

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**12 July 2017**

**REPORT OF SENIOR  
MANAGEMENT TEAM**

### **CABINET DECISION**

**Environment and Transport – Lead Cabinet Member – Councillor Mike Smith**

#### **Greenhouse Gas Emissions (GHG) Report 2017**

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 5<sup>th</sup> 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 Business, Energy and Industrial Strategy (BEIS) in July each year, under a Memorandum of Understanding between BEIS and the Local Government Association (LGA).

The report in Appendix 1 highlights that in 2016/17 we have performed extremely well once more, reducing our net emissions by 20.1% since 2014/15 against a challenging target of 10.1%, to a total of 21,127 tonnes per annum. Since 2012/13 we have reduced the emissions from sources that are owned or controlled directly by us by 45%, and this is the second year in succession 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 £399,095 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

1. Members note the positive performance in reducing the emissions of greenhouse gases from Council activity in 2016/17, 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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**Greenhouse Gas Emissions (GHG) Report 2017**

**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 5<sup>th</sup> 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 Business, Energy and Industrial Strategy (BEIS) in July each year, under a Memorandum of Understanding between BEIS and the Local Government Association (LGA).

The report in Appendix 1 highlights that in 2016/17 we have performed extremely well once more, reducing our net emissions by 20.1% since 2014/15 against a challenging target of 10.1%, to a total of 21,127 tonnes per annum. Since 2012/13 we have reduced the emissions from sources that are owned or controlled directly by us by 45%, and this is the second year in succession 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 £399,095 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**

1. Members note the positive performance in reducing the emissions of greenhouse gases from Council activity in 2016/17, 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 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 recognised nationally for our efforts, currently 5<sup>th</sup> 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. In 2011 the Local Government Association (LGA) and the Department of Energy and Climate Change (now BEIS) 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 includes the requirement for Local Authorities to measure and report greenhouse gas emissions (aligned to international guidance on greenhouse gas reporting – the GHG Protocol), and to report their progress annually.

3. This annual report at Appendix 1 presents our greenhouse gas emissions from Council activity in 2016/17, and reports the second year of progress 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. The report 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 2016/17 as proportions of the total, shows the direction of travel since 2009 and provides commentary on our continued excellent performance as a Council.
5. 2016/17 has seen us once again perform extremely well on emissions reductions and exceed our challenging targets. For the benefit of members, some headlines are provided here:
  - In 2016/17 we emitted 21,127 tonnes of CO<sub>2</sub>e (carbon dioxide equivalent – measure of all greenhouse gases), representing 0.259 tonnes of CO<sub>2</sub>e per household
  - Our short term challenging target was to reduce our greenhouse gas emissions by 5.4% in year, on 2014/15 levels by March 2017, but we have far exceeded this with a net 13.4% reduction in the last 12 months, representing a reduction of 3264 tonnes of CO<sub>2</sub>e per annum
  - Overall scope 1 emissions (stationary or mobile emissions from sources that are owned or controlled directly by us) have fallen by 45% since 2012/13
  - This is the second year in succession 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 very positive and we are on target to meet our challenging 2020 targets. More details can be found in the appendix. 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 BEIS. 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 2016/17, the reduction in emissions from scope 1, 2 and 3 activities represents combined financial savings / cost of avoidance of £399,095. One particular example of success is the ongoing implementation of the street lighting LED replacement programme which has realised energy savings of just over 2.1m kWh, representing a financial saving of £227k in the last 12 months alone. In addition, the Council has saved over £94k in the last 12 months in reduced gas and electricity use in buildings.
8. In 2016/17 we generated 222 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 56 average households but perhaps more significantly currently saves us in excess of £25k 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, and making excellent progress. The Council continues to explore opportunities for new carbon and financial saving schemes such as 'greening the fleet' and invest to save renewable energy schemes. 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 3 years.

## **COMMUNITY IMPACT IMPLICATIONS**

10. The Local Government Association (LGA) and BEIS 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 low carbon 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 £399k in 2016/17 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 £227k, alongside savings such as reduced energy consumption in buildings.

## **LEGAL IMPLICATIONS**

12. We are requested to report annual emissions to the Secretary of State under the Memorandum of Understanding with BEIS, but legal implications of not reporting within deadlines is unclear.

## **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**

This report does not contain corporate parenting implications.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

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: None

### Property

The Council's property portfolio is an important part of our work around emissions reduction. For example, 55% (11,584 tonnes) of all emissions from council activity in 2016/17 were from electricity and gas consumption in our buildings. This figure is 1% higher than the previous year and 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 in excess of 310kW 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: None