
Report to: Cabinet Member - Environmental
Cabinet Member - Transportation
Overview and Scrutiny (Regeneration and Environmental Services)
Cabinet

Date of Meeting: 21 December 2011
21 December 2011
17 January 2011
2 February 2012

Subject: Carbon Management Plan 2011-16 and Sefton Sustainable Energy Action Plan

Report of: Director of Built Environment **Wards Affected:** All

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose

To adopt the Sefton Carbon Management Plan to reduce emissions and associated consumptions from the Council estate by 25% to 2016 and to agree policy statement to shape the development of a Sefton Sustainable Energy Action Plan to provide comprehensive local approach to sustainable energy for all Sefton communities.

Recommendation(s)

That Cabinet Member Environment:

1. Champions the corporate adoption and delivery of the Carbon Management Plan
2. Endorses the proposed Council policy statements and champions the development of a Sefton Sustainable Energy Action Plan jointly with the Cabinet Member Regeneration and Cabinet Member Transportation that considers best value of environmental and economic development progress and fulfils the criteria of the Covenant of Mayors.

That Cabinet Member Transportation agrees to support the development of a Sefton Sustainable Energy Action Plan

That Regeneration and Environmental Services Overview and Scrutiny Committee consider and comment on the proposed policy statements and direction prior to consideration by Cabinet.

That Cabinet:

1. Agree as Sefton Council corporate policy, that “Sefton Council will seek to reduce the carbon dioxide emissions from its activities by 25% from the 2009/10 baseline by 2016 through delivery of the 2011 – 2016 Carbon Management Plan, as funding allows.”
2. Agree as Sefton Council corporate policy that “Carbon Management is a common thread integrated through all service plans and binds together existing and future policies/strategies under a single umbrella of Carbon Management”
3. Adopt the Carbon Management Plan 2011 - 2016 in Annex 1 subject to the Head of Corporate Finance and ICT preparing a financial delivery plan within available resources.
4. Agree as Sefton wide policy that “Sefton Council will meet challenges and seize opportunities to enable our households, our businesses and all our stakeholders to reduce their reliance on costly utility supplies, transport costs, reduce carbon emissions, maximise available resources and services for our communities and bring tangible benefits to Sefton’s economy”.
5. Approve the development of a Sefton Sustainable Energy Action Plan that considers carbon reduction and economic development progress for the maximum benefit of Sefton communities and meets the criteria of the Covenant of Mayors.

How does the decision contribute to the Council’s Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being	✓		
5	Children and Young People	✓		
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities	✓		
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

Development of Sefton policy frameworks to deliver substantial reduction in carbon emissions and mitigate rising utility costs to both Sefton Council and the wider residential and business communities.

What will it cost and how will it be financed?

(A) Revenue Costs Progress has already been made through the first Carbon Management Plan to implement several 'invest to save' carbon reducing initiatives, using a mix of revenue and capital funding as available. Annex 1 to the report represents the revised and second Carbon Plan, and shows the progress made against a number of Carbon saving initiatives, which are ongoing, as well as expanding the number of potential projects from the original Plan.

This second Carbon Plan seeks to include potential schemes, which if developed, could help the Council reduce its Carbon emissions by up to 25% by 2016 and make real revenue savings as a result. In addition to its own plan, the Council also offers advice and support to residents and stakeholders in the wider community on carbon saving initiatives.

Future funding of projects within the plan would be dependent on available resources both revenue and capital.

(B) Capital Costs: As comments for Revenue above
Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal: The delivery of actions to reduce carbon emissions from the Council estate and from Sefton's communities and adapt to climate change are requirements of the Climate Change Act and Carbon Reduction Commitment Energy Efficiency Schemes.
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Human Resources: None

Equality:

- | | |
|---|-------------------------------------|
| 1. No Equality Implication | <input checked="" type="checkbox"/> |
| 2. Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. Equality Implication identified and risk remains | <input type="checkbox"/> |

Impact on Service Delivery:

Positive to drive greater efficiency and cost of services.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT (FD1209/11) has been consulted and any comments have been incorporated into the report. The Head of Corporate Legal Services (LD.575/11) has been consulted and any comments have been incorporated into the briefing report.

Are there any other options available for consideration?

No - Failure to commit and act with a robust approach to reducing Council consumptions and associated carbon emissions would expose the organisation to fiscal and legal penalty under statute alongside escalating energy, fuel and resources costs.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the minutes of the Cabinet Meeting.

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Background Papers:

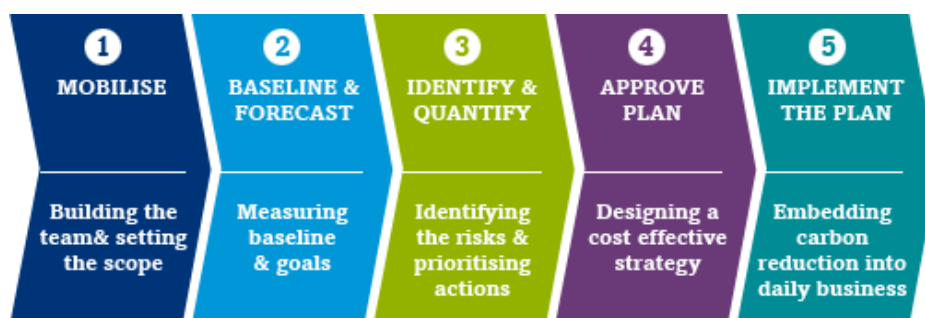
The subject of the decision, Annex 1, can be found at:

<http://modgov.sefton.gov.uk/moderngov/documents/s36619/CarbonMgtPlanAnnex1.pdf.pdf>

Cabinet Member Report: Carbon Reduction Commitment 13 July 2011
Cabinet Member Report: Carbon Management Plan 13 July 2011
Cabinet Member Report: Sustainable Energy Action Plan for Sub Region16
November 2011
Cabinet Member Regeneration LCR SEAP 16 November 2011

1.0 Background to Sefton's new Carbon Management Plan (CMP)

- 1.1 Sefton Council were the first in Merseyside to develop a Carbon Management Plan in 2006 and delivered 14% reduction in carbon emissions and associated costs within 3 years, above its original target.
- 1.2 Lead by the Energy and Environmental Management Section the new Carbon Management Plan 2011-16 [Annex 1] has been developed by the Councils Carbon Management Project, which has received input from all departments of the Council. This was possible due to a successful bid with the Carbon Trust to join its 'Alumni Programme' that was available for just 10 of all previous 330 Participants. The Alumni Programme is designed to assist the chosen previous exemplar carbon management local authorities develop a new 5 year Carbon Management Plan.
- 1.3 Because of Sefton Councils Alumni status we have been able to build on the success of the preceding Carbon Management plan and create a new strategy based on the new challenges and opportunities the Council now faces. With steeply increasing energy and water costs and the introduction of statutory requirements of the Carbon Reduction Commitment Energy Efficiency Scheme (CRC EES) in April 2010, now is the time to extend the focus on reducing energy consumption to mitigate further escalating financial burdens for the Council.
- 1.4 Having a Carbon Management Plan in place defines the strategic and practical process Sefton Council is taking to reduce its carbon emissions and meet the targets set. The new Carbon Management Plan seeks to adopt a whole business approach, meaning that no individual Council service is wholly responsible, but the objectives of carbon reduction are embedded across all of our activities.
- 1.5 The corporate project team has used a 5 step process to progress from the plans inception to embedding the actions developed. The identification and quantification, along with the implementation and embedding is a fluid aspect of the plan, which will continue throughout the plan's life and beyond.



2.0 Benefits that the Carbon Management Plan bring to the Council

2.1 Benefits of the Carbon Management Plan to Sefton Council include:

- ❑ Reduced energy costs against steeply rising market.
- ❑ Reduced liability and greater accuracy for CRC EES reporting.
- ❑ Sustainable and transparent working practices.
- ❑ Greater responsibility and understanding of climate change mitigation and adaptation

2.2 Its intended that the Carbon Management Plan will act as central pillar to the range of policies and working practices the Council operates that have enabled us to be a more sustainable authority. Through the CMP all these polices relating to carbon reduction and savings will complement the practical energy efficiencies being made through individual, specific projects indentified.

2.3 With this report we seek to endorse and embed the Carbon Management Plan in Council policy. We have proposed measurements in new Corporate Business Plan whereby carbon management can be treated as a core element of all of Sefton's services this way maximum financial and carbon savings can be achieved.

2.4 In parity with the current Transformation process, Carbon Management is part of building modern and sustainable council services to be a more efficient and effective organisation.

3.0 Targets and Objectives

3.1 Sefton's Carbon Management Plan is initially set to cover 5 years: 2011 – 2016 with a defining Strategic Statement and target:

“Saving Sefton's Money: Saving Sefton's Carbon”

Target: **The Sefton Carbon Management Plan** will reduce the CO₂ emissions from its activities by 25% from the 2009/10 baseline by 2016

3.2 The projects and policies within the Carbon Management Plan [Annex 1] will help the Council to reach this target. Within this headline 25% target are a number of other objectives which are carried through from the first Carbon Management Plan.

- ❑ To reduce greenhouse gas emissions arising from the Councils operations in its buildings, vehicles/transport use, street lighting, procurement and ICT

- ❑ To ensure that Carbon Management is a common thread integrated through all service delivery plans and bound into the new Corporate Business Plan.
 - ❑ To bind together existing and future policies/strategies under a single umbrella of Carbon Management
 - ❑ To become a carbon steward to the communities and businesses throughout Sefton, with the intention to catalyse action on reducing emissions.
- 3.3 The new Carbon Management Plan contains a detailed action plan that has been developed in order to secure an effective approach to reducing carbon emissions, ensure that information is systematically gathered and disseminated and that any financial or other resource is effectively targeted.
- 3.4 The Carbon Management Plan summarises the estimated costs and savings expected from implementing the actions. For those projects not yet started, further work on the estimated costs and benefits may be required before they are progressed and this will be shared with the Finance Department. Whilst these are identified reduction opportunities, the Carbon Management Plan is designed to be updated and expanded year by year to ensure most effective targeting of resources and to maximise savings.
- 3.5 The Carbon Management Plan currently has projected annual revenue savings of up to £1.4m by 2015 should all the stated projects come to fruition. However, some stated figures are broad estimates at this stage and may need further work to test their viability and robustness before becoming definite possibilities. Options for funding projects will be considered through due process and Members will be asked to agree their progress only as funding allows.

4.0 Proposal For Sustainable Energy and Carbon Reduction Across Sefton

- 4.1 At this point of bringing the core policy on reducing costs and emissions from the Councils own operations in the Carbon Management Plan to Cabinet for approval, it was felt appropriate to put this in the wider strategic context and a proposed route map of how we could deliver our statutory obligations through a robust cross Sefton strategy for mitigating (reducing carbon) and adapting to climate change. The various activities can be consolidated into a single policy vehicle of a local sustainable energy action plan.
- 4.2 Sefton Council has previously signed up to the Nottingham Declaration regarding tackling carbon emissions and climate change. This initiative was adopted by over 300 Local Authorities as the standard. However, it lacked support and its relevance declined with time. The Local Government Group has recently undertaken a consultation on how a new form the declaration will look. This may take some years to evolve and they are looking at linking it to the forthcoming Green Deal programme. As yet it offers no financial gain.

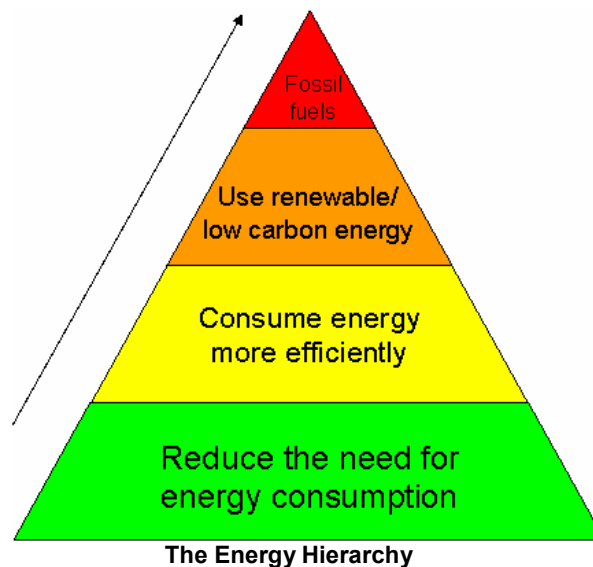
- 4.3 A new internationally recognised standard “The Covenant of Mayors” has been developed. Signatory to this standard is a lever to access some new sources of external funding. Sefton Council may have the option to either sign up to the covenant of Mayors either in its own right or as a joint signatory with the Liverpool City Region. It appears the Council could not sign up jointly and individually and would have to choose between the merits of either approach.
- 4.4 The benefits of opportunity of access to external funding jointly or individually and the delay that joint approaches inevitably bring to progress will be evaluated prior to a recommendation being made. However, it will give benefit if Sefton Council were to agree a policy statement that work in this area will follow the wording contained in that standard.
- 4.5 The Strategic Policy Statement for the development of a Sefton Sustainable Energy Action Plan that complies with the nationally recognised covenant of Mayors is:

Sefton Sustainable Energy Action Plan will meet challenges and seize opportunities to enable our households, our businesses and all our stakeholders to reduce their reliance on costly utility supplies, transport costs, reduce carbon emissions, maximise available resources and services for our communities and bring tangible benefits to Sefton’s economy.

- 4.6 Cabinet Members for Regeneration, Environmental and Transportation will recall the report of 16 November 2011 to approve the approach being taken jointly across the Liverpool City Region (LCR) to produce a ‘Sustainable Energy Action Plan’ for the 6 city region Local Authorities. The prime drivers for that are to bring improved high level co-ordination of action and delivery for the LCR and indeed with the associated signatory to Covenant of Mayors for the LCR Sustainable Energy Action Plan, access to EU funding streams such as ELENA.
- 4.7 Sequential to the LCR Sustainable Energy Action Plan being developed and agreed, to bring sharp focus to the local and unique issues for Sefton, it was proposed to set out a ‘Sefton SEAP’ as a sub-set of the regional plan, which will drive clear targeted actions against identified challenges and opportunities in our borough. This will be set within effective existing partnerships to make the most of resources available and common agendas e.g. public health, economic regeneration and sustainable transport.
- 4.8 This is not a blank canvas, to date a vast amount has been achieved by the Council in reducing its consumptions in homes by 27.4% since 1996, drawing in over £27 million investment in Sefton for domestic energy improvements in the last 15 years.
- Sefton Sustainable Travel Plan
 - Air Quality Management Plan
 - Sefton Affordable Warmth Strategy
 - Sefton Economic Regeneration Plan

- ❑ Climate Change Adaptation Plan
- ❑ Joint Municipal Waste Management Strategy (Merseyside)

- 4.9 The Sefton Sustainable Energy Action Plan will herein group this range of carbon reduction interventions into a series of smaller evidence based opportunities and projects and situating those projects within overarching framework as required, so that projects support each other, the steps to delivering that goal become clear and achievable.
- 4.10 Through analysing Sefton's current carbon emissions the Councils renewable energy resources, its infrastructure and proposed new developments, the Sefton Sustainable Energy Action Plan will identify technically and financially feasible opportunities that would reduce Sefton's carbon emissions by 20% by 2020 in accordance with Covenant of Mayors.
- 4.11 There is an inherent tension in reducing carbon emissions whilst simultaneously seeking economic and population growth. Balancing these goals means Sefton must seek to reduce the carbon intensity of its energy supplies, as well as improving the efficiency with which energy is utilised within its economy and homes.
- 4.12 Sefton's Sustainable Energy Action Plan will focus on identifying interventions and approaches that are feasible for Sefton now - and tackled on a basis that will bring reduction and benefit rapidly, this is often referred to as the 'energy hierarchy' [Figure 1].



- 4.13 The proposals that will be brought forward through Sefton's Sustainable Energy Action Plan do not rely on unproven technological magic bullets to deliver a major reduction in Sefton's carbon emissions at some indefinite point in the future. The proposed projects in Sefton SEAP will be proven and financially viable, bringing immediate impacts to our residents, businesses and other stakeholders.

- 4.14 Tackling our emissions is not simply a statutory obligation, it is also a huge opportunity and in tandem to the LCR, Sefton's Sustainable Energy Action Plan will go significantly beyond achieving carbon emission reductions.

Sefton's Sustainable Energy Action Plan will:

- Deliver major local investment
- Sustain exiting jobs
- Help tackle fuel poverty in Sefton households
- Support the development of new renewable energy sector in the Borough
- Create new revenue streams for the Council
- Improve air quality
- Help regenerate communities.
- Enhance security of supply and increase local resilience against rising energy costs

This will re-assert Sefton's reputation in making it a better place to live, work and invest.

- 4.15 The Sefton SEAP will be developed through joint collaboration with internal and multi-sector partners by June 2012 and with deference to augment the LCR master SEAP. As part of this we will assess the best route for the Council to join the Covenant of Mayors for sustainable energy, to validate the Sefton SEAP and open funding options from Europe. At which point it will be brought before Members for final Cabinet approval.

5.0 Financial Implications

- 5.1 By adopting this Carbon Plan, the Council is agreeing to bring to the fore, a number of invest to save initiatives across the Authority over the next 5 years. Some likely projects are included in Annex 1 to this report, but the list is not exhaustive and will be added to as more potential initiatives are explored. Some of the project costs and benefits included in this Annex are rough estimates at this stage and may need more work to substantiate their viability prior to full consideration.
- 5.2 Members will note that many of the schemes shown in the plan are already underway, having received approval, and savings should accrue from these over the next 12 months and beyond. For example, the Street Lighting energy efficiency project to replace bulbs with LED energy efficient units. This scheme gives a relatively quick payback for the amount invested and annual energy savings of around £100k should be achieved from next year.
- 5.3 The Council is not bound financially by agreeing to adopt the Carbon Plan, but is being asked to adopt it as a matter of future policy. In accordance with due process, as funding resources both Capital and Revenue, become a possibility, projects will be further appraised, and if viable, will be brought initially through the Strategic Asset Management Group (SAMG) and or Senior Leadership Team (SLT) and then on to Members for approval before any commitment to spend is made. This process will be driven partially

through the transformation programme to find future savings but more particularly through the drive to reduce Carbon emissions by 25% by 2016.

- 5.4 The Finance Department are happy to assist in this process as the plan unfolds over the next 5 years.