

Wiltshire Council

Environment Select Committee

6 September 2011

Carbon Reduction Commitment Energy Efficiency Scheme

Executive Summary

This report provides an outline of the Council's first submission under the Carbon Reduction Commitment Energy Efficiency Scheme.

Proposal

That the Committee notes the information in this report.

Reason for Proposal

The media have recently run a number of stories about the Council having to pay a £600,000 carbon 'tax'. The Chairman of the Committee has requested more information and clarification about this issue.

MARK BODEN

Corporate Director - Operations
Department of Neighbourhood and Planning

Wiltshire Council

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Purpose of Report

1. To inform the Committee of the Council's first submission under the Carbon Reduction Commitment Energy Efficiency Scheme (CRC).

Background

2. In March 2011 the Committee received a report on the CRC. Since then, the Council has made its first submission in line with the requirements of the scheme.
3. The CRC is a mandatory scheme to improve energy efficiency and therefore cut CO₂ emissions in large public and private sector organisations. These organisations are responsible for around 10% of the UK's CO₂ emissions. The scheme features a range of reputational, behavioural and financial drivers which aim to encourage organisations to develop energy management strategies that promote a better understanding of, and reduce, energy usage. The Council's emissions equate to less than 2% of Wiltshire's overall carbon footprint.

Main Considerations for the Committee

4. All organisations taking part in the CRC were required to submit their first footprint report and annual report (for the financial year 2010/11) by end of July 2011. The Council's submission is set out in summary form at **Appendix 1**. Only emissions from static sources are included in the CRC, i.e. buildings and streetlights. The Council's CRC footprint for 2011/12 was 48,248 tonnes CO₂.
5. The statement included with the submission highlights the progress made by Wiltshire Council since April 2009. In particular, the roll-out of smart meters (voluntary automatic meter reading - AMR) and our investment programme show that we are committed to improving our data quality and reducing our carbon footprint.
6. A league table will be published in the autumn showing the position of all CRC participants according to the proportion of their emissions covered by smart meters and the Carbon Trust standard (an accreditation scheme). Amongst local authorities, we anticipate that, with AMR coverage of 25% and no Carbon Trust accreditation, Wiltshire Council is likely to fall in the bottom half to three-quarters of the league table.
7. The Committee will note that schools made up 52% of the Council's CRC emissions in 2010/11. Due to changes in the composition of our footprint for 2011/12, the proportion of emissions coming from schools is projected to rise to

60%. Our footprint will change because streetlights will no longer be included but leisure centres run by DC leisure will be included for the first time in 2011/12.

8. In the school year of 2011/12, the dedicated Climate Change Projects Officer-Schools will pilot two new engagement programmes to help schools reduce their emissions:
 - the Carbon Trust's Collaborative Low Carbon Schools Service
 - the Ashden Environmental Award-winning Severn Wye Energy Agency project called YEP! (Young Energy People).
9. Both of these projects are expected to generate at least 10% energy savings in each school, primarily through behaviour change, which will lead to both CRC savings and energy cost savings. The intention is to roll out these projects with a greater reach and impact in following years.
10. In addition to these projects, web pages and resources are being produced to be available to all Wiltshire schools to enable them to effectively monitor and reduce their energy consumption within their schools, including advice on 'green' ICT equipment and solar panel schemes.
11. A proportion of Wiltshire Council's invest-to-save fund will be available to schools to bid for as 0% financing for energy efficiency measures with a good return within a four-year payback period.
12. Reductions in the carbon footprint of non-school council buildings is being achieved through the Transformation Programme, which is rationalising and modernising buildings operated, and invest-to-save funded projects in buildings outside of this programme that the Council is going to retain.
13. The Transformation Programme will be delivering improvements in both hub offices and by co-locating resident services (like leisure centres and libraries) in campuses. For the former, it is estimated that a 3,800 tonne CO₂ reduction in the Council's carbon footprint could be achieved. However, it should be acknowledged that this figure is an estimate and subject to change as building specifications are amended. The ECO Team will be working to achieve greater reductions in these buildings through behavioural change initiatives.

Environmental and Climate Change Considerations

14. The aim of the ECO team is to limit carbon emissions from the Council and from the county overall, which will have a positive impact on the environment.

Equality and Diversity Impact of the Proposal

15. None.

Financial Implications

16. The Council's Financial Plan includes provision for CRC by accruing for this purpose £600,000 in 2011/12 and 2012/13; £700,000 in 2013/14 and £800,000 in 2014/15. The price of carbon will be £12 per tonne CO₂ in 2012, and is expected to stay at this rate in 2013, rising to £16 in 2014, although all

projections are subject to revision. The first payment will be due in June 2012 to cover 2011/12 emissions retrospectively. No payment is due on 2010/11 emissions but if it was, the cost to the Council would have been £526,000.

17. In order to reduce the Council's carbon footprint, and therefore our liability under CRC, £500,000 capital has been set aside for energy efficiency projects in each of 2011/12 and 2012/13 as well as £500,000 revenue over the next four financial years. £500,000 capital was allocated in 2010/11. This amounts to a total investment over five years of £3.5 million for energy efficiency. This needs to be set against the context of the Council's annual spend of £14 million on energy and transport in 2009/10.

Legal Implications

18. The Council is legally required to take part in the Carbon Reduction Commitment trading scheme.

Conclusion

19. The Council has met its legal requirement to make its first CRC submission by end of July 2011. The Council's position in the national league table to be published in the autumn will show how it is performing nationally compared with all large public and private sector organisations in the scheme. Meanwhile, every effort is being made to reduce the Council's carbon footprint.

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

None

Appendices:

Appendix 1 - CRC submission summary