506 232616

Email: michele.burrow@cheshireeast.gov.uk

Appendix A Carbon Management Matrix