

Shadow Executive

Local Government Information Unit's Carbon Trading Councils Scheme and City of York Council Carbon Management Programme

Summary

1. This report has been prepared at the request of the Shadow Executive to respond to the Shadow Executive's questions relating to the Local Government Information Unit's (LGIU) Carbon Trading Councils Scheme (CO_T), and the current City of York Council's Carbon Management Programme.

Background

2. This report summarises the LGIU CO_T scheme and highlights the current implications and resources associated to implementing the scheme.

Background - City Of York Council Carbon Management Programme

3. The council has been involved in the Carbon Trust's Local Authority Carbon Management Programme, and as a result of this work the council has a challenging target to reduce corporate carbon dioxide emissions by 25 % over the next 5 years on all non-housing activities. The target to reduce the carbon emissions from the council housing stock presents different challenges and the council has set the target to reduce the emissions from this source by 25 % by 2020. A list of potential projects that target reducing carbon emissions has been drawn up with resources and staff allocated to carry out these projects. The programme includes some existing projects, and some new work aimed at, for example, improving building energy efficiency, reducing waste and changing behaviour.

Background - Carbon Trading Councils

4. The CO_T scheme, as highlighted by the Shadow Executive, is a scheme managed by the LGIU, which enables local authorities to commit to a path of reducing carbon emissions. The scheme is currently a pilot, offering councils the opportunity to engage in a virtual carbon trading scheme. Core to the scheme are tradable carbon permits and annual carbon emission budgets. In order to drive emissions down, carbon budgets will decline annually, however the LGIU pilot will only run for one year (2009), but will enable the LGIU, and all partners of the pilot, to learn valuable lessons in carbon trading, as well as to get carbon reduction thinking embedded at the corporate level. It will also prepare the authority for the mandatory Carbon Reduction Commitment (CRC) which commences in 2010, and help the council reach its carbon

reduction targets as set out in the Council's Carbon Management Programme.

Answers to the questions raised by Shadow Executive:

The following three questions were raised by Shadow Executive:

- What are the detailed implications for joining this scheme at each of the 3 levels open to councils,
- The work involved in providing baseline data on the council's energy usage, in order to become part of the scheme,
- The resourcing required to enable the council to become a member of the scheme)

To answer these three questions the implications, work required, and the resources needed in order to join the CO₂ scheme have been combined and summarised for relevant stages of the CO₂ scheme.

Commitment Stage

5. Before joining the CO₂ scheme, a council-wide commitment is required. This will require a multi-directorate approach to gain commitment across the whole council. Such work will require input and time from officers and managers in Sustainability, Energy, Fleet Transport, Housing and other directorates, and will involve various meetings and the production of various reports to create support and commitment for this scheme. A lead officer/coordinator will also be required to coordinate this commitment (and for all future trading, carbon reduction plans and continuous monitoring of the council's performance). Members will also need to be involved in this process and kept continually up to date on progress. Such resources needed to gain this commitment are currently not in place. At the very least staff reallocation would need to occur in order to assign a lead officer, and to free up existing officers to carry out this additional work.(Please note that these officers are also currently committed to the corporate Carbon Management Programme).
6. There is also a small charge of under one thousand pounds to join the CO₂ scheme. This could be found through existing departments budgets. Further work would need to be carried out in order to confirm and commit this money to the scheme.

Stage 1. Data gathering and benchmarking

7. The council currently measures its carbon emissions on an annual basis. 2007/2008 data is currently being collated, however, the CO₂ scheme requires trading on a monthly or quarterly basis, and this will create additional workloads for those officers who currently collate this information on an annual basis. There will also be additional resources needed such as a lead officer/coordinator who will have to collate this information and submit it to the LGIU regularly. This data collated will also need to go to all departments, directorates and Members. Such resources are currently not in place. At the very least staff reallocation would need to occur in order to assign a lead officer and to free up other existing officers to carry out this additional work.

Stage 2. Department level implementation

8. The creation of actual departmental carbon budgets and carbon reduction plans will be required by all departments participating in the scheme. This will place additional work on officers. This work will also place additional work on the Sustainability team and other officers such as the Energy Manager. They will need to provide expert advice to all departments on carbon reduction to ensure budgets and plans are implemented successfully.
9. Once the scheme is fully operational, all carbon data will need to be recorded monthly (or quarterly) and officers, lead officer /coordinator and Members will need to buy or sell permits – this will require additional time from such officers and Members to ensure the correct permits are sold/traded. Such resources are currently not in place. At the very least staff reallocation would need to occur to free up officers and managers to carry out this trading related work. (Please note that should this pilot be successful, finances would also need to be secured annually to ensure all departments can continue to achieve their carbon budgets. Some budgets exist for the Carbon Management programme, however, participating departments would need to put in place future budgets to implement further carbon reduction actions under this scheme).

Stage 3. Intra – authority trading in a council

10. In order to Intra – authority trade, the LGIU suggests that a Trade Coordinator is appointed. Currently there is no one person in the council that could act as this person. Possible officers could include the Sustainability Officer or Energy Manager, however, they are already fully committed to the corporate Carbon Management Programme. Therefore further work would need to be carried out to investigate the capacity of current staff to implement this LGIU scheme on top of the Carbon Management Programme.

Stage 4. Inter-authority trading

11. Under the CO₂ scheme pilot, the LGIU suggests that a trade coordinator is appointed to facilitate inter-authority trading. As stated in section 11, further work would need to be carried out to investigate the capacity of current staff to effectively operate this scheme in addition to carrying out the council's own Carbon Management Programme.

Stage 5. Inviting local commercial and public sector non-council carbon emitters to join a local scheme

12. As stated in section 12 above, further work would need to be carried out to investigate the capacity of current staff to implement this scheme and to promote it across the commercial and public sector.

Stage 6. Developing residential community schemes

13. As stated in section 12 above, further work would need to be carried out to investigate the capacity of current staff to implement this scheme and to develop subsequent residential schemes.

Stage 7. International schemes

14. N/A at present

Question 4 - Future achievable targets for carbon reduction already identified by officers as part of existing sustainability assessments of council services

15. The answer to question 4 raised by the Shadow Executive is detailed below:
Through the Carbon Management Programme and Environmental Sustainability Strategy (including the forthcoming York Climate Change Strategy) Council officers have set the following targets:

- To reduce by 25% the carbon dioxide emissions arising directly from City Council by the end of March 2013, and to reduce the emissions from the council housing stock by 25 % by 2020.
- Through the Local Area Agreement:
A progressive reduction of York's Ecological Footprint from 5.3 to 3.5 hectares per person including the associated reduction of carbon footprint from 11.5 to 7.6 tonnes per person by 2033 and by 70% over the next 50 years.¹
- Under National Indicator 186 an annual reduction of 0.3 tCO₂ per capita in the local area (2008 – 11).

Consultation

16. The report is for information only and to answer the questions raised by the Shadow Executive.

Analysis

17. The council has already begun to implement the corporate Carbon Management Programme (with allocated resources and funding to support this work). Part of this work will also include detailed investigations into a number of carbon reduction practices including carbon trading schemes (and in order to meet the forthcoming Carbon Reduction Commitment).

18. Carbon Action Yorkshire are embarking on a pilot scheme involving local authorities signing up to the LGIU's COT scheme. Details are still being finalised but it is possible that councils who sign up for this pilot, with Carbon Action Yorkshire, will not have to pay fees to join the scheme. Further details on this pilot are to be sent out to all local authorities shortly.

19. The LGIU COT scheme and the Carbon Management programme meet the following corporate and partnership objectives:

- 'Without Walls' – the Sustainable Community Strategy which provides the sustainable framework for York;

¹ This target is in the process of being reviewed and therefore may change on the advice of the Stockholm Environment Institute and York Environment Partnership.

- Corporate Direction Statement – “*We will seek to place environmental sustainability at the heart of everything we do*”
- Corporate Improvement Priority – “*Reduce the greenhouse gas emissions from council activities and encourage, empower and promote others to do the same*”
- Executive sign-up to the Nottingham Declaration on Climate Change
- Corporate Value Statement – “*Encouraging Improvement in everything we do*”

Implications

20. None – the report is for information only.

Risk Management

21. Not applicable, the report is for information only.

Recommendation

22. Members are asked to note the contents of this report.

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Specialist Implications Officer(s) None

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers: None

Annexes: None