

Consultation on simplifying the CRC Energy Efficiency Scheme March 2012

Excerpt

“116. **Proposal 23: Disaggregation of Academies (England only)** - As part of the CRC simplification process, Government has reviewed the treatment of Academies to help incentivise energy reduction, maintain emissions coverage and minimise the level of administrative burden associated with their participation.

117. Currently maintained schools (state funded) are grouped with their funding local authority, and Academies with the local authority in the area where they reside, for the purpose of CRC participation. CRC allowance costs generated from maintained schools' and Academies' emissions are met by participating local authorities who have the facility to recharge this cost to the Dedicated Schools Grant (DSG). This means that the scheme is administered at local authority level, without differential impact on schools depending on their own actions, and this limits the effectiveness of the scheme in encouraging energy use reduction in individual maintained schools or Academies. It is important that all schools reduce their energy use as they are community assets and can set an example in promoting energy efficiency. The schools sector is also key to helping Government meet its commitment to be the greenest ever as it is responsible for 21% of public sector emissions. Government recognises the difficulty in developing proposals that will provide the most incentive to reduce energy across the entire schools and Academies estate and is grateful for the stakeholder responses it received to its published discussion paper on options for Academies CRC participation. In addition to some of the options in the discussion paper, Government now wishes to examine a further option.

118. All maintained schools and Academies return data annually about their spend on energy. It may be possible to use these data to develop a simpler scheme, maintaining reputational drivers, whereby failure to reduce energy costs had a direct financial impact on schools. We propose to work up such a scheme in detail during the consultation period.

119. Government therefore proposes one of the four following options for Academies CRC participation.

1. Local Authorities continue to meet CRC liabilities for maintained schools and Academies, with Government exploring changes to funding mechanisms for meeting the cost of CRC allowances from Academies emissions.
2. Academies participate in the CRC as a group with the Department for Education who would be responsible for meeting their CRC liabilities. This proposal was recommended by a number of stakeholders in their response to the published Academies discussion paper.

3. Academies continue to be assessed as part of a local authority's estate for the purpose of CRC qualification. Once qualified a participating local authority could decide to disaggregate any of their Academies and individual Academies would also have the option to participate separately in the CRC.

4. Both maintained schools and Academies participate in a new scheme based on their energy spend, with the intention that their success or failure in reducing energy costs should have a direct financial effect on the school."