

## Policy and Scrutiny

### Open Report on behalf of Richard Will, Executive Director for Environment and Economy

Report to:	<b>Environmental Scrutiny Committee</b>
Date:	<b>04 September 2015</b>
Subject:	<b>Carbon Management Plan Annual Report 2014-5</b>

#### **Summary:**

In April 2013, Lincolnshire County Council adopted its second Carbon Management Plan to cover the period from 2013-8. The Plan agreed a target to reduce emissions by 22% over that period through a range of projects across the Authority. If achieved the Plan will reduce energy costs by £2 million per year.

The annual review details progress to date, provides information on projects already underway, provides an update on projects yet to start and looks forward to potential new projects.

Over the last financial year there has been a 6.2% decrease in emissions. Since the original baseline year (2011/2) emissions have decreased by 9.7%. These figures are marginally above the trajectory required to meet the five year target.

Of the projects identified in the original Plan, 7 have been completed, 6 are in progress and 4 are still to commence. Those still to commence relate to strategic investment in Property and ICT. New Support Services contracts with VinciMouchel and Serco include appropriate requirements.

#### **Actions Required:**

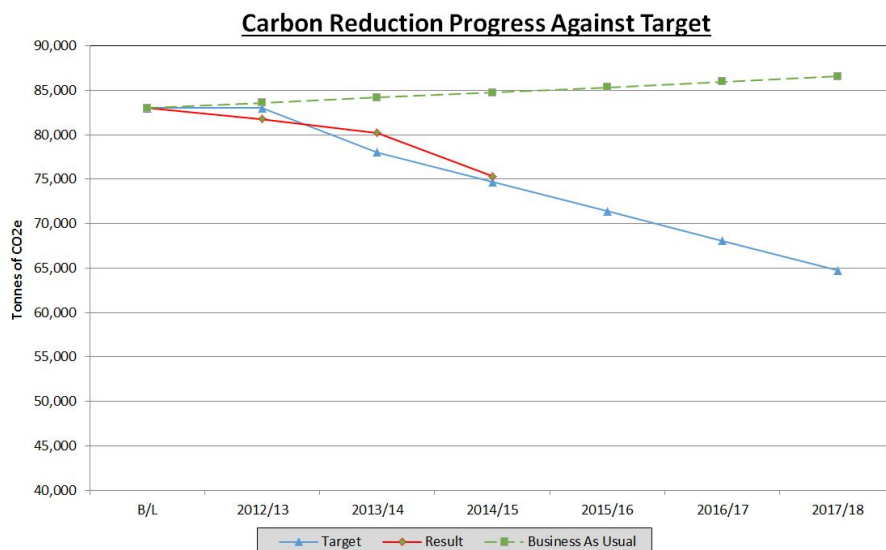
That the Committee notes the satisfactory progress towards the target and expects to see significant progress on strategic property and ICT projects in the current financial year. An update on progress on these two areas should be included in the Committee's work programme (February 2016).

## **1. Background**

- 1.1 All councils within England have a duty to work towards reducing carbon emissions in line with statutory requirements in the Climate Change Act

2008 to reduce UK emissions by 34% by 2020 and by 80% by 2050. In all Climate and Energy policy documents published by the Government, energy efficiency and increased use of renewable energy are seen as central to achieving carbon emissions reduction aims.

- 1.2 Lincolnshire County Council (LCC) needs, therefore, to continue its progress to date and to lead by example by working to reduce carbon emissions from its own properties and services. The Council remains a major consumer of energy and must, as a community and business Leader, continue to set a good example and take a leading role in contributing to the achievement of reduction targets.
- 1.3 LCC was a signatory of the Nottingham Declaration on Climate Change that made public the Council's commitment towards actively addressing climate change. In doing so, LCC has placed tackling the causes and effects of climate change as one of its core priorities. LCC has signed Climate Local which has superseded the Nottingham Declaration.
- 1.4 LCC signed up to the Carbon Management Revisited programme and set itself a 22% carbon reduction target in its 2011/12 baseline by 2018. This underpins potential financial savings to the organisation of over £2 million per year by that date.
- 1.5 This annual review of the Carbon Management Plan for 2014/15 aims to ensure that the Council's energy reduction plans continue to be realistic and to set further achievable goals, while still striving to be ambitious.
- 1.6 This document provides an overview of the energy efficiency projects completed since April 2014, and an update on the planned projects due to be implemented in the current financial year.
- 1.7 In 2014/5 there has been a 6.2% decrease in overall emissions to 74,988 tonnes of CO<sub>2</sub>. This equates to an overall 9.7% decrease from the 2011/12 baseline year and Graph 1 below shows progress to date. Appendix A provides more detailed analysis of performance.



*Graph 1 – Progress Against 22% Target by 2018*

## 2014/5 projects

- 1.8 **Schools Collaboration on Resource Efficiency (SCoRE)** – schools account for about 65% of Council emissions and (with the support of Children's Services and the Lincolnshire Schools Forum and fully funded from devolved Schools Grant underspend) SCoRE is a four year programme designed to deliver effective carbon reductions across Lincolnshire's schools estate, through informed behaviour and appropriate investment in technology.
- 1.9 SCoRE has achieved national recognition in the 2014 Green Apple awards. To date over 200 of Lincolnshire's 360 schools have completed or are taking part in SCoRE and work continues to sign up remaining schools.
- 1.10 The programme for technology investment (in Boiler Optimisation and boiler room insulation) has now been completed with £x worth of equipment installed in x schools. Experience has shown that these are cost effective in reducing energy consumption for heating, by between 10 and 20%. This investment will start to show savings in the next heating season (winter 2015/6).
- 1.11 The final element of SCoRE is the 'invest to save' phase. Every school action plan will contain 'quick win' behaviour-based actions, and longer-term actions that are likely to require some level of investment to realise the benefits. It is anticipated that schools will make use of a variety of funding mechanisms available to improve the energy efficiency of their school buildings and consequently reduce their energy consumption. There have been some significant success stories from schools that have taken joined up action and exploited investment opportunities to the full as previously reported.

- 1.12 Salix revolving fund** – the Council's revolving fund continues to provide funds for investment in schemes with less than a five year payback. Projects to improve energy efficiency and lower energy consumption have taken place in buildings across the county council's estate (Appendix A details Salix spend in the last financial year). Buildings in the corporate, heritage and schools sectors have been included as part of an increasing work programme. Best reductions and paybacks have been achieved through voltage optimisation, boiler optimisation, lighting schemes and boiler room insulation. To date, the Salix revolving fund has enabled £1,678,635 of investment and as a result annual energy costs have been reduced by £352,044. Appendix A shows the schemes funded in 2014/15. In the last financial year £223,248 has been invested and will achieve annual savings of £42,442 (at today's energy prices). In the VinciMouchel contract a key performance indicator on identification of Salix schemes is included.
- 1.13 Planned and potential projects** – Appendix A provides details of the projects agreed in the original Plan and summarises progress. Projects have been coloured to identify the following:
- Green – Project has been completed and is realising financial and carbon savings.
  - Amber – Project is either part the way through and realising financial and carbon savings or is about to commence.
  - Red – Project has not started.
- 1.14** Strategic investment in our property portfolio and ICT are the areas where projects are behind schedule. Both areas have been the subject of significant change over the last year as new contracts with VinciMouchel and Serco have been implemented. Both contract specifications included appropriate requirements to support the Council's Carbon Management target and improve reporting (see Appendix B). In relation to Property the Council has carried out a number of property rationalisation exercises which have meant delays to the projects whilst decisions are made. With clarity over which buildings are to be retained investment needs to take place to ensure the retained stock is as low carbon, energy efficient as it can be. Serco are tasked with provisioning a plan as to how they will meet the items within 22.3 of the IMT Specification and deliver IMT\_PI\_18 (Appendix B) by the end of September.
- 1.15 Street lighting and traffic signals** – a significant investment of £726,450 in technology upgrades has taken place in our street lighting and traffic signal assets. There has been £34,345 investment through Salix Revolving Fund in the current CMP. Earlier this year the Council made a bid for Department for Transport Local Highways Maintenance Challenge Fund. The application sought funds for a county-wide targeted street lighting upgrade delivering new efficiency to a well maintained stock through:
- a central management system (CMS)
  - part-night lighting residential areas
  - LED replacements
  - dimming trafficked routes

It was estimated that the scheme would deliver a step change 43% reduction in energy consumption, as well as cross-sector economic and community benefits. The bid was unsuccessful but work is ongoing to consider the options of implementing the central management system which would enable longer term implementation of the same scheme.

## **2. Conclusion**

- 2.1 Given the scale of the organisation, its complexity and the significant changes that have, and are, taking place it is gratifying that progress is being made in line with the trajectory required to meet the Council's 5 year target. Significant opportunities still exist and key property and ICT projects have yet to get underway. Effective work with partners Serco and Vinci Mouchel on carbon reduction requirements in FDSS contracts needs to make significant strides this year if the target and savings are to be achieved and it is recommended that you include a mid-year update from these areas in your future work programme.

## **3. Consultation**

### **a) Policy Proofing Actions Required**

N/A

## **4. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Carbon Management Plan progress 2014/5
Appendix B	Carbon Management requirements in VinciMouchel and Serco contracts

## **5. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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