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DATE: 6<sup>th</sup> January 2012

## **ENVIRONMENT PORTFOLIO BRIEFING**

### **Environment PDS Committee Meeting to be held on Wednesday 18 January 2012**

This information briefing comprises the following reports:

- 1 PARKING BLUE BADGES; TACKLING FRAUD AND ABUSE (Pages 3 - 18)**
- 2 CARBON REDUCTION COMMITMENT (CRC) SCHEME: 2010/11 ANNUAL REPORT (Pages 19 - 40)**
- 3 CARBON MANAGEMENT PROGRAMME: PROGRESS REPORT 2010/2011 (Pages 41 - 62)**

This briefing is emailed to Members of the Environment PDS Committee in advance of agenda publication. It is provided for information purposes only and is also available on the Council website at the following link:

<http://cds.bromley.gov.uk/ieListMeetings.aspx?CId=559&Year=2012>

Members are welcome to raise questions on the briefing at any time with the relevant contact officer and contact details are provided on each report.

Item 8 of the agenda for the Environment PDS Committee meeting on 18<sup>th</sup> January 2012 has been provisionally set aside to consider any questions on the briefing.

Printed copies of the briefing are available upon request by contacting Keith Pringle on 020 8313 4508 or by e-mail at [keith.pringle@bromley.gov.uk](mailto:keith.pringle@bromley.gov.uk)

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# Agenda Item 1

Report No.  
CExxx

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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**Decision Maker:** Executive & Resources PDS Committee

**Date:** 14<sup>th</sup> November 2011

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** **PARKING BLUE BADGES; TACKLING FRAUD AND ABUSE**

**Contact Officer:** Mark Gibson, Chief Internal Auditor  
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

**Chief Officer:** Doug Patterson, Chief Executive

**Ward:** All

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### 1. Reason for report

1.1 Following concerns expressed at an Audit Sub Committee meeting in June 2011, Members requested further details regarding usage and abuse of Blue Badges. This report looks at the issues of fraud and misuse and provides an update on current initiatives to combat this within Bromley, in the context of the latest Government guidance issued this summer.

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### 2. **RECOMMENDATION(S)**

2.1 **The Committee is asked to note the report and the progress that is being made to combat any abuse of the Blue Badge scheme; and**

2.2 **The report is referred to Environment PDS Committee for its consideration.**

### Corporate Policy

1. Policy Status: Existing policy. Supporting Independence, Anti Fraud and Corruption Strategy, Parking and Enforcement Plan.
  2. BBB Priority: Supporting Independence. Quality Environment.
- 

### Financial

1. Cost of proposal: No cost .
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Parking
  4. Total current budget for this head: £84,190
  5. Source of funding:
- 

### Staff

1. Number of staff (current and additional): 3.5 fte estimated
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: Statutory requirement. Blue Badges are issued in accordance with the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000 (S.I. 2000/682) with amendments.
  2. Call-in: Call-in is not applicable.
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 11,900
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 The Blue Badge scheme is a national scheme of parking concessions for people with severe mobility difficulties who travel as drivers or passengers in cars. The scheme is operated in Bromley in accordance with the guidelines set out by the Department of Transport. In June 2011 the Department for Transport (DfT) released an updated national guidance document in conjunction with a Local Authority Circular (England) on eligibility changes; this was followed in July 2011 with a Good Practice Review document on delivery of improved Blue Badge administration, assessment and enforcement. (A summary of the report in respect of enforcement and some of the more general quick wins suggested is attached at Appendix 1)
- 3.2 A person is eligible for a badge if they meet one of the criteria set out in secondary legislation. They can be eligible either 'without further assessment' or 'subject to further assessment' by the local authority. People are eligible 'without further assessment' if they are over the age of two and:
- receive the Higher Rate of the Mobility Component of Disability Living Allowance (HRMCDLA);
  - are registered blind;
  - receive a War Pensioner's Mobility Supplement.
- 3.3 People are eligible 'subject to further assessment' if they:
- are over the age of two and are unable to walk or have very considerable difficulty in walking because of a permanent and substantial disability;
  - regularly drive a car but are unable to operate, or have considerable difficulty in operating, a parking meter on account of a severe disability in both arms;
  - are under the age of two and have a condition that requires that they be always accompanied by bulky medical equipment or requires that they be kept near a motor vehicle in case of need for emergency medical treatment.
- 3.4 The Council has a responsibility for the administration of the Blue Badge scheme within Bromley the main departments/divisions dealing with the scheme are the;
- Customer Service Centre (CSC) which is responsible for administration of Blue Badges, related processes for people who are eligible, and complaints about the service;
  - Care Services division of Adult and Community Services is responsible for the assessments, and the staffing by healthcare professionals for the mobility assessments;
  - Environment Department is responsible for enforcement and monitoring of compliance with the terms of Blue Badge use.
- 3.5 At any time there are approximately 11,900 Blue Badges in force. This compares to around 11,400 in Bexley and 9,500 in Croydon. Over the last three years the number of applications for new Blue Badges has been increasing. The increase in the number of applications may have been influenced by the introduction of an exemption from the London Congestion Charge for holders of Blue Badges in 2008-2009. Evidence set out in the DfT consultation document shows that abuse of the Blue Badge Scheme could cost between £6 million and £12 million nationally each year. This figure is therefore likely to be an underestimate as detection and prosecution rates are low. Forty-three per cent of Blue Badge holders responding to a DfT survey in 2008 reported misuse of spaces as the reason they had difficulty finding a parking space.

3.6 Concerns about the misuse of blue badges have been raised by Members, organisations representing disabled people and the public. There is an additional concern that deliberate misuse may cause negative attitudes to those people who actually need a blue badge. Members have received assurances that any report of fraudulent use of Blue Badges will be dealt with robustly by LB Bromley staff and Vinci Park (the Council's parking enforcement contractor). The Police and LB Bromley take appropriate action in such cases including prosecution if sufficient evidence can be gathered.

3.7 It is recognised that Blue Badges can be abused in a number of ways and so it is important that the Council remains vigilant at all stages of the issuing/enforcing process. Examples of abuse can include:

*By the badge holder*

- Parking in the wrong place or parking for too long where there is a time limit
- Use of a badge that is no longer valid
- Use of a badge that has been reported as 'lost' or 'stolen'
- Letting a friend or relative use the badge
- Use of a copied badge
- Altering the details on the badge, for example, the expiry date
- Making a fraudulent application (e.g. providing false information on the application form), or using a badge obtained fraudulently.

*By a third party:*

- Using someone else's badge (with or without the badge holder's knowledge) without the badge holder being present in the vehicle at some point during the trip
- Using a badge belonging to someone who has died
- Copying, altering or making badges
- Using a stolen badge
- Using a fake badge

3.8 The London Borough of Bromley is committed to protecting the public funds that it administers. The Council therefore is determined to prevent, deter and detect all forms of fraud and corruption committed against it both internally and externally. The Council will not tolerate abuse of its services. Where fraud and corruption is suspected the Council will take action against the perpetrators. The form of action taken will depend on the level and circumstances of the fraud or corruption discovered. In all instances action considered will involve disciplinary procedures (against council employees) and prosecution as well as recovery of Council assets and funds.

**Security measures in place for issuing and use of badges;**

3.9 The CSC processes all applications within the contact centre. Prescribed documentation is required for an application to be processed. CSC staff are trained to ensure correct documentation is received before a Blue Badge will be issued. CSC staff would bring to the attention of the Service leader within the CSC any concerns they may have including;

- Applications that have documents which appear to have been tampered with.
- Documentation that appears to be contradictory within the application or with a previous application.
- An application by individuals that has been recorded as being deceased, in accordance with the NFI referred to below.

- 3.10 The CSC will in future issue 'ready to collect' letters so applicants will have to come in and collect their badge, and so badges will no longer be sent out by recorded delivery. The applicant will have to provide ID on collection and this will in turn reduce the amount of fraudulent applications. Also the Tell Us Once project will include asking those registering a death whether the deceased held a blue badge, this will be passed to the CSC and they will write out requesting the return of the badge, advising it's cancelled and not to be used.
- 3.11 The Council assists with the National Fraud Initiative (NFI) which compares records from various databases including primarily the DWP's. Records are updated with information on Blue Badge holders that have deceased. This initiative is lead by Internal Audit, with the records on the Parking Services database updated by this exercise. Any matters the Service leader wish to escalate can be referred, where appropriate, to the Head of Parking Services, Internal Audit, ACS, the Greenwich fraud team or the Police. There is also a London Councils database, although this may be withdrawn after 4/1/12 when the Blue Badge Improvement Service aims to release a national database.
- 3.12 In cases where an applicant makes a fraudulent application (i.e. provides false information), it may be possible to prosecute the individual under section 2 of the Fraud Act 2006. This carries a penalty of a fine of up to £5,000 and/or up to 12 months imprisonment on summary conviction. If a badge has been issued, the local authority can require its return under Regulation 9(2)(b) of the Disabled Persons (Badges for Motor Vehicles)(England) Regulations 2000.
- 3.13 In response to the more recent concerns raised and the new guidance issued, several initiatives have been taken, or are planned including;
- Parking Services have commenced an operation to stamp out Blue Badge misuse in Bromley. A hotline number and a report it function on the web have been created, to allow easy reporting. The display of signs and distribution of leaflets commenced in late September 2011. Signs are displayed at all disabled bays on-street and in car parks. They will be in situ for a period of 6-8 weeks and then moved to another area until the whole borough has been covered. The leaflets are placed on vehicles displaying a Blue Badge in the same area as the signs are displayed. The Hotline number is (020) 8313 4094. Appendix 2 shows the increase in reported cases since 2010/11. Appendix 3 contains text from the recent press release on this initiative.
  - Local organisations representing disabled people have been informed of the Council's operation to explain the reasons for increased inspections, etc.
  - Back office processes have been put in place to deal with the expected increase in reports, and investigate them in a timely fashion. Stronger links with the Police are also being developed in this specific area, in order to achieve quick and effective procedures for the seizure of badges and prosecutions.
  - LB Bromley has adopted the use of a hologram along with an official stamp on each Blue Badge issued that allows for easy detection of tampering or photocopying. As well as the hologram all Blue Badges are treated as controlled stationery and a HMSO unique number is recorded against each Blue Badge recipient.
  - LB Bromley request and insist upon a crime reference number if a badge is reported stolen. Blue Badges will in future be collected in person, reducing the risk of loss.

- Production of free information leaflets, informing local badge holders of where they can park in the local authority and conditions of use at each site, to help badge holders to use their badge correctly.
- A traffic warden may identify what they believe to be a copied or amended Blue Badge. Often the user is not there to question. In such cases a PCN will be issued and appropriate notes/records made, including the taking of photographs or a recording of video footage by headcam. If a warden or member of Parking Services staff is present while the Blue Badge is believed to be being fraudulently used, they will request that the badge is shown for inspection. This is undertaken in a sensitive manner. Individual Wardens are selected for this type of operation where possible, in order to ensure the highest level of discretion and sensitivity is used along with firmness and authority.
- Where blue badge ownership details are not known, close attention is paid to the vehicle. This will be through the use of Traffic Wardens in the vicinity, or by Parking Services staff. If fraudulent activity is believed to be taking place, a course of action will be decided upon. Further and more detailed observation can take place under Regulation of Investigatory Powers Act 2000 (RIPA), although this has not been used for Blue Badge fraud cases to date.

3.14 Where fraudulent activity or misuse is established there are a number of options available. The course of action will depend on the evidence gathered. The level of abuse could range from a misunderstanding of the conditions of use by the Blue Badge holder, through to a fraudulent application to DWP for higher rate of mobility allowance, in order to gain entitlement to a Blue Badge. Actions taken include:

- A warning letter to the user or Blue Badge holder to explain conditions of use or misunderstandings.
- Requests that the fraudulent user or Blue Badge holder attend the Civic Centre for a meeting, to explain, for example, that letting others use the badge, even if shopping for the disabled person, is not permitted.
- Where the use appears to be regular and or systematic, or of a more serious nature, e.g. use of a stolen Badge, Police action to confiscate the Badge may be requested. Involvement of the Greenwich Fraud team may offer assistance and resources to investigate further, and this may lead to prosecution through the courts. Prosecutions may be undertaken by the Police, Legal Services or via the Greenwich Fraud team on behalf of LBB.

## **4 FINANCIAL IMPLICATIONS**

4.1 Although not easy to estimate accurately there is a real cost associated with Blue Badge fraud in terms of lost income through parking charges. The cost of issuing Blue Badges to people who meet the automatic eligibility criteria is funded by the Council through the Environmental Services Department. The cost of the service is circa £84,000 for 2011/12. As part of the funding changes by the Department of Health from April 2011, the funding for Blue Badges for applicants 'subject to further assessment' is now provided directly to local authorities (previously the PCT). The cost of this for 2011/12 is £93,605.

## **5 LEGAL IMPLICATIONS**

5.1 Blue Badges are issued in accordance with the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 200 (S.I. 2000/682) with amendments. More details relating to enforcement are attached in Appendix 4



<b>Non-Applicable Sections:</b>	Policy and Personnel Implications
Background Documents: (Access via Contact Officer)	<p>The Blue Badge Scheme Local Authority Guidance (England) June 2011</p> <p>Disabled Persons (Badges for Motor Vehicles) (England) Regulations 200 (S.I. 2000/682) with amendments. Department of Transport: The Blue Badge Scheme. Improving Blue Badge administration, assessment and enforcement: good practice review (July 2011)</p> <p>Eliminating Public Sector Fraud The Cabinet Office Counter Fraud Taskforce Interim Report Parking and Enforcement Plan</p> <p><a href="http://assets.dft.gov.uk/consultations/dft-2011-20/consultation.pdf">http://assets.dft.gov.uk/consultations/dft-2011-20/consultation.pdf</a></p>

## Appendix 1

### DfT

## Improving Blue Badge enforcement: good practice review - Summary

The strongest conclusion emerging on enforcement is that robust administrative and assessment practices have a substantial role to play in improving the resistance to abuse of the Blue Badge scheme. By making sure that Blue Badges are only awarded to individuals who meet the eligibility criteria, and preventing opportunities to fraudulently obtain genuine Blue Badges from local authorities, the need to proactively enforce the scheme on-street is lessened.

We found strong evidence that the scale of abuse, and therefore the need for effective enforcement practices, is proportional to the perceived value of the Blue Badge in a particular area; and that London appears to show the highest levels of abuse which we believe reflects scarcer, more expensive parking and the London Congestion Charge. The most commonly used on-street enforcement practices are a combination of vigilance (on-street personnel), technology (instant data access), collaboration (with the Police), ability to take action (issuing of penalties) and deterrence (media liaison and publicity).

A particular challenge for Blue Badge enforcement is balancing the need to make data instantly (or readily) accessible to local parking enforcement officers when required, but also protecting sensitive personal data about Blue Badge applicants. However, good lines of communications between on-street enforcement officers and back-office administration staff can overcome this, with administrative staff 'looking-up' Blue Badge records on demand for enforcement officers.

The net result of variable enforcement activities is that those who seek to abuse or misuse Blue Badges fare differently depending on the area in which they offend, with direct consequences for the integrity of the scheme as a whole. For local authorities in urban areas there is some merit in promoting the cost: benefit approach that Wandsworth Borough Council adopted as a means of ensuring their Blue Badge enforcement activities are revenue-neutral. If such an approach were widely adopted it could help to ensure that a proportionate amount of Blue Badge enforcement activity, representative of the extent of Blue Badge misuse, abuse and fraud in each area, is undertaken in urban areas. We note that in rural areas, where there is less pressure on disabled parking bays, and parking assts in general, this may be a less appropriate model to follow.

We found that the majority of local authorities that do proactively enforce the scheme tend to focus on their enforcement successes. Such authorities reported this practice had been successful at raising awareness of the Blue Badge Scheme's rules, and gained the local authority kudos with eligible badge holders for tackling the issue of Blue Badge misuse and abuse.

Appendix 3 cont.

<b>Quick wins for local authorities on Blue Badge Scheme publicity and information:</b>
• Signposting the Blue Badge scheme from other relevant local authority services
• Developing clearly presented written information about the Blue Badge scheme in easy to comprehend language, and with due consideration of the needs of different community groups and those with specialised information needs
• Establishing clearly presented and thoughtfully designed Blue Badge web-pages
• Providing disability and equality awareness training for all members of staff who regularly deal with applicants and Blue Badge holders
<b>Quick wins for local authorities on the Blue Badge application process:</b>
• Including information about who is likely to be eligible for a Blue Badge at the beginning of the application form, and a reminder checklist at the end of the form
• Including questions that ask for detailed information about the applicant's disability and mobility difficulties in the application form, to allow you to make informed decisions with regard to their eligibility
• Producing more detailed notes for the applicant to read if they are seeking further information about the eligibility criteria or Blue Badge scheme
• Making the Blue Badge application form available as a downloadable file, which can save up to 25% of the costs associated with printing and distributing application forms
• Requiring a 'without further assessment' applicant's proof of eligibility to be dated within the last 12 months and including contact information for DWP/ Service Personnel and Veterans Agency in the Blue Badge application form and guidance notes
<b>• Incorporating robust information-sharing declarations, such as those included in the updated model application form, in application forms in order to unlock access to relevant existing records held by the Council in relation to Blue Badge applicants</b>
• Providing support to applicants who need help with completing the Blue Badge application form, for example over the telephone or in-person?
• Implementing fast-track application process for people who have a terminal illness which affects their mobility, to make the final weeks of their life easier?
<b>Quick wins for local authorities on Organisational Blue Badge practices:</b>
• Developing a separate organisational Blue Badge application form based on the organisational badge questions in the model form (Technical Annex 5)
• Developing defined local criteria for the award/refusal of organisational Blue Badges based on due consideration of the regulations and DfT scheme guidance, and local understanding of the organisations that have a genuine need for a Blue Badge
<b>• Including declarations in the organisational Blue Badge application form as a means of raising awareness of penalties for fraudulent claims and Blue Badge misuse/abuse.</b>
<b>• Conducting site visits to the premises of organisational Blue Badge applicants in order to verify claims they have made in their application forms</b>
<b>Quick wins for local authorities on the eligibility assessment process:</b>
<b>• Establishing the ability to cross-check existing Council records to seek evidence of applicants' eligibility for a Blue Badge under the 'subject to further assessment' criteria</b>
• Adopting a desk-based assessment tool that has been designed with input from appropriate healthcare professionals with experience of conducting Blue Badge mobility assessments, and which is primarily used to filter applicants that do/do not need to be seen in person for a mobility assessment.
• Joining-up Blue Badge eligibility assessments with those for other relevant concessions such as Concessionary Travel passes, Taxi Cards, home adaptations and social care
• Allowing the healthcare professionals that conduct in-person mobility assessments to determine whether a successful Blue Badge applicant needs to be re-assessed when they next apply to renew their badge.
<b>Quick wins for local authorities on administering the scheme after assessment:</b>
• Detailed refusal letters which explain why an individual's Blue Badge application was refused, with specific reference to the relevant Blue Badge eligibility criterion
• Indicating in writing that an applicant can appeal a refusal, and offering unsuccessful applicants up to 28 days to express their intention to appeal a local authority's decision
• Distinguishing between a 'review' of the local authorities decision, and a 'complaint' about the local authority's practices when handling appeals
• Clearly identifying the name of the Blue Badge issuing authority and a contact number that parking enforcement officers can call if they suspect a badge is being misused or abused in another local authority area
• Issuing renewal reminders approximately 3 months before Blue Badges expire
<b>Quick wins for local authorities on administering the scheme after assessment:</b>
<b>• Issuing new, renewal and replacement Blue Badges in-person to an applicant</b>
<b>• Including reminders in death registry packs to encourage the return of Blue Badges</b>
<b>• Recording the detail of deceased badge holders using updates from local authority registrars</b>
<b>• Requiring a police crime/lost property reference number from applicants reporting a badge as stolen or lost</b>

## APPENDIX 2

<b>LB BROMLEY BLUE BADGE MISUSE RECORDS</b>					
<b>April 2008 to July 2011</b>					
	<b>Year</b>				
<b>Month</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Total by Month</b>
April	1	1		2	4
May	1	1		3	5
June				5	5
July		1	5	4	10
August		1	2	10	3
September			1	n/a	1+
October			6	n/a	6+
November			4	n/a	4+
December			1	n/a	1+
January			3	n/a	3+
February			1	n/a	1+
March			5	n/a	5+
<b>Total by Year</b>	<b>2</b>	<b>4</b>	<b>28</b>	<b>14+</b>	<b>48+</b>

## APPENDIX 3

# London Borough of Bromley News Release

September 2011

For immediate release

## Blue badge fraud and misuse operation

An escalation in enforcement is being taken to reduce blue badge fraud and misuse in Council operated car parks and on-street parking locations throughout the Borough.

A blue badge is for the benefit of the disabled person only. It should only be displayed to allow the holder to make use of the scheme's parking concessions when travelling in the vehicle as a driver or passenger. It may also be used if a friend or carer is picking up or dropping off a registered person and needs to park nearby.

"We are treating blue badge fraud and misuse increasingly seriously and this initiative is intended to send a clear message to those abusing the system that their actions will no longer be tolerated. Selfish behaviour on the part of a small minority of motorists results in genuine blue badge holders being denied access to parking bays designated specifically for their use. If you suspect that a blue badge is being misused, please do not hesitate to report it to the Council", said Councillor Colin Smith, Executive Councillor for the Environment.

Blue badge misuse is a criminal offence which can lead to £1,000 fine. Common misuse includes badges being used by friends or relatives to park for free. Blue badge holders are reminded of their duty to use their badge according to scheme rules and never to allow other people to use it, even to run an errand on their behalf.

If you suspect a blue badge is being used fraudulently or for the benefit of anyone other than the holder, please call in confidence on 020 8313 4094 or report it online: [www.bromley.gov.uk/report](http://www.bromley.gov.uk/report). For further information, visit [www.bromley.gov.uk/parking](http://www.bromley.gov.uk/parking).

ENDS



## Appendix 4

### **The pertinent laws relating to abuse are contained in the Dft guidance and are listed below**

In cases where an applicant makes a fraudulent application (providing false information), it may be possible to prosecute the individual under section 2 of the Fraud Act 2006. This carries a penalty of a fine of up to £5,000 and/or up to 12 months imprisonment on summary conviction. If a badge has been issued, the local authority can require its return under Regulation 9(2)(b) of the Disabled Persons (Badges for Motor Vehicles)(England) Regulations 2000.

The following are actions that could be taken against a badge holder who uses an expired badge, an illegible badge, a badge that was lost or stolen and for which a replacement has been issued, or a badge which they are no longer entitled to use:

- they could be prosecuted and face a fine of up to £1,000 on conviction under section 21 of the Chronically Sick and Disabled Persons Act 1970;
- they could be prosecuted and receive a fine of up to £1,000 on conviction under section 117 of the Road Traffic Regulation Act 1984;
- they could be issued with a Penalty Charge Notice for the parking contravention in those areas where local authorities have taken civil parking enforcement powers. In other areas, Fixed Penalty Notices can be issued;
- the Police can seize the badge under Section 19 of the Police and Criminal Evidence Act 1984; and
- Regulation 9 of the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000 allows the badge to be withdrawn after three relevant convictions.

Where a badge holder simply parks in the wrong place or parks for too long with a valid badge, a Penalty Charge or Fixed Penalty can be issued for the parking contravention.

In cases where a badge holder lets a third party use their badge, the issuing local authority can withdraw the badge under regulation 9(2)(a) of the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000, but only after three relevant convictions (a Penalty Charge or Fixed Penalty Notice can be issued for any parking contravention that has occurred during the badge misuse). In such circumstances, a relevant conviction requires that the non-badge holder is using the badge with the holder's consent. This is often very difficult for local authorities to prove, even when they know it is happening. It should be remembered, however, that whilst this may make it difficult to withdraw a badge that is being systematically abused by a friend or family member, a local authority may refuse to reissue a badge if it has reasonable grounds for believing that the applicant would permit another person to use it (Regulation 8(2)(d)(ii)).

The following are some of the actions that could be taken against a person using someone else's badge for their own benefit:

- they could be prosecuted and face a fine of up to £1,000 on conviction under section 21 of the Chronically Sick and Disabled Persons Act 1970;
- they could be prosecuted and receive a fine of up to £1,000 on conviction under section 117 of the Road Traffic Regulation Act 1984;
- they could be issued with a Penalty Charge Notice or a Fixed Penalty Notice for any parking contravention; and
- the police could also seize the badge if desired.

For offences that involve either the badge holder or anyone else copying, altering or faking/forging a badge, the following legislation may be used, depending on the circumstances:

- offenders can be prosecuted under section 115 of the Road Traffic Regulation Act 1984 and are liable on summary conviction to a fine of up to £5,000, and up to two years imprisonment on indictment;

- the Fraud Act 2006 and the Forgery and Counterfeiting Act 1981 may be used. These carry heavier penalties;
- an offender can be prosecuted under section 117 of the Road Traffic Regulation Act 1984 and fined up to £1,000 if they are convicted of using a forged badge; and
- the offender can be issued with a Penalty Charge Notice or a Fixed Penalty Notice for any parking contravention.

In the case of other offences:

- the Theft Act 1968 (in particular sections 1 and 22) may be used to prosecute anyone found guilty of stealing, handling stolen badges and/or using stolen badges;
- when a stolen badge is being used but there is insufficient evidence to obtain a conviction under the Theft Act, section 329(1)(c) of the Proceeds of Crime Act 2002 may offer another means of obtaining a conviction;
- it is possible in certain circumstances for Courts to disqualify persistent offenders from driving for a period of time under section 146 of the Powers of Criminal Courts (Sentencing) Act 2000;
- there have been cases where people have attempted to sell badges through web-sites like E-bay or Gumtree. The badge remains the legal property of the issuing local authority, so it is unlawful for someone else to sell a badge. The rightful owner can take action to recover the goods through the civil courts. It may also be possible to prosecute the person offering the badge for sale under section 7 of the Fraud Act 2006; and
- it is possible that Section 11 of the Fraud Act 2006 (relating to obtaining services dishonestly) could be used when vehicles are fraudulently using Blue Badges to gain parking concessions in off-road parking areas.

## **Inspecting badges**

Under section 21(4BA) of the Chronically Sick and Disabled Persons Act 1970 (“the 1970 Act”), an enforcement officer can approach a person in a vehicle displaying a Blue Badge (or a person who appears to have been in or to be about to get into, the vehicle) and require them to produce the badge for inspection. Typically this would be done to check the detailed information and the photograph of the badge holder on the back of the badge, in order to verify whether the badge is being used by the correct person.

A person who without reasonable excuse fails to produce a badge when required to do so shall be guilty of an offence under section 21 (4BD) of the Act and liable to a fine not exceeding £1000.

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**88            PARKING BLUE BADGES - TACKLING FRAUD AND ABUSE**

The Committee received a report providing information on current initiatives to combat fraud and misuse of Blue Badges, (in certain cases involving proactive work with other Boroughs) in line with the latest Government guidance issued in the summer. The Council was keen to raise awareness of the actions it was taking on these issues.

The Committee were interested in having further information circulated to them when it was available to provide further background data on comparative blue badge numbers and potential abuse statistics compared to Borough demographics, and also some idea of the cost of pursuing these initiatives against the demonstrable benefits achieved (both in terms of financial and other aspects, such as inconvenience to those genuinely suffering from disability by abuse of this scheme).

**RESOLVED that progress being made to combat abuse of the Blue Badge scheme be noted.**

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# Agenda Item 2

Report No.  
ES12005

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:**      **Executive**

**Date:**                      **1 February 2012**

**Decision Type:**      Non-Urgent                      Executive                      Non-Key

**Title:**                      **CARBON REDUCTION COMMITMENT (CRC) SCHEME:  
2010/11 ANNUAL REPORT**

**Contact Officer:**      Alastair Baillie, Environmental Development Manager  
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**Chief Officer:**              Nigel Davies: Director of Environmental Services  
Mark Bowen: Director of Resources

**Ward:**                      All

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## 1. Reason for report

- 1.1 The Executive received a report (ES09101) on the then proposed Carbon Reduction Commitment scheme at its 9 December 2009 meeting. The report identified significant future financial liabilities. The Executive endorsed the report's recommendations and requested annual progress reports be submitted to ensure it was kept informed about this corporate risk.
  - 1.2 The Executive received the first annual update report on 12 January 2011 (ES10189) and resolved that the Council should continue to act to reduce energy use and carbon emissions. It further resolved that representations be made to the Secretaries of State for Education and Energy and Climate Change to exclude academy schools from council responsibilities.
  - 1.3 This second annual update report alerts the Executive to a forecast liability of £3m from 2011/12 to 2015/16 and continuing uncertainty regarding the mechanics of the scheme's operation.
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## 2. **RECOMMENDATIONS**

That the Executive:

- 2.1 Endorses the need for sustained action to reduce energy use and carbon emissions and to continue to improve data management to mitigate financial liabilities under the scheme;
- 2.2 Receives a further annual report setting out 2011/12 scheme compliance, costs and emissions together with four year forecast of the Council's financial liabilities.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Quality Environment.
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### Financial

1. Cost of proposal: Estimated cost £299k (2011/12)
  2. Ongoing costs: Recurring cost. Rising to £401k (2012/13); £524k (2013/14); £877k (2014/15); and £1,027k (2015/16)
  3. Budget head/performance centre: Central Contingency; Dedicated Schools Grant
  4. Total current budget for this head: £386k (£186k Central Contingency + £200k DSG)
  5. Source of funding: Cental Contingency; Dedicated Schools Grant
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### Staff

1. Number of staff (current and additional): 2 fte
  2. If from existing staff resources, number of staff hours:
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### Legal

1. Legal Requirement: Statutory requirement.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### Background

- 3.1 The Carbon Reduction Commitment scheme remains fundamental to Central Government's strategy for delivering the carbon budget targets set out in the Climate Change Act 2008. The CRC is a mandatory scheme covering organisations which use more than 6,000MWh of electricity annually. In practice, participants have to record and report on their carbon emissions (from 2010/11) and then purchase sufficient allowances to cover their emissions (from 2011/12).
- 3.2 The scheme is aimed at medium-sized, non-energy intensive, public and private sector organisations. [2,762](#) organisations (including all London boroughs) are currently registered with the Environment Agency and 2,102 organisations have submitted Annual and Footprint reports.
- 3.3 The scheme was first reported to the Executive in December 2009 (ES09101) and reports are now provided annually (ES10189: January 2011) forecasting our emissions and liabilities.
- 3.4 Because the Council already has an active Carbon Management Programme (Executive report ES12007: January 2012) LB Bromley was in a good position to comply with this statutory duty - although considerable amounts of work were necessary to comply with this rather complicated scheme. The measures in the Carbon Management Programme are not only helping to reduce energy consumption and control costs but will also help to limit our future CRC tax liabilities. Our forecast of the carbon emissions on which our CRC tax will be based is set out below.

**Table 1: Forecast LB Bromley CRC Emissions**

<b>Tonnes CO<sub>2</sub></b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Operational Property	7,730t (28%)	7,576t (28%)	7,424t (27%)	7,276t (21%)	7,130t (20%)
Maintained Schools	9,639t (35%)	9,831t (36%)	10,028t (36%)	10,229t (29%)	10,433t (29%)
Academy Schools	9,910t (36%)	10,108t (37%)	10,311t (37%)	10,517t (30%)	10,727t (30%)
Unmetered Consumption (Street Lighting and CCTV)	-	-	-	7,457t (21%)	7,457t (21%)
<b>Total Carbon Emissions</b>	<b>27,279t</b>	<b>27,515t</b>	<b>27,763t</b>	<b>35,479t</b>	<b>35,747t</b>

*Carbon dioxide emissions may be termed 'carbon,' 'emissions' or 'CO<sub>2</sub>' for brevity and expressed in tonnes (t)  
Bromley has excluded unmetered consumption from the first phase (this appears in Phase 2 commencing 2014/15)*

- 3.5 The scheme requires carbon data to be accurately recorded and reported or civil penalties may apply. In addition, carbon allowances have to be purchased retrospectively to cover carbon emissions from Council operational property, schools and street lighting. Our current forecast for 2011/12 is that Bromley will report 27,279t.
- 3.6 Schools comprise the largest single element of the Council's carbon. The Council is required to administer the scheme and to purchase allowances on behalf of both maintained and academy schools – though this is currently subject to consultation and may change.
- 3.7 The CRC has already been changed from a 'cap and trade' scheme, to what is effectively a tax: while it is not expected to be abolished, further changes to simplify the scheme are expected.
- 3.8 The scheme is regulated by the Environment Agency and an annual subsistence fee of £1,200 is payable. In July 2011, LB Bromley submitted its first annual (2010/11) data:
- The Footprint Report (our baseline for the first phase) which shows that LB Bromley's Total Footprint Emissions were 35,448t and Regulated Emissions were 31,922t

- The Annual Footprint Report for 2010/11 reports 32,378t (31,922t Regulated Emissions plus an uplift). This annual footprint report data will be used in future years to calculate our CRC tax.
- 3.9 61,168,143t were reported by all participants in England and Wales to the Environment Agency for 2010/11. If allowances had to be purchased for 2010/11, this would have raised £734m for HM Treasury. The average cost per participant would have been £349k. Local Authorities constitute ~11% (£85 million) of the £734m cost. Birmingham is expected to be the largest local authority contributor (~£1.2m) and 50 local authorities may expect to pay more than £500k p.a.
- 3.10 LB Bromley's liabilities are significant at some £3m over a five year period. This is dependent to a large extent on the treatment of schools and this has recently been the subject of consultation.

## Scheme Changes

- 3.11 The following sets out key recent scheme changes (see Appendix for scheme information).

### October 2010

- Comprehensive Spending Review announces money raised from the sale of allowances would be retained by the Government rather than recycled back to CRC participants.
- As a consequence, the Performance League Table becomes essentially a reputational tool.
- First sale of allowances to cover 2011/12 emissions changed from 2011 to 2012.

### November 2010

- Government consulted on minor changes to the CRC Energy Efficiency Scheme Order 2010. The main effect was to put back deadlines to allow a more detailed review CRC simplification.

### January 2011

- Government issued five discussion papers (not formal consultation) setting out simplification options.

### April 2011

- November 2010 consultation resulted in the CRC Scheme (Amendment) Order 2011

### June 2011

The government announced key proposals on the future of the CRC from Phase 2:

- CRC will not be extension to Climate Change Levy but a separate scheme
- Sites covered by Climate Change Agreements and EU Emissions Trading Scheme to be excluded.
- Allowances will not be auctioned in Phase 2. Instead there will be two fixed-price sales each year (a cheaper forecast/forward sale and a more expensive retrospective sale).
- In Phase 1 allowance purchases will be retrospective only.
- Performance League Tables will be retained but may be altered.
- Rules on organisational structures will be simplified: Parent organisations will have the option to disaggregate to better match their "natural business units."
- Trusts: compliance responsibility allocated to the entity with commercial interest in the property.
- The Landlord and Tenant rule remains unchanged with Landlords keeping responsibility for supplies of energy to their tenants (Joint responsibility rules were explored).
- Simplification of the qualification rules: Only electricity measured by settled half hourly meters will count towards an organisation qualifying for the scheme.
- The number of fuels will be reduced from 29 to four: We will only report on electricity, gas, kerosene and diesel (and only if the latter two are used for heating). Off-road vehicles will be exempt.
- The 90% *de minimis* rule and Footprint Reports will be scrapped. Participants will be required to report on 100% of their supplies of electricity, gas, kerosene and diesel. Therefore, Footprint Reports and the Residual Measurement List will not be needed.
- Evidence Pack requirements will be reviewed at the end of the first auditing cycle (late 2011 / early 2012) to ascertain whether the administrative burden on participants can be reduced.
- Records of energy use will only need to be retained for six years, instead of 12 years.

### August 2011

- Review of Academies' participation in the CRC Energy Efficiency Scheme.

### February to April 2012

- Government to consult on draft legislation to give effect to the changes it announced in June 2011.

### September 2012

- Government to publish responses to the consultation on draft legislation
- Environment Agency to publish updated guidance on qualification, registration, supply and organisational rules to reflect the changes made to the CRC.

### December 2012

- The Environment Agency to publish remaining guidance on the revised CRC.

### April 2013

- Amended CRC legislation (for Phase 2) will come into force.

## Scheme Timetable

3.12 The following timetable sets out the key dates for qualification, registration, reporting, allowance purchasing and league table publication.

**Table 2: Timeline**

Qualification period for first phase opened	January 2008
Qualification period for first phase ended	December 2008
Registration for the first phase: 1 April 2010 - 30 September 2010	April-Sept 2010
Submit annual report for 2010/11	July 2011
Submit footprint report for 2010/11	July 2011
Publication of the first CRC performance league table	November 2011
Qualification period for the second phase of the CRC begins	April 2012
First retrospective sale of CRC allowances for 2011/12 emissions	June 2012
Submit annual report for 2011/12	July 2012
Purchase allowances for 2011/12	July 2012
Updated guidance qualification, registration, supply and organisational rules	September 2012
Publication of the second CRC performance league table	October 2012
Qualification period for the second phase of the CRC ends	March 2013
Registration for the second phase of the scheme – 1 April - 30 September 2013	April-Sept 2013
Second sale of CRC allowances for retrospective 2012/13 emissions	June 2013
Submit annual report for 2012/13	July 2013
Purchase allowances for 2012/13	July 2013

## Environment Agency Reporting 2010/11

3.13 In July 2011, LB Bromley reported its 2010/11 carbon emissions on schedule to the Environment Agency (for information, late reporting may be subject to civil penalties). Two reports were required for 2010/11 (thereafter only annual reports are required for the 1<sup>st</sup> phase):

- Footprint Report: which defines our baseline for the entire first phase
- Annual Footprint Report: which is used in future years to calculate our liabilities etc.

3.14 It should be noted that the carbon factors and scope used to define our CRC footprint differ from those used for the Carbon Management Programme, so direct comparisons are not possible.

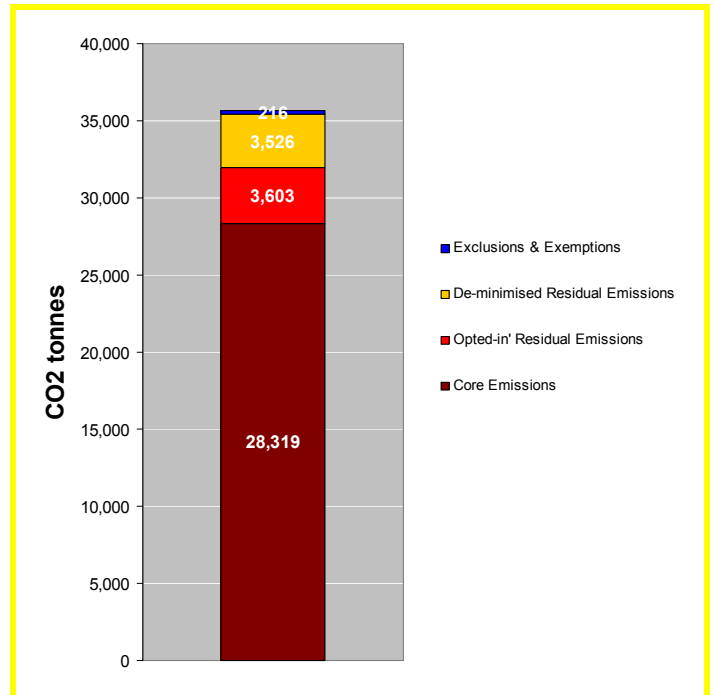
### 2010/11 Footprint Report

- 3.15 In 2010/11 LB Bromley, as an organisation, emitted 35,664t. This comprised:
- Core sources (emissions associated with larger electricity and gas meters): 28,319t
  - Opted-in residual emissions (smaller sources to achieve 90% of TFE): 3,603t
  - Core plus Opted-in residual sources are our Regulated Emissions: 31,922t
  - Opted-out residual emissions (the remainder of our smaller sources): 3,526t:
  - Regulated plus Opted-out residual emissions are our Total Footprint Emissions: 35,448t
  - Excluded emissions (CCTV): 216t make our Organisational Emissions: 35,664t

### 2010/11 Footprint Report

Emissions	tCO <sub>2</sub>
Organisational Emissions <sup>1</sup>	35,664
Total Footprint Emissions <sup>2</sup> (TFE)	35,448
Regulated CRC Emissions <sup>3</sup>	31,922
Core Emissions <sup>4</sup>	28,319
Opted-in Residual Emissions <sup>5</sup>	3,603
De-minimised Residual Emissions <sup>6</sup>	3,526
Exclusions & Exemptions <sup>7</sup>	216

<sup>1</sup> All emissions  
<sup>2</sup> All emissions minus exclusions and exemptions  
<sup>3</sup> Core & Opted-In Residual Emissions (90% of TFE)  
<sup>4</sup> Large consuming meters  
<sup>5</sup> Smaller sources required to achieve 90% of TFE  
<sup>6</sup> Smaller sources we chose not to include  
<sup>7</sup> CCTV excluded



### 2010/11 Annual Report

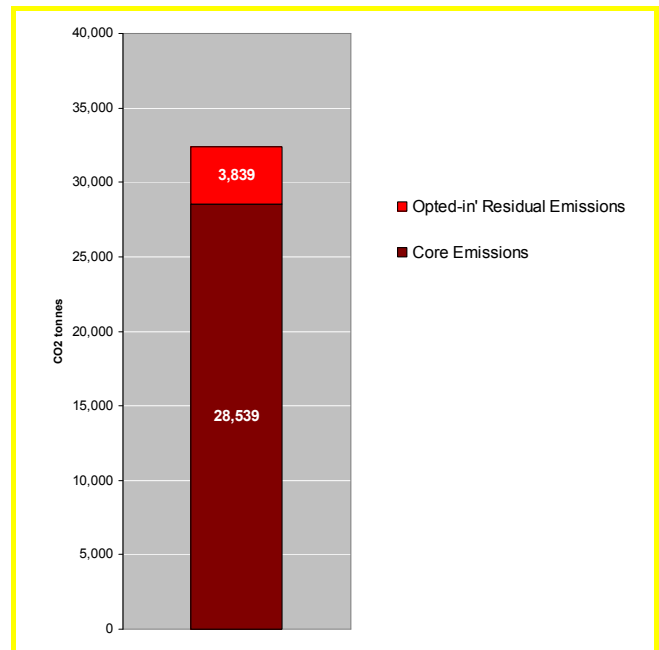
3.16 The Annual Report will be used in future years to calculate our CRC liabilities. LB Bromley reported 32,378t emissions for 2010/11. This is based on the Core and Opted-in residual emissions from the Footprint Report. However, the figures differ because 10% uplift is applied to estimate data.

- Core sources (28,319t) plus uplift (220t): 28,539t
- Opted-in residual emissions (3,603t) plus uplift on estimated emissions (236t): 3,839t

### 2010/11 Annual Report

	Emissions	Uplift	tCO <sub>2</sub>
Core Emissions <sup>1</sup>	28,319	220	28,539
Opted-in Residual <sup>2</sup>	3,603	236	3,839
Regulated Emissions <sup>3</sup>			32,378

<sup>1</sup> Large consuming meters  
<sup>2</sup> Sources required to achieve 90% of Total Footprint Emissions  
<sup>3</sup> Core plus opted in residual sources plus uplift



3.17 In 2010/11, LB Bromley's Footprint (defined as gas and electricity consumption only) showed that academy schools were the largest sector (28%) followed by maintained schools (27.3%), then operational property (22.9%) and unmetered consumption (21.6%).



**Table 3: Organisational carbon by sector**

<b>LBB Organisational Carbon (tCO<sub>2</sub>)</b>		<b>100.0%</b>
<b>Operational Properties</b>		<b>22.9%</b>
• Cemeteries		0.1%
• Civic Centre		6.5%
• Community & Youth Centres		3.0%
• Day Centres		1.3%
• Depots		0.4%
• Libraries		2.6%
• Other - Miscellaneous		4.0%
• Other - Car Parks		1.4%
• Other - Investment Property		0.1%
• Other - Markets		0.1%
• Other - Public Toilets		0.2%
• Parks & Pavilions		1.8%
• Town Halls		1.4%
<b>LBB Maintained Schools</b>		<b>27.3%</b>
• Primary Schools		20.4%
• Secondary Schools		4.2%
• Special Schools		2.7%
<b>Academy Schools</b>		<b>28.2%</b>
<b>Unmetered Consumption</b>		<b>21.6%</b>
• CCTV		0.6%
• Street Lighting		21.0%

## Evidence Pack

3.18 The Evidence Pack is a comprehensive collection of all our relevant information and data and is required for all scheme participants. The records have to be up-to-date, accurate and 'easy to understand', and ready for auditing from August 2011. The Council can expect to be externally audited at least once in each phase. Auditing is done on a risk basis and LB Bromley was not selected in the first cohort. The following summarises the records which have to be collated in an Evidence Pack (and must be maintained and updated going forward). LB Bromley's are held on Onebromley so they may be accessed by relevant officers and the CRC Programme Board.

Organisational structure records: such as corporate structure and officer responsibilities.

Data records, including:

- The energy supply data that we submitted
- Qualifying half-hourly meter supply during 2008 submitted as part of our registration
- Information supporting our Footprint Report (such as energy supplies to excluded sources and unconsumed supply e.g. heat sold to others from the Walnuts Boiler Plant)
- Our Source List and Residual Measurement List
- Supplier invoices and statements
- Evidence of renewable energy generation
- Records of meter readings
- Evidence to support performance metrics

Special events/change records, covering:

- 'Unusual' events (e.g. actions taken following a meter failure or a change of supplier)
- Changes to organisational structure

- Copies of any correspondence with the Environment Agency

Audit certificate: The Council is required to conduct an Internal Audit of its evidence pack and maintain the record or audit certificate

- 3.19 The Council’s Internal Audit function undertook an audit of the Evidence Pack, including spot checks on data. Their subsequent report confirmed that its structure, content and data appeared robust and that there would be value in having data collated in this manner in future.
- 3.20 Subsequent actions have been taken to address the Internal Audit Report recommendations.
- 3.21 For the record, CRC experts at LASER commented favourably on the quality of the LB Bromley Evidence Pack.

### Performance League Table

- 3.22 The Performance League Table (PLT) was originally to have been used to determine participants’ financial reward or liability according to league ranking. Following the 2010 Comprehensive Spending Review the government changed the scheme’s rules, effectively turning the CRC into a carbon tax (for Phase 1), making all participants financial losers.
- 3.23 The PLT has lost its primary purpose but it has been retained to keep relative performance in the public eye. However, it is questionable to what extent this constitutes a useful approach or whether it is even sensible to compare organisations from different sectors. The important issue for participants isn’t the PLT but to maintain a consistent focus on reducing energy consumption, as this reduces procurement costs, carbon emissions, and CRC liabilities.
- 3.24 For the record, the [2010/11 PLT data](#) was published by the Environment Agency on 8 November 2011 and LB Bromley ranked 584<sup>th</sup> of 2,102 participants and was 8<sup>th</sup> best performing of the London boroughs. Here is a link to LB Bromley’s [participant summary](#).
- 3.25 The public sector (28% of scheme participants) scored slightly better than the private sector with an average rank of 812 (Early Action Metric score of 29) against the private sector’s average rank of 925 (Early Action Metric score of 22). This may reflect a more proactive approach / understanding in the public sector or, perhaps, the private sector has been more focussed on emissions reduction (and less on the process of scheme compliance).
- 3.26 Under the original scheme LB Bromley would have been a net financial beneficiary, having almost achieved top quartile performance. However this is academic as rule changes mean a) allowances no longer have to be purchased for 2010/11 and b) the PLT will not be used to determine the costs: allowance costs apply from 2011/12 and are based solely on emissions.
- 3.27 The PLT is complicated with different weightings being applied to three performance metrics over the scheme’s first four years, and a number of further complicated calculations being performed to determine participants’ final rankings.

Performance League Table: Metric Weighting Table

	Year 1: 2010/11	Year 2: 2011/12	Year 3: 2012/13	Year 4 : 2013/14 on
Early Action Metric	100%	40%	20%	0%
Absolute Metric	0%	45%	60%	75%
Growth Metric	0%	15%	20%	25%

- 3.28 For 2010/11 data, the sole performance measure is known as the Early Action Metric (EAM), which is broadly designed to recognise proactivity. There are two EAM measures and these relate to the proportion of participants’:

- emissions certified under one of the seven accredited carbon management schemes (e.g. the Carbon Trust Standard); and
- electricity and gas measured through voluntarily-installed automatic meter reading (AMR) devices, dynamic unmetered supply, and daily-read gas meters.

### **2010/11 League Table Performance**

3.29 In 2010/11, Bromley was covered by Carbon Trust Standard certification for the majority ([67.5%](#)) of its emissions and also had an AMR coverage score of [16.47%](#). These two positive measures resulted in high performance which would have been even better had Bromley:

- included dynamically procured street lighting electricity (which constitutes ‘voluntary AMR’)
- progressed with a planned AMR swap-out programme for gas and electricity meters

3.30 However with the change to a tax-based scheme, the Programme Board took the view that:

- street lighting emissions should be excluded by changing from dynamic to passive procurement to avoid costs of ~£88k per annum (in Phase 1). This was also done by the majority of London boroughs and this will have affected their table positions and costs too
- comprehensively exchanging manually-read meters for AMR devices (ahead of the government’s planned swap out) would not be cost-effective and therefore did not proceed.

3.31 A perverse outcome of the switch to a tax-based system has been for many participants to rein back on existing and planned activity designed to improve their league table position.

3.32 PLT reporting has, rather uncritically, assumed a clear correlation between league table position and effective carbon management. While this is more likely than not, it is not a perfect measure: it simply reflects proactivity as measured by voluntary AMR and external certification.

3.33 Whatever the initial intention, or public understanding, the PLT presents a potential reputational risk for those who are perceived to be underperforming and, equally, a PR opportunity for those with a high league table ranking.

### **2011/12 League Table Performance**

3.34 It is difficult to predict our future PLT position given a host of unknowns including:

- change in our absolute performance (a material factor for the first time) which may benefit from exclusion of unconsumed supply for the first phase
- the amount of voluntarily installed AMR (which is unlikely to change greatly) or third party certification we will achieve
- the fate of Academy Schools under the revised rules, which will affect LB Bromley (positively or negatively depending on the decision) far more than other councils
- and the performance of other participants, which cannot be accurately predicted at all

### **Maintained & Academy Schools**

3.35 Local authorities are currently required to purchase carbon allowances and to administer the CRC scheme on behalf of all schools in their area. Schools are widely defined and include maintained, academy, and free schools – though not private schools.

3.36 In return, schools are under a duty to provide reasonable assistance to the Council. In LB Bromley this relates to uploading monthly energy consumption data to the Laser Bureau Service portal (which also helps schools to monitor their energy consumption) and helping to source annual Energy Supplier Statements and other information relevant to the production of Bromley’s Annual Footprint Report. This process has, for the main part, worked well in 2010/11.

3.37 Where fines are payable in respect of data errors or omissions, these may be passed on by the Council to the schools in question but this has not been necessary to date as the Council has not incurred any such fines.

3.38 Table 4 sets out our current forecast for the carbon and allowance costs associated with LB Bromley schools only.

**Table 4: Schools Carbon and Costs**

	2011/12	2012/13	2013/14	2014/15	2015/16
Maintained Schools Cost	£115,664	£157,303	£200,562	£245,488	£292,130
Maintained Schools (tCO <sub>2</sub> )	9,639	9,831	10,028	10,229	10,433
Academy School Costs	£118,923	£161,735	£206,213	£252,405	£300,362
Academy Carbon (tCO <sub>2</sub> )	9,910	10,108	10,311	10,517	10,727
<b>Total Allowance Costs</b>	<b>£234,587</b>	<b>£319,038</b>	<b>£406,775</b>	<b>£497,893</b>	<b>£592,492</b>
<b>Total Carbon (tCO<sub>2</sub>)</b>	<b>19,549</b>	<b>19,939</b>	<b>20,339</b>	<b>20,746</b>	<b>21,160</b>
<b>DSG</b>	<b>£200,000*</b>	<b>£200,000</b>	<b>£200,000</b>	<b>£200,000</b>	<b>£200,000</b>
<b>Shortfall of funding from DSG</b>	<b>£34,587</b>	<b>£119,038</b>	<b>£206,775</b>	<b>£297,893</b>	<b>£392,492</b>

*The data in this table is based on a model which is more fully explained in the Finance section. The figures project 2010/11 actual data and assume a 2% p.a. increase in schools' emissions and a £4/t p.a. increase in the price of carbon allowances  
\*The contribution from the DSG has currently only been agreed with CYP for 2011/12: more is clearly required in future years, subject to the current consultation which may/may not allow different arrangements for academy schools in future*

3.39 It is odd that councils are required to administer and pay for academy schools' carbon when academies are now independent of council control. The leader of the LB Bromley wrote to the Secretaries of State for Education and Energy & Climate Change pointing out that this was an increasingly anomalous situation and asking what the government proposed to do to remedy the matter. The government responded that it was considering the matter and in August 2011 DECC issued a [consultation paper](#) titled: Review of Academies' participation in the CRC Energy Efficiency Scheme. The paper canvassed four options:

- Option 1: State-funded schools would continue to participate through their local authority. This is an unlikely outcome but a variant whereby allowance costs could be retained centrally before calculating budgets for maintained schools and academies may be a possibility, though the council would still have to administer the scheme for schools.
- Option 2: All state-funded schools individually meeting the qualifying criteria participate independently in the scheme. This would relieve the Council of its burden but as only the largest schools would qualify and there would be a loss of coverage and this is unlikely.
- Option 3: Individual participation by academies. This is attractive as the Council would be relieved of responsibility for academies but maintained schools would be penalised as they would remain in the scheme while some non-qualifying academies would become exempt.
- Option 4: Grouping academies with local authorities for qualification purposes and then disaggregating them. This places the cost and administrative burden on the academies themselves, which has clear merit and was LB Bromley's preference.

3.40 The consultation closed on 23 September 2011 but there is no indication of the government's preference. Due to the high number of converter schools in Bromley – the highest of all the London boroughs – LB Bromley may be significantly affected by the final decision.

3.41 Until formal notification is received of any rule changes, we are required by law to continue to meet the allowance and administration costs for all maintained and academy schools.

## 4. POLICY IMPLICATIONS

- 4.1 The CRC is a statutory scheme and one of two Council carbon-related programmes: the other being the Carbon Management Programme. The Carbon Management Programme (see ES12007) complements our CRC activity by taking action to reduce emissions and hence CRC allowance costs through a successful programme of energy projects.

## 5. FINANCIAL IMPLICATIONS

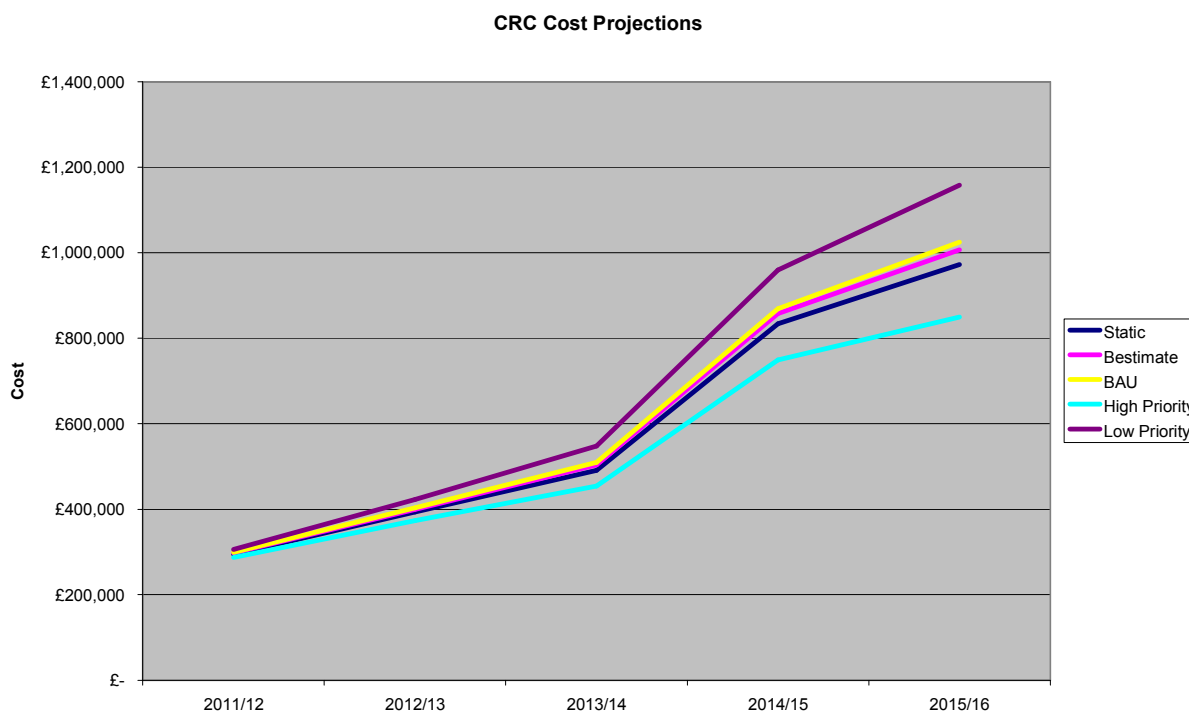
- 5.1 The potential financial impact of the CRC has been reported to the Executive since 2009 (ES10189 and ES09101) and has been factored into the 2011/12 budget and four-year forecast. While CRC costs are new and undoubtedly significant, it is important to keep matters in perspective: the financial impact of our energy use is much greater than that of the CRC. A simple way of considering the CRC is to think of it as the equivalent of a 6% tax applied to energy costs. Continuing management action to reduce energy consumption and carbon emissions is the key as this will help to reduce both energy bills and CRC liabilities. More generally, carbon costs associated with Council assets and contracts need to be continually addressed to ensure such consumption and costs are identified and allocated appropriately.

### Financial Modelling

- 5.2 The model used to calculate the Council's carbon and costs continues to develop and is becoming increasingly comprehensive and sophisticated. However, accurate forecasting is complicated due to a range of variables including; energy consumption, allowance prices, carbon factors, treatment of academies, weather, behaviour, carbon management activity, property portfolio acquisition / disposal, and changes to street lighting inventory etc.
- 5.3 To reduce this complexity, two variables have been fixed for all modelled scenarios. Officers have:
- assumed the same (increasing) carbon price
  - assumed the same (decreasing) level of uplift (a levy on estimated data)
- 5.4 DECC/Environment Agency continue to consider major changes to the scheme (e.g. treatment of academies, abolition of the *de minimis* rule and reintroduction of street lighting in phase 2) but we have anticipated these changes too and factored them into the model where possible.
- 5.5 The model is derived from data provided by the LASER Bureau Service (LBS) at an annual cost of £18,500 from 2013/14. The LBS is vital to our ability to comply with the CRC scheme as it:
- hosts LB Bromley's carbon data
  - provides a web portal to allow sites to upload their data
  - improves the accuracy of our Environment Agency reporting
  - limits the amount of estimated data for which additional allowances have to be bought
  - outputs the Footprint and Annual Reports.
- 5.6 Five scenarios have been developed to show a number of possible carbon futures based on the 2010/11 footprint data submitted to the Environment Agency. The government has announced the price of carbon for 2011/12 (£12/t) and 2012/13 (£16/t), so these are known. We have made an assumption that the price will continue to rise by £4/t p.a. thereafter because:
- this is the established trend for the scheme (2011/12 to 2012/13)
  - the Landfill Tax (a similar mechanism) is currently increasing by £8/t per annum and
  - the CRC tax raises income (~£1bn) for HM Treasury required to help balance the budget.
- 5.7 Additionally, it is reasonable to assume that the tax will increase until it reaches a level that discourages unnecessary carbon emissions (as happened with the Landfill Tax, which made recycling increasingly financially attractive compared with landfill). Therefore, an increase of £4/t.p.a. has been assumed starting at £12/t in 2011/12 and reaching £28/t by 2015/16.

- 5.8 A 10% uplift is payable on estimated data. It has been assumed that this uplift will fall by 1% per annum (in all scenarios) from 10% (2011/12) to 6% (2015/16) as the Laser Bureau Service takes increasing effect and data becomes increasingly accurate.
- 5.9 For each of the five scenarios we have varied the carbon emitted (and therefore the cost).
- Scenario 1: Best Estimate. Our forecast of what we think is most likely to happen based on a combination of trend analysis, active carbon management and our professional judgement.
  - Scenario 2: Static Growth. No increase (or reduction) in emissions (2010/11 levels)
  - Scenario 3: Business as Usual: a continuation of historic trends
  - Scenario 4: High Priority. Carbon management is afforded a high priority and is actively managed and funded to reduce emissions and liabilities
  - Scenario 5: Low Priority. Carbon management is only afforded a low priority and is not actively managed or funded, resulting in increased emissions and liabilities
- 5.10 Figure 1 illustrates the cost impact of each of the scenarios over five years. The cumulative cost impact of purchasing CRC allowances over the first five years is forecast to be £3,066k.

**Figure 1: Cost impact of five scenarios over five years**



- 5.11 Table 5 shows how the Councils carbon emissions relate to allowance costs using Scenario 1.
- Operational property emissions are forecast to reduce by 2% per annum to reflect the carbon management programme
  - Maintained schools emissions are forecast to increase by 2% per annum to reflect the fact that schools are being increasingly energy intensive (use of IT etc)
  - Unmetered consumption is forecast to remain static as lighting standards and new developments offset reduction measures
  - Combined these elements provide a total carbon and cost
  - The de minimis rule is applied to these totals which essentially means that we are allowed to reduce our emissions by 10%
  - The model assumes that Unmetered consumption returns to our footprint in 2014/15
  - The model also assumes that the de minimis rule no longer applies from 2014/15 – and that we will have to purchase allowances for 100% of our carbon

**Table 5: Detailed Carbon and Cost Forecast**

	2011/12	2012/13	2013/14	2014/15	2015/16
Operational Property Cost	£92,765	£121,213	£148,486	£174,620	£199,648
Operational Property (tCO <sub>2</sub> )	7,730t	7,576t	7,424t	7,276t	7,130t
Maintained Schools Cost	£115,664	£157,303	£200,562	£245,488	£292,130
Maintained Schools (tCO <sub>2</sub> )	9,639t	9,831t	10,028t	10,229t	10,433t
Academies Schools Cost	£118,923	£161,735	£206,213	£252,405	£300,362
Academies Schools (tCO <sub>2</sub> )	9,910t	10,108t	10,311t	10,517t	10,727t
Unmetered Consumption – Street lighting and CCTV Cost	-	-	-	£178,989	£208,823
Unmetered Consumption – Street lighting and CCTV (tCO <sub>2</sub> )	-	-	-	7,457t	7,457t
Cost of total carbon emissions	£327,352	£440,251	£555,261	£851,502	£1,000,963
Total Carbon Emissions (tCO <sub>2</sub> )	27,279t	27,515t	27,763t	35,479t	35,747t
<b>Total Carbon (post 10% de minimis)</b>	<b>24,511t</b>	<b>24,764t</b>	<b>24,987t</b>	<b>35,479t</b>	<b>35,747</b>
<b>Total Cost (post 10% de minimis)</b>	<b>£294,617</b>	<b>£396,227</b>	<b>£499,735</b>	<b>£851,502</b>	<b>£1,000,963</b>
<b>Predicted Uplift Costs</b>	<b>£2,946</b>	<b>£3,566</b>	<b>£3,998</b>	<b>£5,961</b>	<b>£6,006</b>

### Second phase costs

5.12 The arrangements for the second phase, starting in 2014/15, have yet to be finalised. It is assumed that the *de minimis* rule will be removed and that participants will be required to purchase allowances for all (rather than 90%) of their carbon and that street lighting will no longer be allowed to be excluded. It is now expected that allowances will not be auctioned in Phase 2: instead, there will be will two fixed-price sales each year (a cheaper forecast/forward sale and a more expensive retrospective sale).

### Allowance Purchasing and Accrual

5.13 2011/12 allowances are purchased retrospectively in July 2012. CIPFA advises that although the cost occurs in 2012/13, an accrual needs to be made in respect of 2011/12, which is why the estimated cost is included in the 2011/12 budget. This will also apply to subsequent Phase One years but the rules are expected to change in Phase 2.

### Budgeting and Forecasting

5.14 The cost of scheme compliance is to be met from a combination of a sum held in the Central Contingency and the Dedicated Schools Grant (DSG).

5.15 The initial cost of scheme compliance (ES10189) was put at £386k to be met entirely from the Central Contingency. Subsequently, a contribution of £200k was agreed with CYP to come from the DSG and the Central Contingency provision was reduced by £200k to £186k.

5.16 The future contribution from the DSG will depend on what the government decides to do about who is responsible for meeting the cost of academy school allowances.



5.17 The forecast includes a sum to meet the initial estimated costs of the carbon scheme for future years, however this will need to be revised following latest cost projection calculations and is also dependent on whether the DSG can be used to meet the shortfall of funding needed for schools as shown in Table 4.

5.18 There is so much uncertainty (e.g. scheme changes and weather) that it is not possible to be categorical whether the financial provision made will be sufficient. However, the footprint data was based on a colder than average (more carbon intensive) winter (2010/11) and a £4/t p.a. allowance price increase has been factored into the model – which affords some protection.

### Summary of Financial Costs

5.19 The table below summarises the CRC scheme’s estimated total costs and available resources and is based on current knowledge and is exclusive of staff costs and any possible fines (which cannot be calculated in advance but can be mitigated).

**Table 6: Finance Summary**

	2011/12	2012/13	2013/14	2014/15	2015/16
	£	£	£	£	£
Carbon Allowances	294,617	396,227	499,735	851,502	1,000,963
Predicted uplift	2,946	3,566	3,998	5,961	6,006
Subsistence Fee	1,290	1,290	1,290	1,290	1,290
Cost of Laser Bureau Service	0	0	18,500	18,500	18,500
<b>Total Scheme Costs</b>	<b>298,853</b>	<b>401,083</b>	<b>523,523</b>	<b>877,253</b>	<b>1,026,759</b>
Sum held in Central Contingency	186,000	186,000	186,000	186,000	186,000
Additional resources identified in four year forecast	0	130,000	261,000	393,000	393,000
Dedicated Schools Grant *	200,000	200,000	200,000	200,000	200,000
Current Available Resources	<b>386,000</b>	<b>516,000</b>	<b>647,000</b>	<b>779,000</b>	<b>779,000</b>
<b>Variation</b>	<b>(87,147)</b>	<b>(114,917)</b>	<b>(123,477)</b>	<b>98,253</b>	<b>247,759</b>
Additional DSG required from Table 4	34,587	119,038	206,775	297,893	392,492
<b>Revised Variation</b>	<b>(121,734)</b>	<b>(233,955)</b>	<b>(330,252)</b>	<b>(199,640)</b>	<b>(144,733)</b>

\*The DSG contribution has only been agreed with CYP for 2011/12 and new funding rules may/may not apply to academy schools in future years depending on the outcome of the current consultation.

5.20 It should be noted that the costs set out in the table above:

- relate solely to the CRC scheme and are in addition to energy bills
- are being used to inform the 2012/13 budget and financial forecast
- indicate that there could be a saving in years 2011/12 to 2013/14, however further funding would be required in 2014/15 and 2015/16.
- should the increase in DSG contributions be agreed to fully meet the costs directly relating to schools, the earmarked funding included in the four year forecast could be substantially reduced.

## 6. LEGAL IMPLICATIONS

6.1 The CRC is a statutory scheme introduced under the Climate Change Act 2008 to help give effect to the government’s national carbon targets. LB Bromley is a full participant and is legally



responsible for data reporting and purchasing carbon allowances to cover its carbon emissions, including from maintained and academy schools (but not for Bromley Mytime).

- 6.2 This statutory duty is externally audited and enforced by the Environment Agency through:
- criminal penalties (imprisonment and fines) for falsification of data and non-compliance
  - civil penalties (fines) for late or inaccurate reporting
- 6.3 Further to correspondence between the Leader and the Secretaries of State for Education and Energy, the treatment of academy schools has been subject to consultation (which closed 23 September) and we await the outcome which may have a significant bearing on the Council's administration of the scheme and costs.
- 6.4 As required under the scheme's rules the Director of Environmental Services (as the nominated Senior Officer) signed-off the Evidence Pack on behalf of LB Bromley in the annual audit certificate in July 2011.

<b>Non-Applicable Sections:</b>	<ul style="list-style-type: none"><li>• Personnel Implications</li></ul>
Background Documents: (Access via Contact Officer)	<ul style="list-style-type: none"><li>• Carbon Reduction Commitment (Executive Report, ES09101, December 2009)</li><li>• Carbon Reduction Commitment Scheme 2010 Annual Report (Executive Report, ES10189, January 2011)</li></ul>

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LONDON BOROUGH OF BROMLEY  
ENVIRONMENTAL SERVICES DEPARTMENT

CRC 2010/11 ANNUAL REPORT APPENDIX TO ES12005: CRC TRACKER  
1 FEBRUARY 2012

DATE	LINK / SOURCE	DETAILS
24 Nov. 2011	EA Participant Update November 24, 2011	<p>Compliance Auditing: The EA have started to conduct Compliance Audits on Participants. Participants are audited using a risk based approach.</p> <p>Update on reporting errors: While LBB does not believe it was any reporting errors, other participants have found some. The EA doesn't intend to publish another Performance League Table for 2010/11 based on amended data. Any decision on whether or not to take enforcement action or issue civil penalties will be taken on a case by case basis.</p> <p>Keeping details up to date: Any amendments can be made in the 'Manage Contact Details' section in participant's our CRC Registry account. The EA state that "If your organisation has changed its structure, you may need to notify us of a Designated Change. You have up to 3 months to notify us of any change"</p>
8 Nov. 2011	<a href="#">2010/11 Performance League Table</a>	<p>The CRC Performance League Table data for 2010/11 was <a href="#">published on 8 November 2011</a>. Bromley ranks 584<sup>th</sup> out of 2,102 participants (8<sup>th</sup> best of the London boroughs) and here is our <a href="#">participant summary</a>. However the Performance League Table no longer has the importance originally envisaged: it was to have been used for calculating organisations' financial reward/liabilities. Under the scheme as originally envisaged, LB Bromley, being almost top quartile, would have been a net financial beneficiary. Now the scheme is a straight tax the table has no financial bearing but could be considered a reputational risk.</p>
26 Oct. 2011	<a href="#">EA Participant Update October 2011</a> Updated information on the <i>Performance League Table</i> (PLT)  Preview the format for: PLT main table and participant scorecards.	<p>§ How the PLT is compiled and its contents can be downloaded <a href="#">here</a>.</p> <p>§ The PLT 'main table' will show rankings &amp; early action results: view the format <a href="#">here</a>.</p> <p>§ What details the <i>participant scorecards</i> will show for each participant – view the format <a href="#">here</a>.</p> <p><i>NB The EA will send you a Participant Update in the next month to give advance notice of the publication date of the actual PLT and Participant Scorecards</i></p>
15 Aug. 2011	<a href="#">Review of Academies' participation in the CRC Energy Efficiency Scheme</a>	<p>DECC has published a discussion paper on Academies' participation in the CRC</p> <p>Option 1: to retain the status quo. DfE is consulting on school funding reforms that might allow the cost of CRC allowances to be retained centrally before calculating budgets for both maintained schools and Academies.</p> <p>Options 2 and 3: to allow individual qualification and participation by schools (option 2 for all schools, option 3 for Academies only). These options look unlikely as they would result in a loss of emissions/income from the Scheme (few schools or Academies would qualify in their own right).</p>

DATE	LINK / SOURCE	DETAILS
		Option 4: would see optional disaggregation of Academies, who would qualify through their LA but participate individually. The decision to disaggregate could be taken by the LA or the Academy, which could lead to some confusion. This option may be attractive for LAs but would be expensive for individual Academies, who would become liable for registration and subsistence fees and annual management / reporting costs as well as the cost of allowances.
9 Aug. 2011	<a href="#">CRC Admin Burden Survey</a>	<p>Government has committed to simplifying the CRC Energy Efficiency Scheme. We are currently undertaking an informal dialogue with participants on changes and simplifications to the scheme for the second phase of CRC. The objective is to revisit the scheme to take into account the following context:</p> <ul style="list-style-type: none"> <li>• The effectiveness of the CRC framework in driving energy efficiency in large public and private sector organisations in the light of wider policy developments in other areas</li> <li>• The perceived complexity of the CRC and hence the administrative burden on those organisations that are subject to the scheme and the administrators of the scheme.</li> <li>• Optimising the projected energy savings attributable to the CRC scheme.</li> </ul> <p>As part of this process DECC have recently appointed KPMG's Climate Change team to assess the administrative time and costs placed on participants by the CRC. This will help inform the simplification of the scheme by helping us understand, using actual data, which areas of the CRC have taken the most time to comply with.</p>
1 Aug. 2011	<a href="#">EA Participant Update August 2011</a>	<p>Please find attached information on:</p> <ul style="list-style-type: none"> <li>• Updating your reports</li> <li>• Trading names on the PLT</li> <li>• Contact details for subsistence invoices</li> <li>• DECC questionnaire on CRC costs</li> </ul>
15 July 2011	<a href="#">EA Participant Update July 2011</a>	<ul style="list-style-type: none"> <li>• Using estimated supplies</li> <li>• Reporting hints and tips</li> <li>• Updated Source List Tool</li> <li>• Registry access problems</li> </ul>
30 June 2011	<a href="#">Simplifying the CRC Energy Efficiency Scheme: Next Steps</a>	The CRC scheme is in serious need of simplification and this document summarises the various proposals. Other issues, such as paying for academies' carbon, will be the subject of further reviews.
29 June 2011	<a href="#">Participant Update: 27 June 2011</a>	Important Tips: avoid these common errors when submitting reports
28 June 2011	<a href="#">Footprint and Annual Reporting Tips</a>	Detailed tips on common errors made when participants are submitting reports. We are advised to read these tips before submitting our reports
28 June 2011	<a href="#">Ask the Experts - Guides on Reporting</a>	Update of previous link - able to view offline now should you wish
2 June	<a href="#">Civil Penalties: failure to submit an annual</a>	This guidance summarises the penalties associated with the failure to submit an annual report for

DATE	LINK / SOURCE	DETAILS
2011	<a href="#">report for 2010/2011</a>	2010/2011 and explains how the regulator in certain circumstances will be required to calculate your emissions. Please note that additional penalties relating to the blocking of your account and the number of allowances that you are required to surrender will also be relevant from 2011/12 onwards.
May 2011	Guidance on CRC EE Scheme: <a href="#">Annual Report</a> <a href="#">Footprint Report</a>	Revises February 2011 reporting guidance
5 May 2011	<a href="#">Reporting the CRC May 2011</a> (EA) <a href="#">Annual Report Screenshots and Worked Example - April 2011 (PDF, 1MB)</a> <a href="#">Footprint Report Screenshots and Worked Example - April 2011 (PDF, 2MB)</a>	From EA's May 2011 Participants Update: Annual and Footprint Report Screenshots <ul style="list-style-type: none"> <li>§ Ask The Expert Film Guides on Reporting</li> <li>§ Tips on Reporting</li> <li>§ Keeping contact details up to date</li> </ul>
5 May 2011	Expert Guides on Reporting (EA videos) <a href="#">Footprint Reports</a> <a href="#">Annual Reports</a> <a href="#">Evidence Packs</a> <a href="#">Performance League Table (PLT)</a> <a href="#">Time Managing Reporting</a> <a href="#">Auditing</a>	From EA's May 2011 Participants Update: <ul style="list-style-type: none"> <li>§ Expert Guides on Reporting (videos)</li> <li>§ EA series of short film guides for easy reference on these key topics:</li> </ul>
April 2011	<a href="#">Civil Penalties Guidance April 2011</a> (DECC)	This document is designed to provide guidance to the Environment Agency, the Scottish Environment Protection Agency and the Chief Inspector (Northern Ireland Environment Agency) as the administrator of the Scheme on the imposition of civil penalties under the CRC Energy Efficiency Scheme Order 2010
April 2011	<a href="#">LEP / CIPFA Finance Guide April 2011</a>	LEP Module 3: CRC Finance Guide written by CIPFA Financial and accounting aspects include: <ul style="list-style-type: none"> <li>§ Understanding and managing scheme costs</li> <li>§ Analysis of data and its associated cost, including scenario planning</li> <li>§ Accounting for allowances and CRC emissions payments</li> <li>§ The allocation of scheme costs including implications for schools and PFI providers</li> <li>§ Buying, holding and selling allowances, with increased carbon trading likely in capped phases</li> <li>§ Assessing the risk of potential fines</li> <li>§ Assurance in respect of data and annual CRC reports and implications for internal audit</li> <li>§ Energy efficiency project investment appraisal</li> <li>§ The scheme will require careful financial planning and control in order to ensure compliance and manage scheme costs. It will also require finance staff to develop skills and knowledge in respect of buying and selling carbon allowances, accounting for carbon and cost allocation.</li> <li>§ Longer term, an increasing cost of energy and carbon combined with an increased focus on achieving efficiencies and savings could influence property maintenance and management decisions. This could, for example, affect future tenancy contracts in terms of the ability to recover the cost of carbon from tenants.</li> </ul>

DATE	LINK / SOURCE	DETAILS
		§ There is also assurance to consider in respect of reporting as well as the use of appropriate investment appraisal techniques when undertaking energy efficiency project appraisals.
March 2011	<a href="#">The CRC Scheme: Guide To The Legal Issues</a> (LEP / Eversheds) Module 3: 'CRC Energy Efficiency Scheme – A Local Authority Guide to managing carbon, finance and legal issues'	LEP Module 3: CRC Legal Guide written by Eversheds This legal guide has been produced by Eversheds LLP, in conjunction with Stephen Cirell Consultancy Ltd, and is the first attempt to draw together all of the various legal issues relating to the CRC Energy Efficiency Scheme into a single guide. It seeks to consider the full range of legal issues that will arise in relation to this important statutory regime, not just the precise terms of the CRC Energy Efficiency Scheme Order 2010 itself. Whilst the Order requires any qualifying local authority to take certain steps, for instance the production of a footprint report, we look more widely at the requirement for an authority to have a strategy in relation to its carbon emissions work and for that to be lawful and based on sufficiently robust decisions from members. We look at the wider legal duties, such as those requiring Councils not to act unlawfully nor to sanction unlawful expenditure, and where personal liability might arise.
21 Mar 2011	March 2011 Participant Update (EA) Guidance notes on: <a href="#">Annual Report</a> <a href="#">Footprint Report</a> <a href="#">Meters and Metering</a> <a href="#">CRC Evidence Pack and Source list summary</a> <a href="#">CRC Compliance Auditing Overview</a> , <a href="#">CRC Primary Evidence</a>	March 2011 Participant Update Guidance notes on: <ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Footprint Report</li> <li>• Meters and Metering</li> <li>• CRC Evidence Pack and Source list summary</li> <li>• CRC Compliance Auditing Overview,</li> <li>• CRC Primary Evidence</li> </ul>
28 Feb 2011	<a href="#">London Energy Project</a> (LEP) <a href="#">Managing the CRC Energy Efficiency Scheme: A Local Authority Guide to Managing the Introductory Phase</a>	This guide and toolkit follows on from the earlier volume, Preparing for the CRC Energy Efficiency Scheme and uses a similar approach to explain key aspects of the scheme. It is your route map to dealing with the CRC efficiently and will enable you to plan what you must do, help you to check that you have done it, hopefully answer the majority of your questions and help you to avoid the pitfalls.
28 Feb 2011	<a href="#">London Energy Project</a> (LEP) <a href="#">Footprint and Annual Report Demonstration Tool</a>	This Excel based tool provides an interactive way of demonstrating how a CRC footprint is calculated and how data is collated and provided for annual reporting. The tool is preloaded with sample data from an actual borough to give you an idea of what the collated data should look like. However, if you do not have data tools of your own or software add-ons to your energy management system, you can load your own data for analysis. The file will open on an instruction sheet explaining how to use and operate the tool. Sample Residual Measurement Lists are also included
28 Feb 2011	<a href="#">London Energy Project</a> (LEP) <a href="#">Data Analysis and Forecast Demonstration Tool</a>	The second Excel tool is intended to give a practical demonstration of some of the data analysis and forecasting techniques explained in the Guide. Once again the tool is preloaded with sample data from an actual borough. However, on this occasion you cannot amend or add your own data; this is intended purely so that you can see different techniques in practice and decide which ones best suit your circumstances, i.e. expertise, access to data and time! The tool is interactive and full instructions are provided on opening the file

DATE	LINK / SOURCE	DETAILS
28 Feb 2011	<a href="#">London Energy Project</a> (LEP) <ul style="list-style-type: none"> <li>• <a href="#">Schools draft letter of authority</a></li> <li>• <a href="#">Supplier draft letter requesting annual statement</a></li> </ul>	<p>Template letters</p> <p>Two sample letters are included.</p> <p>The first is a sample letter of authority for you or other party to issue to energy supplier(s) on behalf of a school or other organisation.</p> <p>The second is a sample letter requesting an annual statement from your energy supplier. Don't forget the absolute deadline for this is 31<sup>st</sup> March 2011.</p>
28 Feb 2011	<a href="#">London Energy Project</a> (LEP) <ul style="list-style-type: none"> <li>• <a href="#">Chief Officer and Member CRC update</a></li> <li>• <a href="#">Schools presentation</a></li> </ul>	<p>Two PowerPoint presentations are provided to explain the key issues to internal and external stakeholders. These are unformatted so that you can easily add additional content and use your own corporate template.</p>
9 Feb 2011	<a href="#">The CRC Energy Efficiency Scheme (Amendment) Order 2011</a>	<p>This Order is primarily being introduced to postpone the second phase of the CRC and to action initial simplification measures to the scheme. Government is also taking the opportunity presented by the instrument to update reference errors and action technical fixes from the CRC Energy Efficiency Scheme Order 2010.</p>
2 Feb 2011	<p><a href="#">New consultation</a>: Government seeks views on how to simplify the CRC</p> <p>Respond by 11 March 2011 to <a href="mailto:crc@decc.gsi.gov.uk">crc@decc.gsi.gov.uk</a></p>	<p>Feedback to date has led DECC to conclude that priority areas for simplification include:</p> <ul style="list-style-type: none"> <li>• <a href="#">Private (business) sector organisational rules of the CRC Energy Efficiency Scheme [filetype:pdf filesize: 82.32Kb]</a>(PDF 82Kb)</li> <li>• <a href="#">Review of the CRC supply rules [filetype:pdf filesize: 73.82Kb]</a> (PDF, 76Kb)</li> <li>• <a href="#">Review of the CRC qualification criteria [filetype:pdf filesize: 55.9Kb]</a> (PDF, 62Kb)</li> <li>• <a href="#">Reducing the overlap between schemes [filetype:pdf filesize: 61.6Kb]</a> (PDF 62Kb) (especially between the CRC scheme, <a href="#">Climate Change Agreements</a> and the <a href="#">EU Emissions Trading System</a>)</li> <li>• <a href="#">Timing and frequency of allowances sales in the CRC Energy Efficiency Scheme from 2012 onwards [filetype:pdf filesize: 56.41Kb]</a> (PDF, 68Kb)</li> <li>• <a href="#">Timing and frequency of allowances sales in the CRC Energy Efficiency Scheme from 2012 onwards: Annex A - Timeline [filetype:pdf filesize: 98.3Kb]</a> (PDF, 98Kb)</li> </ul> <p>Views are sought on how these aspects of the CRC scheme could be simplified.</p>

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# Agenda Item 3

Report No.  
ES12007

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

**Date:** 1 February 2012

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** CARBON MANAGEMENT PROGRAMME:  
PROGRESS REPORT 2010/2011

**Contact Officer:** Alastair Baillie, Environmental Development Manager  
Tel: 020 8313 4915 E-mail: alastair.baillie@bromley.gov.uk

**Chief Officer:** Nigel Davies: Director of Environmental Services  
Mark Bowen: Director of Resources

**Ward:** All

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## 1. Reason for report

- 1.1 In October 2008, the Executive endorsed the Council's Carbon Management Programme (CMP) and the establishment of a ring-fenced Carbon Management Fund as making good business sense and a positive environmental contribution.
  - 1.2 The Executive requested that annual carbon management reports should be submitted. This third annual progress report presents the Council's progress in reducing both its energy consumption and carbon footprint.
- 

## 2. RECOMMENDATIONS

That the Executive:

- 2.1 Notes the work carried out by all departments in achieving a 14% reduction (5,135t) against the baseline (2006/2007).
- 2.2 Approves continued action to reduce carbon emissions and energy costs, with the aim of achieving the council's carbon reduction target of 25% by March 2013.
- 2.3 Receives a further annual progress report in one year's time, detailing progress in 2011/12.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Quality Environment. Excellent Council
- 

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Civic Centre and Street Lighting Energy budgets
  4. Total current budget for this head: £384k and £1.3m
  5. Source of funding: Existing revenue budgets for 2011/12
- 

### Staff

1. Number of staff (current and additional): 1 FTE
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: No statutory requirement or Government guidance.
  2. Call-in: Call-in is applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
- 

### Ward Councillor Views

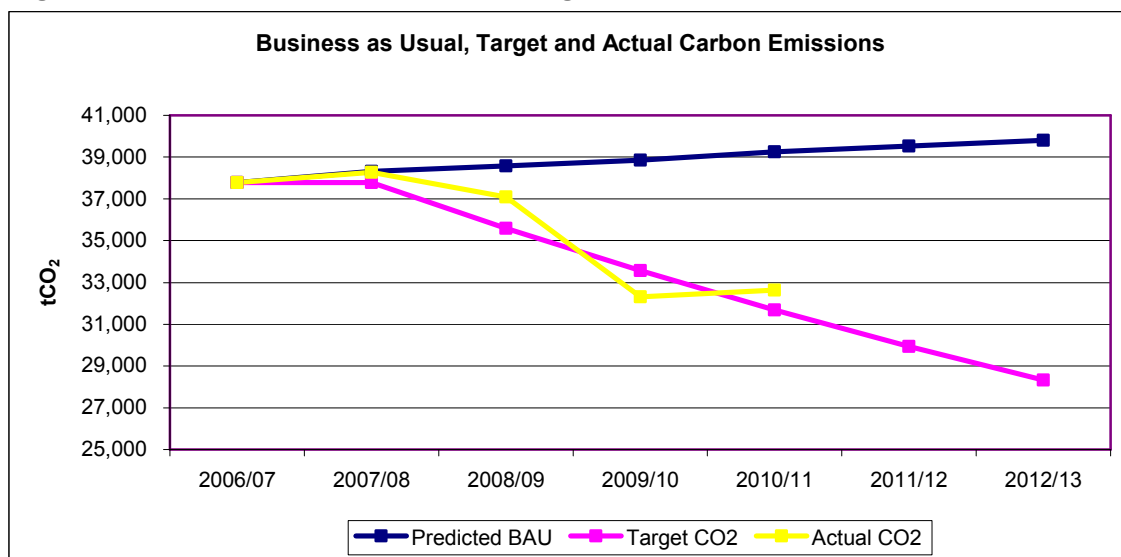
1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### Background

- 3.1 In 2007/2008, Bromley worked in partnership with the Carbon Trust to produce a five year strategy and implementation plan, which was endorsed by the Executive in October 2008 (ED08067, minute 69). The Executive requested that annual reports should be submitted and this report details 2010/2011 progress.
- 3.2 At its 11 January 2011 meeting, the Executive endorsed:
- continued action for the reduction in carbon emissions and energy costs
  - a further annual progress report to be received in Jan 2012
  - the establishment of environmental champions at all council sites
  - the establishment of an Environment PDS Highways Asset Working Group to consider matters concerning street lighting, street signage and energy efficiency.
- 3.3 Since 2006, the Carbon Trust’s Carbon Management Programme (CMP) has been rolled out to 472 public sector bodies. The typical reduction target has risen from 16% in 2006 to 28% in 2011 highlighting the increasingly strong link between environmental and financial efficiency. London Boroughs which have signed up to the programme include: Bexley, Croydon, Hammersmith and Fulham, Hillingdon, Wandsworth and Kensington and Chelsea. Other public sector organisations include: The Home Office, HM Treasury and various NHS trusts.
- 3.4 In 2007/2008, LB Bromley set an ambition to reduce emissions by 25% over five years by 2012/2013 (against a 2006/07 baseline). The graph below plots: ‘business as usual’ (blue line), our 25% carbon reduction target (pink line) and actual progress (yellow line).

**Figure 1: Annual Carbon Reduction Progress**



- 3.5 In 2010/11, our ambition was to have been 15 percentage points towards our 25% target. In practice we achieved a 14 percentage point reduction (5,135t) and have to make a further reduction of 11 percentage points (4,310t) over the next two years to achieve our final target.
- 3.6 Since we reported in January 2011, Central Government has accepted the Committee on Climate Change’s fourth carbon budget, which sets a 50% reduction target (on 1990 levels) by 2027 for the country as a whole. The Committee on Climate Change (CCC) has been tasked by DECC to advise on what councils should be doing to tackle climate change. The CCC’s advice will form part of permissive guidance from DCLG to councils (to be issued in April 2012). At a regional level, the Mayor of London has introduced carbon reduction targets of up

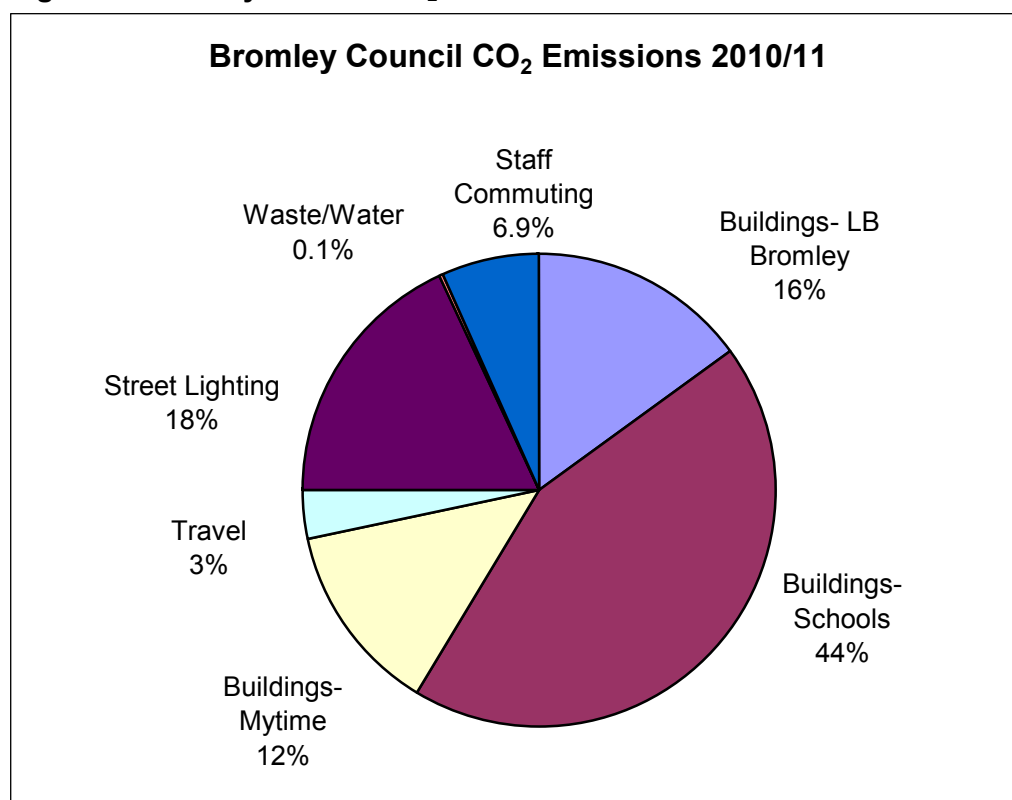
to 80% by 2050 for London ([The Mayor's Climate Change Mitigation and Energy Strategy: October 2011](#)).

- 3.7 LB Bromley is also required to submit carbon information to Department for Energy and Climate Change (DECC) as part of the revised 'Single Set' Indicator regime. Rather than create a new dataset, LB Bromley chose to report the information appended to this Executive report. This information was published on DECC's [website](#) in July 2011 and is therefore available to the public.
- 3.8 The Carbon Management Programme helps to control energy costs as well as carbon emissions. It will also help to reduce exposure to the Carbon Reduction Commitment (CRC) scheme, as we are required to purchase allowances for our emissions. This is a significant cost (£12/t in 2011/12) and is set to increase (see CRC Executive Report ES12005).
- 3.9 Some key actions taken to reduce our carbon emissions include:
  - Voltage optimisation at Civic Centre
  - Environmental Champions Network
  - Street Lighting initiatives

### Carbon Footprint Reporting

- 3.10 In 2010/2011, LB Bromley's CMP footprint was 32,645t CO<sub>2</sub>. Figure 2, below, shows the different sectors that comprise Bromley's carbon footprint.

**Figure 2: Bromley Council CO<sub>2</sub> Emissions**



- 3.11 Energy use in buildings comprises 72% of our carbon emissions. Schools are the largest contributor, being responsible for 44% of total emissions, followed by Street Lighting at 18%.

3.12 Table 1 shows progress since the base year (2006/07). Overall, carbon emissions have fallen by 14% (5,135t) with significant progress being made in the Buildings sector.

**Table 1: Progress against Baseline**

Sector	2006/07 (tCO <sub>2</sub> e)	2010/11 (tCO <sub>2</sub> e)	Tonnage Change	% Change
Buildings	28,610	23,648	-4962	-17%
<i>(Buildings – Council)</i>	5,688	5,150	-538	-9%
<i>(Buildings – Schools)</i>	17,216	14,487	-2729	-16%
<i>(Buildings – Mytime)</i>	5,706	4,011	-1695	-30%
Fleet/Business Travel	1,001	991	-10	-1%
Street Lighting	5,791	5,769	-22	0%
Waste/ Water	104	48	-56	-54%
Commuting	2,274	2,189	-85	-4%
<b>TOTAL</b>	<b>37,780</b>	<b>32,645</b>	<b>-5135</b>	<b>-14%</b>

*'Carbon dioxide' may be termed 'carbon', 'CO<sub>2</sub>e' or 'emissions' for brevity (and expressed in tonnes as t)*

3.13 Table 2 shows annual progress between 2009/10 and 2010/11. Overall, there has been a 1% (331t) increase in emissions. This is largely attributable to the [colder than average winter](#) experienced in 2010/11, which increased demand for gas heating, particularly in schools.

**Table 2: Annual Progress**

Sector	2009/10 (tCO <sub>2</sub> e)	2010/2011 (tCO <sub>2</sub> e)	Annual Change	% Change
Buildings	23,186	23,648	462	2%
<i>(Buildings – Council)</i>	4,887	5150	263	5%
<i>(Buildings – Schools)</i>	14,025	14,487	462	3%
<i>(Buildings – Mytime)</i>	4,274	4,011	-263	-6%
Fleet/Business Travel	1,042	991	-51	-5%
Street Lighting	5,841	5,769	-72	-1%
Waste/ Water	56	48	-8	-14%
Commuting	2,189	2,189	0	0%
<b>TOTAL</b>	<b>32,314</b>	<b>32,645</b>	<b>331</b>	<b>1%</b>

3.14 In 2009/10, Bromley was 1,248t ahead of target for the year. In 2010/11 Bromley was 960t behind target. To reach our 2012/13 target (28,335t), Bromley needs to achieve an 11.2% reduction (4,310t) on the baseline figure (37,780t) over the next two years.

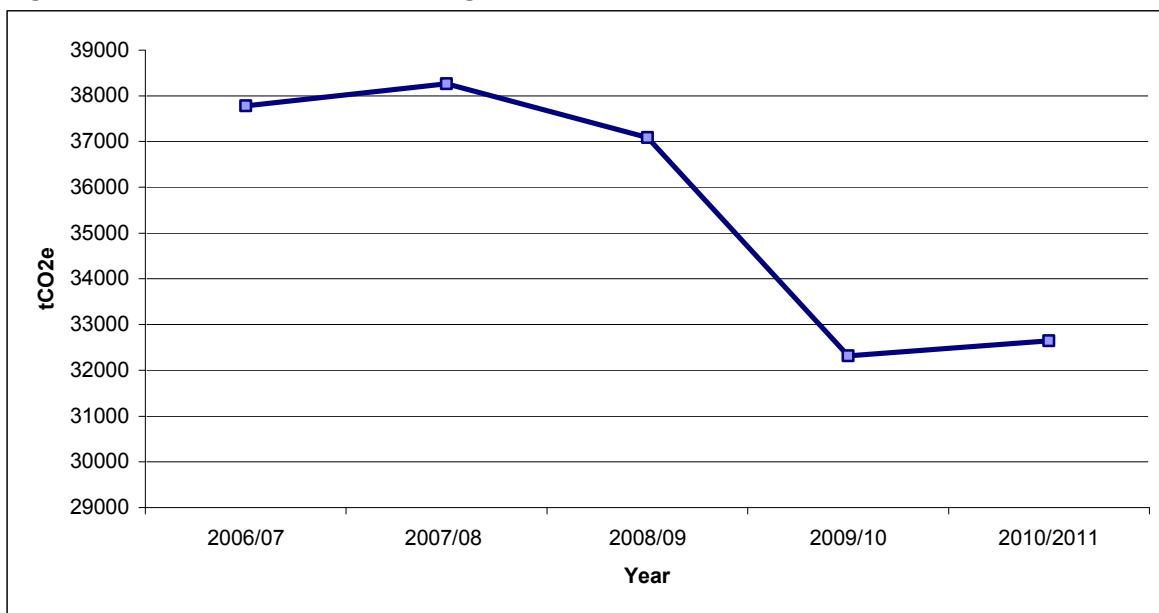
3.15 In the following paragraphs, progress and barriers faced in each sector are discussed.

### **Buildings**

3.16 In 2010/11, emissions from buildings were 23,648t. Although this is an increase on 2009/10 (462t), it is still a marked improvement on the baseline year (28,610t).

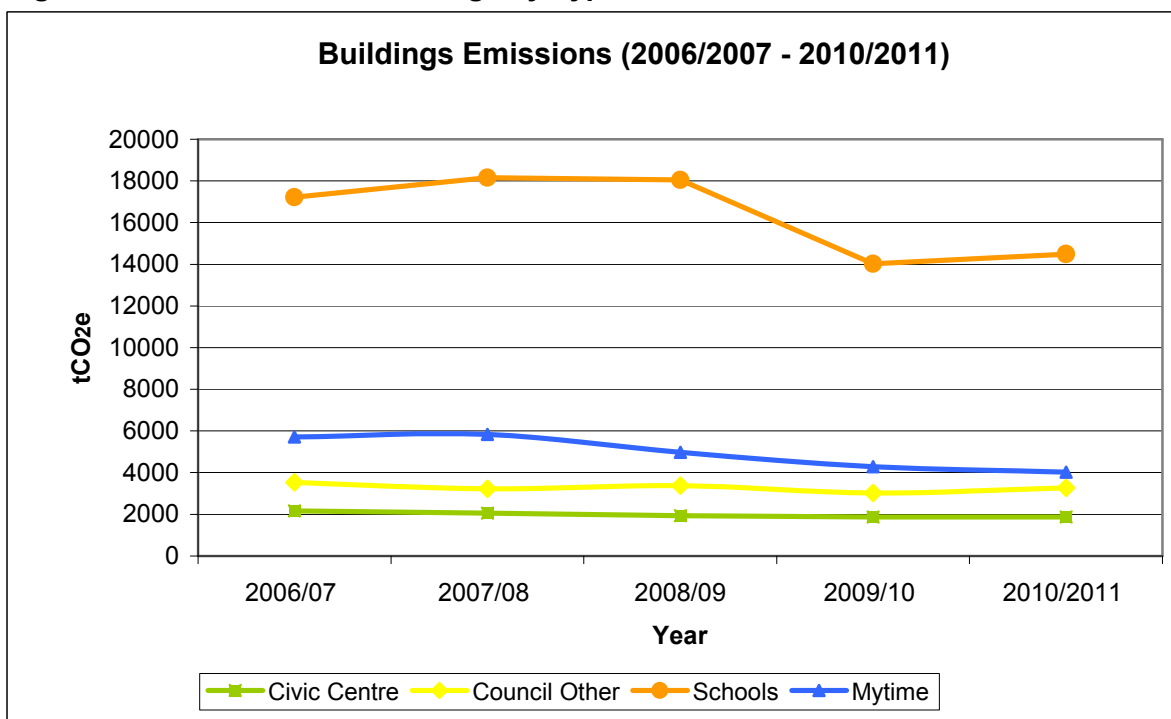
3.17 Figure 3 shows the emissions from buildings since the baseline year. The fall in emissions between 2007/08 and 2009/10 is partially attributable to the reduction in gas consumption in schools and action on energy use by Bromley Mytime. The small increase between 2009/10 and 2010/11 highlights increased gas consumption as a result of the cold winter.

**Figure 3: Emissions from Buildings 2006/07-2010/11**



3.18 Figure 4 shows emissions from different buildings types from baseline year until 2010/11.

**Figure 4: Emissions from Buildings by Type 2006/07-2010/11**



**Schools**

3.19 Emissions from schools rose by 462t between 2009/10 and 2010/11. However, this should be seen in the context of the 4,024t reduction between 2008/09 and 2009/10. Most of the increase in 2010/11 schools’ emissions is attributable to an increase of 362t gas emissions (largely attributable to the cold winter). There were 2,099 degree days<sup>1</sup> in 2010/11 – this is significantly higher than both the previous year and the 20-year average (1,821). Degree days are a simplified representation of outside air-temperature data (the colder the weather, the greater the number of degree days).

**Degree-day data** shows how hot or cold the weather has been as a single index number for a particular region and period of time. The greater the value, the colder it’s been and the more energy (usually gas) will have been used for heating. This tool can be used to weather-correct gas consumption data and ensure footprint commentaries reflect the past year’s weather.

3.20 Schools are key to achieving our carbon target but the Council has little direct control. And now the conversion of maintained to academy schools may make this more difficult still. On average, nationally, academy schools are more carbon intensive per pupil than maintained secondary schools, which are themselves more carbon intensive than maintained primary schools. Working with schools remains a significant and growing challenge and initiatives carried out to reduce schools' emissions include:

- Bromley Sustainable Schools Forum
- Planned Maintenance Programme with an energy efficiency focus
- Access to data to enable improved monitoring and targeting

**Council Operational Buildings**

3.21 Operational property is responsible for 16% of Bromley's CMP carbon emissions. Emissions at the Civic Centre fell steadily until 2010/11, when there was a small increase of 7t. Despite this overall increase associated with our operational property, gas consumption at the Civic Centre fell by 9.6% as a result of insulation works.

3.22 Emissions from other council buildings (libraries, day centres, depots, cemeteries and parks) increased by 256t during 2010/11.

3.23 Energy efficiency measures carried during 2010/11 include:

- New windows, wall and roof insulation and upgraded boilers at Civic Centre
- Continued development of Environmental Champions' Network

3.24 It is anticipated that these measures, coupled with the refurbishment of the North Block, the proposed consolidation of other Civic Centre buildings and new invest-to-save projects, will lead to further emission reductions by 2012/13.

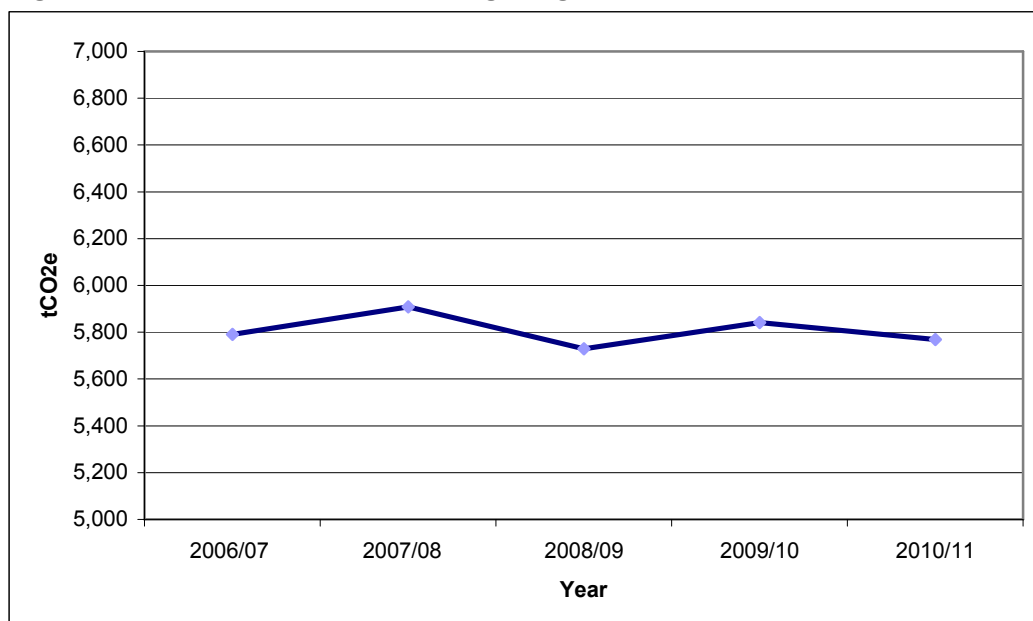
**Bromley Mytime Buildings**

3.25 Mytime buildings are responsible for 12% of total CMP emissions, down from 15% in the base year. Mytime emissions fell by 263t between 09/10 and 10/11 and have fallen 1,695t since the baseline year. This is due to the installation of smart meters, pool covers and LED lighting.

**Street Lighting**

3.26 Street lighting emissions were 5,769t in 2010/11 - representing 18% of total emissions.

**Figure 5: Emissions from Street Lighting**

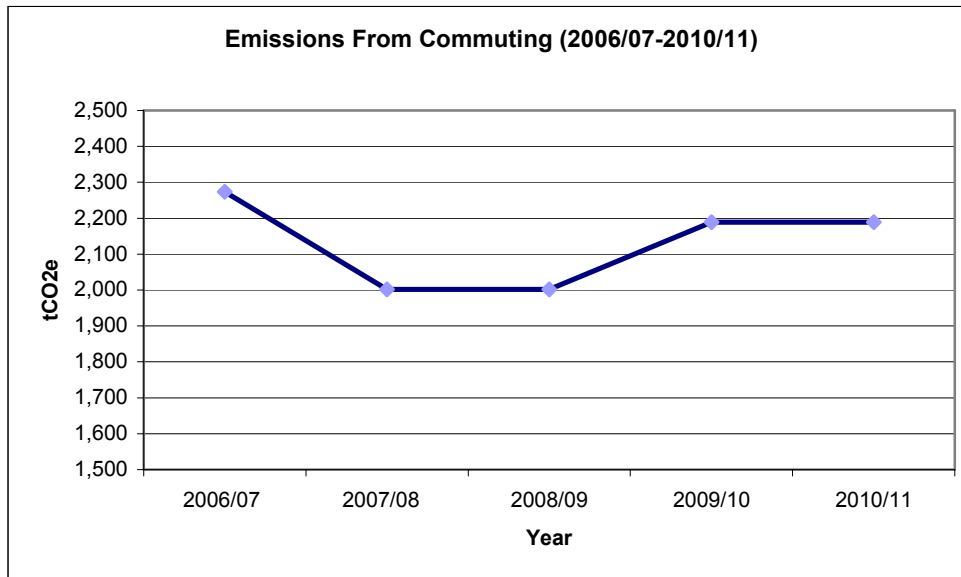


- 3.27 There was a 72t fall between 2009/10 and 2010/11 but only a 22t fall since the baseline year.
- 3.28 Measures undertaken during 2010/11 include an upgrade to MI26 Lanterns and a project converting lit bollards so they are only on in hours of darkness. It is anticipated that these changes and other proposed initiatives will enable street lighting emissions to continue on a downward trajectory.

**Commuting**

- 3.29 Emissions from commuting were 2,189t, and represented 7% of total emissions in 2010/11. Figure 6 shows emissions since the baseline year.

**Figure 6: Emissions from Commuting**



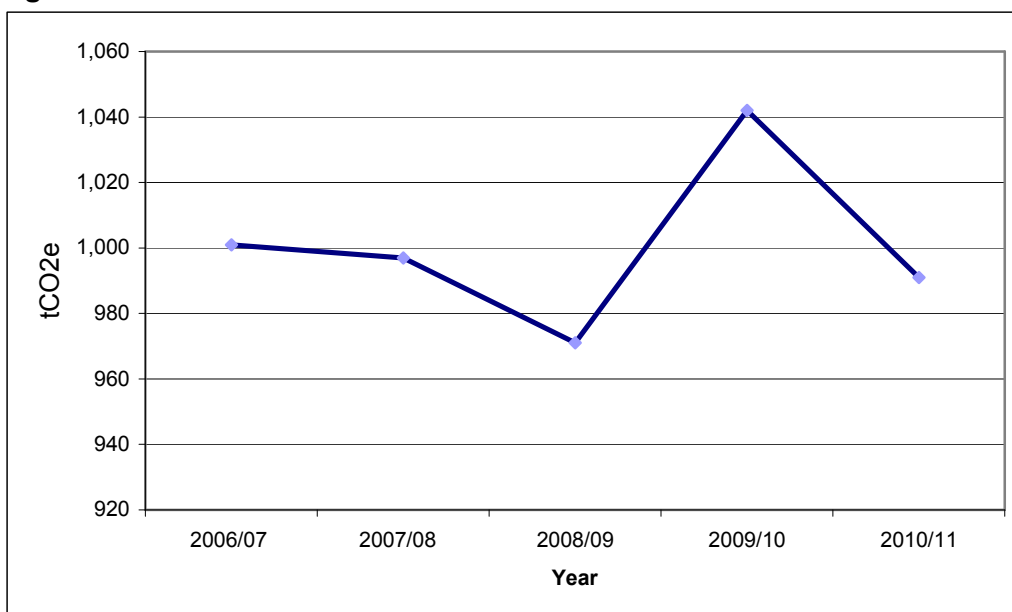
- 3.30 Emissions from commuting are calculated on a biennial basis and 2010/11 data is based on the 2009/10 staff survey results. Overall, emissions from commuting have decreased by 85t since the baseline year.
- 3.31 In 2010/11, the council embarked on a range of initiatives to reduce commuting emissions:
- Electrically assisted bikes available for staff and cycle storage facilities
  - New showering facilities for staff to encourage cycling and introduction of cycle pods
- 3.32 It is hoped that these initiatives will encourage more sustainable methods commuting and enable further emissions reductions.

**Fleet and Business Travel**

- 3.33 Emissions from business and fleet travel came to a total of 991t and represented 3% of the total footprint. Figure 7 shows the emissions trend for this sector since the baseline year. Business travel accounted for 549t of these emissions and fleet vehicles accounted for 441t.



**Figure 7: Emissions from Fleet and Business Travel**

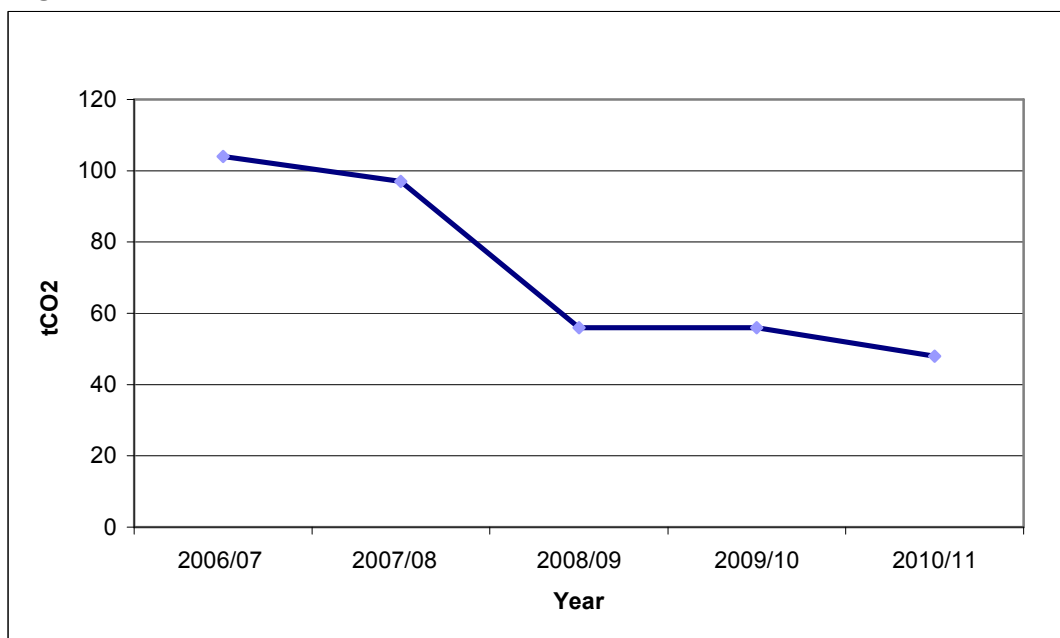


3.34 Emissions in this sector decreased by 51t compared with 2009/10. Business travel, with a reduction of 46t, was responsible for the majority of this decrease. This reduction may be attributed to increased fuel prices and the provision of three pool cars for business travel.

**Water and Waste**

3.35 Emissions from the water and waste sector fell to 48t in 2010/11 and represent only 0.15% of total emissions. Figure 8 below shows the emissions trend for this sector since the baseline year. Waste accounts for 44t and water for just 4t.

**Figure 8: Emissions from Water and Waste**



3.36 Since the baseline year, emissions for this sector have fallen by 56%. This can be attributed to the recycling and composting initiatives in Council buildings. The drop in water consumption can be ascribed to meter charges, improved leakage controls, and conservation measures.

## Future Projects

- 3.37 There are a range of projects in the pipeline which will enable further emissions reduction and assist the Council in achieving its 25% reduction target. Some of these projects funded by the Salix Invest-to-Save fund and others by Property or Highways budgets.

**Table 3: Planned projects**

<b>Potential Carbon Saving Projects in 2011/2012</b>
• North Block refurbishment (including lighting, windows, insulation)
• Flexible working initiatives
• Rationalisation of Civic Centre
• Expansion of the LED office lighting trial
• Extension of street lighting dimming project
• Walnuts boiler replacement
• Replacement of server room air conditioning with evaporative cooling technology
• Installation of Centralised Management System for street lighting
• Upgrade of SON (high pressure sodium) street lighting

## 4. POLICY IMPLICATIONS

- 4.1 The Quality Environment section of the Council's Building a Better Bromley 2020 Vision states that 'we are also determined to work together in reducing energy consumption' and 'reducing energy use' is also identified as an issue to be tackled and how we will judge success.
- 4.2 The completion of this work will place the Council in an improved position with regard to compliance with the Carbon Reduction Commitment scheme: see Executive report ES12005.

## 5. FINANCIAL IMPLICATIONS

- 5.1 The Council can't control energy prices but we can and must attempt to control consumption. The Carbon Management Programme is crucial to protecting the Council from increasing energy costs and this programme will help to protect budgets.
- 5.2 The term 'avoided spend' is used in this report rather than 'saving'. This is because the financial benefit of energy efficiency may be observed in two ways:
- If energy costs rise (due to increased service provision, opening hours, increased prices or cold weather), then energy efficiency measures will help to offset these factors (i.e. costs will be lower than would have been the case)
  - If the energy efficiency measures outweigh the cost pressures (such as price increases or cold weather) then a true saving may be made.
- 5.3 The carbon savings in this report include energy used by schools and Bromley Mytime, and commuting by staff, and so not all the avoided spend will accrue to LB Bromley.
- 5.4 However carbon savings relating to operational property and street lighting will directly help LB Bromley to avoid unnecessary energy spend and ease revenue budget pressures.
- 5.5 In the following sections, we use the Civic Centre (which comprises 52% of operational property emissions and is the location for the majority of energy efficiency projects) and Street Lighting to show the links between avoided consumption, carbon and energy costs.

- 5.6 In the October 2008 report (ED08067) a scenario was projected showing what would happen if no action was taken (Business as Usual) and what would happen if we achieved our carbon reduction ambition. The difference between the two was known as the 'value at stake' and represented 'avoided spend'.
- 5.7 Table 4 shows avoided consumption and spend for the Civic Centre and Street Lighting by quantifying the difference between what was predicted would happen if we took no action (Business as Usual) with what actually happened each year.
- Avoided consumption is the difference between our 2006/07 forecast of increased energy use ('Business as Usual' assumed a 0.7% increase in operational property and 0.75% increase in street lighting consumption) and what our energy consumption actually was each year
  - Avoided spend was calculated by applying actual energy unit prices paid each year to this 'avoided consumption'.
- 5.8 Since the start of the Carbon Management Programme (2006/07), the Council has avoided more than 6 million kWh of consumption and avoided revenue spend in excess of £220k.

**Table 4: Avoided Consumption and Spend**

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>Total Avoided</b>
<b>Civic Centre Avoided Consumption (kWh)</b>	<b>907,230</b>	<b>1,142,971</b>	<b>1,584,957</b>	<b>1,750,261</b>	<b>5,385,419</b>
<b>Civic Centre Avoided Spend</b>	<b>£8,512</b>	<b>£37,792</b>	<b>£42,543</b>	<b>£48,644</b>	<b>£137,491</b>
<b>Street Lighting Avoided Consumption (kWh)</b>	<b>-170,256</b>	<b>349,099</b>	<b>138,793</b>	<b>460,091</b>	<b>777,727</b>
<b>Street Lighting Avoided Spend</b>	<b>-£12,040</b>	<b>£45,000</b>	<b>£13,511</b>	<b>£36,142</b>	<b>£82,613</b>
<b>Total Avoided Consumption (kWh)</b>	<b>736,974</b>	<b>1,492,070</b>	<b>1,723,750</b>	<b>2,210,352</b>	<b>6,163,146</b>
<b>Total Avoided Spend</b>	<b>-£3,528</b>	<b>£82,792</b>	<b>£56,054</b>	<b>£84,786</b>	<b>£220,104</b>

- 5.9 Detailed reasons for the annual changes in energy consumption (e.g. weather, behaviour, technology, property maintenance) are appended to each annual CMP Executive Report. The following bullet points highlight some of the more significant price and consumption factors to have affected annual performance in terms of avoided consumption and spend.
- Civic Centre: 2007/08 performance was rather modest as activity was mainly focussed on preparing the Strategy & Implementation Plan but the Environmental Champions Network was launched to help change behaviour. 2008/09 initiatives included server virtualisation, solar hot water pre-heater, Ann Springman boiler replacement and Voltage Optimisation. The step change improvement between 2007/08 and 2008/09 can be ascribed to a combination of this reduced consumption and an electricity price increase (which magnifies avoided spend). 2009/10 included significant improvements to St Blaise and East and West wings, such as new windows and roofs. In 2010/11 gas consumption fell for a third year, in part a result of the installation of a high efficiency boiler in the main boiler room.

- Street Lighting: 2007/08 was the CMP preparatory year when carbon management plans were being developed and street lighting consumption actually rose by 2% (1.25% higher than the forecast) leading to an increase, rather than reduction, in consumption. In 2008/09 street signs were changed so they were no longer illuminated 24hrs a day, there was an inventory rationalisation, and zebra beacons were converted to lower wattage LEDs. The step change between 2007/08 and 2008/09 is due to these initiatives which helped to protect the Council against a 70% electricity price increase. In 2009/10 and 2010/11 other initiatives such as more lit sign conversions and part-night dimming have contributed to further avoided spend.

5.10 In addition to energy costs, the Council is also liable for allowance purchase costs under the Carbon Reduction Commitment. Under 'Business as Usual', the CRC liability for operational property for 2010/2011 (if the tax was payable) would have been £70,176. Action to reduce energy consumption means that the tax would only be paid for 5,150t rather than 5,848t: a projected liability of £61,800 and avoided tax of £8,376.

## 6. LEGAL IMPLICATIONS

- 6.1 Although the completion of the Carbon Management Programme is not a legislative requirement, there is a requirement to report on our carbon emissions.
- 6.2 National Indicator 185 has been superseded by a single comprehensive data list requirement entitled 'Sharing information on Greenhouse Gas Emissions from Local Authority own estate and operations'. This is a mandatory reporting requirement and our 2009/10 and 2010/11 data was reported to the DECC in July 2011 (and is appended to this report). This will be an annual reporting requirement.
- 6.3 Furthermore, the Carbon Management Programme is essential to the successful completion of the CRC, which is a legislative requirement.

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	ED08067 Carbon Management Programme (Executive Report, October 2008) ES09100 Carbon Management Programme (Executive Report, October 2009) ES10188 Carbon Management Programme (Executive Report, January 2011)

# **Bromley's Carbon Footprint: 2010/11 Progress Report**

LBB: Carbon Management Programme

DCLG single data list: emissions from local  
authority own estate and operations  
(former NI 185)

*Date: July 2011*

*Owner: Sustainability Team*

*Version 1*

## **BROMLEY'S CARBON FOOTPRINT PROGRESS REPORT: 2010/11**

### **CONTENTS**

**Section 1:** Reporting Bromley's 2010/11 Carbon Footprint

**Section 2:** Sectoral Analysis

**Section 3:** Making Progress

**Section 4:** Building Sector

**Section 5:** Street Lighting Sector

**Section 6:** Commuting Sector

**Section 7:** Fleet & Business Travel Sector

**Section 8:** Waste & Water Sector

**Section 9:** Future Challenges & Targets

## 1. Reporting Bromley's 2010/11 Carbon Footprint

- 1.1. In 2007/08 LB Bromley worked in partnership with the Carbon Trust on the 'Carbon Management Programme'. This work directly led to Bromley Council's policy (ED08067, Minute 69) to reduce its carbon dioxide emissions by 25% over five years.
- 1.2. In March 2011 DCLG issued its new 'Single Data List' of reporting requirements<sup>1</sup>. This includes a requirement for local authorities to report on greenhouse gas emissions from their own estates and operations (formerly known as 'National Indicator 185') for both 2009/10 and 2010/11. The Government requires this data to be a) published on the internet and b) described in terms of its 'scope' (see Table 4).
- 1.3. This annual summary report serves a dual purpose. It reports on 2010/11 progress towards the 25% carbon reduction target (by 2012/13) and also satisfies the Single Data List reporting requirements.
- 1.4. In 2006/07, the Council established its carbon footprint<sup>2</sup> for the first time. The carbon baseline (which covers a number of sectors – see Section 2) was calculated as 37,780 tonnes (t) carbon dioxide equivalent (CO<sub>2</sub>e)<sup>3</sup>.
- 1.5. In 2007/08, the preparatory year during which the action plans were drawn up, LB Bromley's carbon footprint increased by 484t (1.25%) to 38,264t. This illustrates the importance of taking sustained action to reduce carbon.
- 1.6. In 2008/09 and 2009/10, the first and second action years, there was a reduction of 1,177t CO<sub>2</sub>e (3%) and 4,773t CO<sub>2</sub>e (13%) in the Council's footprint: strong evidence of positive outcomes (across the board) resulting from a comprehensive approach to reducing use of natural resources and environmental impacts.
- 1.7. In 2010/11 the third action year, there was a slight increase of 331t CO<sub>2</sub>e (1%). This can be largely attributed to the colder than average winter and its impact on gas consumption.
- 1.8. During 2010/11, significant action has been taken through a range of projects to reduce the Council's use of natural resources and environmental impacts. These have included physical measures such as window replacements, roof insulation, pool covers and centralising IT (replacing printers, scanners and photocopiers with multifunctional devices), and softer measures such as the continuation of the staff Environmental Champions' Network and taking further action to improve our data collection and monitoring.
- 1.9. Bromley's approach is to monitor and report on the effectiveness of such initiatives by measuring energy/fuel/water consumption and waste production, and expressing this data as a 'carbon equivalent' (CO<sub>2</sub>e) figure. In this way, much more than just energy use gets measured, providing a more rounded assessment of the Council's environmental impacts.
- 1.10. Section 3 provides more detail on which sectors have been included in Bromley's carbon footprint. Section 4 discusses both annual progress and progress against 2006/07 baseline. Sections 5-8 provide more detailed, sectoral, analysis including how the data was obtained, what action has been taken, and what the carbon outcome has been.

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<sup>1</sup> [DCLG Single Data List](#)

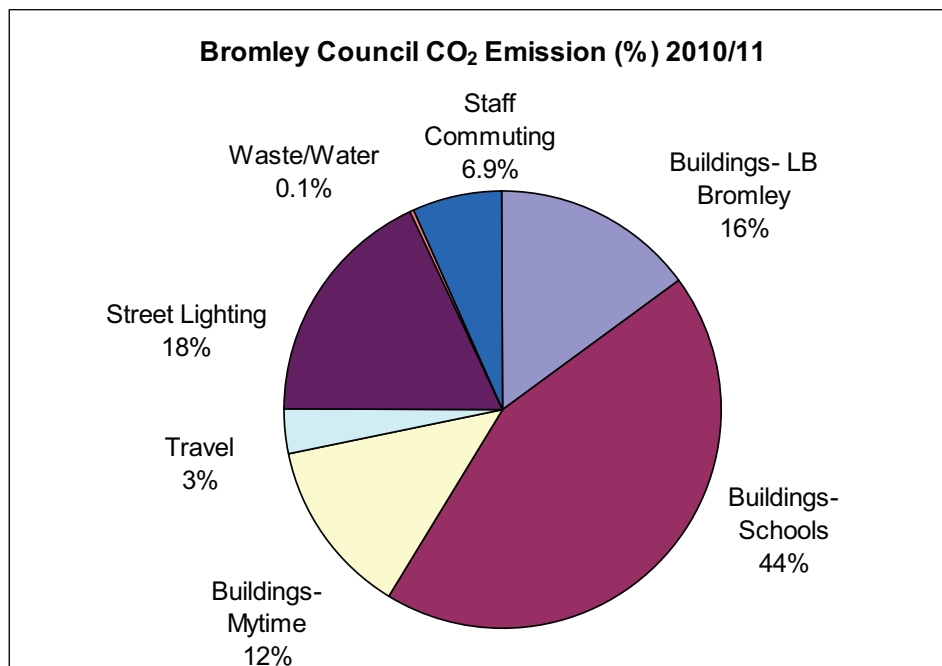
<sup>2</sup> A 'carbon footprint' measures an organisation's contribution to climate change and is usually expressed in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). Most reporting currently concerns the 'primary footprint', which measures direct CO<sub>2</sub> emissions from energy consumption and transportation.

<sup>3</sup> **CO<sub>2</sub> Equivalent (CO<sub>2</sub>e)**: Six main greenhouse gases contribute to climate change and are currently controlled under the Kyoto Protocol. Each has a different 'global warming potential' with distinct atmospheric lifespan and heat-trapping strength. For reporting, the mass of each gas is translated into a carbon dioxide equivalent (CO<sub>2</sub>e) amount, allowing the impact from all sources (say, methane from waste) to be shown as one common measurement.

## 2. Sectoral Analysis

2.1. Bromley's carbon footprint comes from a number of different sources including: the energy (gas / electricity / oil) used by the Council, schools (academies and maintained schools) and Bromley Mytime (the local leisure service charitable trust); and also carbon associated with the Council's vehicle fleet, business travel, commuting, and street lighting, as well as water use and waste production at the Civic Centre.

Figure 1: What sectors did our carbon come from in 2010/11?



2.2. The pie chart above shows the main sources of carbon emissions in 2010/11. It can be seen that buildings are the Council's main source of carbon, with schools (44%) being the largest contributor both overall and within the building sector (72%). Street lighting is the next most significant source (18%) of Bromley's carbon emissions.

## 3. Making Progress

3.1. Table 1 shows progress (in both tonnage and percentage terms) comparing 2010/11 data with the previous year's (2009/10) performance. It can be seen that the Council's emissions have increased slightly by 1% (331 tonnes). This overall increase is the result of greater gas use in buildings, largely attributable to the cold weather (and increase in 'degree days'<sup>4</sup>).

Table 1: Annual Change (2010/11 compared with 2009/10)

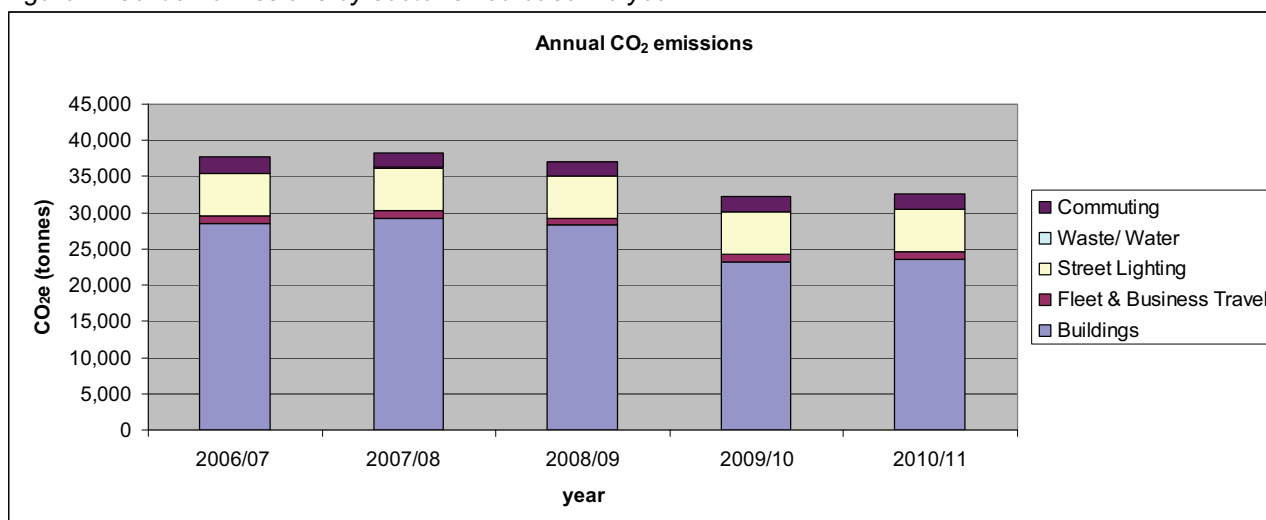
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Buildings	23,186	23,648	462	2%
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Street Lighting	5,841	5,769	-72	-1%
Waste/Water	56	48	-8	-14%
Commuting	2,189	2,189	0	0%
<b>TOTAL</b>	<b>32,314</b>	<b>32,645</b>	<b>331</b>	<b>1%</b>

<sup>4</sup> Degree days are essentially a simplified representation of outside air-temperature data. The colder the weather, the greater the number of degree days.



3.2. Figure 2 shows progress, in tonnage terms, since the baseline year (2006/07):

Figure 2: Carbon emissions by sector since baseline year



3.3. Table 2 shows progress (in tonnage and percentage terms) between the baseline year (2006/07) and the current reporting year (2010/11). It can be seen that, overall, the Council has reduced its carbon emissions by 14%. Significant progress has been made in the building sector (which has the largest footprint to address) and the waste & water sector, with travel and street lighting also showing a modest reduction. In tonnage terms, the Council has reduced its carbon emissions by 5,135 tonnes against baseline, with the greatest progress being in the buildings sector (4,962t).

Table 2: Change against Baseline (2010/11 compared with 2006/07)

Sector	Baseline 2006/07 (tCO <sub>2</sub> e)	2010/11 (tCO <sub>2</sub> e)	Tonnage change	Percentage change
Buildings	28,610	23,648	-4,962	-17%
Fleet & Business Travel	1,001	991	-10	-1%
Street Lighting	5,791	5,769	-22	-0.4%
Waste/Water	104	48	-56	-54%
Commuting	2,274	2,189	-85	-4%
<b>TOTAL</b>	<b>37,780</b>	<b>32,645</b>	<b>-5,135</b>	<b>-14%</b>

3.4. Bromley remains fourteen percentage points towards its 25% (2012/13) target; with two years to go. If we can maintain this rate of progress we could hope to meet, and perhaps exceed, our target.

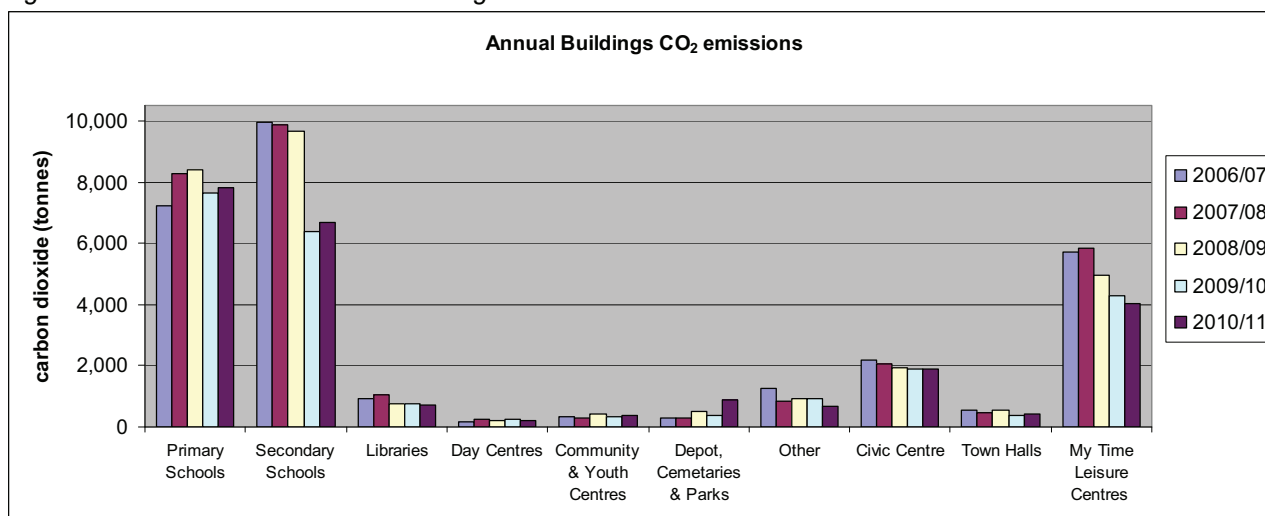
#### 4. Building Sector

4.1. **Background:** Buildings comprise Council operational property (e.g. Civic Centre, depots and libraries), schools, and the leisure facilities operated by Bromley Mytime. Schools comprise the largest element of Bromley's property-related carbon emissions (44%), followed by Council operational property (16%) and Mytime's leisure facilities (12%).

4.2. **Data acquisition:** Gas and oil are used for space-heating, hot water, swimming pools. Electricity is generally used for lighting and electrical equipment. Gas, electricity and heating-oil consumption data were provided by the Council's energy suppliers (and also by Bromley Mytime) and this data was converted into CO<sub>2</sub> emissions (using CO<sub>2</sub> conversion factors<sup>5</sup>).

<sup>5</sup> **Carbon conversion factors:** Energy use (electricity, gas, heating oil, or vehicle fuel) is converted into CO<sub>2</sub> using DEFRA's greenhouse gas conversion factors. These factors convert energy (e.g. kWh) into CO<sub>2</sub> (kg): energy used being multiplied by the relevant conversion factor. Factors vary between energy types and reflect their global warming potential. Factors are updated annually reflecting change: e.g. how electricity is generated (national mix of gas, coal, nuclear and renewables).

Figure 3: Carbon emissions from buildings



4.3. Commentary:

4.3.1. *Annual progress:* CO<sub>2</sub> emissions from all buildings increased by 462t (2%) from 23,186t (2009/10) to 23,648t (2010/11).

This 2% rise in carbon emissions is mainly due to increased gas consumption – largely attributable to colder than average weather. There were 2,099 degree days in 2010/11 – which was greater than both 2009/10 (2,062) and the 20-year average (1,821). Any change in temperature is more keenly felt in schools (which are necessarily heated to a higher temperature than most buildings) and this is also clearly indicated in the data. Equally, gas consumption fell at the Civic Centre by 9.6%

A number of initiatives have been carried out in 2010/11:

Council Operational Buildings

- High efficiency boiler installed (main boiler room)
- North Block solar hot water system completed
- New windows Civic Centre
- Roof insulation at Civic Centre
- Continuing Environmental Champions' Network work

Schools

- Bromley Sustainable School Forum
- Planned maintenance programme
- Improved data acquisition

Mytime

- Installation of smart meters, pool covers and LED lighting
- Staff housekeeping regimes

4.3.2. *Progress against baseline:* Overall, emissions have decreased by 4,962t (17%) from 28,610t (2006/07) to 23,648t (2010/11).

5. **Street Lighting Sector**

5.1. Background: Street lighting is the second largest component of Bromley's carbon footprint (after buildings). LB Bromley owns and maintains a range of street lighting and illuminated street furniture including over 27,000 street-lights, 3,000 sign-lights and illuminated signposts, 1,600 illuminated bollards, and another 900 items of illuminated street furniture. With such a large stock of street lighting and associated energy use, carbon emissions in this sector must be managed accordingly.

5.2. Data acquisition: Electricity consumption figures from street lighting and street furniture were converted into CO<sub>2</sub> emissions. It should be noted that street lighting is an 'un-metered supply' and, therefore, this carbon data is extrapolated from the Bromley inventory (number, condition and hours of operation) coupled with operational hours data from the photoelectric cell unit array.

5.3. Commentary:

5.3.1. *Annual progress:* CO<sub>2</sub> emissions from street lighting decreased by 72t (1%) from 5,841t (2009/10) to 5,769t (2010/11). This has been due to a number of initiatives including:

- Converting all centre island posts so the bollards and posts are no longer lit 24 hours
- Changing all MI26 lanterns to electronic gear, which has a faster start-up time therefore using less energy
- Ensuring all new schemes with 60 watt lamps are dimmed to 45 watts from midnight to 6am

5.3.2. *Progress against baseline:* Emissions have decreased by 22t (0.4%) from 5,791t (2006/07) to 5,769t (2010/11).

**6. Commuting Sector**

6.1. Background: Commuting is the third largest component of our carbon footprint (after buildings and street lighting). The commuting footprint covers how Council staff travel to work (most of whom are based at the Civic Centre site) and not commuting by school or Bromley Mytime staff.

6.2. Data acquisition: Data is usually extrapolated from the annual Staff Travel Survey, which gives information on the mode of transport (i.e. car, bus and train) and distance travelled from a sample of staff. This data is then converted into carbon by assigning each mode of transport with the official CO<sub>2</sub> conversion factor and multiplying the mileage. This is factored up to reflect the carbon impact of the entire Council workforce. The survey is conducted every two years (to minimise survey fatigue) and, therefore, this data is based on our 2009/10 staff survey results.

6.3. Commentary:

6.3.1. *Annual progress:* Not applicable

6.3.2. *Progress against baseline:* Emissions have decreased by 85t (4%) from 2,274t (2006/07) to 2,189t (2010/11).

6.3.3. *Detailed explanation:*

A number of initiatives were carried out in 2010/11 to reduce commuting carbon emissions:

- Electrically assisted bikes available for staff
- New showering facilities for staff to encourage cycling
- Introduction of a new cycle pod for staff to store bikes
- Introduction of the borough's second car club bay in Orpington town centre

These initiatives will also help to decrease emissions from business travel.

**7. Fleet & Business Travel Sector**

7.1. Background: The fleet is defined as vehicles directly managed by the Council but not vehicles used by our contractors (e.g. Veolia for Waste Services). Business Travel is use of private cars for Council business.

7.2. Data acquisition: Business Travel data is derived from reimbursed mileage claims collected by Human Resources. Figures were converted (using carbon factors) into CO<sub>2</sub> emissions. It should be noted that mileage is not always claimed by officers, so there will be a degree of under-reporting. Fleet emissions were calculated from fuel (litres) used by Council vehicles.

7.3. Commentary:

7.3.1. *Annual progress:* Carbon from this sector decreased by 51t (5%) compared with 2009/10.

**Fleet emissions** decreased by 5t (1%). Carbon reduction initiatives include:

- 20,000 litre Fuel Tank – allows greater control and monitoring of fuel used
- Electric bicycles available for staff to use
- Electric tipper Truck now available
- On-going fleet replacements improving fuel economy
- On-going restructuring fleet to improve vehicle use: moving to smaller vans or reducing numbers
- Continued driver training to improve fuel efficiency

**Business Travel** emissions decreased by 46t (8%). Increased fuel prices and the need to protect budgets contributed to staff driving less and planning their work more effectively (e.g. combining visits etc). The three pool cars also mean fewer people are using their own cars for business travel.

7.3.2. *Progress against baseline:* Carbon emissions from this sector decreased by 10t (1%) compared with 2006/07 baseline data.

- Fleet emissions increased 94t (27%) from 347t (2006/07) to 441t (2010/11)
- Business Travel emissions decreased by 104t (16%) from 654t (2006/07) to 550t (2010/11)

## 8. Water & Waste Sector

8.1. Background: The emissions associated with waste production and water consumption at the Civic Centre site is the smallest component to our carbon footprint. It was decided to restrict reporting for this sector to the Civic Centre due to data quality issues which have been addressed.

8.2. Data acquisition: The amount of waste (calculated by taking the number of large outdoor waste collection containers, their weight, and emptying frequency) is converted into a tonnage figure (and then into a carbon figure). Metered water consumption figures at the Civic Centre were converted into CO<sub>2</sub> emissions.

8.3. Commentary:

8.3.1. *Annual progress:* Carbon from this sector decreased by 8t (14%) compared with 2009/10. Carbon emissions associated with Civic Centre waste management alone decreased by 10t (18%). In 2010/11, 76% of Civic Centre waste was recycled compared with 73% in 2009/10. Carbon emissions associated with Civic Centre water management increase by 1.5t.

8.3.2. *Progress against baseline:* Carbon emissions from this sector decreased by 56t (54%) compared with 2006/07 baseline data.

**Waste emissions** have decreased by 53t (55%) from 97t (2006/07) to 44t (2010/11). In 2010/11, 76% of Civic Centre waste was recycled; this compares to 51% in 2006/07. This achievement is due to a number of ongoing initiatives including:

- Environmental Champions Network: staff encouraging their colleagues to 'waste less and recycle more'. The Champions have a Handbook (including information on recycling and waste avoidance) and access to a dedicated website (including a discussion forum).
- Dedicated website on the staff intranet explaining what can be recycled and where. This was necessary for the relaunch of the in-house recycling scheme.
- Ongoing in-house recycling scheme: expanded to include green bins in centralised kitchens areas for glass, plastics and cans and also containers for batteries.
- Compost bins have been sited at the Civic Centre to allow staff to compost putrescible material (e.g. tea bags etc)
- Tidy Friday & Clutter Free Friday events to encourage staff to identify what materials they no longer need and to make these items available for reuse (by other teams) or recycling.

**Water emissions** decreased by 5t (65%) from 7t (2006/07 baseline) to 2.5t (2009/10). This reduced consumption may be ascribed to a meter change, leakage control, and conservation measures. The Council also has had 'Aquafund' reporting since August 2008 (e.g. monthly benchmarking/validation reports).

## 9. Future Challenges and Targets

9.1. Despite this positive environmental financial and environmental outcome, the Council is not complacent and has identified where it needs to take further action to ensure continued progress is made. The foundation of this plan is the five-year Carbon Management Programme<sup>6</sup> which aims to reduce the Council's carbon footprint, by 25% over five years, through a range of initiatives (see Executive Report, October 2008, ED08067). These actions will help to mitigate our climate impacts and reduce revenue costs and is reported annually to the Executive.

9.2. In addition to this, the Carbon Reduction Commitment (CRC) scheme requires large organisations, like Bromley Council, to report annually on their carbon footprints and to buy allowances retrospectively for every tonne of carbon dioxide emitted. For Bromley our emissions relate to

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<sup>6</sup> During 2007/08, the council's Sustainability Team led a cross-departmental initiative (in partnership with the Carbon Trust's *Local Authority Carbon Management Programme*) to develop a five-year Strategy and Implementation Plan (SIP) to tackle emissions from the council estate (and schools and Mytime properties). The SIP included a set of action plans outlining both technical and behavioural measures to be implemented over five years with a view to reducing the council's carbon footprint by 25%.

property and schools (also see Executive Report ES10189 Carbon Reduction Commitment - January 2011). Naturally, the less carbon the Council emits, the lower will be the cost of purchasing the carbon allowances. There will also be an annual published performance league table. Sustained progress on the Carbon Management Programme should benefit the Council's compliance with, and performance under, the CRC scheme.

- 9.3. The Carbon Reduction Commitment scheme is solely geared towards emissions from buildings (including schools). A key challenge going forward is to reignite momentum in harder-to-target areas, such as commuting, business travel, and fleet emissions.
- 9.4. It is also worth noting that other 'Scope 3' emissions (from our procurement of services and goods) may also be targeted in the future and carbon reporting (as part of Financial Reporting) in the business sector and central government is fast becoming the norm. Bromley Council has included a sustainability section in its 2010/11 Annual Finance Report for the first time in line with best practice.

London Borough of Bromley: Environmental Services Department  
2010/11 Carbon Footprint Report



Table 3: 2010/11 Progress (against 2006/07 baseline and previous reporting years)

Sector	2006/07 (tCO <sub>2</sub> e)	2007/08 (tCO <sub>2</sub> e)	2008/09 (tCO <sub>2</sub> e)	2009/10 (tCO <sub>2</sub> e)	2010/11 (tCO <sub>2</sub> e)	2010/11 Progress Against Baseline		2010/11 Annual Progress (against 2009/10)	
	Baseline Year	Preparatory Year	First Year	Second Year	Third Year	Tonnage Change	Percentage Change	Tonnage Change	Percentage Change
Buildings	28,610	29,260	28,329	23,186	23,648	-4,962	-17%	462	2%
Buildings – Council	5,688	5,275	5,317	4,887	5,150	-538	-9%	263	5%
Buildings – Schools	17,216	18,160	18,049	14,025	14,486	-2,730	-16%	461	3%
Buildings – Mytime	5,706	5,825	4,963	4,274	4,011	-1,695	-30%	-263	-6%
Fleet/ Business Travel	1,001	997	971	1,042	991	-10	-1%	-51	-5%
Street Lighting	5,791	5,908	5,729	5,841	5,769	-22	-0.4%	-72	-1%
Waste/Water	104	97	56	56	48	-56	-54%	-8	-14%
Commuting	2,274	2,002	2,002	2,189	2,189	-85	-4%	0	0%
<b>TOTAL</b>	<b>37,780</b>	<b>38,264</b>	<b>37,087</b>	<b>32,314</b>	<b>32,645</b>	<b>-5,135</b>	<b>-14%</b>	<b>331</b>	<b>1%</b>

Table 4: Summary of greenhouse gas emissions from local authority own estate and operations (successor to National Indicator 185)

	GHG emissions 2009/10 (tCO <sub>2</sub> e)		GHG emissions 2010/11 (tCO <sub>2</sub> e)	
<b>Scope 1</b>				
Gas consumption		11,707		12,336
Owned transport (Green fleet)		447		441
Process emissions		not calculated		not calculated
Fugitive emissions		not calculated		not calculated
<b>Total scope 1</b>		<b>12,154</b>		<b>12,777</b>
<b>Scope 2</b>				
Purchased electricity (inc. Street Lighting)		17,320		17,081
<b>Total scope 2</b>		<b>17,320</b>		<b>17,081</b>
<b>Significant Scope 3</b>				
Business travel (Grey fleet)		595		550
Employee commuting		2,189		2,189
Waste Disposal (Civic Centre only)		54		44
Water (Civic Centre only)		2		4
Product in use		not calculated		not calculated
<b>Total significant scope 3</b>		<b>2,840</b>		<b>2,787</b>
<b>TOTAL</b>		<b>32,314</b>		<b>32,645</b>