

Going Locally Green

Taking on the challenge of the Carbon Reduction Commitment

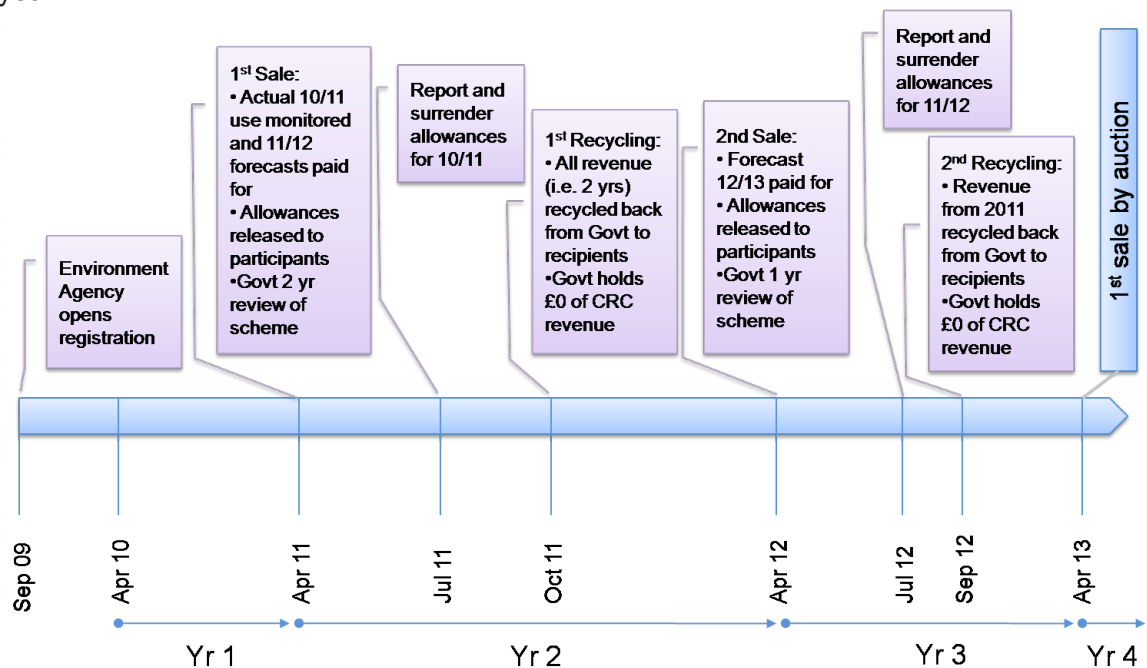
Tackling climate change is the responsibility of every citizen and organisation. Incentivising so many disparate groups has put governments in the vanguard and they have resorted to legislation to try and create the markets necessary to price and discourage externalities through cap and trade schemes.

The Carbon Reduction Commitment (CRC), now known as the CRC Energy Efficiency Scheme, places a duty on all companies and public sector organisations that use more than 6GWh of energy a year to engage in a carbon trading scheme. For the public sector, with its heterogeneous estates differing in age, construction techniques, and using various technologies, the scheme could lead to an effective cost of 1% of total spend; in these straightened times a very hefty price that has to be avoided if at all possible.

NLGN aims to look at not only the scheme itself but also the wider implications of the CRC and how it could be a great opportunity to bring together market making, job creation, better asset management and the wider savings envisaged by the Operational Efficiency Programme with the moral imperative for councils to lead the way in reducing carbon use in their localities.

The Carbon Reduction Commitment:

The CRC “aims to incentivise absolute carbon emissions reductions in large organisations by focussing on their energy use not captured by the EU Emissions Trading Scheme (EU ETS) and Climate Change Agreements (CCAs)”. Starting in April 2010, and moving towards full implementation by 2013, it could cost large unitary councils up to £1.4m per year.



Local authorities are already preparing for the administrative elements of the scheme, such as registration with the Environment Agency and reporting energy use, but councils have yet to grasp how to meet the stringent demands of the CRC and how their diverse estates will measure up to the tightening price of carbon from 2013.

NLGN will produce an in depth report to help local authorities take the lead locally and plan not only for the immediate future but also to integrate carbon reduction into their wider strategic objectives and efficiency targets.

Thinking long term:

The project will emphasise three related aspects:

- Understanding CRC and its legal power
 - Auditing the local estate, understanding exposure to carbon costs and getting ready to trade
- Taking action to reduce carbon costs
 - Better asset management and combining carbon costs with efficiency savings and shared services
 - Capital investment and creating new revenue streams to pay for it
 - Trading smartly from 2013
- Taking the local lead
 - Utilising trading powers to sell green expertise to the rest of the public sector
 - Undertaking work with ESCOs and other partners to sell energy to the grid
 - Market Making: promoting investment in local green skills and jobs to reduce prices for public and private polluters alike to achieve reductions
 - Promoting good carbon practice at the street and ward level and providing support for greater use of micro-generation

Objectives and Evaluation

NLGN is very well placed to lead on this project with a series of research publications going back three years that have led thinking on carbon trading, energy saving strategies, waste management and raising capital investment. This research, therefore, aims to maximise practicality and objective lessons for local authorities and partners.

Short Term

- Instigate a series of seminars across the country to look at how councils are working towards CRC compliance
- Distribute practical best practice and learning to all local authorities and partners
- Develop a series of scenarios for integrating energy saving into wider efficiencies

Medium Term

- Provide practical lessons and ideas for local authorities to develop long term wins in reducing carbon costs
- Work towards a roll out of guidance that unifies CRC and asset management across LSP partners

Long Term

- Identifying skills and local job opportunities for investment
- Working with councils to develop place shaping and behavioural change techniques relevant for the challenging sustainability agenda

Budget and Timescales

With carbon reduction a vital issue that requires long term planning, NLGN aims to complete the research by mid-Summer 2010, ready to influence the developing strategies of a new government. It is also our intention, should the funding be in place, to hold fringe events building on the report at the autumn party conferences and Society of Local Authority Chief Executives, helping to get the message of a unified efficiency drive with the green message at its heart to the key decision-makers. The suggested funding breakdown is therefore:

- Research project, publication and campaign: £30,000
- Fringe events at all three major party conferences: £15,000>£17,000

To find out more about the NLGN and our previous work, please contact James Kirkland (020 7015 1384, jkirkland@nlgn.org.uk) or visit www.nlgn.org.uk.