

AGENDA ITEM 13

Cabinet	FP/635/09/11
Date: 24th April 2012	

CORPORATE EMISSIONS STRATEGY

Report by Councillor Jeremy Lucas, Cabinet Member for Environment and Culture
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Purpose of Report:

To recommend the adoption of the Corporate Emissions Strategy which outlines Essex County Council's (ECC) ambition to reduce the Greenhouse Gas (GHG) emissions produced by its own operations. The strategy will ensure the Council complies with Carbon Reduction Commitment (CRC) Energy Efficiency Scheme and GHG emissions reporting (new NI 185).

Decision/Recommendations:

It is recommended that the Corporate Emissions Strategy is approved and adopted as a corporate document for regular review.

Background, context, and area of the County affected

From April 2010 ECC has been legally required to participate in CRC, a mandatory emissions scheme, whereby the Council will need to annually measure, report on and purchase carbon allowances for the carbon emissions that it is liable for (for example from its property, schools and street lighting).

A Task and Finish Group was established in March 2011 under the Economic Development, Environment Policy and Scrutiny Committee to review the effectiveness of the Council's current carbon reduction and corporate energy programme and propose a suitable way forward. The Corporate Emissions Strategy was developed as a response to this review.

This Emissions Strategy provides a high level, overarching framework for all the council plans, programmes and initiatives relating to our energy management and GHG emissions. It defines the Council's objectives and responds to a number of key drivers, such as the CRC scheme and GHG emissions reporting. The strategy aims to address the Council's responsibility to significantly reduce our emissions and financial implications from CRC, by proposing changes to the way in which we manage our estate, deliver services and stimulate behavioural change.

The commitment to tackle the Authority's GHG emissions will apply to all directorates.

Options/Proposals

Options:

1. Adopt the ECC Emissions Strategy as a corporate policy.
2. Choose not to adopt an ECC Emissions Strategy.
3. Amend the proposed Emissions Strategy.

For option one and three, successful implementation and corporate commitment of the strategy requires:

- Endorsement and full political sign off.
- Adoption as a corporate document, to be reviewed on an annual basis.
- Development of an action plan, to be reviewed on an annual basis.

Conclusions

Option one is recommended.

There has been a particularly strong push from the government for Local Authorities to proactively tackle GHG emissions, over and above the Authority's existing commitments, through both statutory obligations and legislative requirements. This includes the CRC and the revised Government National Indicator (NI 185), which has contributed to the increased interest and visibility of ECC's energy use and GHG emissions.

This Emissions strategy covers a two year period and is intended to act as a focus for building momentum to tackle ECC's GHG emissions. It outlines a phased approach from setting key strategic priorities to implementing action plans detailing how the Council can meet these objectives and a monitoring framework. This approach and annual review will allow for the strategy to be updated in line with the Council's transition to a commissioning led organisation and confirmation from Government as to the financial mechanisms around CRC.

Relevance to ECC's corporate plan and other Strategic Plans

Adopting this Strategy will enable the Authority to support the EssexWorks Corporate Plan 2012 -2017 by 'Reducing our environmental impacts & securing improvements to Essex's natural environment'. Achieving this will support the Council's priority to 'Improve public health and wellbeing' by committing the authority to reducing its emissions which will help secure an improved environment for Essex Residents.

Environment, Sustainability and Highways (ESH) are responsible to deliver the following key priority within the ESH Directorate Plan (2011/12 to 2013/14) - 'carbon dioxide emissions & other greenhouse gases are reduced and air quality improved through lifestyle changes, innovation and technology'. This will be achieved by the:

- development and adoption of an ECC Energy (Emissions) Management Strategy and;
- improved internal carbon management and compliance with CRC scheme.

Internal and External Consultation

The following individuals and groups have been consulted and their comments incorporated:

- Pat Amos, Planning Policy Coordinator, Spatial Planning and Regeneration, ESH.
- Les Pilkington Senior Facilities Manager, Essex Property and Facilities, ESH.
- Sarah Richards, Assistant Director Sustainable Environment and Enterprise.
- Jo Smith, Assistant Director, Essex Property and Facilities.
- Leslie Pilkington, Head of Commissioning –Facilities Essex Property & Facilities
- MITIE energy management team
- The strategy was presented to ESH DLT on 28 June 2011 for their comments and updated on 17 January 2012 for their comments and approval; where amendments have been made and agreed.
- The strategy was presented to CLT on 10 August 2011 and a recommendation that Directorates DLT's be responsible for implementation of actions has been included.
- Correspondence and progress updates have been provided to the Task and Finish Group. They have received a copy of the Strategy for their comments
- Cllr Jeremy Lucas, Cabinet Member for Environment and Culture has been consulted and is supportive of the proposal.

Legal Implications

Failure to comply with the CRC will result in financial and criminal penalties which will be enforced by the Environment Agency.

There are no current legal implications from the Greenhouse Gas Emissions reporting issued by the Department of Energy and Climate Change.

Finance and Resources Implications

As mentioned above the failure to comply with CRC will result in financial and criminal penalties. On 2010/11 levels of emissions the Council's CRC liability would be £1.3m, this strategy is targeted to mitigate the risk of such penalties being incurred. As part of the Council's prudent approach to financial management a reserve has already been established to help manage the impacts of CRC through carbon reduction measures. The reserve stood at £1.536m on 31st March 2011 and has not been applied during 2011/12. When the 2012/13 Budget was set by Council on 7th February 2012, it was estimated that the reserve will be increased to £2.955m in 2012/13, £4.374m in 2013/14 and £5.793m in 2014/15.

The current cost of carbon emitted is £12 a tonne; this is expected to increase in future phases of the scheme which will impact upon the level of risk. Therefore there are strong financial and reputational incentives to reduce carbon emissions from council property and street lighting under the CRC scheme.

Although schools manage their own energy supply, under the CRC scheme, all state funded schools (including nursery schools, Academies and city technology colleges) in Essex will be grouped with the local authority. ECC will be responsible for annually measuring, reporting on and purchasing carbon allowances on behalf of schools located within the local authority area. The CRC proposals and liabilities relating to schools/academies are currently out for consultation, and have not been settled as yet.

Human Resources Implications

There is a requirement for continued compliance with CRC and GHG Emissions reporting and a need to manage the implications from schools. This role is now being undertaken by MITIE – the Authority's outsourced FM Services provider. The Authority's EPF Commissioning Group has retained responsibility for ensuring this task is carried out in a timely and through manner.

Equality Impact Assessment

Due regard has been given to potential equality issues and it has been considered not necessary to complete an Equality Impact Assessment.

Background papers

The accompanying document is:

- Essex County Council Corporate Emissions Strategy

