

# ITEM 15a

## 224/07 Reports to the Climate Change Board by the Climate Change Commission

The Council Cabinet considered a report which stated that the Climate Change Commission presented two reports to the Climate Change Board on the Development of Local Authority Climate Change Action programme and the use of the Councils Sustainable Procurement Policy.

### **Decision**

To ask the Climate Change Board to send its detailed consideration of the reports to the Climate Change Commission.

Climate Change Board – 11 June 2008

## **Agenda item 6 - Responses to reviews presented to the Climate Change Board by the Climate Change Commission**

### **Recommendations**

- The Board agree the responses to the each of the recommendations from the Climate Change Commission's reviews set out in the boxes within Appendix 1 to this report.
- In relation to the suggested visit to a local authority to examine how they have implemented their climate change action programmes, the Board establish preferences for authorities to be visited.
- To inform Council Cabinet of the Board's conclusions in response to the Commission's recommendations.

### **1. Background**

- 1.1 At the last meeting of the Board, in March, the results of two reviews carried out by the Climate Change Commission were presented. Summaries of and recommendations from these reviews are set out in Appendix 1 to this report.
- 1.2 At their meeting on 1 April, the Commission asked to be informed by Council Cabinet of actions to be taken by the Board in response to their recommendations. Cabinet members have been informed of the intention to consider the proposed actions in updating the Climate Change Action Programme at the Board meeting scheduled for June.

### **2 Responses to the Commission's recommendations**

- 2.1 The proposals put forward by the Commission have informed the new version of the corporate Climate Change Action Programme, which is on the agenda for this Board meeting. Actions carried forward for the Action Programme are highlighted in the boxes within Appendix 1 and/or mentioned in section 3 of this report.
- 2.3. Taking forward the actions from the second review, on procurement, will involve joint working between Procurement Section and the Climate Change Unit. Temporary staff resources within the Unit, financed through the Board's climate Change Fund, will be used to assist with this work which will be given suitably high priority within the Unit's work programme.
- 2.4 On the first of the Commission's reports, about the development of Local Authority Climate Change Action Programmes, it is recorded in the notes of the Board's March meeting that "the Climate Change Unit will consider the detailed information contained in the report in preparation for the review of the corporate Climate Change Action Programme in June". Recommendation 2 from the first review is about a senior level visit to another local authority to examine their approach. In the notes of the Board meeting, it is recorded that the Chief Executive "suggested that a visit to Leicester or Nottingham City Councils may be more practical than visiting Kirklees". The Chief Executive has suggested that the Chair of the Board should decide on this.

- 2.5. On the second report, the notes record that 'it was agreed that all 5 recommendations should be taken forward within the corporate Climate Change Action Programme'. It is proposed that these are taken forward through two specific actions, one covering a sustainable procurement policy 'refresh', the other covering investigations of the development of sustainable procurement practice.

### **3 Detailed responses to the review of the Development of Local Authority Climate Change Action Programmes**

- 3.1 A valuable conclusion from the Commission's work is that 'the evidence gathering meetings with witnesses representing Nottingham City, Leicester City and Kirklees Metropolitan Councils has provided useful confirmation of validity of the actions so far included in the City Council's Climate Change Action Programme'.
- 3.2 It is encouraging to note that Derby is not alone in experiencing difficulties in establishing suitable **baseline information** and from that verifying performance in relation to **carbon reduction targets**. Problems here appear to be universal. The conclusion is that assembling robust baseline figures is an essential part of the climate change task. The importance of this to Kirklees, especially as they move into emissions trading, features in their evidence. Another feature of the evidence with strong echoes is the emphasis that the Councils place on 'getting their own houses in order', and within that the importance of improving the environmental performance of their own buildings, old and proposed, and reducing the impacts of staff travel.
- 3.3 Based on the Commission's study, there are no major topics missing from the Council's Action Programme but there is much to consider about focus and priorities within the Programme and the corporate support and arrangements needed to deliver in 'enhancing and advancing' it.
- 3.4 From the Review's summary of main points, **involving members and staff in the Council's climate change activities** (4.2) and **involving schools** (4.5) are both work items that have been strengthened in the new edition of the Programme. Accounts of what's now happening are included in the latest Highlight Report (No. 4), prepared for this Board meeting.
- 3.5 **Measures to reduce carbon emissions from domestic properties** across the City is identified in the Review as an important area of activity. Initiatives of Derby Homes and the Derby Home Energy Advice Service are important here. They do not feature in the Action Programme as they are well established areas of ongoing activity, but the scope for new initiatives through DHEAS will be examined. However, the Commission's concern focused on Planning and private developments, including establishing for Derby a version of the 'Merton Rule', and the Kirklees Warm Front Scheme. The latter is considered below. It is now clear that proper progress with the Merton Rule issue is dependent on progress with the Core Strategy for the new Development Plan. This is featured in the new Action Programme (SP1).
- 3.6 Another main topic area identified by the Commission is **local energy generation**. This is a topic addressed in the Programme, but is certainly a key area for activity in enhancing and advancing the Programme. The Commission noted that Nottingham has its own ESCO (Energy Service Company) which uses energy from waste to generate electricity and provide district heating. The Commission were told this saves 26,000 tonnes of CO<sub>2</sub>/year, which is about the same figure emitted from our Council buildings. Kirklees are proposing the installation of a heat-from-waste district heating scheme. The £6m cost of this will be funded

equally by the Council and a large local company. Kirklees are also looking at using four of the weirs on a local river for hydro electric generation and investigating the installation of a pelleting mill to turn woodland management wastes into wood pellet fuels. The Commission mentions that the proposed new County/City waste disposal facility may offer the opportunity to develop a heat-from-waste district heating scheme in Derby. Investigation of this possibility will be included in the new Programme.

- 3.7 The issue here is that the Programme has been drawn up having regard to what is considered to be feasible within existing and likely future resources. To date, resources for climate change / energy work have been limited. This leads to the final main point identified by the Commission - **addressing future challenges**. Points can be considered under the headings of organisation and resourcing, and major projects.

#### Organisation and resourcing

- An immediate challenge is how to deliver the targeted carbon savings from our own buildings. Another immediate challenge is to improve the performance ratings from new building, both public and private, within the City. There is much to be achieved, but we are still at the start of both processes. Partly in relation to this, the need to review corporate staff resources and staff structures to improve our response to the tasks before us has been identified, and this is included in the new Programme.
- Leicester's approach to climate change covers both a Mitigation Plan and an Adaptation Plan. Our Programme is not yet strong on adaptation initiatives, although it now contains a 'Local Climate Impact Profiles' study which is an important step in addressing this. Information about the study is included in Highlight Report No. 4.
- In Leicester, a Climate Change Strategy for the City has been developed in conjunction with the Local Strategic Partnership. Derby does not have such a strategy for the City. This has become more important in the light of National Indicator (NI) 185, which covers per capita reduction in CO2 emissions in the local authority area and is included within the Derby Local Area Agreement, and NI 188 which covers adapting to climate change. The Clean, Green Energy Study is an important first step in the process for a strategy of this nature, but there is much work to do to match Leicester's performance in this respect. Nottingham has a strategy that has been the subject of wide consultation and has been adopted by the Council.
- From Kirklees comes the idea of a 'Star Chamber' budget meeting at which Departments must present and explain their mitigation and adaptation plans to members. The Commission suggest that Departments presenting and explaining their climate change-related proposals to Members, perhaps of the Climate Change Overview and Scrutiny Commission, would provide an opportunity to explore whole life costing of schemes as well as increasing Member knowledge and involvement of what is being proposed across the Council. Kirklees also has a 'Seal of Approval' Board which proposals for new buildings must satisfy. Building and project teams are required to present proposals to the Board which asks questions about issues such as whole-life costing, resilience, and climate impacts. At Leicester, all Cabinet Members have some responsibilities relating to reducing the impact on the environment within

their portfolios. These are important corporate issues which merit further consideration for action and inclusion in later editions of the Programme.

- Nottingham's evidence pointed to the need at an early stage to identify resources to deliver Programme and strategy items. Declaring the intention to deliver an output without any funding to do it was highlighted as counter-productive. Financial resources is an issue that will need to be looked at corporately, as part of the staffing and structure review mentioned above. As mentioned in Highlight Report No. 4, the Climate Change Unit's latest temporary recruit is to carry out a comprehensive review of external funding opportunities for climate change work, and it is hoped that this will help to address the financial resources issue to some extent.

#### Major projects

- The Commission's report also suggests a need for the Programme to contain more ambitious projects that respond in a meaningful way to the scope of the challenges before us. Nottingham's ESCO and Kirklees' local energy generation initiatives were mentioned earlier in this report and are examples of the scale of initiative needed.
- Another example is the Kirklees 'Warm Zone' project which offers free loft and cavity wall insulation. This initiative has the ambitious target of providing 70% of properties with extra insulation, half of this supplied through Warm Zone. Insulation is available to all Kirklees residents and there is no means testing. The Council has put £9m into this scheme, with the remainder of the costs coming from a major power company.

- 3.8 The Programme contains initiatives that will move the Council toward in identifying major projects that are suitable for the City, but at present it stops short of identifying additional tangible major projects as suitable financing has not been identified at this stage. Inevitably, in addressing future challenges for the City's climate change response the issue of funding will loom large.

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### **Outcome of the Climate Change Commission's reviews of:**

- i) The development of Local Authority Climate Change Action Programmes**
- ii) Review of the use of the Council's Sustainable Procurement Policy**

### **Executive Summary**

At its meeting on 12 November 2007 the Climate Change Commission agreed to support the Climate Change Board by carrying out reviews to investigate:

- a) How other similar local authorities have addressed climate change issues within their areas and in particular how they had developed their Climate Change Action Programmes. (Part 1)
- b) How best practice local authorities have identified and implemented carbon reduction opportunities through changes to procurement procedures. (Part 2)

These reviews are detailed in Parts 1 and 2 of the attached report and are summarised below

### **Part 1 Summary**

The objective of the first review was for the Commission to contact local authorities that are similar to Derby and appear to have made significant progress in implementing initiatives to combat the effects of climate change and to enquire about their experiences with a view to identifying initiatives which if adopted by the Council could expedite or enhance the Council's Climate Change Action Programme.

Kirklees Metropolitan Council, Leicester City Council and Nottingham City Council agreed to contribute to the Commission's review. The representatives of these local authorities attended evidence gathering meetings at which Commission members explored how the three Councils had gone about developing their Climate Change Action Programmes.

The detailed outcomes of the meetings are set out in Part 1 of the full report. The Commission concluded that there were lessons to be learned about:

- Carbon Reduction Targets and Baseline information
- Involving members and staff in the Council's Climate Change Activities
- Measures to reduce carbon emissions from domestic properties
- Local Energy generation
- Involving Schools
- Addressing future challenges

As a consequence of its review the Commission made the following recommendations:

### **Recommendation 1**

That the Climate Change Board:

- a) Considers the information provided to the Commission by the representatives of Nottingham City, Leicester City and Kirklees Metropolitan Borough Councils to the Climate Change Commission
- b) Identifies any initiatives or actions that would enhance or advance the Council's Climate Change Action Programme
- c) Informs the Commission by a report to a future meeting, of the action which it now proposes to take.

#### **Response**

The Commission's findings have provided or encouraged some changes to the new Programme and have brought forward a number of major issues for consideration in drawing up and delivering future programmes. These points are developed in section 3 in the accompanying report to the Board.

### **Recommendation 2**

That the Leader of the Council, Chief Executive, and senior members and officers of Derby City Council visit a local authority such as Kirklees Metropolitan Council to examine how they have implemented their Climate Change Action Programmes and what has been involved in doing so.

#### **Response**

Include the following action in the Climate Change Action Programme.

G2 - Arrange within the next six months a visit to a suitable local authority, as determined by the Chair of the Board, for senior members and officers to examine how the authority have implemented their climate change action programmes and what has been involved in doing so.

## **Part 2 Summary**

The objectives of the Commission's second review were to:

- (a) Determine whether the Council had a suitable Sustainable Procurement Policy
- (b) Establish the extent to which any Sustainable Procurement Policy was being followed by Council departments.

The review was based on a simple questionnaire survey of the Council's Head of Procurement and the Chief Officers of the Council's five departments.

The responses received by the Commission are shown in Sections 3.1 and 3.2 of the report.

From the responses it received the Commission has drawn the following conclusions:

- The City Council has a viable Sustainable Procurement Policy which is applicable to all areas of procurement. This policy is not however easily accessible.
- Chief Officers are supportive of the concept of sustainable procurement and consider that the Council will need to make more use of sustainable procurement if it is to meet its carbon reduction targets.
- Currently, there is only limited use of the Sustainable Procurement Policy across the Council. Usually it is only used where there are obvious and significant sustainability issues and impacts.
- In general Council staff have limited knowledge of the Sustainable Procurement Policy or of the way in which it should be applied, so there is a need for awareness raising, guidance and training in the use of the policy.
- Sustainable procurement is not currently seen as a high priority for departments, more importance being given to issues such as value for money and performance against ideal specification.
- There is little formal record keeping by departments to show how issues of sustainability have been taken into account when procuring products/services.
- Wide spread use of sustainable procurement by the Council is likely to result in at least a short term increase in costs.

The Commission has consequently made the following recommendations:

### **Recommendation 1**

Guidance should be issued on the extent to which Council departments are required to follow the principles of sustainable procurement and the policy document should be made much more accessible.

### **Recommendation 2**

New and extensive publication of the need for sustainable procurement should be provided to employees at all levels across the Council and staff should be actively encouraged to look at procurement practices within their departments.

### **Recommendation 3**

The Sustainable Procurement Policy should be supported by clear user- friendly guidance with examples wherever possible. If resources are available training sessions on sustainable procurement should be offered and a forum established to publicise and exchange examples of best practice. Again, if resources are available a 'helpline' should be set up to offer advice to employees on sustainable procurement.



#### **Recommendation 4**

All Council departments should as a matter of course keep records to show how they have followed the procedures set out in the Sustainable Procurement Policy.

#### **Recommendation 5**

As part of their record keeping all Council departments should include details of any increased costs that they incur by the sustainable procurement of products or services. Wherever possible these additional costs should be related to the environmental savings achieved through sustainable procurement.

##### **Response**

Include the following actions in the Climate Change Action Programme.

##### **EM1 – Sustainable Procurement Policy refresh**

Through joint working between Procurement Section and the Climate Change Unit, and having regard to the points raised in the Climate Change Commission's review;

- review the Sustainable Procurement Policy, address issues of access and the appreciation of the policy's status, and draw up an internal 'marketing' campaign to promote the policy, by the end of August
- develop for approval by Chief Officer Group an auditable system to allow Departments to 1) demonstrate how sustainability has been taken into account in procurement activity and 2) show details of any increased costs as a result of sustainability factors, by the end of August
- launch a corporate sustainable procurement awareness raising, guidance and training initiative, focusing on the ways in which the policy is to be applied, by the end of September.

##### **EM2 – Sustainable procurement practice development**

Through joint working between Procurement Section and the Climate Change Unit, assess the feasibility of establishing 1) an internal forum to exchange examples of best practice and 2) a sustainable development 'helpline'.