

ANGUS COUNCIL

COMMUNITIES COMMITTEE– 30 SEPTEMBER 2014

CARBON REDUCTION COMMITMENT ANNUAL REPORT 2013-2014

REPORT BY HEAD OF TECHNICAL AND PROPERTY SERVICES

ABSTRACT

This report advises on the cost for the purchase of carbon allowances for 2013/14 in compliance with the Climate Reduction Commitment Energy Efficiency Order 2010 based on the reportable consumption and subsequent carbon dioxide emissions produced by Angus Council.

It also details the total expenditure incurred through the participation in phase one of the Climate Reduction Commitment Energy Efficiency Order 2010

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- (i) notes this annual report is required to be accessible to members of the public
- (ii) notes the content of this annual report

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

2.1 This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Communities that are sustainable:
 - Our natural built environment is protected and enjoyed
 - Our carbon footprint is reduced

3. BACKGROUND

3.1 Report no: 310/11, CARBON REDUCTION COMMITMENT – FINANCIAL MANAGEMENT ARRANGEMENTS AND DELEGATIONS, approved at the Corporate Services Committee meeting of 28 April 2012.

Authorise the Strategic Director – Communities to:-

- undertake the, ordering, purchasing and surrendering of carbon allowances, and make other scheme payments, in accordance with the management arrangements established by the Environment Agency [EA] and the Scottish Environmental Protection Agency [SEPA] for the CRC Energy Efficiency Scheme Order 2010 notwithstanding the scale of such payments.
- delegate this responsibility to the Service Manager - Property in accordance with the associated responsibilities detailed in the Scheme of Delegation to Officers.

- with guidance from the Head of Corporate Improvement and Finance and the Service Manager – Governance, establish appropriate arrangements which enable the electronic payment process to be transparent, accountable and comply with best practice.
- Instruct the Strategic Director – Communities to submit an annual report detailing the outcome of the exercise of these delegations and advising the direct expenditure incurred through participation in the CRC Energy Efficiency Scheme Order 2010 process.

3.2 The CRC scheme is arranged phases as follows:

- Phase one covers the period 1 April 2010 to 31 March 2014
- Phase two covers the period 1 April 2014 to 31 March 2019
- Subsequent phases will be on a five yearly cycle.

3.3 It should be noted that during phase one of the CRC scheme the cost per allowance (per tonne of carbon) was set by the Government at twelve pounds (£12.00) and all payments were made in arrears. In phase two of the CRC scheme, the price of allowances will increase annually and the Council has the option to pay in advance, in arrears or a combination of both.

3.4 In the first year of phase two of the CRC scheme the cost of allowances if you pay in advance has been set by the Government at fifteen pounds sixty pence (£15.60) and for payments in arrears it has been set at sixteen pounds forty pence (£16.40). The increased rates for future years will be announced by the Chancellor of the Exchequer as part of the budget speech.

3.5 This report details the exercise of these delegations and reports on the direct expenditure.

4. CURRENT POSITION

End of year position 2013/14

4.1 Following assessment of the likely costs associated with the progression of Angus Council's duties in compliance with the CRC Energy Efficiency Scheme Order 2010, £300,000 was provided on a corporate basis within the Other Services Revenue Budget for 2013/14.

4.2 In accordance with the CRC scheme, Technical and Property Services compiled and submitted an annual report on 3 July 2014 detailing the scale of the reportable consumption and subsequent tonnes of carbon dioxide emissions for 2013/14.

4.3 In accordance with the CRC scheme and in exercise of delegation to the Service Manager - Property, the Technical and Property Services division has ordered, paid for and surrendered the required carbon allowances. Table 1 below provides a summary of the reportable consumption, carbon emissions and cost associated with complying with the CRC scheme for the financial year 2013/14.

Table 1: Status at 31 March 2014 for the final year of phase one of the CRC scheme.

Fuel	Actual kWh	Estimated kWh	Tonnes of CO ₂	Allowances £12 per Tonne
Electricity	18,530,269	142,198	10,108	£121,296
Gas	31,293,823	0	5,745	£68,940
	49,824,092	142,198	15,853	£190,236

- 4.4 Table one shows that during the financial year 2013/14 the Council emitted 15,853 tonnes of carbon dioxide for which £190,236 worth of allowances were ordered, purchased and surrendered. In terms of the CRC scheme the outturn represents a 5.3% reduction in the tonnage of carbon dioxide emitted between 2012/13 and 2013/14, which can be attributed to the 14.5% reduction in gas consumption between 2012/13 and 2013/14. The electricity consumption has remained static.

Position at the end of phase one of the CRC scheme

- 4.5 The expenditure status at the end of phase one of the Climate Reduction Commitment Energy Efficiency Order 2010 is detailed in Table 2.

Table 2: Overall expenditure for phase one of the CRC scheme.

Year	Cost of Allowances	Phase One Registration Fee	Subsistence Charge	Digital Certificate	Carbon Counter Software	Total
2010/11	£0	£950	£1,290		£2,000	£4,240
2011/12	£276,168		£1,290	£105	£3,780	£281,238
2012/13	£200,280		£1,290			£201,570
2013/14	£190,236		£1,290			£191,526
	£666,684	£950	£5,160	£105	£5,780	£678,679

- 4.6 Table two shows the total expenditure made by the Council for participation in the first phase of the CRC scheme which amounts to £678,679.

5. PROPOSALS

- 5.1 The Council is currently accredited to the Carbon Trust Standard and as part of accreditation the Council is required to report on the progress being made to achieve its consumption and carbon reduction targets and the ensure the reports are in the public domain.
- 5.2 The Committee is asked to note the contents of the report and recognise the progress being made to meet the Council's consumption and carbon emission targets.

6. FINANCIAL IMPLICATIONS

- 6.1 The costs of participation by Angus Council in the CRC Scheme have been accommodated within the Energy Efficiency CRC Scheme provision allocated within the Other Services Revenue Budget in each respective year.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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