ABSTRACT

This report highlights the key messages and main recommendations from Audit Scotland’s Report on Improving Energy Efficiency (A follow-up report) and provides commentary from an Angus Council perspective on the checklist of issues incorporated within the Report for members to consider.

1. RECOMMENDATIONS

The Sub-Committee is recommended to:

(i) note the content of the report including the key messages and recommendations;

(ii) consider the commentary outlining the Angus Council position in response to the checklist of issues contained in the report;

(iii) note that a Carbon Reduction Member/Officer Steering Group has already been established to progress the energy efficiency remit for the Council; and

(iv) note that a workplan to review current energy strategies and action plans incorporating the checklist of issues identified in Audit Scotland’s Report will shortly be progressed through the Member/Officer Steering Group.

2. BACKGROUND

2.1 Among the tasks listed within the remit of the Sub-Committee is that it:

“consider all reports published by the Accounts Commission/Audit Scotland which are of relevance to the Council or Scottish Local Authorities in general”.

2.2 Recent practice has been to submit to the Sub-Committee for its information and consideration those national reports published by Audit Scotland which have relevance to local authorities. Audit Scotland reports considered to be of specific importance for the Council or where specific action is required are accompanied by a report from Council officers.

2.3 In December 2008, Audit Scotland published a report following an audit that examined how the public sector was improving its energy efficiency. The recommendations contained within this report were considered as part of the Carbon Management planning and implementation arrangements pursued within Angus Council.

2.4 Since the December 2008 report was published there have been a number of significant developments relating to energy efficiency policy in Scotland including:-

- the Climate Change (Scotland) Act 2009 which set ambitious targets to reduce greenhouse gas emissions by 42% by 2020 and 80% by 2050 (against a 1990 baseline);

- the CRC Energy Efficiency Scheme (previously known as the Carbon Reduction Commitment) – a new UK-wide scheme;
• Energy Performance Certificates have to be displayed for public buildings which are over 1,000m² in area;

• an Energy Efficiency Action Plan, published by the Scottish Government in October 2010 which aims to reduce energy use in Scotland, and includes actions to help the public sector improve its energy efficiency.

2.5 These developments have been encompassed into the Carbon Management Plans of Angus Council.

2.6 The purpose of this report is to highlight the key messages and main recommendations from the Audit Scotland follow-up report on Improving Energy Efficiency and provide commentary on development stages reached within Angus Council regarding the checklist of issues identified within the Audit Scotland report.

3. KEY MESSAGES AND RECOMMENDATIONS

3.1 A summary of the key messages and recommendations arising from the follow-up audit are shown on page 5 of the attached copy (see Appendix 1) of the Audit Scotland Improving Energy Efficiency (A follow-up report) and are shown below for ease of reference.

Summary of Key Messages

• Between 2006/07 and 2008/09, there was little change in the public sector’s energy use, but its spending on energy increased by 21 per cent. In a time of increasing financial pressures for the public sector and predicted future rises in energy prices, reducing energy use is of key importance.

• Scotland has ambitious targets to reduce greenhouse gas emissions and public bodies are adopting a more strategic approach to improving energy efficiency. However, the public sector as a whole is not yet reducing emissions at sufficient pace to set a good example or influence others, and future budget reductions may affect the level of investment available to achieve further improvement. The Scottish Government is taking action to help the public sector improve energy efficiency, but progress has been slow and the impact of this activity is not yet clear.

• On the seven point scale used to show the energy performance of buildings, over 70 per cent of large public buildings are rated in the poorest three levels. Only four per cent are rated in the top two levels.

• The CRC Energy Efficiency Scheme has raised the profile of energy efficiency, and over half of public bodies are well prepared for involvement in it. Reducing energy use will help public bodies reduce the costs associated with the scheme.

Recommendations

The Scottish Government should:

• ensure efforts and investment for improving energy efficiency are targeted where the greatest reductions in energy use and emissions can be made for the whole public sector

• take the opportunity when reviewing its Energy Efficiency Action Plan to ensure the actions relevant to the public sector are robust enough to achieve the pace of change required

• ensure its sustainability reporting framework provides consistent information on energy performance across the public sector

• build the CRC Energy Efficiency Scheme into its internal audit arrangements, to provide assurance in addition to the five-yearly external audit by the Scottish Environment Protection Agency (SEPA).
Public bodies should:

- strengthen the contribution they make to reducing emissions and increase the pace of change
- work with the Scottish Government to implement the actions relevant to the public sector in the Energy Efficiency Action Plan, and report progress to senior management
- ensure they have systems in place to collect accurate data on transport use and resulting CO2 emissions
- build energy efficiency considerations into asset management and estate rationalisation decisions, involving energy officers or teams wherever possible
- build the CRC Energy Efficiency Scheme into their internal audit arrangements, to provide assurance in addition to the five-yearly external audit by SEPA.

3.2 Angus Council has already put in place a Carbon Reduction Member/Officer Group to progress the energy efficiency remit for the Council and the key messages and recommendations within the follow-up report will be covered in the MOG review exercise.

3.3 Further, the follow-up Audit Scotland report contains a checklist of identified issues that councillors across the Scottish local authorities can consider in relation to how their organisation is improving its energy efficiency. This checklist has been reproduced within Appendix 2 to this report and is annotated with comments regarding the status in Angus Council.

3.4 Appendix 2 will be shared with the Carbon Reduction Member/Officer Group members along with other key support papers to allow the Group to:
- review current strategies and actions plans;
- prepare a revised strategy and associated action plans;
- incorporate areas for improvement to achieve Carbon Reduction; and
- ensure these proposals complement and contribute to fulfil the new obligations introduced by the Climate Change (Scotland) Act 2009.

4. FINANCIAL IMPLICATIONS

There are no financial implications arising as a direct result of the recommendation contained in this report.

5. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications arising from this report.

6. EQUALITIES IMPLICATIONS

The issues contained in this report fall within an approved category that has been confirmed as exempt from an equalities perspective.

7. SINGLE OUTCOME AGREEMENT

- The importance and benefits to society of the environment is recognised.

8. CONSULTATION

The Chief Executive, Director of Infrastructure Services, Head of Finance, Head of Law and Administration and Head of Property have been consulted in the preparation of this report.
9. CONCLUSION

Audit Scotland’s Report on Improving Energy Efficiency (A follow-up report) highlights key messages and recommendations which will be progressed through the Carbon Reduction Member/Officer Group. Further, the checklist of identified issues for councillors to consider has been reviewed and the annotated comments surrounding the status of Angus Council will be utilised to inform the future strategy and workplan to be determined by the MOG.

COLIN McMAHON
DIRECTOR OF CORPORATE SERVICES

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

CS/CMcM