

**EXECUTIVE BOARD – 16 SEPTEMBER 2014**

<b>Subject:</b>	Nottingham Carbon Performance Report and Plan 2014		
<b>Corporate Director(s)/ Director(s):</b>	John Kelly, Corporate Director for Community Services Andy Vaughan, Strategic Director for Commercial and Neighbourhood Services		
<b>Portfolio Holder(s):</b>	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability		
<b>Report author and contact details:</b>	Andy Whitley, Carbon Programme Officer 0115 8765650 <a href="mailto:andy.whitley@nottinghamcity.gov.uk">andy.whitley@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Subject to call-in</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Significant impact on communities living or working in two or more wards in the City	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>Total value of the decision:</b> Nil			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> 7 July 2014		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter	<input type="checkbox"/>		
Cut crime and anti-social behaviour	<input type="checkbox"/>		
Ensure more school leavers get a job, training or further education than any other City	<input type="checkbox"/>		
Your neighbourhood as clean as the City Centre	<input type="checkbox"/>		
Help keep your energy bills down	<input checked="" type="checkbox"/>		
Good access to public transport	<input type="checkbox"/>		
Nottingham has a good mix of housing	<input type="checkbox"/>		
Nottingham is a good place to do business, invest and create jobs	<input type="checkbox"/>		
Nottingham offers a wide range of leisure activities, parks and sporting events	<input type="checkbox"/>		
Support early intervention activities	<input type="checkbox"/>		
Deliver effective, value for money services to our citizens	<input type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
Nottingham City Council is committed to help reduce the city's carbon dioxide (CO <sub>2</sub> ) emissions and lead by example by reducing its own CO <sub>2</sub> emissions under its direct control.			
Data is now available on a city wide basis for seven years from the baseline year of 2005. The data shows seven years of progress and this report summarises current performance against our targets using the latest available data.			
The current target for Council emissions lasts until 2016, and this report recommends that a new target be agreed to continue the drive to lower City Council emissions; agreeing a new target will result in a new Carbon Management Plan being published, and formulating a robust governance structure to ensure the target and the actions proposed are delivered.			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
1. To note and consider the carbon performance of the City and Council.			
2. To approve a new carbon reduction target for the City Council of 42% CO <sub>2</sub> reduction by 2020 from a 2007-08 baseline.			

## **1 REASONS FOR RECOMMENDATIONS**

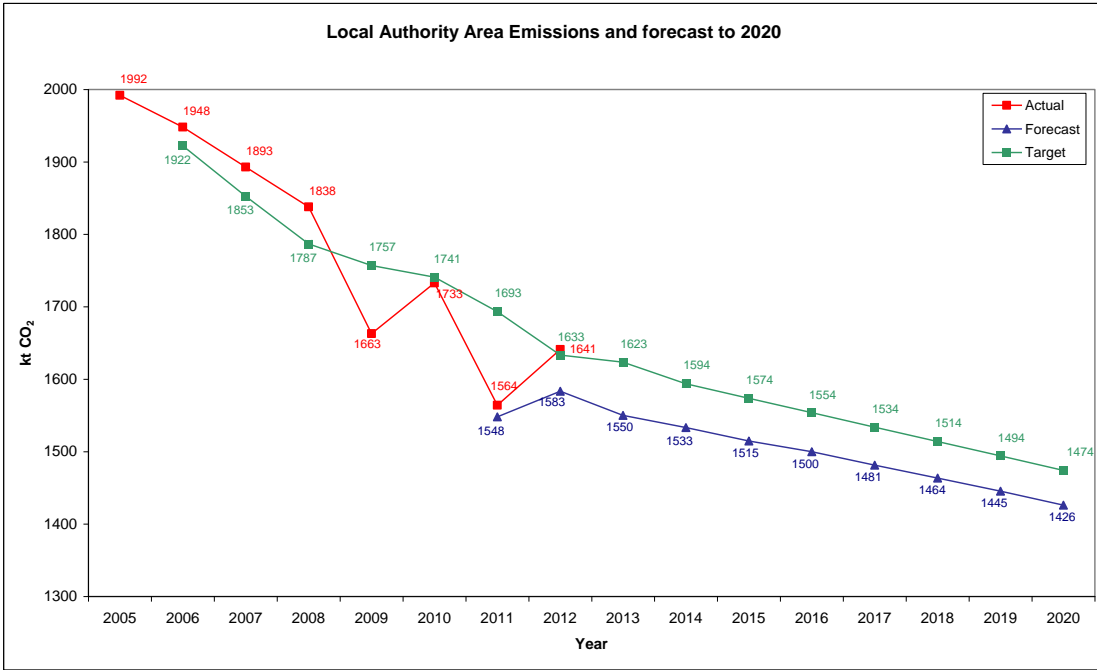
- 1.1 The Council's target to reduce CO<sub>2</sub> emissions by 31% by 2016 has nearly expired, and a new target will maintain focus on energy efficiency activity. Continuing to focus on saving energy will not only lock in the savings that have already been achieved, but continue to build on these and improve the year on year position with regards to mitigating commodity price rises.
- 1.2 A continued focus on energy efficiency on a city wide and Council scale should be maintained to ensure the Council continues to deliver against its targets.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

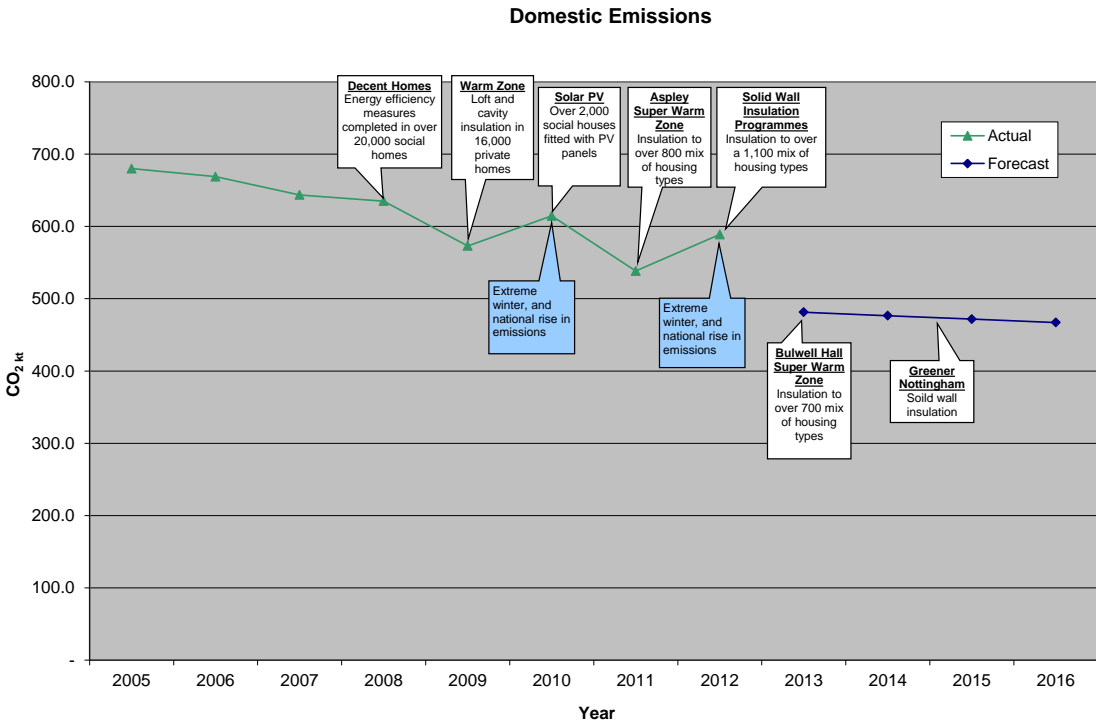
- 2.1 Data for performance against our One Nottingham Sustainable Communities Strategy target of 26% CO<sub>2</sub> reduction by 2020 shows that total city wide CO<sub>2</sub> emissions have fallen by 18% in 2012 compared to the baseline year of 2005. The reductions in City CO<sub>2</sub> emissions represent avoided costs of £35m on domestic energy bills, or £300 per household on a like for like basis between 2005 and 2012.
- 2.2 Analysis also shows Council CO<sub>2</sub> emissions have reduced by 20% (28% including Waste Disposal activities) in the year 2013-14 from a baseline of 2007. The reduction in our CO<sub>2</sub> emissions from our property portfolio represents avoided costs of £2.6m in utility bills on a like for like basis between 2007 and 2014.
- 2.3 The Council's Sustainable Communities Strategy set a target of a 26% reduction in CO<sub>2</sub> emissions by 2020. This target is also the basis for the Council's Energy Strategy published in 2010, which contains actions to reduce the commercial sector's and citizens' reliance on grid supplied energy.
- 2.4 The activity undertaken by the Council and its partners has, to date, provided an estimated £35m in cost avoidance to citizens since 2005. Previous and planned activity means we remain on target to hit our carbon reduction target by 2020.
- 2.5 The Council's activity focused on lowering its own CO<sub>2</sub> and costs has resulted in a cumulated £2.6m saving on the City Council's energy bill since 2007.
- 2.6 These results point to the success of activity both in the Council and across the city by the City Council and our partners.
- 2.7 These successes have helped to keep energy costs down, but nearly all forecasts point to increasing pressure on household finances and Council utility bills in the future. The Committee on Climate Change has forecast an 18% increase in energy bills by 2020, which, based on current energy consumption would equate to a domestic fuel bill increase of £207 per property rise by 2020 and Council's energy costs rising by £1.6m.
- 2.8 In 2005, the City's total domestic energy bill was £122m and by 2012, this had risen to £140m<sup>1</sup>. Over the same period, 40,000 energy efficiency interventions were carried out to social and private sector properties. Without these interventions the total domestic energy bill would have been an estimated £35m higher. Instead this money has been kept in the local economy and has led to other benefits such as reduction in fuel poverty, improved health, and improved conditions of our housing stock.

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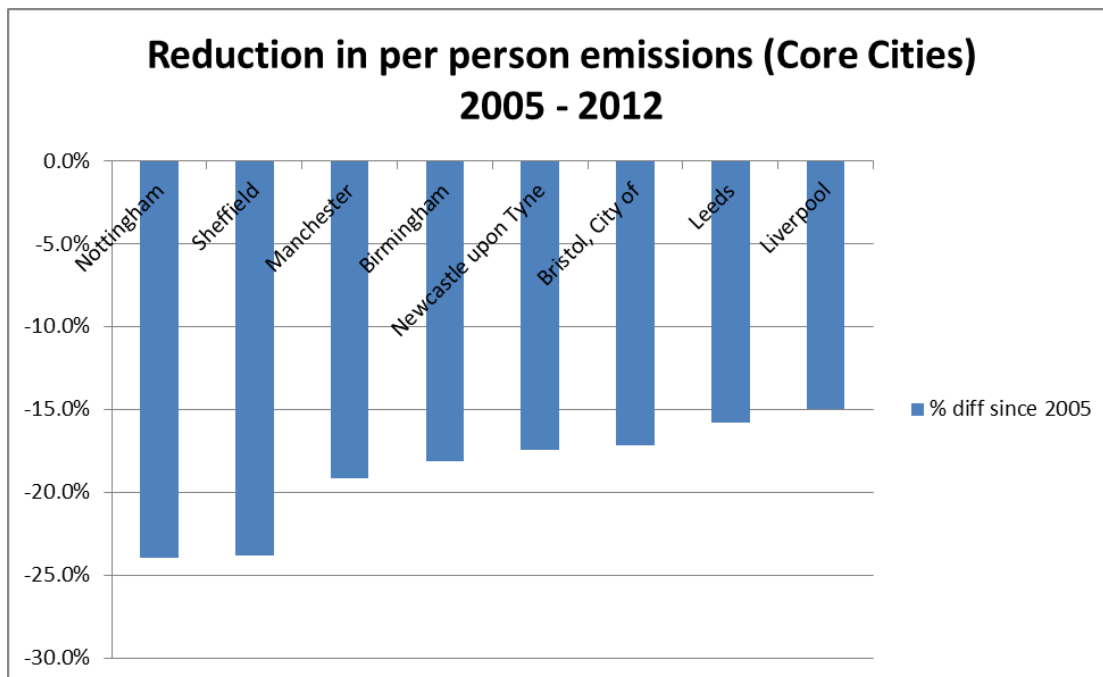
<sup>1</sup> DECC data, Sub National Energy Estimates 2005-2012



2.9 The above graph shows Nottingham's CO<sub>2</sub> emissions performance since 2005 are supplied by the Department of Energy and Climate Change (DECC) on an annual basis, with a two year data lag. These show the excellent progress the Council has made to reduce its carbon emissions by 18%. The graph below details the 40,000 measures the Council has installed on its social/private housing since 2008, which have contributed to the performance achieved.



2.10 Analysis shows that setting and achieving a 42% CO<sub>2</sub> emissions reduction target by 2020 would represent a cost avoidance purely in terms of council energy costs of an estimated cumulative £8m or CO<sub>2</sub> savings of 20,000 tonnes.

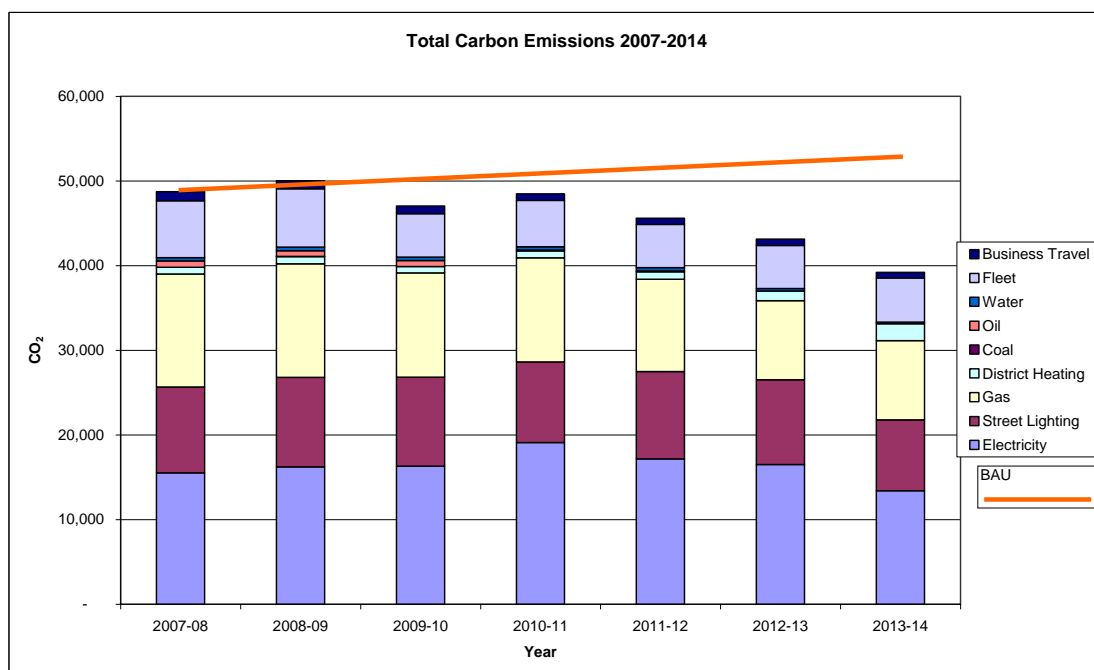


2.11 Nottingham performs very well when compared to other Core Cities. It has the lowest total carbon emissions of all Core Cities, and the second highest reduction since the baseline year of 2005. It has the highest level per capita CO<sub>2</sub> reductions of all the Core Cities. Using DECC future energy estimates it is projected that City CO<sub>2</sub> emissions will fall to 28% of the 2005 baseline by 2020.

2.12 The Council's first Carbon Management Plan was published in April 2009 using a 2007-08 baseline. The initial target was a 30% reduction target by 2016, which was then revised to 31% in 2011.

2.13 Analysis of the Council's performance against its targets initially shows a flat line at around 48,000 tonnes of CO<sub>2</sub> for the first three years of monitoring until Energy Services was established in 2010. Since 2010-11, carbon emissions have reduced by 19%, with an average of 2,300 tonnes each year. This is despite an increase in properties between 2009-2012. This increase is identified as the time when the Council still occupied offices and were moving staff into Loxley House.

2.14 If the Council continue the current trend in emissions reductions with an equivalent level of investment it is forecast that the Council will achieve a 37% reduction by 2016, resulting in the Council exceeding the 31% reduction target.



2.15 The table below illustrates the carbon reductions made by areas:

Delivery Area	Reduction/Increase	% of total reduction
Energy Management Projects	-7,986	84%
Street Lighting	-1,779	18%
Property Rationalisation	+2,118	-22%
Fleet Management	-1,477	15%
Business Travel	-429	5%
<b>Total</b>	<b>9,534</b>	<b>100%</b>

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

3.1 No other options were considered as measuring performance against CO<sub>2</sub> reduction targets outlined in the report are either statutory or necessary due to the public nature of the targets.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

4.1 By continuing to deliver domestic energy efficiency programmes to meet the 26% emissions reduction target by 2020, this could deliver an estimated cost avoidance of £16m for Nottingham based on energy price forecasts and £8m for the Council.

### **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

5.1 There are no risk management issues relating to this report.

### **6 SOCIAL VALUE CONSIDERATIONS**

6.1 There are no social value considerations relating to this report.

### **7 REGARD TO THE NHS CONSTITUTION**

7.1 Assisting Nottingham residents in reducing their carbon emissions will help reduce the level of fuel poverty in the City and the number of excess winter deaths related to low winter temperatures and the inability to pay for their energy bills. With reduced energy

bills, vulnerable households will be able to invest in their properties to make them more energy efficient and resilient to extreme temperatures.

7.2 This will help with the NHS principle of providing and delivering improvement in health and well being.

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- |   |                                     |
|---|-------------------------------------|
| (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council) | <input checked="" type="checkbox"/> |
| (b) No  | <input type="checkbox"/>            |
| (c) Yes – Equality Impact Assessment attached   | <input type="checkbox"/>            |

## **9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 None

## **10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

Sustainable Communities Strategy  
Carbon Management Plan 2009-2016  
Energy Strategy 2010-2020

## **11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

None