

DECISION-MAKER:	CABINET
SUBJECT:	LOW CARBON CITY STRATEGY ANNUAL PROGRESS REPORT
DATE OF DECISION:	29 JANUARY 2013
REPORT OF:	LEADER OF THE COUNCIL
STATEMENT OF CONFIDENTIALITY	
Not applicable.	

BRIEF SUMMARY

This report provides an update on the progress being made in delivering the actions in the Low Carbon City Strategy's Delivery Plan. This update covers the progress made in the eighteen months since the strategy was adopted. The Low Carbon City Strategy sets out the key priorities for the Council for the 10 year period between 2011/2012 financial year and up to and including the 2020/2021 financial year that will help to deliver job opportunities, raise skill levels, support development, strengthen and build the low carbon economy in the City, respond to the impacts of climate change and mitigate our impact on the environment by reducing the City's carbon emissions.

RECOMMENDATIONS:

- (i) To re-confirm the Council's commitment to the Low Carbon City Strategy as set out in Appendix 1, to provide a framework from which to base future decisions and policies.
- (i) To note the outcomes and achievements outlined in Low Carbon City Strategy annual progress report, as set out in Appendix 2, and re-confirm the Council's commitment to years 2 and 3 of the Delivery Plan.

REASONS FOR REPORT RECOMMENDATIONS

1. The Low Carbon City Strategy was adopted by Cabinet in June 2011 and set out a programme of work for an initial three year period up to the beginning of the 2014/2015 financial year. Southampton City Council committed to report on an annual basis its performance in line with the objectives set out in the document for the purposes of transparency.
2. The strategy was adopted with cross-party political support under the previous administration but requires the formal commitment of the current administration in order to drive forward work under this agenda.
3. The Delivery Plan is a working document which is subject to amendment to reflect any additional commitment the Council may look to make following its formal adoption. The Delivery Plan has been revised to incorporate a number of strategic energy initiatives which were not outlined in its previous iteration.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. To proceed without providing an update on the progress that is being made towards reducing the City's and the Council's carbon footprint and without adding to the actions listed in the delivery plan. This would break the commitment the Council made to be open about its performance and fail to

capture the continued and growing work which is taking place in Southampton towards both mitigating our impact on the environment and adapting to the impacts of climate change.

DETAIL

Introduction

5. Southampton has made solid progress in starting to prepare for a changing climate, by improving our understanding of climate impacts and establishing a firm evidence base to inform future decision making. The more information we have available to us either through our climate change risk and vulnerabilities assessment tool, or through the carbon emissions inventory developed in partnership with the University of Southampton; the better equipped we will be to manage future changes and identify opportunities. Along with developing the tools we need to assess the impacts of climate change and identify areas for effective mitigation, Southampton has made firm strides forward in implementing initiatives that have contributed to the total reduction in CO2 emissions achieved in the last year. A number of the key achievements are provided in the body of this report and full details of the progress that has been made against all the actions in the delivery plan can be found in the appendices. Efforts are ongoing with a range of measures being implemented in the second year which will enable the authority to continue to drive down emissions.

Background

6. The Low Carbon City Strategy was adopted by the City Council in June 2011 to give a clear management framework and policy direction for the Council and to provide a basis for consistent monitoring and reporting of strategic climate change related actions. It builds on the Council's first Climate Change Strategy which was adopted in 2004.
7. It provides a clear vision and management framework to ensure climate change action delivers economic advantage by positioning Southampton as an investment location of choice. Cities and regions that have a commitment to a low carbon economy will have a major influence in the future investment decisions of occupiers, businesses and financial investors. This means harnessing the City's strengths to promote a positive investment environment alongside new programmes to deliver the infrastructure and services that will underpin a low carbon economy. Southampton needs to continue to demonstrate its existing low carbon credentials and seize the initiative to establish a competitive advantage for existing businesses and new investors to the City.
8. A Delivery Plan was submitted in concurrence with the strategy to draw out the key actions for the City Council and its strategic partners to focus on for the first 3 years of the strategy (up to 2014). The Delivery Plan lists realistic and measurable actions with the intention to establish a firm platform for ambitious action as and when opportunities arise. The actions are listed under the 8 central 'pillars' of the strategy:
 - i. We will invest in, strengthen and grow the City's low carbon economy

- ii. We will generate and use energy in a sustainable way
 - iii. We will reduce the carbon footprint of the City
 - iv. We will minimise the impact from flooding for the City
 - v. We will incorporate sustainability into all of our buying decisions
 - vi. We will strengthen biodiversity in the City
 - vii. We will increase low carbon travel and transport
 - viii. We will use less, waste less and recycle more.
9. The majority of actions in the Delivery Plan are funded through existing budgets and where additional funding is required actions are not be taken forward until internal or external budgets are secured.
10. The Council committed to report on the progress made in delivering the actions in the Delivery Plan on an annual basis. This was done to ensure accountability and to make sure the City remains on track to achieve the commitments and outcomes outlined in the document.

Achievements

11. There has been a considerable amount of activity undertaken within Southampton to advance its ambitions to become a low carbon city. The outcome of the activity undertaken internally has seen a 14% reduction in reported emissions for the authority during this time and nearly a 15% reduction in total city-wide emissions since 2005 (up to 2009). Several contributory initiatives are particularly noteworthy:
- Through delivery of a combination of the carbon reduction policy, improvements to our CRC reporting and rationalisation of buildings a reduction in reported emissions of 3,042 tonnes of CO₂ has been achieved. This equates to a 14% reduction in Council Buildings CO₂ emissions.
 - The Council's solar PV installation programme was completed before the 3rd March 2012 government deadline to halve Feed in Tariff (FiT) payments. The scheme makes use of FiT revenue and has yielded in excess of £80,000 worth of income over the past 12 months and delivered over 450kWp of installed capacity over 30 sites across the authority's operational buildings, schools, academies, Council owned housing, the civic centre and City depot. The target internal rate of return was 8% with payback in 9 years. However, in partnership with Solar Century efforts were made to reduce solar panel costs and, coupled with the FiT payments, resulted in an internal rate of return of >12% and reduced payback period of 7 - 8 years.
 - The energy centre and district heat pipe work at Centenary Quay has been completed and is providing heat to the houses completed on site. The network will deliver savings for residents in their energy bills. It has been estimated that the CHP unit will reduce total CO₂ emissions for the entire site by around 11% (>1000 tonnes of CO₂) from the 'energy efficient' design baseline.
 - Structural and environmental improvements are being made to four tower blocks along International Way in Weston (Oslo, Havre, Copenhagen and Hampton) utilising Housing Revenue Account

Capital programme funding and external funding secured from the Community Energy Savings Programme via utilisation of British Gas. International Way sits within one of the five most deprived wards in the City and these improvements will have a significant impact in tackling issues of fuel poverty, child poverty and wider deprivation.

- 2,600 measures have been or are scheduled to be installed in Southampton's private homes through the Cocoon and Heatseekers insulation discount schemes. The Council has worked with partners to offer free insulation through the Cocoon scheme from 14 May 2012.
- In June 2011, Southampton City Council was awarded £3.96m from the Local Sustainable Transport Fund (LSTF) for its Sustainable Travel City proposal. The basis of the bid was the establishment of a shared delivery unit which brings together the expertise of Southampton University, Sustrans and Southampton City Council to form a Centre of Excellence for Behaviour Change with the aim to achieve a 12% modal shift away from the private car, reducing congestion and greenhouse gas emissions. Coupled with the award of €2.6m following formal approval from the EU for the 'Building European Environmental and Maritime Skills' (BEEMS) project, significant resource is being drawn in to advance the objectives of the strategy.
- Professor AbuBakr Bahaj, Head of the University of Southampton's Energy and Climate Change Division was appointed as the UK's first local authority Chief Scientific Adviser to provide expertise on relevant environmental issues, champion science and engineering as a key driver of the economy and ensure the City uses science effectively in all policy-making.

Full detail on the progress made in every action contained within the delivery plan is attached in the full annual progress report in Appendix 1.

Use of Resources

12. In 2011, the City Council established a co-ordinated, organisation-wide programme to deliver efficiency and financial savings through a reduction in the Council's use of natural resources. A target was set to deliver a corporate saving of £840,000 against the Environment and Transport Budget over the course of a 3-year period through more efficient use of energy, waste, water and transport. Representatives from each Directorate, and from specialist advisory areas, were identified and attend monthly Programme Board meetings with the mandate to deliver the actions required to achieve the £840,000 savings target. To date the programme has delivered a total reduction of 220 tCO₂ and associated cashable savings and cost avoidance through the implementation of a number of measures.
13. In addition to overseeing the delivery of significant financial savings for the organisation the Use of Resources board acts as a cross-departmental management group to oversee the integration and delivery of the Low Carbon City Strategy objectives in every area of the Council's practices and drive forward efficient use of water, energy and other resources.

Key actions in Year 2

14. There are a number of initiatives that roll into the second year of delivery which seek to deliver objectives identified in the transition plan for 2012/2013, including a number which have already yielded success in year 1 as previously noted. This includes:
- a. Energy savings in the corporate and admin estate will be delivered by a range of measures including the Salix programme. The capital budget for this is £408,000 for the 2012/2013. This will include energy efficiency projects such as lighting replacement and improved control at a number of sites including MS car parks, improved heating controls, insulation works to include pipework and building fabric improvements, CHP at a residential care home, and both corporate and schools estate.
 - b. The development and implementation of the City's Carbon Offset Fund which will be made available to developers. Developers will be provided the option to deliver the sufficient carbon savings required for a given development through investment off-site in instances where on-site options are deemed prohibitively expensive and potentially unviable. Developers will contribute a set rate per tonne of carbon to achieve the differential between the viable on-site development and the higher code and BREEAM standards required of development in the City. The revenue will then be made available for investment in a programme of energy efficiency, low carbon and renewable energy initiatives elsewhere in the City.
 - c. The purchase of an electric car for use as a staff pool car utilising funding secured through DEFRA's air quality grant. This will be coupled with the delivery of transport efficiencies following the publication of transport efficiency business cases from Peopletoo Ltd.
 - d. Whilst SCC hasn't been successful in securing £24m from the Technology and Strategy Board for its Future Cities Demonstrator programme, Southampton's success in the Phase 1 bid enabled the authority to develop a much more detailed programme for integrated infrastructure delivery in the City, with a particular focus on energy. Building on this work it is proposed that a strategic action plan for the delivery of low carbon and renewable energy for the Council, the City of Southampton and the Solent Region be developed (as outlined in the Strategic City-Wide Approach to Energy report at Cabinet on the 18th December). This plan will outline the key opportunities and risks, appropriate technologies, the legal implications, and the resource requirements, both revenue and capital, of implementing a large programme of this nature. A programme of suitable schemes across Southampton, to reduce energy costs, improve energy security, and support the strategic objectives of the Council both as a large organisation in the City and as a community leader, and further feasibility study requirements would be drawn up for the City with an outline indication of the likely resource commitment required. Investment grade business cases will be commissioned and produced for suitable schemes for appropriate member approvals.

- e. An initial City wide district energy assessment has identified a number of Council owned social housing areas that may suit District Energy (DE). The areas highlighted include existing social housing and the regeneration of estates areas, for example:- Weston Shore, Thornhill, Townhill Park and Millbrook. There are opportunities to create larger DE networks by incorporating other public sector buildings, including schools and leisure facilities, along with larger commercial developments. The feasibility of these district energy (DE) schemes in suitable City locations will be carried out next year.
- f. The Council is looking to facilitate a partnership approach to maximising Energy Company Obligation (ECO) investment. This funding will encourage the development of the local economy by investing in local supply chains, job market and skills training, and provide the maximum level of funding whilst giving the potential for a return for the City from wider business opportunities. Initial penetration utilising the Council's housing stock will act as a platform for a wider cross tenure approach. Rotterdam tower along International Way has already been identified as a scheme and will be developed to mirror the CESP works already undertaken in Weston. A procured strategic partner will also be expected to support the development of other energy and energy efficiency schemes in the City including the Green Deal. Best use of grant funding through ECO will also be used to support a DE programme.

A full list of the actions to be taken forward in year 2 is contained within Appendix 1.

Consultation and Communications

- 15. The progress report has been circulated to members of the Use of Resources Board which comprises of officers from across the Environment and Economy, Health and Adult Social Care and Children Services and Learning directorates. The progress report and Delivery Plan have been amended to incorporate comments from this consultation exercise and have now been finalised for approval.

RESOURCE IMPLICATIONS

Capital/Revenue

- 16. There are no direct resource implications. The majority of actions associated with the strategy are funded through existing budgets, as indicated in the Delivery Plan progress report (Appendix 2). Where additional funding is required actions will not be taken forward until internal or external budgets are secured.

Property/Other

- 17. The Low Carbon City Strategy and Delivery Plan should have a positive affect on the overall condition of the Council's property in the medium to long term. There is a potential clash between the re-active repair and maintenance work which may be required to maintain the operation of buildings in the short term. Processes and procedures will need to be put in place to co-ordinate and manage these potentially conflicting priorities and how any additional, marginal costs that may be incurred will be funded.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

18. Section 1, Localism Act 2011 empowers a local authority to do anything an individual may do subject to any pre or post commencement limitations. No such limitations apply in respect of the matters set out in this report

Other Legal Implications:

19. SCC is duty bound to meet the Government's targets on carbon dioxide emission reductions as set out in the Climate Change Act 2008. There are no legal risks identified at this time

POLICY FRAMEWORK IMPLICATIONS

20. The Low Carbon City Strategy, the supplementary Delivery Plan and accompanying documents are in accordance with a number of policy framework plans which contain sustainability objectives. In particular:-
- City of Southampton Strategy
 - Local Transport Plan
 - Housing Strategy
 - Local Development Framework Core Strategy
 - Health and Wellbeing Strategy
21. The Strategy and Delivery Plan contributes to addressing each of the four City Challenges (Economic Development, Educational Attainment, Well Being, and Green and Attractive Environment).

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KEY DECISION? N/A

WARDS/COMMUNITIES AFFECTED:	ALL
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SUPPORTING DOCUMENTATION

Appendices

1.	Low Carbon City Strategy
2.	Low Carbon City Strategy annual progress report

Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes/No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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