

## ENVIRONMENT AND PROSPERITY SCUTINY COMMITTEE

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**Date of meeting:** 25<sup>th</sup> November 2009  
**Report of:** Caroline Simpson, Head of Regeneration, Places  
**Title:** Climate Change briefing

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### 1. Introduction

- 1.1 At its meeting on 6 October, Cabinet received a report into the leadership role of Cheshire East Council on Climate Change and Sustainability. Cabinet endorsed the approach which committed senior Members and Officers to a range of actions set out in the report. In particular, Cabinet agreed that a comprehensive climate change and sustainable development strategy should be developed for Cheshire East, one of the first components of which is the production of a Carbon Management Plan. The report also set out the potential impacts on the Council of a new statutory requirement, compliance with the Carbon Reduction Commitment.
- 1.2 This report is to inform the Committee about the Council's approach to the Climate Change agenda to date.

### 2. Progress since April 2009

- 2.1 In summary, the main activities and achievements to date are as follows:
- A Climate Change Steering Group has been set up under the chairmanship of the Director, Places. With Cabinet support, and attendance by Cllr Brickhill, Cllr Menlove and Cllr Keegan, its membership is being review to ensure that all parts of the council are fully engaged
  - A draft interim Carbon Management Plan is in development to capture all climate change activities within the authority, to set baselines and targets for improvement by April 2010
  - Work is under way on the collection and management of data required to satisfy the new statutory responsibilities under the Carbon Reduction Commitment, and developing our approach to ensure compliance with the legislation.
- 2.2 The rest of this paper expands on these, summarises the main points of the Cabinet report, describes other activities under way and highlights intended next steps.

### 3.1 Background

- 3.1 There is growing scientific evidence that the world's climate is changing and that the major cause is human activity increasing the concentration of greenhouse gases in the atmosphere. These changes will directly affect Cheshire East. Climate change is now considered to be the biggest challenge faced by local government.
- 3.2 Over the next 40 years average mean temperature is likely to rise in the UK by 2 degrees Celsius (United Kingdom Climate Projections, UKCP09, June 2009). Should this occur, we will see:

**Higher temperatures** leading to a greater need for air conditioning in homes and offices, and an increase in the threat to health from heat waves similar to that experience in France a few years ago

**Wetter winters** due to an increase in precipitation, leading to severe and increasing flood risk

**Drier summers**, straining water resources, increasing the risk of fires and damaging vulnerable ecosystems

**Rising sea levels**, increasing flood risk and coastal erosion

**Increases in extreme weather events**, with storms and high winds.

#### 4. The role of the local authority

- 4.1 Cheshire East Council will be central in leading the response to the challenge of climate change in its role as an estate manager, reducing greenhouse gas emissions from our own buildings, our vehicles and operations. We also have a central role as a provider of services where climate change resilience and greenhouse gas emissions can be influenced by council services but which are not under our direct control, such as through education, housing, planning or transport policies, contracts and purchasing. We also have a role in leading the community, to persuade the residents and businesses of Cheshire East to take action to reduce their carbon emissions at home, at work, or at play, through working with our strategic partnership and local communities.
- 4.2 The Council needs a credible approach to climate change. The best way to secure this is to develop a **Carbon Management Plan (CMP)** as part of a comprehensive strategy. This will take some time to develop, but in the interim there is a credibility gap. Cheshire East Council therefore needs to put its own house in order quickly, and Cabinet agreed that a short term *interim* CMP for Cheshire East Council should be developed on a range of indicators to help establish the baseline against which a future corporate strategy and plan could be developed. This in turn will help support the development of a community based Climate Change Strategy and Action Plan under the auspices of the LSP.
- 4.3 The wider policy agenda would suggest that the imperative is for the authority to behave as sustainably as possible, and encourage others to do so. Climate change mitigation and adaptation will be a beneficial consequence of a sustainable approach to planning and development in Cheshire East. That means taking action on a range of activities including:

- Compliance with legislation
- Sustainable purchasing of goods and services, based on whole life costs
- Efficiency of resource use to reduce the demand for energy and water
- Sustainable travel by staff and Members, including the use of technology to reduce the need to travel
- Minimising the waste of energy and consumables
- A comprehensive public awareness campaign on the benefits of sustainable living through newsletters and the website
- Detailed monitoring of environmental performance, possibly through an externally verified management system.

4.4 The above is no more than a list of headlines, action on all of which may be in hand in different parts of the authority. For example, there is work ongoing to improve the energy efficiency of buildings used by the Council, which will result in early benefits for a modest capital investment. What has been missing, however, is the comprehensive overview and strategy which puts all or the above at the centre of decision-making and the delivery of services. A CMP would bring these together as part of a consistent approach to managing and reducing our carbon footprint.

4.5 Work is already underway in developing an interim CMP with the aim of setting a baseline and short to medium term targets. Subsequently a full and comprehensive Carbon Management Plan will be developed. This will help ensure that Cheshire East takes a strategic and comprehensive approach to climate change. It will also contribute towards improving our performance under the Comprehensive Area Agreement. That in turn suggests that climate change and its mitigation is something that requires a significant commitment by the authority in terms of its whole operation – something that should be embedded in the culture and given a clear steer and positive leadership by Members in each portfolio area from the outset. It means identifying senior lead officers on climate change and sustainability in every service and/or building, with regular progress reports to Cabinet. The Climate Change Steering Group has been set up with that purpose, and it has a leading role especially on scrutinising actions and outcomes.

## 5. The consequences of the Carbon Reduction Commitment

5.1 From 1 April 2010 Cheshire East Council will have a new legal obligation – the Carbon Reduction Commitment (CRC). This is a new mandatory emissions trading scheme starting on 1<sup>st</sup> April 2010. It will apply to large public and private sector organisations including Cheshire East Borough Council. Any organisation participating in this scheme **must** monitor energy use, **report** on their equivalent carbon dioxide (CO<sub>2</sub>) **emissions** and then **purchase allowances**, sold by Government, to cover these emissions each year.

5.2 By 1<sup>st</sup> April 2010 the council will need to register for the scheme and be in a position to monitor all sources of emissions. After registering, the failure to disclose required information and failure to comply with the process will also result in financial penalties. As a minimum this would be a fine of £5000.

- 5.3 In April 2011, all organisations must purchase allowances to cover their total emissions for the first and second years. Allowances will only be available from Government within a limited period. For an authority the size of Cheshire East, it is estimated that the cost to purchase allowances could be up to £500,000 each year (for which budgetary provisions need to be made). This assumes average CO<sub>2</sub> emissions of around 40,000 tonnes at a cost of £12 per tonne.
- 5.4 Overall, the CRC is expected to be revenue neutral and the money is recycled between all of the participants. A proportion of the purchase costs of allowances will be returned to the authority based on its position in a league table at the end of a trading period. Each position in the performance league table will have a different bonus or penalty rate. The top placed organisation will have the highest bonus rate and the bottom organisation the maximum penalty rate. When an organisation improves more than average it will spend less each year on allowances – but receive a higher fraction of the recycling pot.
- 5.5 In addition to the financial costs to the authority of purchasing allowances, Cabinet was made aware that staffing and resources need to be allocated to the management of data collection and monitoring as well as programmes for emission reduction. There is a clear need for a project plan to mitigate the risks and to ensure appropriate links with the Medium Term Financial Strategy. Clearly, there is a relationship between the CRC and a Carbon Management Plan, since a comprehensive approach to reducing our emissions will reduce in the overall costs to the authority over time.

## **6. Other activities**

- 6.1 While the information above focuses on main areas of action, a range of other activity is currently under way on climate change . Since April this has included:
- Up to 10 invest-to-save energy projects are either planned or currently being implemented in corporate buildings at a cost of £75,000, which will realise substantial energy savings over the next 3 years.
  - A Cheshire and Warrington Sustainability Alliance event was arranged in Middlewich for Members and partners to highlight issues and progress on Education for Sustainable Development
  - An Energy Saving Week event for the public has been arranged in Nantwich
  - A commitment to 5-10% of energy savings by 2010 has been made
  - Work is underway to establish a Climate Change and Environment Commission with Warrington and Cheshire West and Chester, as part of the new sub-regional architecture
  - Invitations have been extended to all services to nominate Eco Champions who can drive sustainability and climate change activities in all Council premises
  - A Draft Delivery Plan for National Indicator 186 has been developed

- Proposals for the Council to pursue an externally verifiable Environmental Management System are under consideration
- Support is given to several low carbon communities across Cheshire East.

## 7. Next Steps

7.1 The range of activities currently under way is significant. However, we are very much at the start of the process and still developing a wider strategic approach to Climate Change. Next steps include:

- Developing, promoting and implementing our interim Carbon Management Plan and developing a longer term CMP by April 2010
- Developing a project management approach to the Carbon Reduction Commitment and especially communicating the implications of the CRC to schools
- Recruiting and developing our network of Eco Champions through support, information and training
- Working jointly with planning and transport colleagues to ensure a consistent approach on climate change on policy development
- Engaging the public and schools through targeted communications, including web site development
- Considering the efficacy of working with a verified, external partner on Carbon Management
- Developing wider external partnerships on Climate Change and Sustainability
- Developing, promoting and implementing the NI 186 plan into a Climate Change Action Plan & Strategy (through the LSP)
- Developing an approach on Climate Change Adaptation (under NI 188) and developing an associated Local Climate Impact Profile for Cheshire East
- Developing the Sustainable Schools agenda through Education for Sustainable Development
- Help to develop Sustainable Procurement and Construction strategies
- Develop and Implement an Environmental Management System for Cheshire East Council.

### For Discussion:

**The Committee is asked to endorse the approach being adopted in developing the approach of Cheshire East Council to the Climate Change agenda.**

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