

ENVIRONMENTAL STRATEGY AND CARBON MANAGEMENT PERFORMANCE

Report from: Director of Environment & Culture

Wards affected

County-wide

Purpose

1. To review the Council's performance against the corporate Environmental Strategy targets and to update the committee on the Council's targets in relation to climate change and carbon management, with particular reference to the Council's own carbon emissions.

Financial implications

2. The Environment Strategy includes the Council's carbon management targets. There is a strong link between cost and carbon emissions, which mainly relate to use of fuel, electricity and gas. There is strong upward pressure on energy prices which will put pressure on budgets across the Council during the coming and future years. This will affect all council directorates and schools.

Risk Management

3. The Council now leads on the Herefordshire Partnership Local Area Agreement target to cut county carbon emissions by 4.9% over 3 years. There is increasing public interest in the council's management of its own emissions and its performance against its 2005 Nottingham Declaration target of a 20% reduction by 2020 (an average of 1.25% per year). This has been highlighted by critical coverage in the Hereford Times on 28th August of the council's performance.
4. There is increasing international and national pressure to act swiftly to reduce carbon emissions because of the scientific consensus that deep cuts in carbon must be made urgently to avoid irreversible changes to our climate and environment.

Considerations

5. The Environmental Strategy report for 2007/08, included as Appendix 1 to this report, shows strong performance overall on our targets, particularly in the areas of waste management, air pollution control, biodiversity, supporting environmental management within the Council and local businesses, provision of planning services, and EcoSchools. Areas where objectives were not met include the number of reported cycle trips and use of buses by the public and dealing with abandoned vehicles.
6. The Council's ISO 14001 triennial renewal visit in July went well and the council has retained corporate certification for all unitary council functions to the international management standard. Options for rolling ISO 14001 out to the PCT are being

explored. However our external certifiers raised one non-conformity: for the second visit in a row this related to the Council's approach to reducing its own carbon emissions.

7. The new National Indicator set, in place from April 2008, includes new Environmental Sustainability Indicators on which all Councils must report annually. On climate change there are now Indicators for the council's own emissions (NI185), county emissions (NI186), both co-ordinated by the Sustainability Unit, adaptation of council services to climate change, eg extreme weather (NI 188) led by the Director of Environment & Culture. Other indicators relevant to climate change include fuel poverty (on which Strategic Housing lead) and flooding (Director of Environment & Culture leads).
8. Herefordshire's Local Area Agreement has set 3 year targets both for reducing carbon emissions in the county and for improving the condition of Special Wildlife Sites (the national indicator on biodiversity), on which Conservation (Regeneration) lead.
9. Over 100 councils have adopted targets against the NI 186 county indicator in their Local Area Agreements. Herefordshire's target is an overall 13.1% reduction in county per capita carbon emissions over 3 years. Of this 8.1% is due to be delivered by national programmes and 4.9% is deemed to be under the influence of the Council. The main areas covered by the target are the emissions from business and public sector, domestic housing and road transport. There is a concern that although this indicator has been adopted as a priority within the Local Area Agreement, resources have yet to be allocated for its delivery. Preparatory work on the approach to this wide-ranging target has begun and will be reported to a future meeting.
10. The Council's current carbon emissions inventory for its own operations (Appendix 2) shows a small reduction in emissions (1.25%) from March 2005 to March 2008. This is below the target set in 2005 and included in the Corporate Plan 2007-10. There are considerable fluctuations from year to year in the extensive data set which underpins this calculation; these are not yet fully understood.
11. The figures currently available for 2007/08 show that the Council emits at least 17,000 tonnes of carbon dioxide a year. This inventory does not yet include emissions from social care contracted transport, vehicles owned by the council and buildings and transport operated on our behalf by our contractors. On the current figure the Council needs to make reductions of over 200 tonnes of carbon dioxide per year to meet its 1.25% target. The current Action Plan does not include estimates of actions' impact on emissions and is not sufficient to meet this target.

Background

12. The Environmental Strategy, passed in June 2005, enables people to get an overview of our performance against our key environmental commitments. It is due for review later this year and will be updated to more accurately reflect the council's current commitments and targets, to ensure all entries are quantifiable, to make reference to the new national indicators, and to include priority topics identified in the Staff Sustainability Opinion Survey.
13. Steep rises in utilities prices are expected in the coming year as utility contracts are relet. West Mercia Supplies, our utility partners, have alerted us to expected price rises. In their summer newsletter they note that gas prices have risen by 100% and

electricity by 32% since the current contract price was set. Fuel prices for vehicles have also risen significantly in the last few months. Although prices may fall back for a period the trend in price for these finite resources is expected to continue to rise.

14. The Council spends significant amounts of money on energy and fuel. In 2007/08 just under £2.5 million was coded to electricity, gas, oil, solid fuel, LPG and vehicle fuel for direct expenditure in council buildings (including schools) and vehicles. The major contributors are: heating oil £109K, vehicle fuel £119K, gas £570K and electricity £1.65 million. The council also spends significant amounts indirectly on utilities and fuel via contractors working directly on our behalf: these sums have not yet been quantified.
15. The effect of price rises in utilities and fuel will be felt in all directorates. An example is street lighting, who currently budget £255,000 for powering street lights, illuminated bollards and signs from a green source: prices are anticipated to rise from 6.478p a unit to over 10p a unit when this contract is relet in Spring 2009. National research published by the LGA in July found that in 2006/2007, councils spent £541 million on fuel costs to run vehicles such as their rubbish bin fleets, gritters and meals on wheels vans. In this financial year (April 2008 – March 2009), it is expected that should fuel prices stay at the same level as they are currently, then it will cost £780 million to provide the services.
16. Schools make up a significant fraction of the Council's emissions from property. Schools are included in the council utility contracts but pay their own bills; they are likely to be hard hit by utility price rises over the coming winter. Timely consideration of help and advice they could be offered on options for low cost and longer-term energy saving measures would be helpful.
17. The LGA have just brought out guidance "Cutting Through the Green Tape, the Powers Councils have to tackle Climate Change" which highlights the considerable powers that local authorities have at their disposal to tackle climate change, for both mitigation and adaptation activity. The report includes several case studies, including Islington, which has set up a Climate Change capital fund of £3 million for capital projects that reduce carbon dioxide emissions and costs through the borough as part of their Local Area Agreement's Climate Change Partnership.
18. The LGA report also highlights Energy Saving Trust guidance that councils should dedicate a member of staff to energy management for each £1 million energy spend, and that 10% of council's energy expenditure should be spent on energy efficiency. This is not currently the case, which may be a contributory factor to our failure to meet our reduction target.

Response to reducing council carbon emissions

19. A progress report on the Council's carbon management from 2005 – March 2008 is now on the website The Council has undertaken a number of initiatives to increase awareness and reduce emissions. A new flare was installed this spring at Stretton Sugwas landfill site to reduce methane emissions, which are 21 times more damaging to the atmosphere than CO₂. The MY Energy programme has engaged council staff in low cost and no-cost measures to reduce consumption in their buildings and has provided incentives for staff to undertake measures at home. The Steps to Sustainability programme lays out both positive steps the public can take and the council's measures in place. A Local Climate Impacts Profile is currently

underway to investigate the council's vulnerability to future extreme weather by tracking responses to past events.

20. The Council do not face this issue alone as 85% of councils have now included one or more targets relating to climate change in their Local Area Agreements. Many Councils have already achieved substantial and sustained reductions in their emissions and there are Energy Agencies well positioned locally to provide support. Some external funding is available, though this usually requires match funding that is not currently available within the Council. West Mercia Supplies are interested in working with us to develop an Invest to Save mechanism allowing buildings and schools to upgrade their energy performance and repay the investment through their energy bills. Mechanisms exist to factor carbon pricing into financial and other decisions: the Government are currently using a price of £26 per tonne of CO₂, set last December.
21. A strategic look at Council emissions is needed so that carbon reductions can be built into Directorate and Service Plans. The first priority is to establish the council's exposure, both in terms of emissions and costs. This data will build an improved Emission Inventory, which will form the 2008/09 baseline for NI185, due for completion next summer. The data sets already identified show considerable variation from year to year. Further work is thus likely to be needed to establish what is causing fluctuations and identify the most effective approaches to achieving consistent reductions in emissions over the next decade.
22. This work should include careful scrutiny of capital spend and contracts to ensure that high standards of energy efficiency are built in to reduce future running costs. Contractors should be invited to work with us to achieve the reductions required for mutual benefit. Officers in Property, CYPD, Risk Management and Social Care are all likely to play a significant role in this work. Work to develop an Invest to Save mechanism is also critical and would be particularly useful to schools.
23. Next summer, when the baseline is in place and the numbers and the options for action have been evaluated, it would be prudent to revisit the internal 1.25% target, which is currently below the 1.6% target (4.9% over 3 years) we are aiming to achieve in the wider county and consider the savings profile. It will also be important to decide our approach to landfill emissions, which are not currently within NI186 or NI 185, but are the Council's highest single source of emissions.
24. The need is to determine and deliver an evidence-based long-term carbon management and reduction programme that will meet our emissions targets for our own activities, reduce our exposure to price increases and play our part in leading local efforts to combat climate change. Further resources dedicated to this work should see multiple payoffs economically, socially and financially.

RECOMMENDATION

THAT: The report be noted, subject to any comments Members may wish to make to the Cabinet Member, Environment and Strategic Housing.

Attachments

- Appendix 1: Environment Strategy 2007-2008 performance report
- Appendix 2: Council Carbon Emissions Inventory 2004-08

Consultees for this report

- Head of Asset Management and Property Services, Environment Accountant, Systems Accountant, Highways Network Manager

Background papers

- Council Carbon Management Action Plan report 2005-08
(http://www.herefordshire.gov.uk/docs/CMAP_Report_0508_.pdf)
- NI186 figures for Herefordshire emissions
(http://www.herefordshire.gov.uk/docs/Herefordshire_Emissions_Graph_2005.pdf)