

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

8 JULY 2010

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Environment – Lead Cabinet Member – Councillor Mrs Jennie Beaumont

CARBON MANAGEMENT – ANNUAL REPORT

1. Summary

At the Cabinet meeting on 22 November 2007 Members noted that the Council had been accepted onto the Local Authority Carbon Management Programme and that there was a “case for action” with the associated reductions in carbon emissions and financial benefits. Following acceptance of the Strategy and Implementation Plan (SIP) work has progressed including making use of the Salix loan account to fund a variety of energy efficiency improvements.

2. Recommendations

It is recommended that:

1. Members note the progress made in the delivery of the Carbon Management Strategy and Implementation Plan.
2. Members note the planned actions for 2010/11 to continue delivery of the programme.

3. Reasons for the Recommendations/Decision(s)

1. As an organisation Stockton Borough Council is responsible through its activities, buildings and consumption of goods for producing 47,700 tonnes of CO₂ based upon financial year 2007-08.
2. Stockton Council has a Community leadership role to use resources wisely, setting an example to other businesses, stakeholders, partner organisations and the wider community.
3. There is a need to meet climate change-driven regulation governing the public sector such as the Energy Performance of Buildings Directive, the EU Emissions Trading Scheme and the proposed Carbon Reduction Commitment scheme. Participation in the carbon management programme will put the Council in a position to meet these challenges and to stay ahead of the wave of regulatory pressures.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

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RECOMMENDATIONS

It is recommended that:

1. Members note the progress made in the delivery of the Carbon Management Strategy and Implementation Plan.
2. Members note the planned actions for 2010/11 to continue delivery of the programme.

DETAIL

Background

1. The first year of the carbon management programme focussed on some ‘quick wins’ resulting in a 7% carbon reduction which was reported to Cabinet in 2009. As the programme moved into its second year, it became clear that achieving the projected carbon savings would be challenging, particularly in an environment where there is a constant upward pressure on electricity consumption, for example increased use of ICT and increased opening hours of schools and Council buildings.
2. Despite this the carbon management programme is projecting carbon savings for the 2009-10 to be in the region of 8%, demonstrating a continued trend to achieving the Council’s target of a 25% reduction by 2013. However, there have been several in year variables which have perhaps slanted this figure. These include the severely cold winter requiring extended heating in Council facilities and the fact that Billingham Forum, one of the largest contributors, has been offline. A comparison to a normal year’s operation is being developed to understand what the actual carbon reduction would have been without these variables and an update will be provided at the meeting.

3. The Council has made good use of the Salix fund in the past year to support the following:
 - Further building insulation improvements to insulate cavity walls
 - Voltage regulation at Conyers school with a similar installation installed at Egglecliffe school in April 2010
 - Streetlight dimming and photocell upgrades completed
 - Wall insulation, improved motors and drives and controls for the Billingham Forum refurbishment
4. In addition a further Salix loan fund that did not require match funding was opened for a few months and enabled funding to be secured for the Billingham Forum refurbishment. This covered:
 - Roof insulation
 - Building energy Management System
 - High efficiency lighting
 - Combined Heat and Power plant
5. This has taken us close to our limit on loan funding but repayments are being collected from April 2010. We will also have first refusal on any additional Salix funding that may become available.
6. In addition to use of the Salix fund the following activities contributing to carbon reduction or improved energy management have been implemented:
 - Eco Driver training launched and being progressively delivered to Council officers as well as local businesses.
 - Grant secured from the Regional Improvement and Efficiency Partnership (RIEP) for the installation of real time energy monitoring in 13 schools, Municipal Buildings and the Education Centre
 - Participation in preparatory work for possible support from the European Investment Bank for sustainable energy measures for the North East to assist in meeting the requirements of the Covenant of Mayors.
 - Early installation of electric vehicle recharge points into public locations and Council buildings that will facilitate the early adoption of additional electric vehicles to the Council fleet.
7. At the Cabinet meeting on 22 November 2007 it was agreed that there was a “case for action” based on two scenarios i.e. the business as usual versus the implementation of a series of measures to reduce our emissions by 25% over five years. The difference between the two scenarios showed that there was potential to make £4.2m savings aggregated over five years and to reduce emissions by around 23,000 tonnes.
8. Officers were tasked to produce a Strategy and Implementation Plan (SIP) that would enable these significant savings in financial terms as well as carbon emissions to be delivered. Subsequently on 13th March Cabinet noted the SIP as the delivery mechanism for the carbon management programme. This report sets out the progress made in the first year of the programme, the projects delivered, carbon and financial savings achieved and looks at the second year planned activities and contains twenty three projects that have been through a process of prioritisation and risk assessment before being incorporated within the Strategy and Implementation Plan. Where possible, each project has a measurable output in terms of carbon and financial saving and a cost per tonne of carbon saved in order to make a value judgement against each project. The resources needed to deliver these projects were also identified as well as the status of those resources i.e. in place or to be confirmed.

9. A target of 25% carbon saving by 2013 was adopted, based upon both the experience of other local authorities in previous phases of the programme and from the information supplied by members of the project team relating to actions that are planned or expected to happen over the next five years. The scope of the project includes schools, leisure facilities, council administrative buildings, libraries, the fleet, business mileage, and street lighting. It does not include social housing managed by Tristar homes as there are separate programmes and drivers in place to deal with energy efficiency in social housing.
10. Carbon emission reductions achieved for 2009/10 were determined from audited meter readings along with separate data for fleet fuel use, business mileage and street lighting. This data has been entered into the NI 185 tool that we use to report for the National Indicator on carbon emissions from council activities that in turn forms part of our Local Area Agreement. This information will enable an accurate measure of progress towards the carbon reduction target and is expected to be available in June 2010 and will be reported at the meeting.

Progress:

11. The table below summarises the situation on the original SIP projects and new activities that are contributing to the programme objectives.

Title	Explanation	Indicative Cost (£)	Cost Saving (£/yr)	CO2 Saving (Tonnes per year)	Short/ Medium/ Long Term	Pay Back Period (Years)	Progress
Pool Covers	<i>All leisure centre and school pools to have effective and appropriate pool covers, including liquid pool covers if feasible and cost effective.</i>	15,000	6,195	69	Short	2.4	Initial programme complete but pool shape and water treatment at Splash prevented use of covers. Forum refurbishment will include covers.
Voltage Regulators	<i>Voltage regulators to be fitted to all appropriate plant systems, subject to satisfactory initial pilot scheme at Queensway house</i>	Maximum 280,000	Variable	547	Medium to Long	2 to 5	Trial installation at Queensway House showing savings. Conyers and Eggescliffe schools followed, Municipal buildings planned for 2010/11.
Insulation Surveys and Action	<i>A survey of the insulation of all council properties, followed by appropriate action to increase insulation to recommended levels.</i>	150,000	34,000	1,538	Short	4.3	Insulation surveys largely complete resulting in orders placed for work on 18 buildings of which 12 completed.
IT Switch off (Admin Buildings)	<i>7 day timers on electrical equipment, activated energy settings on PCs, and remote shut down of PCs</i>	60,000	13,750	118	Short	4.4	Implemented. Reminder 'switch off' e-mail automatically generated for any PCs left on.
IT Switch off (Schools)	<i>7 day timers on electrical equipment, activated energy settings on PCs, and remote shut down of PCs</i>	98,000	20,000	172	Short	4.4	Implemented except in some secondary schools where local ICT responsibility applies. Reminder 'switch off' e-mail automatically generated for any PCs left on.
Schools Carbon Reduction Officer	<i>Employ a member of staff to work specifically with schools and school children to educate</i>	30,000	18,000	1,230	Short / Medium	1.66	Post no longer supported

	<i>and promote Carbon/energy saving.</i>						
Driver Training	<i>Training in Economical and Defensive driving</i>	20,000	91,390	235	Short / Medium	0.2	Eco Driver programme underway and delivered to local businesses
Bio Diesel to 100% of Fleet Vehicles	<i>Roll out the use of biodiesel to 100% of fleet vehicles. Purchase 2 new fuel bunkers and monitoring system.</i>	33,000	201,847	852	Short	0.2	10% biodiesel mix achieved. Bunkered supply should be fully in use by July 2010
Electric Vehicles	<i>Consider use of electric vehicles</i>						Two electric pick up trucks in use plus electric motor cycle. Provision of electric charging points will aid increased use of electric vehicles (19 points planned across the borough)
Street Lighting control improvements	<i>Dimming and improved photocell programme.</i>	268,308			Short / Medium	Variable	Dimming and improved photocells installed.
Gradually Turn Down Heating to 19 degrees	<i>Gradually turn the heating down in all council admin buildings to 19 degrees C (comfortable working temperature).</i>	No cost	4,000	74	Short		Complete
Billingham Forum Refurbishment	<i>Insulation to roof and walls, variable speed motors and drives, building energy management system, CHP, lighting</i>	639,349	101,936	593	Medium	5	Work underway as part of refurbishment works.
Real Time Energy Monitoring	<i>Provision of real time energy monitoring covering gas, electricity and, where practicable, water consumption in 13 schools and two key Council buildings</i>	81,420			Short	Cost fully covered by grant from NE IEP	Installation completed May 2010

Actions planned for 2010/11:

12. The SIP will continue to be delivered supported by other activities to meet requirements for the CRC Energy Efficiency Scheme and NI185:
- Completion of sustainable energy measures at the Billingham Forum refurbishment.
 - Implementation of real time energy monitoring at 13 schools plus Municipal buildings and the Education Centre.
 - Development of monthly updates of meter readings taking advantage of increased use of AMRs.
 - Determine any outstanding opportunities for insulation improvements and implement.
 - Develop approach to enabling small scale PV on schools and other buildings to exploit the new Feed in Tariff introduced from April 2010.
 - Participate actively in the development of proposals for regional EIB support to the achievement of Covenant of Mayors targets, in particular regarding potential district heating schemes that would benefit council buildings.
 - Continue energy audits across Council Buildings to identify opportunities for energy saving and carbon reduction.

- Implement trial use of electric pool cars and further extend clean fuel options for the Council transport fleet inking increased proportions of biodiesel beyond the current 10%.
- 13. CRC Energy Efficiency Scheme registration to be completed by September 2010 and work commencing on the footprint report and first annual report required by June 2011. Develop prediction for Carbon Allowances for first trading purchase in April 2011 at £12/tonne.
- 14. NI 185 reporting for the second year will be required by the end of June with an updated forecast for the next three years carbon emissions. This also now contributes to the Covenant of Mayors emission reporting.
- 15. CRC data is a subset of NI185 and requires a different form of presentation including the identification of specific meters.

Awareness and Education:

- 16. The school real time energy monitoring project will enable an increased awareness of energy consumption patterns in the schools concerned along with Municipal Buildings and the Education Centre. This will be used to raise awareness of individual actions to be taken by Council Officers to reduce carbon emissions in line with targets.

Resources:

- 17. The Carbon Management Programme is monitored by an effective Carbon Management Team that meets bi-monthly to review progress. Members of the team are also directly involved in delivery of carbon reductions through project delivery and through management of activities.
- 18. The Carbon Reduction Officer oversees the Carbon Management Programme, manages the budget and provides reports on carbon emissions and progress.

FINANCIAL IMPLICATIONS

- 19. The energy efficiency budget created from £250k of capital and revenue resources from Stockton has been matched by an equal amount to create the £500k budget which is being operated on the Salix revolving loan principles. In addition a separate Salix loan fund that did not require match funding, SEELS, provided £406,149 support to the energy saving measures in the Billingham Forum refurbishment. Loan repayments have commenced and these will release further spend. Also Stockton-on-Tees Borough Council would have first refusal on any additional Salix funding should this become available.

LEGAL IMPLICATIONS

- 20. Participation in the carbon management programme enables the council to meet its obligations in a number of regulatory areas such as the energy labelling of buildings, and the CRC Energy Efficiency Scheme.

RISK ASSESSMENT

- 21. **Carbon Management – Strategy and Implementation Plan** is categorised as low to medium risk. Existing management systems, adapted to meet the additional requirements of the CRC Energy Efficiency Commitment and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

Economic Regeneration and Transport

22. Through networking and sharing best practice this programme can help businesses to a reduction in energy costs thereby improving their viability and sustainability.

Safer Communities

23. This programme can help to reduce the fear of crime through efficient use of energy in street lighting.

Children and Young People

24. School travel planning can help to reduce health inequalities for children within the Borough.

Health and Wellbeing

25. The programme may contribute to a reduction in road congestion and help to bring about a reduction in road traffic related air pollution.

Environment and Housing

26. This will improve the efficiency of energy use within the Borough and facilitate compliance with the targets associated with the Covenant of Mayors.

Supporting Themes

27. This is an operational report with no direct impact on the supporting themes of Stronger Communities, Older Adults and Arts, Leisure and Culture.

EQUALITIES IMPACT ASSESSMENT

28. The equalities impact assessment will be carried out during the delivery of the carbon management strategy and implementation plan.

CONSULTATION INCLUDING WARD/COUNCILLORS

29. Consultation with trade unions will take place on the issues that staff may have concerns with such as travel plan policy implementation and working environments.

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Background Papers

None.

Ward(s) and Ward Councillors:

Not ward specific.

Property

Endorses the principles covered in the Asset Management Plan especially the asset management section 3.14.

The principle of the revolving interest free internal loan utilising capital and supported by match funding from the Salix finance company maximises the use of limited resources and creates a sustainable fund for long term energy efficiency investments.