

LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET

Agenda Item No.

8b

DATE: 9 NOVEMBER 2004

REPORT OF: DEPUTY LEADER AND CABINET MEMBER FOR STRATEGY AND FINANCE

SUBJECT: EXECUTIVE RESPONSE TO THE ENVIRONMENT OVERVIEW AND SCRUTINY REPORT ON CLIMATE CHANGE

KEY DECISION? N

1. Summary

The report sets out the suggested Cabinet response to the recent Overview and Scrutiny Task Group report on Climate Change.

2. Recommendation

That Cabinet approve the response to the recent Task Group report on Climate Change as described in Section 3 of this report and that the Director of Environment be instructed to progress the matters arising with relevant officers and report back to the Environment Overview and Scrutiny Committee with an update in approximately six months.

3. Details

3.1 We have responded to each of the recommendations of the Task Group's report and have identified a number of actions that the Council could commit to and that could be delivered. Our comments and proposed actions follow. The recommendations within the Task Group report to which each point refers are shown in brackets against each section. For ease of reference, we have also attached as **Appendix A** the table of recommendations within the Task Group report, cross referencing where in this report each point is covered.

3.2 The Property Services functions of the Council are currently managed by an in-house team following the termination in September 2003 of the contract agreed in 2001. The Assistant Director of Environment for Property and Procurement is leading a procurement process for new external partners. Within this process and with the re-arrangement of staffing structures to manage new partners, we will ensure that the duties of an officer include energy management functions. We do not accept the view that this should be a dedicated post. Our priority is to not increase the staff compliment of the Council. As part of this procurement process for the new partners, we will consider whether the energy management functions are best placed with a partner or with the retained in-house team. It is premature to decide which it should be at this stage. An individual with energy management expertise will be identified and consulted in defining this role and in advising where the function is best placed. Again, it is premature to come to a view as to what level the post holding these duties should be set at. The grading of the post will be subject to the normal job evaluation process in due course. (Recommendations 3a, 3b, 3c)

- 3.3 An early responsibility of the officer with these energy management duties would be to draw up an energy strategy and consider the value of establishing an energy policy forum. However, given competing claims on resources and the high level of council tax, the Cabinet does not consider that its ability to influence the world climate justifies a Climate Change Strategy. (Recommendations 1a,1b, 25a). Similarly, that officer would consider the benefits of a potential staff awareness campaign in respect of energy use within the workplace and at home, consider the resources required and, offer advice to the Council. (Recommendations 7a,7b,7c)
- 3.4 It is not considered appropriate at this point in time that any Cabinet Member's portfolio be widened to specifically include being "Energy Efficiency Champion". It will however be appropriate to review this point once an energy strategy has been drawn up per para 3.3 above. (Recommendations 3a, 3b and 3c)
- 3.5 Similarly, it seems sensible that the need for additional administrative support for the officer be reviewed at the point at which the proposed energy strategy is drawn up. This will be affected by the wider administrative support available to the officer wherever they are positioned. (Recommendation 4). The potential funding routes for both the principal post and any administrative support required would be explored as part of the drafting of the energy strategy and would include consideration of "bill top-up" models or similar. But this is not necessarily a route that could or should be applied to all contracts. (Recommendation 5).
- 3.6 It is the case that energy advice could be made available to schools, other departments, residents and businesses as part of the energy strategy. Work with schools, for example, could encourage pupils and staff alike to be aware of energy issues. Teaching materials are widely available. There is no reason however for an individual Council to create or seek to interfere with the curriculum decisions of schools, which are locally managed. The type and extent of support offered and the marketing methodologies adopted would be informed by the energy strategy. (Recommendations 6, 10a, 10b, 10c, 18, 19, 25b).
- 3.7 The costs, benefits and practicalities of ploughing back a fixed proportion of energy savings into related capital investment will be investigated as part of the drawing up of the energy strategy. (Recommendation 8).
- 3.8 The maintenance of corporate accreditation to a recognized environmental standard' whilst ideal in providing a focus for environmental improvement can be relatively resource intensive and therefore expensive to maintain. Similarly, if the Council were to adopt carbon emission targets it would have to address the ease with which they could be set, monitored and potentially reduced, including how associated costs would be found where necessary. We believe these issues should be reviewed in the light of an emerging strategy rather than any action being taken now. (Recommendation 9)
- 3.9 The procurement handbook section providing guidance on environmental issues will be expanded by officers in the Corporate Procurement Unit and in line with the commitment already set out in the Council's Procurement Strategy as approved by Cabinet. (Recommendation 12a). The energy strategy to be drawn up would include a review of related issues, including our approach to Green Electricity use. (Recommendation 11).
- 3.10 'Information on and evaluation of environmental policies in the tendering process' can only be requested where its application is relevant to the subject of the goods or services being tendered under EU procurement directives. Many recent tender exercises have required the evaluation of particular environmental credentials where these have been relevant to the contract. They are often covered by setting out environmental requirements in the technical specification of tender documents. Over time it is recognized that better training for project

officers will improve the application of environmental standards in contracts. (Recommendation 13)

- 3.11 The Council's Green Transport Plan (CGTP) remains in being. Many CGTP initiatives are being used daily by staff. It is suggested that there should be a Council wide travel re-survey of staff. This would not only raise interest, but it would also provide some new baseline figures. This work would be best handled by the Transport Planning team in the Environment Directorate but there are no current resources in place in that service to deal with these issues. It is the type of activity that is supported by Transport for London however and we are therefore making a bid to them for additional funding support. (Recommendation 14). In preparing the Local Development Framework, the Council's planning officers will have regard to the desirability of reducing carbon emissions but in terms of transport, it is important to set this in the context of the need to provide sensible, alternative modes of transportation and providing Borough residents and businesses with a choice that includes the use of the car (Recommendation 21a). We do not believe it sensible to set local targets in this respect at this stage. This would sensibly be reviewed once new planning guidance has had time to have an impact (Recommendation 9b). Decisions on Green Travel Plans are a matter for local businesses and agencies themselves, but the Richmond Travel Plan Network was launched on 14th October. 7 organisations are members, including the Council and the Richmond and Twickenham Primary Care Trust. (Recommendation 21b). Transport for London are currently developing a travel plan database tool, that will be made available to Boroughs in the next few months. This will allow the monitoring of individual travel plans by the Transport Planning team, and will also create a picture of the effectiveness of travel plans on a borough-wide basis. Department for Transport (DfT) figures have indicated that workplace travel plans can be successful in reducing single occupancy car trips by between 10% and 30%. However, within a Borough as diverse as Richmond, local micro-economic considerations must also be taken into account. Public Transport provision is not yet of a high standard Borough wide; no action by the Council should impede the development of small businesses or damage patterns of local travel to work and employment. The Council would oppose for instance the closure of roads in Royal Parks to motor traffic for this reason, as the damage to local communities would offset any claimed environmental gain. (Recommendation 21c).
- 3.12 The goal of having all Council vehicles run on bio-fuels and/or green electricity is agreed as being laudable. But it would be unwise to have a confirmed long-term strategy in place that, with the technology available to us right now, is simply not deliverable. The Central Procurement team will continue to keep abreast of advances in this respect and we suggest that the potential for this to be an achievable long-term strategy be reviewed by that team on an annual basis. (Recommendation 22).
- 3.13 The Task Group report suggests that the Council as local planning authority could produce supplementary planning guidance that would require that significant developments have 10% of the energy requirements provided through renewable energy production or sourcing. Also that advice be made available to developers on energy saving design and technology and that the necessary resources and expertise be made available to the Development Control Section to implement this policy. The Cabinet is shortly to agree the Local Development Scheme and it is agreed that this will include a programme for the completion of appropriate supplementary planning guidance. In terms of detail though, whilst the principle of requiring renewable energy is supported, the practicalities of the specific 10% target would need to be reviewed (particularly in relation to residential use) as part of the preparatory work for the Guidance. Similarly, the practicalities and benefits of provision of advice on design and technology would need to be considered in the course of the preparatory work. The need or not for additional resources and expertise would depend on the resulting form of the guidance and the extent to which the future post holder of the energy management functions could provide support. It is premature to take a view on this now and rather it should be reviewed at the point at which the new Guidance is to be implemented. (Recommendations 15a, 15b, 15c and 15d).

- 3.14 The Council favours investigation of eco-friendly development as proposed by the Task Group. For example a site of lock-up garages has been identified from the Council's property disposal programme for which planning approvals will be sought for two alternative schemes, one being a highly energy efficient scheme, the other a more standard form of development. This is subject to the caveats on disposal of the site relating to car parking issues being satisfactorily resolved. Assuming that they are, the site would be marketed on a dual basis so that Cabinet, when taking a view on sale offers, can compare the effects that applying high environmental standards have on a typical property transaction prior to agreeing a disposal route. We will place the site on the open-market and Registered Social Landlords will have the ability to bid alongside others. We see no rationale for their being treated as a special case and would be concerned that we would be limiting the potential for innovative proposals to emerge from the private sector were we to do so. (Recommendations 16, 17 and 26).
- 3.15 The procurement process for new partners for property services will include the requirement that officers dealing with building works be kept fully trained in terms of the use of energy efficient systems and materials within building projects. In that way we will ensure that energy measures are systematically addressed in all future build specifications whether acquired under PFI arrangements or otherwise. This will include consideration of the use of CHP (Combined Heat and Power) systems where schemes are of a style and scale for this to be appropriate. (Recommendation 20a, 24). In terms of the PFI contracts currently in place, our priorities lie at this stage in ensuring that primary school works are finalised to our satisfaction. We do not consider it appropriate to draw resource away from this towards providing reports on energy efficiency standards for the buildings so procured. We will review this in due course. (Recommendation 20b).
- 3.16 The Council already takes a pro-active approach to tree planting and care and this will continue. In 2003/4 after a long period of neglect an additional £500,000 was committed to the care of trees and to re-planting. The Council intends, so long as resources allow, to sustain a high level of investment in this area. We will also seek the active involvement of local residents and businesses in the care and re-planting of trees.(Recommendation 23).
- 3.17 As a final comment, in the section of the report headed 'Green Procurement' (pages 52 – 55) it should be noted that the Procurement Strategy already identifies the Handbook as a preliminary document in a number of respects, including green issues, and commits to its completion with a much more comprehensive section as part of the strategy. The use of Internal Audit to police green procurement is probably inadvisable given the nature of expertise required and the competing priorities for the service. The Corporate Procurement Unit (CPU) already addresses the procurement of 'green' options for corporate contracts and the use of 'green' technical solutions for particular procurement projects is often bound up with other competing priorities. Training and internal marketing offer the best solutions to win hearts and minds in the use of appropriate procurement options. There are many examples of current good practice in this area including, for example, the fact that Richmond's stationery contract with Guilbert has one of the highest 'green' user rates in London.

4. Consultation

Various officers of the Council including those within the Central Procurement Unit, Planning Services, Transport Planning, Parks Services, Property Services and Education.

5. Financial Implications

None at this stage.

6. Policy and Equality Implications

None at this stage.

7. Background Papers

Cabinet Report dated 24th February 2004.

8. Contacts

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APPENDIX

TABLE OF RECOMMENDATIONS

	Task Group Recommendation	Relevant Paragraph of Cabinet Report
1a	That an Energy Policy be drawn up by the new Energy Manager and adopted by the Council.	3.3
1b	That consideration be given to the value of establishing an Energy Policy Forum.	3.3
2a	That the Cabinet Member for Environment and Planning take on the role of Energy Efficiency Champion/Lead Member.	3.4
2b	That this title be added to the portfolio.	3.4
2c	That this role be added to the portfolio terms of reference.	3.4
3a	That the Energy Manager post be at least PO7 grade.	3.2
3b	That the post be client-side rather than contract-side.	3.2
3c	That an energy expert be involved in the recruitment process for this post.	3.2
4	That Corporate Property and Procurement examine whether there is a business case for extra short-term administrative resources to be made available to the new Energy Manager to deal with the 18-month backlog of work.	3.5
5	That the bill top-up model be adopted in Richmond as a part funding mechanism for the Energy Management function.	3.5
6	That it be in the remit/job description of the new Energy Manager that he/she/their team be responsible for encouraging other departments and service areas, schools, libraries, depots, care homes etc. to commission energy efficiency audits and offer a service to examine energy users' utilities bills.	3.6
7a	That the Energy Manager be given responsibility for staff energy awareness.	3.6
7b	That a staff energy awareness campaign be accorded a high priority by Corporate Property and Procurement.	3.6
7c	That such a campaign be given, in consultation with external experts such as those from Action Energy, appropriate funding.	3.6
8	That savings made through energy efficiency be, in part, ploughed back into capital investment to produce further energy savings. This should be a fixed percentage, and written into the corporate energy strategy and annually reviewed.	3.7

	Task Group Recommendation	Relevant Paragraph of Cabinet Report
9a	That the Council aim for corporate accreditation to a recognised energy saving standard.	3.8
9b	That the Council agree targets for reductions in carbon emissions to be attained by 2010.	3.10
10a	That the new Energy Manager be given responsibility for driving energy efficiency in schools, including monitoring, energy procurement, awareness campaigns, energy surveys and encouraging capital investments to deliver further energy savings.	3.6
10b	That energy surveys in schools involve the pupils as much as possible.	3.6
10c	That efforts be made to establish a comprehensive building services database for all schools.	3.6
11	That a Green Electricity Procurement Policy driven by Best Value principles forms part of the wider Council Energy Strategy, to be drawn up when the new Energy Manager is in post (see Recommendation 1a).	3.3, 3.9
12a	That within the review of the corporate procurement strategy, Green Procurement be given higher priority and be enforced as an integral part of procurement policy.	3.9
12b	That the Environment Overview and Scrutiny Committee consider, in consultation with Corporate Procurement and Strategy, setting up an in-depth review of Green Procurement as a Task Group/Member Review.	N/a
13	That Corporate Procurement require information about environmental policies of suppliers and take it into account when assessing best value.	3.10
14	That the Council's Green Transport Plan be relaunched and the actions identified in February 2004 be implemented.	3.11
15a	That the Council adopt a policy that normally requires at least 10% of the predicted annual energy requirements for all significant developments to be met through renewable energy production or sourcing.	3.13
15b	That this policy be included in Supplementary Planning Guidance.	3.13
15c	That advice be made available to developers on energy saving design and technology, including e.g. websites with contact details for green consultants and heating engineers.	3.13
15d	That resources and expertise be made available to the Development Control section to implement this policy.	3.13
16	That the Council should facilitate a larger scale eco-friendly development (6-15 units) through a partnership with the private sector in the disposal of one of its sites.	3.14
17	That the Council should encourage RSLs to bid to develop the site identified.	3.14

	Task Group Recommendation	Relevant Paragraph of Cabinet Report
18	That the Business Rates notification is used to provide sharp, graphic information on energy efficiency audits and advice to local businesses.	3.6
19	That the Council Tax notices, Arcadia and other publications are used to provide energy efficiency information to residents.	3.6
20a	That the Council set energy efficiency standards for buildings procured under the PFI model.	3.15
20b	That a report on energy efficiency standards in PFI contracts is brought to the Environment Overview and Scrutiny Committee in the next six months.	3.15
21a	That in preparing its Local Development Framework the Council have regard to the desirability of reducing carbon emissions and take steps to encourage a reduction in car use in the Borough.	3.11
21b	That the Council promote Green Transport Plans among businesses in the Borough.	3.11
21c	That the Council undertake research to determine if Green Transport Plans that have been required under planning conditions have been effective.	3.11
22	That it be the long-term strategy that all Council vehicles run on bio-fuels and/or green electricity.	3.12
23	That the Council accelerate its own tree planting programme and encourage others to plant trees in the Borough.	3.16
24	That the Council explore the possibility of CHP schemes in the Borough.	3.15
25a	That the Council draw up a Climate Change strategy.	3.3
25b	That all relevant information be available on a Climate Change page of the Council website.	3.6
26	That the Council explore the possibility of taking up an innovative, green energy scheme and fulfils a community leadership role on this issue.	3.14