

SCRUTINY OF THE IMPLEMENTATION OF THE CLIMATE CHANGE AND ENVIRONMENT STRATEGY

To: **Cabinet**

Date: **7 September 2010**

From: **Environment and Sustainability Scrutiny Committee**

Electoral division(s): **All**

Forward Plan ref: **N/A** *Key decision:* **No**

Purpose: **To present the findings and recommendations from a scrutiny review of the implementation of the climate change and environment strategy.**

Recommendation: **That Cabinet consider the Committee's findings.**

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Robert Jakeman	Name:	Councillor Nigel Bell
Post:	Scrutiny Development Coordinator	Portfolio:	Chairman, Environment and Sustainability Scrutiny Committee
Email:	robert.jakeman@cambridgeshire.gov.uk	Email:	nbell@waitrose.com
Tel:	01223 699143	Tel:	01223 699173

1. BACKGROUND

- 1.1 The Environment and Sustainability Scrutiny Committee met on the 12th July and considered a progress report regarding the implementation of the Climate Change and Environment Strategy (CCES). Members requested this report in recognition of the importance of the strategy in enabling the Council to achieve its Strategic Objectives. It was also considered timely to scrutinise progress at this point as the strategy has been in operation for two years and has recently been subject to an Internal Audit review.
- 1.2 The Committee questioned the following at the meeting, and were grateful for their input:
- Councillor Tony Orgee, Cabinet Member for Economy and the Environment
 - Julia Barrett, Service Director: Environment and Regulation
 - Sandy Shattock, Head of Environment Management and Climate Change
 - Jane Sellers, Climate Change Manager
- 1.3 A full record of the discussion is recorded in the minutes of the meeting, which is available on the Council's website and on request from the Scrutiny Development Coordinator. However, the Committee particularly wanted to draw Cabinet's attention to three issues, which are the subject of the remainder of this report.

2.0 LEADERSHIP

- 2.1 The Committee noted that a previous Member Led Review regarding Carbon and Energy Management (submitted to Cabinet during May 2009) had recommended that the Council should establish Member and Director champions to provide leadership on environmental issues. This was in recognition of the difficulty in embedding change across the whole organisation.
- 2.2 Members are aware that Councillor Orgee provides the lead Member role in relation to the CCES. However, the lead Officer role is currently vacant following the recent departure of the former Executive Director for Children and Young People's Services. Members therefore recommend that the Chief Executive should identify a Strategic Management Team (SMT) member to provide strategic leadership as soon as possible.
- 2.3 Members believe that this renewal of leadership is vital, given the complexity involved in delivering the strategy. They commented that there are:
- 'multiple strategies, targets, indicators, plus the involvement of various government departments and partners – this area of work was enormous, and very difficult for Members and the public to understand. It was suggested that there needed to be one main visible message / activity to simplify and embed this complex agenda. Another Member pointed out that the Environment &*

Community Services Scrutiny Committee had previously recommended that there should be a champion at a very senior officer level.'

- 2.4 The Committee also believe the findings from a recent Internal Audit investigation further support the need for strong leadership:

*'this area is not being embraced by the whole organisation as we would expect to see, given its strategic importance to the Council. Therefore we were only able to provide **Limited Assurance** with regards to the integration and embeddedness of the Climate Change and Environment Strategy'*

- 2.5 The Committee is therefore concerned that the effectiveness of officer coordination across some of the Council's services has been hampered by a lack of clear leadership, and urges Cabinet to address this issue as a priority.

RECOMMENDATION 1

The Chief Executive should identify a member of SMT to lead the implementation of the Climate Change and Environment Strategy across the Council. Cabinet should regularly assess the impact of this leadership on the implementation of the strategy.

WHO: Chief Executive

WHEN: September 2010 (identification of SMT member) and ongoing assessment of progress.

3.0 LINKS WITH OTHER PLANS

- 3.1 The Committee is aware that there are several key dependencies between the CCES and other plans and strategies. One of the objectives of the Better Utilisation of Assets programme, for example, is to ensure that the Council's property estate is as environmentally sustainable as possible. The successful implementation of CCES therefore depends, to a large extent, on linking together different activities so that the whole is greater than the sum of the parts.
- 3.2 Members therefore expected there to be a degree of overlap between the CCES and other plans and strategies. However, on closer inspection, the Committee found that this overlap was particularly pronounced in relation to the Carbon Management Plan (CMP).
- 3.3 The report to the Committee noted that the CMP 'sets out the opportunities for reducing carbon, an overarching business case, and also establishes an aspirational target of 30% carbon reduction over five years to 2013-14'. The report also states that the 'CMP is fundamental in setting the agenda for the Climate Change Programme'.

- 3.4 However, the Climate Change Programme has also ‘helped to ensure that there is cross-authority governance for CCES delivery activities’, indicating that the CMP and CCES are very closely aligned. Indeed, the report to the Committee showed that both have carbon reduction targets as key performance measures.¹
- 3.5 The Internal Audit review of the CCES Action Plan recommended that targets linked to quantifiable CO₂ benefits should be developed, to strengthen the focus on carbon emission reduction. The report to the Committee showed that this recommendation had been fully accepted and the ‘revised CCES action plan will be much more focussed on carbon reduction’.
- 3.6 The Committee are fully supportive of this intention to focus the CCES on carbon reduction measures. The Council will be required to purchase carbon permits as part of the Carbon Reduction Commitment (CRC) scheme so there are both environmental and financial imperatives to reduce carbon emissions.
- 3.7 However, Members believe that this additional focus on reducing emissions provides an opportunity to merge the activities of the CCES action plan and the CMP into a single plan to rationalise effort and reduce the risk of duplication. This would enable the Council’s CCES Champions and other members of the Climate Change Programme Board to focus their efforts on reducing the Council’s CO₂ trading liabilities and deliver the changes recommended in the Internal Audit report.

RECOMMENDATION 2 – MERGING PLANS

The Local Authority Carbon Management Plan and the Climate Change and Environment action plan should be brought together to focus on reducing the Council’s CO₂ emissions and reduce its carbon permit trading liabilities.

WHO: CCES Member and Officer Champions

WHEN: September 2010

4.0 RESOURCES

- 4.1 The Committee recognised that the remit of the CCES and associated action plan is extensive and cuts across all Council services. However, given the limited time available during the meeting and due to the reasons given above, Members decided to focus on the measures being taken to reduce carbon emissions.
- 4.2 In particular, Members wanted to know about the Council’s relationship with schools as the Council is accountable for carbon emissions from the schools estate despite decisions about energy use being within the gift of schools.

¹ National Indicators 185 (CO₂ reduction from Local Authority operations) and 186 (Per capita CO₂ emissions in the LA area) are measured through the CCES.

This means that the Council is obliged to pay for carbon permits for school emissions under the CRC without the ability to directly reduce emissions. This has significant financial implications for the Council as the schools estate accounts for 44% of the Council's total carbon footprint. However, as Members involved in the Carbon and Energy Management scrutiny review discovered, whilst schools are not responsible for CRC payments, there is an incentive for them to reduce their energy bills as this is typically their second largest cost.

- 4.3 Members therefore focussed their questioning on the use of a £2million capital fund established to support investment in energy efficient infrastructure and carbon reduction. This funding is available until March 2013 to Council owned buildings, including schools.
- 4.4 Officers advised the Committee that the funding was currently held by the Finance, Property and Performance directorate, and that the Customer Service and Transformation directorate had gathered energy use data to inform the prioritisation of projects, in consultation with the Head of Infrastructure: Education Planning. However, no schools had accessed the funding to date and a key barrier had been the lack of agreement regarding a protocol to manage the terms and conditions under which funds would be issued to schools (e.g. expectations about when the monies would be returned).
- 4.5 Members recognise that the fund has not been established to solely support schools, and that it is important to target resources where they are most needed, which will include some properties directly managed by the Council. Nonetheless, given the scale of emissions from schools, it is clear that some schools will fall into the high priority category. The Committee therefore believe that any issues that exist in enabling relevant schools to access the fund, should be overcome as soon as possible.
- 4.6 Members also believe that the most effective means of expediting this process would be to transfer responsibility for the deployment of the £2m capital fund to the CCES officer champion (as per recommendation 1). This would ensure that accountability for the effective use of the fund is vested in one lead officer, and that expenditure is aligned with delivery of the CCES as a whole.

RECOMMENDATION 3 – MANAGEMENT OF ENERGY EFFICIENCY FUND

The £2m energy efficiency capital fund should be managed by the lead officer responsible for delivering the CCES.

WHO: Chief Executive / lead SMT Member responsible for CCES

WHEN: September 2010

5.0 CONCLUSION

- 5.1 The Committee notes that the Council has established some of the fundamentals required to deliver the CCES. There is a lead Cabinet Member, action plan, programme board and funding has been allocated. However, the Committee believes that further work is required to embed the strategy across the organisation. The Committee believes that there is an opportunity to reenergise current efforts to implement the strategy through developing officer leadership arrangements, merging similar plans and transferring responsibility for the deployment of energy efficiency funding to the proposed lead officer.

6. SIGNIFICANT IMPLICATIONS

Resources and Performance

Finance

- 6.1 This report includes a recommendation to transfer the management of the £2m capital fund for energy efficiency improvements to a lead officer responsible for implementing the CCES.

Property and Facilities Management

- 6.2 The Committee anticipates that the implementation of the third recommendation would expedite the process for improving the energy efficiency of the Council's buildings (including the schools estate).

Key Risks

- 6.3 The Council's Strategic Risk Register identifies Climate Change Adaptation and Mitigation as a key risk area. The Committee believes that the implementation of their three recommendations will help mitigate risks in this area.

Statutory Duties / Requirements and Partnership Working

- 6.4 There are no significant implications arising from this report.

Climate Change

- 6.5 The Committee believes that the implementation of their three recommendations contained within this report will significantly strengthen the Council's ability to achieve its environmental objectives, particularly in terms of reducing carbon emissions.

Access and Inclusion

- 6.6 There are no significant implications arising from this report.

Engagement and Consultation

6.7 There are no significant implications arising from this report.

Source Documents	Location
Environment and Sustainability Scrutiny Committee CCES report and minutes from the meeting on the 12 th July 2010 Carbon and Energy Management Scrutiny Review	Shire Hall Room 221 (please contact Robert Jakeman on 01223 699143 or robert.jakeman@cam bridgeshire.gov.uk)