

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

23 JUNE 2016

**REPORT OF SENIOR
MANAGEMENT TEAM**

CABINET DECISION

Environment and Housing – Councillor Mike Smith

Annual Greenhouse Gas Emissions report

1. Summary

We have a strong track record and have demonstrated significant performance in reducing our net emissions of greenhouse gases since 2009, and are ranked 5th in the country under the Local Authority Energy Index. We are required to submit a Greenhouse Gas Emissions report detailing all direct and indirect emissions from Council activity to the Department for Energy and Climate Change in July each year, under a Memorandum of Understanding between DECC and the Local Government Association (LGA).

The report in Appendix 1 highlights that in 2015/16 we have performed extremely well once more, reducing our net emissions by 7.8% since 2014/15 against a challenging target of 5%, to a total of 24,391 tonnes per annum. Since 2012/13 we have reduced the emissions from sources that are owned or controlled directly by the Council by 39% and this is the first year that all seven areas of emissions activity have shown a decrease in a 12 month period.

Subsequently we have also made significant financial savings as a result, with combined financial savings / cost of avoidance of £250,595 in the last financial year. As projects such as the LED street lighting replacement programme continue to be implemented, and the adopted Climate Change Strategy is being delivered, it is anticipated that we will achieve our challenging target of a 21% reduction in greenhouse gas emissions from Council activity by March 2020.

2. Recommendations

It is recommended that:

1. Members note the positive performance in reducing the emissions of greenhouse gases from Council activity in 2015/16, and associated financial savings.
2. Members support our continued efforts to reduce our emissions via a range of activities.

3. Reasons for the Recommendation(s)/Decision(s)

We have a growing national recognition for our work on climate change and fuel poverty, particularly around energy efficiency and carbon reduction from Council activity, and the positive impact our work on delivering affordable warmth schemes is having on residents

and communities. This report documents another 12 months of positive performance on reducing greenhouse gas emissions (a contributor to climate change) and subsequently financial savings to the Council, and as such is an item of interest for Members.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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SUMMARY

We have a strong track record and have demonstrated significant performance in reducing our net emissions of greenhouse gases since 2009, and are ranked 5th in the country under the Local Authority Energy Index. We are required to submit a Greenhouse Gas Emissions report detailing all direct and indirect emissions from Council activity to the Department for Energy and Climate Change in July each year, under a Memorandum of Understanding between DECC and the Local Government Association (LGA).

The report in Appendix 1 highlights that in 2015/16 we have performed extremely well once more, reducing our net emissions by 7.8% since 2014/15 against a challenging target of 5%, to a total of 24,391 tonnes per annum. Since 2012/13 we have reduced the emissions from sources that are owned or controlled directly by us by 39%, and this is the first year that all seven areas of emissions activity have shown a decrease in a 12 month period.

Subsequently we have also made significant financial savings as a result, with combined financial savings / cost of avoidance of £250,595 in the last financial year. As projects such as the LED street lighting replacement programme continue to be implemented, and the adopted Climate Change Strategy is being delivered, it is anticipated that we will achieve our challenging target of a 21% reduction in greenhouse gas emissions from Council activity by March 2020.

RECOMMENDATIONS

It is recommended that:

1. Members note the positive performance in reducing the emissions of greenhouse gases from Council activity in 2015/16, and associated financial savings.
2. Members support our continued efforts to reduce our emissions via a range of activities.

DETAIL

1. In the response to climate change, as a Council we have a long tradition, a strong track record and have demonstrated significant performance in both reducing our emissions of greenhouse gases (mitigation) and better preparing for extreme climatic events (adaptation). We are a Climate Local signatory and are now recognised nationally, and in 2015 we rose from 54th to 5th in the rankings of English and Welsh Local Authorities under the independent Local Authority Energy Index for our performance across a range of areas such as energy efficiency and emissions reductions.
2. Under the former National Indicator set introduced in 2008, local authorities' performance to reduce greenhouse gas emissions was measured via NI 185 – 'Percentage CO2 (carbon

dioxide) reduction from Local Authority operations'. Although we are no longer required to report under this indicator, in 2011 the Local Government Association (LGA) and the Department of Energy and Climate Change (DECC) entered into a Memorandum of Understanding to provide a framework for all Local Authorities to work together towards a shared vision on energy efficiency and carbon reduction. This included DECC requesting Local Authorities to follow the UK guidance on how to measure and report greenhouse gas emissions (which is aligned to international guidance on greenhouse gas reporting – the GHG Protocol), and to report their progress annually.

3. This annual report presents Stockton-on-Tees Borough Council's performance for reducing greenhouse gas emissions from Council activity in 2015/16, and we are required to submit this report to DECC for publishing by 31 July 2016. The 2015/16 report follows the same format as the 2014/15 report, and the same reporting methodology since our current baseline of emissions was established in 2009/10. This year's document is the first to report against the challenging annual targets that we set as a Council in May 2016 for emissions reductions over a five year period from 2015 – 2020. These targets can be found in our Climate Change Strategy and Action Plan, adopted by Cabinet in January 2016, but we must reduce greenhouse gas emissions from Stockton-on-Tees Borough Council activity by 21% on 2014/2015 levels by March 2020.
4. Appendix 1 is the report to be submitted to DECC in July 2016 and details our performance to reduce emissions across all council activity. This is split across seven key areas of activity from energy in buildings, to fleet management and street lighting, and the table of emissions can be found on page 5. Section 3 of Appendix 1 details our emissions in 2015/16 as proportions of the total, shows the direction of travel since 2009 and provides commentary on our continued excellent performance as a Council.
5. 2015/16 has seen us perform extremely well on emissions reductions and exceed our challenging targets. For the benefit of members, some headlines are provided here:
 - In 2015/16 we emitted 24,391 tonnes of CO₂e (carbon dioxide equivalent – measure of all greenhouse gases), representing 0.298 tonnes of CO₂e per household
 - Our short term challenging target was to reduce our greenhouse gas emissions by 5% on 2014/15 levels by March 2016, but we have far exceeded this with a net 7.8% reduction in the last 12 months, representing a reduction of 2068 tonnes of CO₂e per annum
 - Overall scope 1 emissions (stationary or mobile emissions from sources that are owned or controlled directly by us) have fallen by 39% since 2012/13
 - This is the first year since our baseline was set in 2009 that all seven areas of emissions activity have shown a decrease in a 12 month period.
6. The graph on page 8 of Appendix 1 shows our direction of travel is positive and we are on target to meet our challenging 2020 targets. More details can be found in the report. It must be remembered that there are other significant benefits to the Council from our continued positive performance on reducing emissions, which are not reported as part of the submission to DECC. Greenhouse gas emissions arise from consumption and our drive to reduce emissions is directly contributing to reducing the consumption of energy and fuels across the organisation. As a result, there are significant financial savings resulting from schemes to reduce emissions, deliver activity more efficiently and invest to save projects.
7. During 2015/16, the reduction in emissions from scope 1, 2 and 3 activities represents combined financial savings / cost of avoidance of £250,595. One particular example of success is the ongoing implementation of the street lighting LED replacement programme which has realised savings of just over 1.3m kWh, representing a saving of £144k in the last 12 months alone.

8. In 2015/16 we generated 236.8 megawatt hours (MWh) of energy from our 31 individual renewable energy installations which was all used in situ, and was our highest generating year to date. This represents the annual consumption of approximately 60 average households but perhaps more significantly currently saves us in excess of £30k per annum through not having to purchase that electricity. Our generating capacity has increased significantly over recent years, from just 8MWh in 2011/12.
9. It must be recognised that individuals, teams and services right across the Council are contributing to this success, and in addition our partners such as Tees Active are prioritising carbon reduction and working hard to drive down consumption and emissions across all our leisure facilities. It is hoped we will see further improvements over the coming months and years, and our adopted Climate Change Strategy and Action Plan sets out collective measures to continue to improve our performance over the next 4 years.

COMMUNITY IMPACT IMPLICATIONS

10. The Local Government Association (LGA) and the Department of Energy and Climate Change (DECC) recognise that action on energy efficiency and carbon reduction by Local Authorities yields significant benefits for residents and businesses across the country. Leadership is needed at both the national and local level to meet UK energy and climate change objectives; saving residents and businesses money on energy bills, generating income from local energy schemes (including renewable) and driving growth through investment and jobs in green industries. Our performance over recent years continues to contribute to this.

FINANCIAL IMPLICATIONS

11. As described in section 7, action to reduce emissions can contribute significantly to financial savings, given that greenhouse gas emissions are intrinsically linked to resource use. The annual savings from emissions reductions of £250k in 2015/16 is largely as a result of significant reductions in energy consumption from the implementation of the LED street lighting programme, which although only part way through completion has realised savings of £144k, alongside savings from reduced business mileage and energy consumption in buildings.

LEGAL IMPLICATIONS

12. There are no legal implications are current reporting guidelines.

RISK ASSESSMENT

13. This reporting of annual greenhouse gas emissions is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

14. Our collective work to reduce consumption and associated emissions impacts positively on the Council Plan policy principle of 'Creating economic prosperity'. Our energy efficiency and carbon reduction work forms part of a wider intensive programme of supporting residents and businesses to reduce energy consumption, improve their financial sustainability, maximise their income and minimise energy spend through initiatives such as tariff switching.

CORPORATE PARENTING IMPLICATIONS

15. This report does not contain any corporate parenting implications.

CONSULTATION INCLUDING WARD/COUNCILLORS

16. This report represents a requirement to publish statistics on our emissions performance using a particular methodology and template, and hence no consultation is required on its content.

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Education related?

No

Background Papers

Appendix 1 – Greenhouse Gas Emissions Report 2015/16; Stockton-on-Tees Borough Council

Ward(s) and Ward Councillors:

All

Property

The Council's property portfolio is an important part of our work around emissions reduction. For example, 54% (13,029 tonnes) of all emissions from council activity in 2015/16 were from electricity and gas consumption in our buildings. This figure is reducing all the time, but the property portfolio also has a positive role to play in being able to site our 31 individual renewable energy installations, with a generating capacity of 310.71kW for which we also generate financial income through the Feed in Tariff (FiT). We will continue to explore opportunities to improve the efficiency of our buildings and generate energy and income from renewables.

References

1. UK The average unadjusted electricity consumption per household in 2014 was 4,001 kilowatt hours (kWh)