

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

2012/13 CARBON PERFORMANCE REPORT

EXECUTIVE SUMMARY

This report sets out a detailed account of the Council's performance in reducing its carbon emissions during the period April 2012 – March 2013. In line with its Climate Change Strategy, the Council has a target to **reduce the carbon emissions from its operations by 40% by March 2020 from the 2007/2008 baseline level**, with a first interim target of 20% by March 2014.

In 2012/13 the Council reduced its carbon emissions by 15.6% compared to 2007/08 based on weather-corrected data. The Council has reduced its carbon emissions by 1.2% compared to 2011/12.

The Council estimates that it has saved £822,000 since 2007/08 from this reduction in energy and resource use.

The Royal Borough has demonstrated that it is a leading organisation in the UK with regards to energy and carbon reduction, ranking 55th out of 2097 organisations in the UK and 2nd of all Local Authorities in London in the national 2011/12 Carbon Reduction Commitment League Table.

Looking ahead at the 2013/14 interim targets, with the progress made in the last few years and the projects currently being delivered the Council is in a position to achieve the 20% carbon reduction target and the associated cumulative financial savings from energy/carbon reduction.

Note - The Royal Borough of Kensington and Chelsea is committed to constantly reviewing its carbon performance. Consequently the Council, after reviewing progress to date and its strategic direction, has adjusted its interim target, with a 30% reduction target now set for 2016/17. This will allow the Council to work towards a 40% target by 2020 in distinct three-year work cycles. Please disregard the interim targets detailed in this Carbon Performance Report. See the 2013/14 Report for updated interim targets.

1. Background

1.1 Purpose of the report

This paper gives Councillors, residents and council officers an annual update on the Council's progress in reducing its carbon use and savings made through this. Performance is measured against the Council's targets and plans originally defined in the 2009 Carbon Management Plan.

1.2 Carbon Management Plan

The Carbon Management Plan (CMP), published by the Council in August 2009, is a key component in delivering the Council's Climate Change Strategy 2008-2015. The CMP set out the Council's ambition to reduce carbon emissions from its own operations by 40% by 2020. It also states that the Council will establish a mechanism to continue reducing its

carbon footprint beyond the 40% target. The CMP was designed to be ambitious both in its wide scope and in its objectives.

1.3 Targets

The Council set up an ambitious target to reduce the CO₂ emissions from its operations by 40% by March 2020 from the 2007/2008 baseline level. This would represent over £8 million of cumulative financial savings.

Target year	Type	CO ₂ saving target	Cumulative financial saving target*
2013/14	Interim	20%	£1,500,000
2015/16	Interim	30%	£3,300,000
2019/20	Final	40%	£8,400,000

** Assumptions are: energy prices increase based on an average 3% RPI increase. Carbon price for the CRC tax will rise from 12€/tn to 16€/tn in 2013/14.*

The Climate Change Programme will work to deliver these targets but will also look at any opportunities to exceed them as this would have an additional positive financial impact on Council's energy expenditure and on payment to the Carbon Reduction Commitment (CRC) scheme. The Royal Borough of Kensington and Chelsea wish to be a leading local authority in carbon reduction and this is reflected in the targets it has set. Our estimates and assumptions are subject to external and internal uncertainties, which are difficult to predict and may be beyond the control of the Council. The Council can plan and implement, but cannot give absolute assurance that our targets will be achieved.

The financial targets have been established to draw attention to the cashable benefits of this programme of work. However, the high number of variables used to estimate the financial savings means that this forecast is indicative rather than cashable and should be read with caution.

In 2014/15, the Council will review the targets to ensure changes in the Council's strategic direction, and progress to date, are incorporated.

1.4 Governance

The Climate Change Programme Board is made up of directors and senior officers with responsibility for the major areas of the Council's CO₂ emissions. The board has authority to make decisions and assign resources to identify opportunities to achieve the maximum possible CO₂ reduction. The Climate Change Programme produces a carbon plan each year, which identifies approved and potential projects that should reduce emissions, and monitors the most significant projects.



2. Performance overview

2.1 Methodology and previous years' revisions

From 2012/13 onwards, the Council is adopting the same methodology used by the Central Government to weather correct consumption data¹. This methodology is used to compare the energy consumption of an organisation over time by adjusting the heating energy consumption to exclude the effect of variations in the external temperature, thus giving a better reflection of changes in underlying energy efficiency over time.

The Council continues to report actual carbon emissions for a sense of consistency with the annual Greenhouses Gas (GHG) emissions reporting (see 6.1). The performance per area reported below (see 3.0 and Appendix A) is also based on actual carbon emissions.

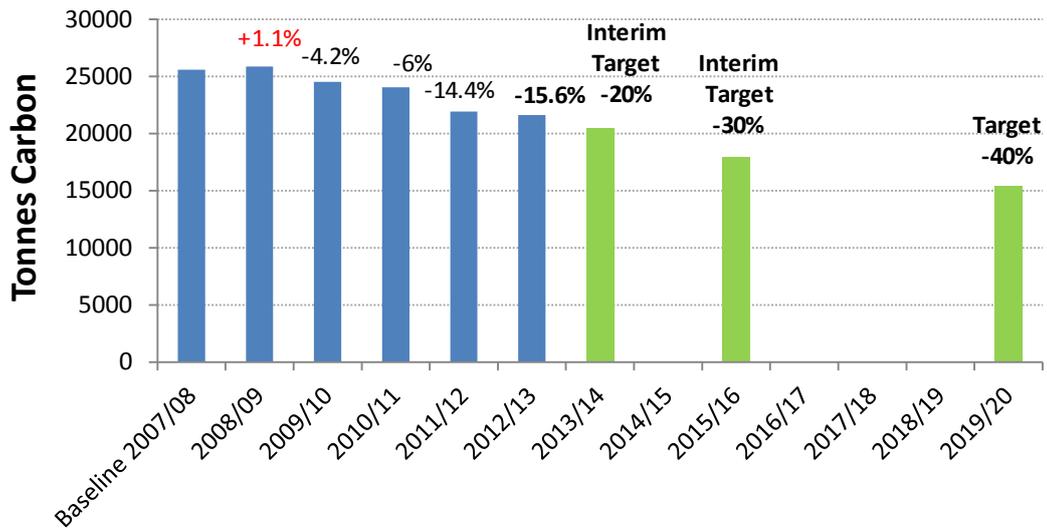
Due to more accurate electricity and gas usage data recently becoming available, the emissions for previous years have been updated. Water data has been excluded from the report due to inconsistencies in data quality and availability (see 4.0). This is due to the fact that 2012/13 marked the first year of obtaining water data directly from the supplier rather than from individual invoices.

2.2 Performance Summary: Carbon

The Climate Change Programme and the Carbon Management Plan are now in their fifth year. Carbon emissions have been reduced to roughly 21,603 tonnes of CO₂, a 15.6% reduction on 2007/08 levels.

¹ Commitment to reduce carbon emissions on the Government Estate by 10% - weather correction methodology. http://data.gov.uk/sites/default/files/10percent_analysis_methodology_v5.pdf

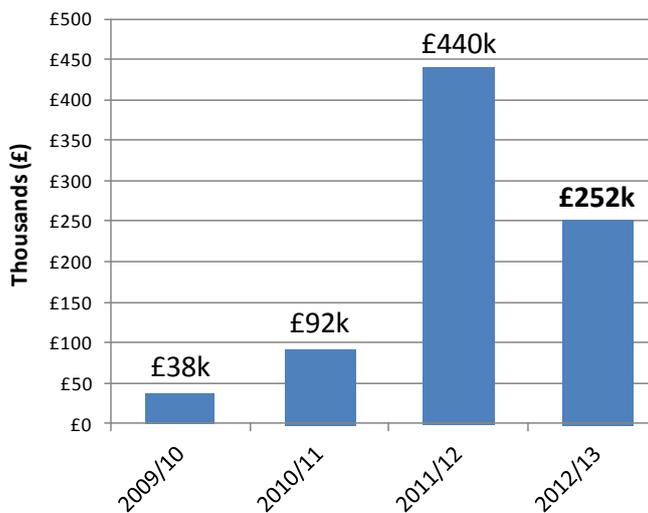
Total Carbon Emissions and Targets



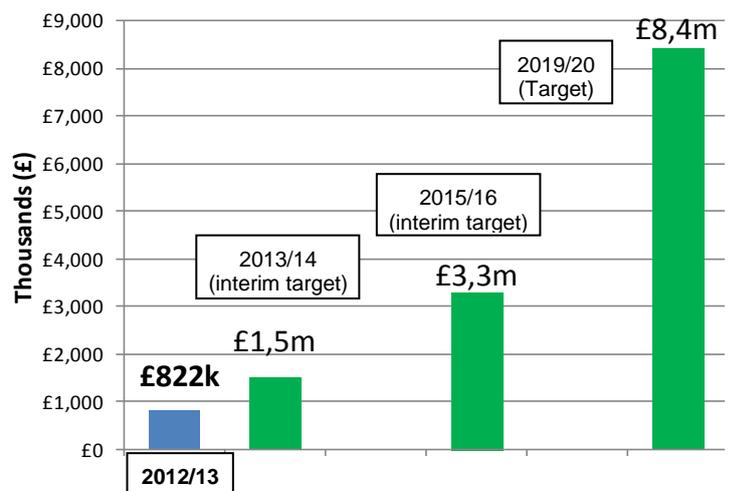
2.3 Performance Summary: Financial Savings

In 2012/13 the Council spent more than £4.2m on utilities and other energy use (electricity, gas, vehicle fuels, water and waste). The reduction in our energy/resource use contributed to financial savings. The Climate Change Team estimates that £250,000 was saved in 2012/13 by reducing overall resource usage. Since 2009/10 the cumulative financial savings are estimated at £822,000. This includes £17,000 in reduced payments to the CRC scheme (see 6.2). The cost of gas has risen by 23% since 2011/12 whilst the cost of electricity has remained almost constant. In 2012/13, the financial savings are estimated at £252k, less than in 2011/12. This is due to the significant increase in gas consumption for heating due to the very cold winter.

Annual financial savings (£k)



Estimated cumulative financial savings (£k)



3. Performance per area

With the coldest winter in a decade and a significantly colder winter than 2011/12, gas usage in 2012/13 has increased by 23%. This is the main reason for the increase by 4.9% in actual carbon emissions compared to the previous year. The 2012/13 actual carbon emissions were roughly 23,413 tonnes of CO₂, a 8.5% reduction on 2007/08 levels.

Emissions per service area			
Area	Proportion of Total Emissions	Performance against Baseline 2007/08	Performance against 2011/12
Property	42.2%	-8%	4%
Schools	29.1%	9%	19%
Street Lighting	10.8%	-25%	7%
Leisure Centres	6.2%	-8%	-9%
SITA (waste Contractor)	3.8%	-46%	-19%
Other Contractors	3.5%	2%	-4%
Transport	0.4%	-41%	2%
Waste	4.1%	-29%	-11%
Total	100.0%	-8.5%	4.9%

See Appendix A tables for performance per area in detail.

4. Future outlook

The Council and Programme are focused on the delivery of the 2013/14 interim target. Previously planned projects as well as quick win opportunities will be delivered in 2013/14.

New opportunities to run the Council's estate in a more energy efficient way will be identified from October 2013 by the move to an externalised Facility Management service provided by Amey.

The Council continues to ensure all new developments or major refurbishments incorporate energy efficiency measures (e.g. double glazing, insulation, voltage optimisation, solar PV panels) into their plans. 2014 will see the delivery of a new Academy and Leisure Centre in the north of the Borough which will achieve BREEAM Excellent standard. This will demonstrate that sustainability and energy efficiency has been embedded from the design to the delivery of these new buildings.

The Programme will work on improving the quality and the availability of water data by ensuring consistent readings are obtained. Water data will be brought back into the scope of this report once this is achieved.

The Programme is also working on a relevant carbon/sustainable procurement policy so that new and renewed contracts consider the environment and the associated carbon footprint.

In reporting terms, next year the Council is looking at reporting the carbon intensity of its operations, taking into account its staff and/or expenditure, in addition to actual carbon emissions.

5. Carbon offsetting

As the Council's energy contracts have not been changed since 2010/2011 the stance on carbon offsetting remains the same as the previous year. The Council has not yet considered offsetting its carbon emissions as it is not a priority. For the Greenhouse Gas emissions report (see 6.1), the Council is able to claim its green tariff contribution as 'carbon offset'.

6. Other reporting requirements

6.1 Greenhouse Gas (GHG) emissions report

The Government asked all Local Authorities to publish their greenhouse gas emissions data. The report for 2012/13 covering the past two years is published on the Council's website and an annual update is published every August.

6.2 Carbon Reduction Commitment (CRC) reporting

The CRC Energy Efficiency Scheme is a legal requirement for all large UK organisations. The Council submitted its third annual CRC report and footprint report in July 2013. The scope of the CRC is different and more narrow than the scope of the CMP (e.g. Street lighting is excluded). It reported 2012/13 emissions at 16,884 tCO₂. The Council is required to purchase allowances to cover their emissions, one allowance per tonne of CO₂ reported. In July 2013 the Council purchased £204,000 in allowances to cover 17,000 tCO₂ and will surrender 16,884 allowances in September. The cost per tonne of CO₂ is currently set at £12, but is going to rise in future years.

The 2011/12 CRC League Table was published in February 2013. The Royal Borough came 55 out of 2097 organisations in the UK and 2nd of all Local Authorities in London. This reflects the overall performance of the Council and the work done to implement monitoring systems.

7. Statement of Programme Board's responsibility and approval

The Climate Change Programme Board is responsible for preparing the 2012/13 Carbon Performance Report; for selecting appropriate reporting policies; for making appropriate judgements and estimates; for presenting the information fairly and in accordance with the UK Climate Change Act 2008 regulation; and for maintaining records from which to prepare the report. This report was approved by the Programme Board in October 2013.

A handwritten signature in black ink, appearing to read 'Sue Harris', is positioned above the printed name.

Sue Harris

Senior Responsible Owner for the Climate Change Programme

Appendix A: Performance per area

The performance per area reported below is based on actual carbon emissions.

Table 1: Energy in Property

Property	
Context	<ul style="list-style-type: none"> • Approx. 100 sites – accounts for around 42% of the Council’s total emissions • Kensington Town Hall represents around half of emissions from Property
Performance	<ul style="list-style-type: none"> • 8.3% reduction from the baseline • Since 2007/08, there have been 15 new assets/sites and 13 assets decommissioned. • In 2012/13 three sites were decommissioned and we will see the impacts of this in the 2013/14 energy data. • Electricity consumption decreased by 12% compared to the baseline, and decreased 0.3% compared to the previous year 2011/12. • Gas consumption increased by 1.4% compared to the baseline, and 14% compared to the previous year 2011/12.
Plans for 2013-2014 and further	<ul style="list-style-type: none"> • Strategic Asset Management continues to identify opportunities for better utilisation of our operational estate. More sites will be refurbished and decommissioned. • Opportunity to retrofit some corporate buildings with energy saving measures is under investigation. • From October 2013 the Tri Borough Total Facilitates Management (TFM) supplier, Amey, will identify and deliver work to reduce our electricity, gas and water consumption. • Refurbishment of the Kensington Town Hall (Space Programme) has already delivered some energy savings that will increase until 2014. It will be possible to see the impact of this programme of work in 2014.
Comments	<ul style="list-style-type: none"> • The significant increase in gas consumption is mainly due to a very cold winter. • Since 2011/12 the Property Department is in charge of maintenance and capital works for all Council’s Properties including the Leisure Centres and schools.

Table 2: Schools

Schools	
Context	<ul style="list-style-type: none"> • Account for 29% of the Council’s overall carbon emissions • There are 36 schools of which there are 26 primary schools, 5 secondary schools, 4 nurseries/children’s centre and 1 special school. Approximately half are community schools and half diocese. • Academies are not included in the scope. Chelsea Academy is consequently out of the scope.
Performance	<ul style="list-style-type: none"> • Overall emissions increased 9% from the 2007/2008 figure. In comparison to the previous year, 2011/12, schools’ emissions increased 19%. • Both gas and electricity consumption have increased. • Electricity consumption increased by 19.4% (+578 tCO₂) and gas use increased by 2.3% (+67 tCO₂) from 2007/2008.

<p>Plans for 2013-2014 and further</p>	<ul style="list-style-type: none"> • The carbon plan for schools involves four key elements: <ol style="list-style-type: none"> 1. To continue to work with schools to take them through the GLA's RE:FIT programme to implementation and conclusion. 2. To note and replicate the success of the pilot project Carbon Countdown which has delivered reduction in energy use through engagement and no cost / low cost measures. 3. To publicise the carbon reduction successes with schools. 4. To implement quick wins by carrying out adjustments to BMS and to reduce unnecessary lighting in schools by the end of December 2013.
<p>Comments</p>	<ul style="list-style-type: none"> • The significant increase in gas consumption is mainly due to a very cold winter. • Electricity consumption increase is mainly due to increased opening hours and more IT in schools. • Understanding and forecasting emissions from schools has proved difficult. • Data gathering on energy usage from schools is challenging, especially where schools do not have AMR (Automated Meter Reading). • Every school has different plant and equipment, different set ups and building conditions; implementing a bespoke approach has helped uncover and resolve some complex operating issues, and this in turn is leading to energy savings and improved efficiency. • The importance of embedding new routines and behavioural changes into the ethos of the school is vital if efficiencies are to continue.

Table 3: Street Lighting

<p>Street lighting</p>	
<p>Context</p>	<ul style="list-style-type: none"> • Accounts for 10.7% of the Council's total carbon emissions
<p>Performance</p>	<ul style="list-style-type: none"> • Emissions decreased by 25.4% (861 tCO₂) from 2007/2008 baseline. • Emissions increased by 7.2% (169 tCO₂) from the previous year 2011/12.
<p>Plans for 2013-2014 and further</p>	<ul style="list-style-type: none"> • A number of projects are planned up to April 2014 that will save approximately 40 tCO₂ in 2013/14 and 104 tCO₂ per year in future years.
<p>Comments</p>	<ul style="list-style-type: none"> • The increase from the previous year is due to a change in the method used for metering due to CRC reporting and the re-opening of previously closed sites – Albert Bridge and Exhibition Road. • Projects include conversion of lanterns and control gear to high efficiency units, LED; flashing units and sign lights, introduction of centre island photocell control, and new lighting scheme for Pont St.

Table 4: SITA

SITA (Waste contractor)	
Context	<ul style="list-style-type: none"> • Accounts for 3.7% of the Council's total carbon emissions (emissions from transport fuel use only). • Electricity and gas consumption is included as part of the Council's property.
Performance	<ul style="list-style-type: none"> • Emissions decreased by 31.7% (408 tCO₂) from 2007/2008 baseline. This exceeded the carbon plan target of 21.69%. • Emissions decreased by 19% from the previous year 2011/12.
Plans for 2013-2014	<ul style="list-style-type: none"> • All projects in the current carbon plan have been implemented.
Comments	<ul style="list-style-type: none"> • Rerouting of collections and reduction in frequency of collection saved £38,000 annually on fuel and contributed to emissions reductions. • Vehicle management system: an on-board driver monitor and engine management system has been installed on trucks which reduce further fuel consumption The Supatrak system was also introduced to measure driver performance and highlight areas for improvement. • Engines were remapped and new vehicles feature Euro 5 engines.

Table 5: Greenwich Leisure Ltd

GLL (Leisure centres contractor)	
Context	<ul style="list-style-type: none"> • Account for 6.2% of the Council's total carbon emissions. • Kensington Leisure Centre is under refurbishment from December 2012 until end of 2014.
Performance	<ul style="list-style-type: none"> • Emissions have decreased by 8.0% (126 tCO₂) below the baseline year. • Emissions decreased by 8.7% from the previous year 2011/12.
Plans for 2013-2014	<ul style="list-style-type: none"> • The new North Kensington Leisure Centre (KLC) is to be delivered end of 2014. • Extension of the gym at Chelsea SC if agreed will be made to high energy efficient standards.
Comments	<ul style="list-style-type: none"> • A pool cover was installed in 2012/13, but with the very cold winter did not lead to savings. • The decrease is largely due to the refurbishment of the Kensington Leisure Centre and emissions will rise at its completion in late 2014. • New KLC has been granted planning permission and will achieve BREEAM Excellent, the second highest environmental assessment rating.

Table 6: Other carbon contributors

<p>Other contractors</p>	<ul style="list-style-type: none"> • Five additional contractors account for 3.5% of the Council’s carbon emissions • Emissions from these contractors increased by 1.7% from the baseline 2007/2008, however one contractor Hackney Community Transport (HCT) was not included in the baseline year. • Emissions decreased by 4.2% from the previous year 2011/12. • Three contractors have decreased their emissions from the baseline year; Crystal Coaches by 106 tCO₂ (46%), NSL-Parking services by 12 tCO₂ (5.5 %), and Ringway by 45 tCO₂ (36%). • HCT’s baseline year is 2010/11 and has reduced its emissions by 20 t CO₂ (26.0%) by reducing its fleet and rerouting to be more efficient. • One contractor has increased its emissions from the baseline year; Quadron by 121t CO₂ (54%). Most of this increase was due to the gas used to grow plants for the flowering lawn project at Holland Park.
<p>Transport</p>	<ul style="list-style-type: none"> • Transport accounts for 0.4% of RBKC’s total carbon emissions. This includes the Council’s fleet usage and grey fleet (staff mileage claims) • Transport’s financial contribution is much larger than its contribution to CO₂ • Emissions have reduced by 74 t CO₂ (-41.0%) from 2007/2008 and increased by 2% from 2011/12. • Grey fleet has decreased in line with budget cuts.
<p>Waste</p>	<ul style="list-style-type: none"> • Waste (internal offices) accounts for 4.1% of the Council total carbon emissions. • Carbon emissions have decreased significantly from the baseline year by 29% and decreased from 2011/12 by 11%. • Since April 2011 our waste is sent to the energy from waste plant rather than landfill which produce 30% less carbon. • Waste data is not yet recorded accurately therefore current performance is unreliable. A waste audit is scheduled for autumn 2013 to measure actual waste and recycling over a week and will inform a more robust method of determining annual tonnage.
<p>Water</p>	<ul style="list-style-type: none"> • Water accounts for a very small amount of our overall carbon emissions (approx 0.4%), but for a much larger financial proportion. • For the first time in 2012/13 water data was obtained directly from the supplier rather than from individual invoices. This inconsistent approach makes annual comparisons unreliable. For this reason water data has been excluded from this report. • The objective is to set up more reliable data monitoring before 2015.