

Cheltenham Borough Council
Cabinet – Tuesday 13 November 2012
Feasibility of adopting a 40% carbon emissions reduction target

Accountable member	Councillor Roger Whyborn
Accountable officer	Jane Griffiths, Director Commissioning
Ward(s) affected	None
Key Decision	No
Executive summary	<p>This report responds to a recommendation by Environment Overview & Scrutiny Committee for Cabinet to consider the case for supporting a motion laid before Council, to 'bring the current target of a 30% reduction in carbon emissions by 2015 into line with other public bodies by changing it to a 40% reduction target by 2020'.</p> <p>To help inform this decision, the report sets out the percentage reduction in emissions achieved by the end of 2011/12, identifies estimated savings from projects already in progress, planned or recently completed and presents a range of future options for reducing emissions.</p> <p>It also considers a number of the issues surrounding the adoption of a specific percentage reduction target.</p>
Recommendations	<p>(i) Cabinet agrees to keep the current carbon reduction target of 30% by 2015, and approves further work to:</p> <ul style="list-style-type: none"> • explore the potential for Smart metering to help in Bridging the Gap • continue to explore other initiatives to deliver financial and carbon savings <p>(ii) Cabinet aspires to a target of 40% by 2020 and approves further work to:</p> <ul style="list-style-type: none"> • look in more detail at the case for installing a biomass boiler at Leisure@ as a potential replacement for the combined heat and power (CHP) unit on expiry of the lease in 2015 • explore additional projects which reduce the council's carbon footprint <p>(iii) Cabinet requires consideration of carbon emissions as a key criterion in developing the accommodation strategy</p> <p>(iv) Cabinet requests that cabinet reports relating to all future council projects identify the likely impact on the council's carbon emissions</p>

Financial implications	<p>A number of projects identified to support the carbon reduction target have required up-front investment and have been supported through the budget setting process. Projects identified in section 3 of appendix 2 will require additional funding and will need to be supported through future budget rounds.</p> <p>Contact officer: Paul Jones, GO Shared Services Head of Finance, paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>There are no legal implications arising out of this report.</p> <p>Contact officer: Donna Ruck, Solicitor, donna.ruck@tewkesbury.gov.uk, 01684 272696</p>
HR implications (including learning and organisational development)	<p>No direct HR implications arising from this report.</p> <p>Contact officer: Julie McCarthy, Human Resources Operations Manager, julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	<p>As outlined in Appendix 1.</p>
Corporate and community plan Implications	<p>Adopting the reduction target would support the council's objective to reduce carbon emissions and enable Cheltenham to adapt to the impacts of climate change.</p>
Environmental and climate change implications	<p>Implementing projects to achieve the reduction target will have a positive effect on the environment and reduce the council's contribution to climate change.</p>

1. Background

- 1.1 On 24 February 2012, Councillor Paul Wheeldon laid a motion before Council resolving to bring the current target of a 30% reduction in carbon emissions by 2015 into line with other public bodies by changing it to a 40% reduction target by 2020.
- 1.2 Council referred the matter to Environment Overview & Scrutiny Committee which, at its meeting on 29 February 2012, recommended that a case be established for achieving the target prior to a decision being made.

2. National and local targets

- 2.1 The Climate Change Act 2008 established a national target to reduce, by 2050, the UK's greenhouse gas emissions by at least 80% below the base year of 1990 with an interim target reduction of at least 34% by 2020.
- 2.2 Locally, all authorities in Gloucestershire have reduction targets:

Local authority	Reduction target	Baseline year
Cotswold District Council	25% reduction by 2015/16	2008/9
Gloucester City Council	15% reduction by 2015 Additional 15% by 2015	2008 2010
Forest of Dean District Council	25% reduction by 2013	2008
Tewkesbury Borough Council	15% reduction by 2015	2009/10
Stroud District Council	35% reduction by 2011/12	2007/8
Gloucestershire County Council	60% reduction by 2021	2011

3. How might the proposed 40% reduction target be achieved?

- 3.1 The table at appendix 2 contains information to assist members in considering how the reduction target might be achieved. It is set out in three sections.
- 3.2 Section 1 sets out the 2005/6 carbon emissions baseline, the emissions figure for 2011/12 and the reduction achieved by the end of 2011/12 in percentage terms. The emissions figures are made up of the following elements:
- Council gas, electricity, fuel and (11/12 only) business travel
 - Cheltenham Borough Homes fleet fuel use, gas and electricity where they occupy council buildings plus a small amount of electricity recharged to other users of council facilities
- 3.3 Section 2 sets out the potential carbon and financial savings from a range of projects which have recently been completed, are underway or are planned and where the impact has not yet been accounted for in the figures presented in section 1.
- 3.4 Section 3 presents a range of options that could be considered in the future. Some options are mutually exclusive of others and not all of the options are viable at the present time. Some options are included only as ideas and have not been investigated in any way. Estimated carbon savings in this section are based largely on consumption figures for 2011/12, except where more detailed feasibility studies have already been undertaken. Savings relating to the potential office move (or decision to stay in the Municipal Offices) are notional only as there are too many other variables to consider. Where a capital investment is required, sources of funding have not been identified.

4. Is a 40% reduction target realistic?

4.1 There are a number of issues to consider:

4.1.1 Section 1 of the table shows that, at the end of 2011/12, savings of 13.8% had been achieved since 2005/6. Section 2 estimates that savings from current or planned projects will deliver an additional 11.1% of savings. This leaves another 15% to be achieved. Achieving this remaining percentage is likely to rely on a small number of large projects. Whilst smaller projects all contribute to the overall goal and officers will continue to identify where improvements can be made, it is unlikely that they will deliver sufficient savings on their own.

4.1.2 Leisure@ currently accounts for approximately 25% of the council's total carbon emissions and tackling consumption here is likely to play a key role in achieving the target.

4.1.3 Setting an exact reduction target and implementing specific projects to achieve it is not without problems. Comparing different years does not reflect changes to services the council might be providing or increased use of the council's public venues. Also, the calculation of emissions does not include weather correction, so figures do not take account of, for example, particularly cold winters. As a result, savings achieved from implementing individual projects may be hidden by increases elsewhere.

4.1.4 The majority of future options will require some financial investment, although it is not clear at this stage how much this will be. However, this needs to be balanced against a likely increase in energy and fuel costs over the period to 2020.

4.1.5 If zero carbon electricity did become available to purchase it would deliver a major carbon saving, but it would not deliver a financial saving and it is likely that it would cost more to purchase.

4.1.6 As a commissioning authority, more council services could be outsourced over the period to 2020, but outsourcing in itself will not achieve savings as the council is likely to continue to count emissions from council services whether they are being delivered under a different arrangement or not.

4.1.7 New technologies and opportunities may come forward which are not foreseeable at the present time.

5. Is there an alternative approach?

5.1 An alternative to adopting a specific target might be to adopt a more aspirational goal of achieving the absolute standard of becoming a zero carbon authority over a longer timescale. Adopting this approach would still require the delivery of a series of projects to reduce the authority's emissions as far as possible, but would then require investment in renewables to offset the remaining emissions. This could potentially be achieved through supporting local projects or purchasing credits through a recognised carbon offsetting scheme. This is an approach that Stroud District Council's Executive has been considering and they recently agreed a proposal that 'the [Stroud District] Council aspires to become carbon zero by 2030'.

6. Consultation and feedback

6.1 Officers from building services, ICT and Ubico have been consulted in putting together the information for this report. The report has also been considered by the climate change member working group.

7. Performance management – monitoring and review

7.1 A greenhouse gas emissions report is produced on an annual basis, which provides an overall view of progress. However, because of the difficulties in using this kind of measure, which are outlined in the report, it will also be important to monitor and review individual projects to measure the actual carbon savings being achieved. This will require a commitment from all council services to identify potential carbon savings in the business case for projects and to monitor the delivery of savings once projects have been implemented.

Report author	Contact officer: Gill Morris, climate change and sustainability officer, gill.morris@cheltenham.gov.uk, 01242 264229
Appendices	<ol style="list-style-type: none">1. Risk assessment2. Achieving a 40% reduction in emissions
Background information	None

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If carbon emissions are not reduced then the council could face higher energy and fuel bills, fail to deliver one of its corporate objectives and experience a negative reputational impact locally	Director, commissioning	13/11/12	4	3	12	Reduce	Adopting the recommendations in this report will ensure a continued commitment to reducing carbon emissions, enabling projects that deliver carbon and financial savings to be supported	Ongoing	Climate change & sustainability officer	Director, commissioning

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close