

**Wiltshire Council**

**Environment Select Committee**

**10 May 2011**

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**Wiltshire Council's Carbon Management Plan 2010-2014**

**Executive Summary**

This report sets out the Council's Carbon Management Plan 2010-2014, as the first of four action plans under the Council's recently adopted Energy, Change and Opportunity (ECO) Strategy.

**Proposal**

That the Committee notes the information in this report.

**Reason for Proposal**

Following the report on the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme on 2 March 2011, the Committee requested an update on the Council's Carbon Management Plan which is the principle means of reducing the Council's CRC liabilities. The Carbon Management Plan 2011-2014 is the first of four Action Plans under the Council's Energy, Change and Opportunity (ECO) Strategy adopted in January 2011:

- (a) Carbon Management Plan for the Council's emissions
- (b) Climate Change Adaptation Plan for Wiltshire
- (c) Low Carbon Transition Plan for Wiltshire
- (d) Renewable Energy Action Plan for Wiltshire

The Carbon Management Plan identifies a programme of work to meet the Council's carbon reduction target.

**MARK BODEN**

Corporate Director  
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### **Wiltshire Council's Carbon Management Plan 2010-2014**

#### **Purpose of Report**

1. To set out the key elements of the Council's Carbon Management Plan 2010-2014 (CMP).

#### **Background**

2. The national drivers for carbon reduction have already been presented to the Environment Select Committee in the context of the ECO Strategy (2 March 2010, 6 July 2010 and 7 September 2010).
3. Locally, the Council committed to tackling carbon emissions by signing the Nottingham Declaration in May 2009 and in November 2009 it signed up to the 10:10 campaign. In 2009, the Council accepted free of charge support for developing a CMP from the Carbon Trust as part of their local authority carbon management programme.
4. In April 2010, the Council became a participant in the new, mandatory, Carbon Reduction Commitment Energy Efficiency Scheme (CRC), which is projected to cost the Council £600,000 in 2011/12, and is expected to rise rapidly thereafter. Through implementing the Carbon Management Plan, there will be opportunities to reduce both the Council's carbon footprint as well as avoid some of these considerable costs.
5. The Corporate Plan 2010-2014 identified reducing our environmental impact as a priority and set the target to reduce our carbon emissions by 20% of our 2008/09 baseline by 2013/14 (equating to 11,823 tCO<sub>2</sub>). The Council's Business Plan 2011-2015 highlighted energy efficiency as a key area of investment to save over the next four years, allocating £0.5m revenue per year for the next 4 years and £0.5m capital per year for the next 2 financial years.
6. In January 2011, Wiltshire Council published its Energy, Change and Opportunity (ECO) Strategy 2011-2014, which included a commitment to produce a Carbon Reduction Action Plan (the CMP).

## Main Considerations for the Committee

7. The Council's vision is to embed carbon management into the delivery of all services and to set an example to the business sector and communities of Wiltshire. The Council has an aspirational target to halve its emissions by 2020, and in the meantime to reduce its emissions by 20% from the 2008/09 baseline by 2013/14, saving 11,823 tonnes CO<sub>2</sub> per year.
8. The objectives of the CMP are to ensure the Council:
  - Makes energy cost savings
  - Performs well under the Carbon Reduction Commitment Energy Efficiency Scheme (CRC)
  - Reduces the Council's carbon footprint

In 2009/10, the Council's total carbon footprint was 61,500 tonnes of CO<sub>2</sub> arising from energy use for property, transport and street lighting. This figure includes emissions from contracted out services (eg recycling collections) as well as from in-house operations. These emissions were associated with an annual expenditure on energy and transport of £13.86 million.

9. As set out in the report of 2 March 2011, CRC costs only relate to carbon emissions from stationary sources. A further subset of emissions relates to the 10:10 campaign which will see the Council achieve a minimum 3% reduction on key 2009/10 emissions (658 tonnes CO<sub>2</sub>), excluding school and contracted service emissions.
10. The **Table** below shows the headline split between stationary emissions and transport in 2009/10 in terms of **total** carbon emissions and spend. It can be seen that although transport accounts for 23% of the council's carbon emissions, it accounts for 40% of the council's energy spend.

Unit	Transport	Stationary sources	Total
Energy Cost (£)	£5.54m (40%)	£8.32m (60%)	£13.86m
Carbon Emissions (tCO <sub>2</sub> )	12,040 (19.6%)	49,460 (80.4%)	61,500

**Table:** 2009/10 carbon emissions and energy spend

11. While the Council was responsible for 61,500 tCO<sub>2</sub> in total, 28% of these emissions result from contracted-out services. The total proportion of emissions that we have direct control over, therefore, accounts for 72% of our total footprint, equating to 44,542 tCO<sub>2</sub>. We will try to influence the emissions produced by contractors, but may not be in a position to affect them until contracts come round for renewal.

12. An important first step for delivering the Carbon Management Plan is to ensure that our carbon data is accurate and comprehensive. The first goal is therefore to ensure that systems are put in place to collect, analyse and benchmark performance of every aspect of energy consumption to minimise the risk of waste. This should be in place by the end of July 2011.
13. With performance data and management frameworks in place the Energy, Change and Opportunity (ECO) Board will drive change from the top. The Carbon Management Team, made up of Senior Service Managers, will identify and implement carbon reduction projects within services. On the ground, a network of Green Champions will engage with staff directly, disseminating information across the organisation and providing feedback and valuable intelligence for new projects. This structure will be critical to enable a programme of behaviour change to begin immediately. A comprehensive portfolio of energy efficiency projects will be required for the short- and mid-terms, and ultimately a move to energy generation in the long-term.
14. Through the financial investment in invest-to-save energy efficiency projects (as outlined in the section on Financial Implications below), we estimate delivering a saving of 4,411 tCO<sub>2</sub>, taking us 37% of the way to meeting our target. A further 3,273 tCO<sub>2</sub> are projected to be saved by phase 1 of the Campus and Operational Development Programme(CAOD) (ie reducing the Council's 97 administrative properties down to 4 large hub offices) taking us 65% of the way to meeting our target.
15. Future strategic opportunities for carbon reduction, which will be quantified as and when they are developed, include:
  - Service Operational Campuses – Phase 2 of CAOD
  - Leisure Review
  - Libraries Review
  - Low Carbon Standards for New Council Buildings
  - Depot Review
  - Harmonisation of Staff Terms and Conditions
  - ICT
  - Schools
  - Street Lighting – Part Night Lighting
  - Street Lighting Community-Based Projects
  - Waste Management
  - Fleet
  - Implementation of the energy management system BS16001
  - Sustainable Procurement
  - Policy Alignment
  - Renewable Heat and Energy
16. Carbon-saving opportunities of all types will be considered in terms of contribution to the overall objective and value-for-money.

17. Future projects will see the Council estate becoming increasingly energy efficient and new facilities will be built to be both sustainable and suitable for a changing climate. Procurement policy will be reviewed to ensure that sustainability is a core value and future decision making on all major projects will be informed by the impact on the environment through the key decision process.

### **Environmental Impact of the Proposal**

18. Implementation of the CMP will directly reduce the Council's carbon emissions and thereby its impact on the environment.

### **Equality and Diversity Impact of the Proposal**

19. The Council's climate change programme will indirectly have a positive impact on equalities and diversity as the implications of climate change will be disproportionate for those that are disadvantaged.

### **Risk Assessment**

20. Delivering this level of reduction in carbon emissions will be challenging for the Council and carries a range of risks:

#### **Organisational buy-in:**

- Resistance to behaviour and policy changes required for successful carbon reduction.

#### **Financial:**

- Insufficient investment available for energy efficiency measures to ensure achievement of the carbon reduction target, meaning that efficiencies in energy and transport costs are not realised.
- Failure to perform well under the Carbon Reduction Commitment (CRC), for example, by lack of investment in energy efficiency projects, which could lead to financial costs/penalties.
- Increased future cost of energy: The Council's gas and electricity energy supply contracts are fixed for one year which offers an opportunity to reduce costs through negotiation with suppliers. Oil and LPG prices will fluctuate all year round. As a consequence, energy costs are likely rise over the plan period.
- Decreased future cost of energy: Alternatively, effective procurement which results in lower contracted energy prices could result in invest-to-save projects becoming less cost-effective.

**Legal:**

- The main legal implications are for the subset of emissions relating to the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) – the mandatory carbon trading scheme – and failing to comply.

**Service delivery:**

- Missed opportunity to deliver early energy efficiencies that have the potential to deliver benefits over many years.
- Risk that changes to service delivery may increase our carbon footprint (e.g the recent change in waste collection services will increase our transport emissions. Conversely, increasing the range of materials collected from kerbside may reduce householders' travel to our recycling centres, thus reducing the overall county emissions which we are also responsible for reducing).

**Performance:**

- Quality of energy data not good enough to comply with CRC requirements leading to additional CRC costs/penalties and poor performance in the CRC league table, consequently affecting the Council's reputation.
- Quality of energy data not good enough to be used to identify potential efficiency projects.
- Failure to meet our CRC obligation, which could lead to a fine against the Council and poor performance on the CRC with corresponding impact on our environmental reputation.
- Failure to engage with all services to meet the remaining 35% of our corporate target.
- Failure to reduce carbon emissions from services which are not fully under the control of the Council or involve a third party – eg schools, academies, PFI arrangements, contracted services.

**Reputation:**

- Residents and local businesses expect the Council to lead by example in reducing carbon emissions and preparing for unavoidable climate change. The November 2007 People's Voice Survey responses show that panellists want Wiltshire Council to take the lead in addressing climate change and support them individually to tackle climate change.
- The Wiltshire Assembly has identified climate change as being one of three top priorities to be addressed.

## **Financial Implications**

21. The Council's Financial Plan 2011-2015 identifies £0.5m revenue per year for the next 4 years and £0.5m capital per year for the next 2 financial years. The projected budget for CRC starts at £600k in 2011/12, rising to £800k in 2014/15.
22. As an indicative cost of energy efficiency, saving a tonne of CO<sub>2</sub> through energy efficiency measures will initially require a one-off investment of the order of, on average, £900. It will take typically 4-5 years to recoup the invest-to-save cost. Savings should be understood as avoided costs.
23. The effect of continued Council investment of £0.5m revenue for the next 4 years and £0.5m capital for the next 2 financial years, as proposed in the Council's Business Plan 2011-2015 will be to save the Council £2.62m – which will continue to have an annual cumulative effect beyond 2015 – in avoided energy bills and is likely to save a further £260,000 in avoided CRC payments.
24. Where possible the Council will seek external investment to lever additional resources in its response to climate change. External funds of more than £600,000 were secured in 2010/11 to reduce carbon emissions in a diverse range of projects.

## **Legal Implications**

25. As indicated above, the main legal implications are under the CRC. These are being addressed through the in-house legal team.
26. Notably, as the scheme currently stands, the Council continues to be responsible for emissions from academies, but without direct control over their energy consumption.
27. There are legal implications around the responsibility for energy consumption and the CRC where we are the landlord of leased properties.
28. There are likewise legal implications for contracted-out services.

## **Options Considered**

29. Doing nothing is not an option as the Council is obliged to comply with legal and performance requirements relating to carbon emissions, the environment and climate change.

## **Conclusions**

30. Through the implementation of the Carbon Management Plan the Council will be able to ensure it meets its climate change responsibilities.

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### **The following unpublished documents have been relied on in the preparation of this Report:**

None.

## **Appendices**

**Appendix A** – Wiltshire Council's Carbon Management Plan 2010-2014.

**Appendix 1** – Wiltshire Council Energy Policy

**Appendix 2** – Emissions Factors

**Appendix 3** – Energy Efficiency Projects, 2010/11

**Appendix 4** – Renewable Energy Schemes in Wiltshire Council,  
January 2011

**Appendix 5** – The Carbon Trust's Carbon Management Matrix