Department for
Business, Energy
& Industrial Strategy

AN EMISSIONS REDUCTION TARGET FOR THE WIDER PUBLIC AND HIGHER EDUCATION SECTORS

A summary of responses to the call for evidence

July 2018

AN EMISSIONS REDUCTION TARGET FOR THE WIDER PUBLIC AND HIGHER EDUCATION SECTORS

The summary of call for evidence responses to   can be found on the BEIS section of GOV.UK: https://www.gov.uk/government/consultations/leading-by-example-cutting-energy-bills-and-carbon-emissions-in-the-public-and-higher-education-sectors

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Foreword

The public and higher education sectors spend over £2 billion a year on energy, since they have a large number of buildings and extensive landholdings. Investing in cost effective energy efficiency measures could lead to savings of around £860 million a year across the UK. There are significant opportunities to invest in energy efficient products and services to cut energy bills, generate new sources of income and contribute towards reducing emissions. This can encourage the UK's growing low carbon and environmental sector, supporting innovative and transformational technologies, and generating high value jobs in new industries.

The Clean Growth Strategy[1] stated that *'government will introduce a voluntary wider public and higher education sector target of a 30 per cent reduction in greenhouse gases by 2020/21, against a 2009/10 baseline'*.

> **There were a total of 92 responses to the Call for Evidence and of these responses 91% said that they would support and report against a voluntary emissions target.**

This document is divided into two parts:

Part 1 details the responses to questions around the support for a voluntary target and what a proportionate mechanism for capturing data and reporting on savings should involve.

Part 2 is a summary of the main points raised to questions on other barriers to energy efficiency and other future options that would help to reduce emissions in the public, further and higher education sectors in line with the fifth carbon budget. Further analysis and more detailed responses to the additional questions will be published in due course.

Please note: whilst there were a total of 92 responses to the Call for Evidence it should be noted that not every person answered every question, and other respondents requested that their responses were not published. Therefore, the total number of respondents for each question does not always total 92.

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[1]
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/651916/BEIS_The_Clean_Growth_online_12.10.17.pdf

Responses to the call for evidence

There were a total of 92 responses to the Call for Evidence; 77 through the Citizen Space website and 15 by email. In addition, there were 60 participants in a webinar organised by the Environmental Association for Universities and Colleges[2] and over 100 attendees at three workshops in London, Newcastle, and Nottingham facilitated by the BEIS Public Sector team. Views from these events have been taken into account.
Of the 92 who submitted a written response, Table 1 shows respondents by organisation types.

Table 1: Respondents by organisation type

Emergency Services	Higher & Further Education	Local Authority	NHS	Local Energy Group	National Energy Organisation	Trade Association
2	21	37	6	4	16	6

Some of the submissions included responses to the Call for Evidence that the respondent had gathered from their clients/members. This additional evidence has been read and referred to in the qualitative analysis but (to avoid double-counting) has not been included in the quantitative analysis. Four organisations each sent two responses. These were not identical and have therefore not been considered as duplicates, and both have been included in the quantitative analysis.

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[2] http://www.eauc.org.uk/

Part 1: An emissions reduction target for the wider public and higher education sectors

This section details the points raised in response to specific questions on a voluntary greenhouse gas reduction target and proportionate reporting mechanism.

Question 1: If you work for a relevant organisation, would you support and report against a voluntary emissions target?

There was overwhelming support for a voluntary emissions target with 91% of respondents in favour of the proposal. 16 respondents stated this question was not applicable to their orgnisation.

Question 2: Please explain why.

8 respondents stated this question was not applicable.

The 6 respondents who stated they would not support a voluntary emissions target expressed concerns about resourcing and conflicting priorities, which would hinder their organisation taking action. 3 of these respondents stated a preference for a mandatory target.

Question 3: Would your organisation be able to meet a 30% emissions reduction target on 2009/10 levels by 2020/21?

23 respondents stated this question was not applicable to their organisation. From the remaining respondents who answered, 80% said their organisation could meet a 30% emissions reduction target on 2009/10 levels by 2020/21.

Question 4: If you answered NO please specify what you think is achievable.

Of the 20% of respondents who felt they could not meet the target, half stated a 20-25% emissions reduction target would be more achievable and half stated that an emissions reduction target of less than 20% would be achievable.

Question 5: Which organisations should be expected to meet a voluntary target?

Just over half of respondents stated that all the organisations on the list, including local authorities, should be expected to meet a voluntary target as shown in the graph below.

Which organisations should be expected to meet a voluntary target?
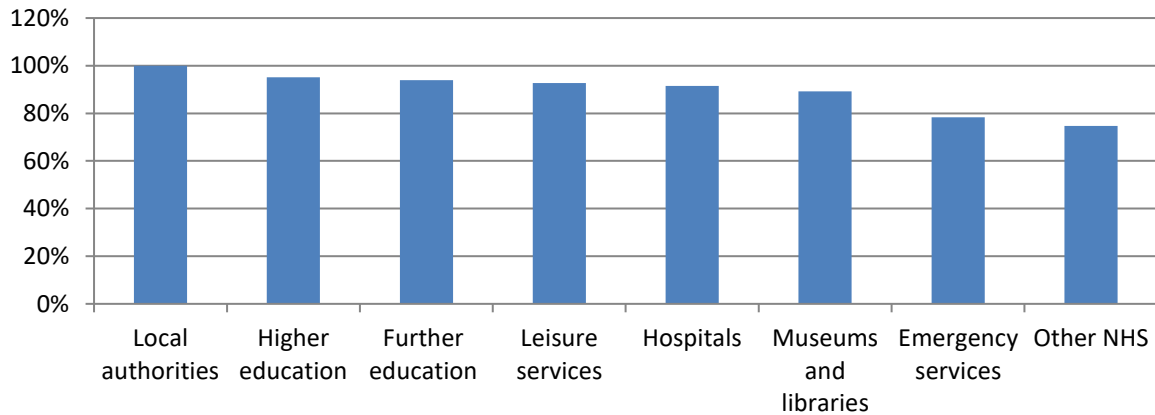
Question 6: Are there any other organisations that should be expected to meet a voluntary target?

53 respondents answered this question and just under half (44%) stated that schools and academies should also be expected to meet a voluntary target.

11 respondents stated that government departments and their agencies should also be expected to meet an emission reduction target.

Information Note: Central government has already set carbon targets for its own estates through the Greening Government Commitments (32% emissions reduction by 2020).

Other organisations that respondents thought should be expected to meet a voluntary target included:

- Large retail and manufacturing
- Any privately run public services not included in this or other reporting requirements
- Churches and religious organisations
- Development Corporations
- Larger national bodies, such as national museums groups
- Any organisation that is funded by public funding
- Social and residential care
- Private sector
- Private Hospitals and Private Student housing
- NGOs, Charitable organisations
- Local Authority Care homes (linked to size)
- Contractors carrying out duties on behalf of local authorities
- Airport
- Any others with high energy or heat demands, particularly those where heating patterns are domestic in character, including various types of living accommodations, care homes etc.

Question 7: Which organisations should NOT be expected to meet a voluntary target?

42 respondents answered this question. 33% of these respondents stated that there should be no exemptions, since the nature of a voluntary target encourages all organisations to support it. Of the remaining respondents who agreed that their responses could be published, the following suggestions were made for those organisations that should not be expected to meet a voluntary target:

- SMEs covered by other reporting requirements
- Museums
- Organisations in rented space
- Third sector
- A minimum threshold (kWh consumption or similar), below which an organisation is not expected to report. The scope of reporting should also reflect the scale of organisation, so a smaller independent museum, for example, should only need to report key emissions (gas/electric) whilst larger organisations should be more comprehensive (mileage, key outsourced services etc.).
- GP surgeries, museums, housing associations
- Council owned companies which do not do work exclusively for the City Council.
- Council maintained schools.
- Other NHS and emergency services
- Schools (due to size)
- Specialist care should be exempt in the NHS or education.
- emergency services

Question 8: Please explain.

53 respondents answered this question. 26% of these respondents stated that there should be no exemptions, since the nature of a voluntary target encourages all organisations to support it.

Those organisations that did suggest exemptions from reporting (36%) thought this should be based on the size of the organisation, with a suggestion of a minimum threshold (focussed on number of employees, floor space, kilowatt hours of consumption, etc.). They felt that small organisations should not be expected to report unless they wished to but this is, of course, fundamental to a voluntary approach.

A minority of respondents (11%) stated that government Departments and their agencies should be expected to meet an emission reduction target[3]. Further individual responses to this question can be found in the Annex.

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[3] Central government has already set carbon targets for its own estates through the Greening Government Commitments.

Which non-domestic buildings should be covered by the target?
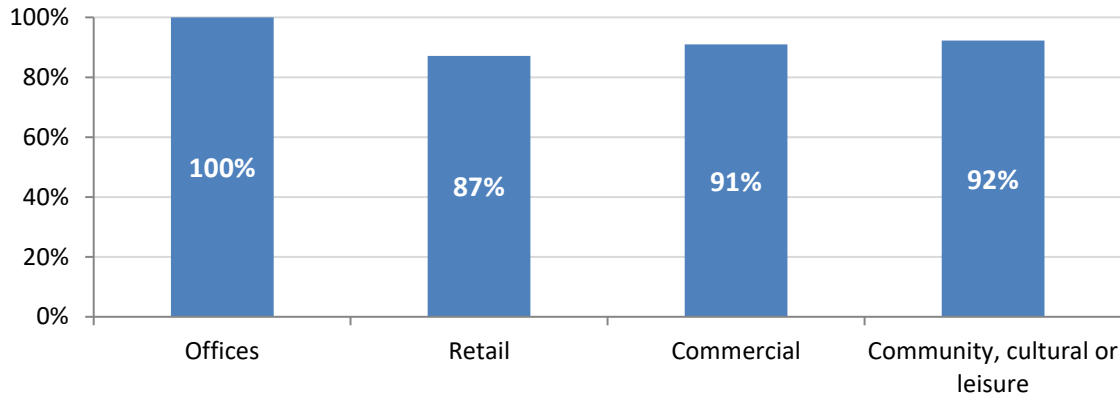
All respondents agreed offices should be covered; and a large majority agreed that retail, commercial and community buildings should also be included.

Question 10: What transport arrangements used by wider public sector organisations should be covered by the target?
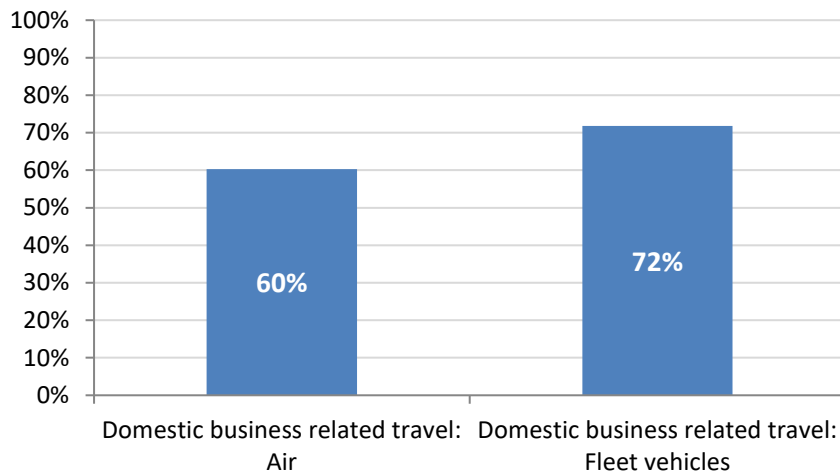
The majority of respondents considered that domestic business related travel covering air travel and fleet vehicles should be covered by the target.

Question 11: Are there other emissions sources that should be covered by the target, and if so why?

37 respondents answered this optional question. The emissions sources that they suggested should be added to the target included:

- Transport: inclusion of grey fleet emissions for vehicles to/from businesses and schools was suggested by 6 respondents, in addition to the inclusion of international business related travel by 2 respondents.
- Water/Sewage/Waste/Recycling: 15 of the respondents who commented, ranging from councils to universities, mentioned that this should be included.
- Street lighting: 1 respondent suggested that for some councils street lighting was around 50% of energy usage and that this usage was generally unmetered and should be included.

- Onsite/decentralised energy generation: 3 respondents mentioned that this should be included.
- NHS: 2 respondents highlighted that there needed to be increased focus on other fugitive emissions, particularly anaesthetic gases which take up ~20% of emissions and therefore should be included.
- Outsourcing: 13 respondents flagged the inclusion of emissions from outsourced services, arms length bodies and similar bodies.

Scope 3 emissions were mentioned frequently, though comments were not specific. The general view was that Scope 2 emissions should definitely be included and Scope 3 emissions should be optional, but reporting for these should be consistent.

Question 12: If you work for a relevant organisation, what do you already collect and report on?
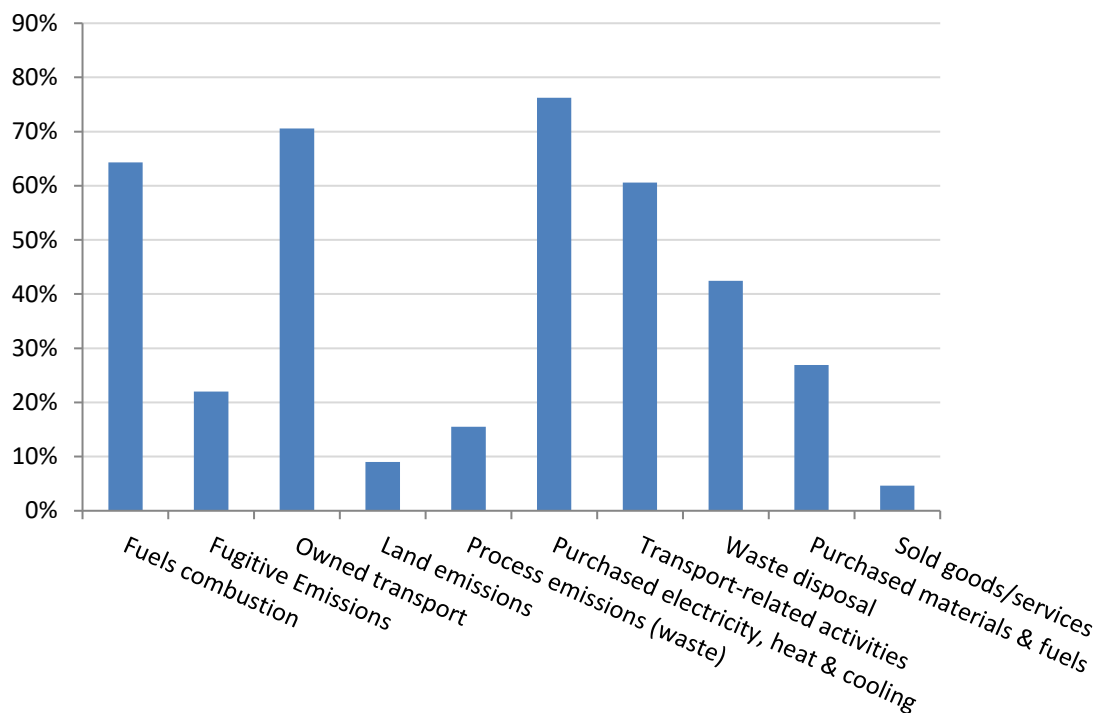
Question 13: What data about your emissions would you be willing to provide to BEIS?

The general view from the 65 respondents who commented was that they would report all they can, specifically Scope 1 and Scope 2 emissions data. 35 respondents had Scope 3 data that they would be willing to share. Respondents generally indicated that they would prefer to use their existing reporting. No respondents indicated that they would not share data.

The way in which Scope 1 and 2 emissions data is currently reported varies significantly, with respondents highlighting their use of the following reporting frameworks: CRC Energy Efficiency Scheme (formerly, Carbon Reduction Commitments), Greenhouse Gas Reporting requirements, ERIC (Estates Return Information Collection), ISO 14064, *Higher Education Statistics Agency* reporting for education and the Sustainable Development Unit framework for hospitals.

Question 14: What data about your emissions would it be difficult to collect and report on?

The 64 responses to this question were varied, with two respondents stating the question was not specific enough. 10 respondents reported that their organisation had a comprehensive range of data. Conversely, 28 organisations stated they would have difficulty collecting and reporting on the few data sets they hold and would appreciate further support on reporting mechanisms.

39 of respondents highlighted the difficulty in collecting procurement and outsourced emissions data. Some respondents mentioned that Scope 3 emissions were in general difficult to collate, notably due to issues around double-counting. 7 respondents highlighted their data would be of questionable accuracy (generally the data that was closer to Scope 3 data), but also due to things such as leased properties. 12 respondents stated that transport and air travel statistics would be particularly difficult to collect and report on. In relation to land and fugitive based emissions 11 respondents stated that further guidance would be required.

Part 2: Barriers to energy efficiency and other future options

This section summarises the main points raised to questions on barriers to energy efficiency and future options that would help to reduce emissions in the public, further and higher education sectors in order to meet future carbon budgets. Further analysis and more detailed responses to these additional questions will be published in due course.

The current situation and challenges

Questions focussed on the barriers that prevent organisations taking action on energy efficiency and responses are summarised here. We asked for views about overcoming these barriers and the reasons why these investments are not made.
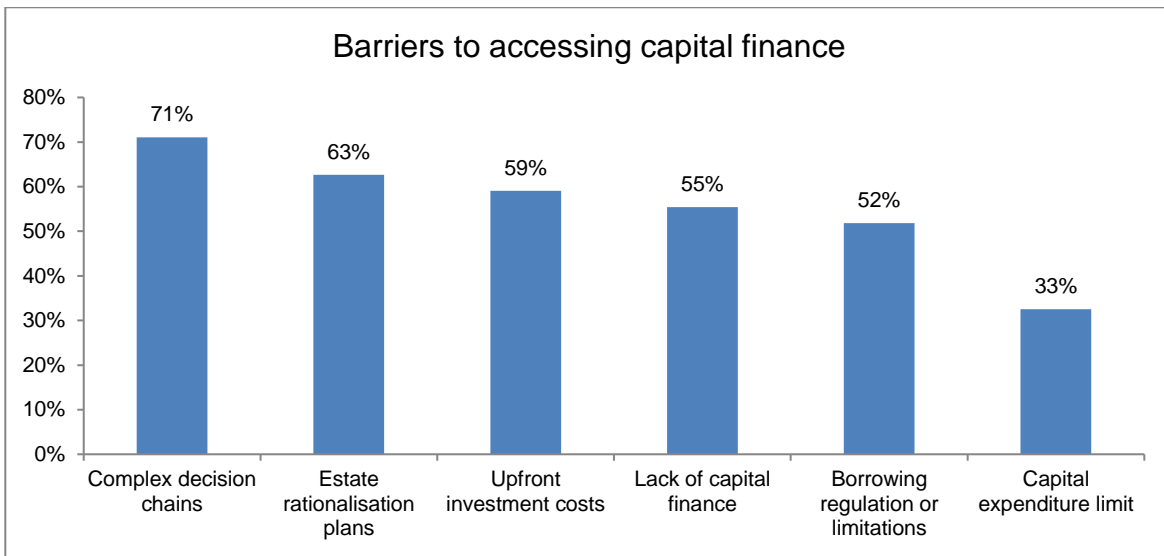
The most commonly cited barrier was lack of interest in energy efficiency, closely followed by conflicting priorities. The availability of capital and upfront investment costs were also seen as inhibiting factors. The payback period for investment in energy efficiency and lack of knowledge are not seen as key barriers.

The current widespread estate management plans and rationalisation programmes were noted as additional barriers to financing energy efficiency investment. The uncertainty over how long particular buildings would be retained within an organisation was mentioned by several respondents.

Capital finance support for the wider public and higher education sectors

Questions focussed on the barriers to accessing finance, exploring how public and higher education sector energy efficiency projects are currently financed, and other sources of finance that could be used in energy efficiency projects.

This section summarises the main themes raised by respondents around finance in the wider public and higher education sectors, and highlights the constraints and issues faced by individual organisations.

Barriers to accessing capital finance

Barrier	Percentage
Complex decision chains	71%
Estate rationalisation plans	63%
Upfront investment costs	59%
Lack of capital finance	55%
Borrowing regulation or limitations	52%
Capital expenditure limit	33%

The responses to the question on barriers to accessing finance suggested that stakeholders face a range of barriers, and that there is not typically any one barrier prohibiting organisations from raising capital. The issue of "complex decision chains" was a recurring theme throughout the responses in this section. The chapter also explored additional, second order barriers to accessing capital finance and a general theme that emerged, phrased in different ways, was a lack of knowledge/skills/understanding of energy saving projects. The payback period of projects was also raised.

In terms of funding arrangements for existing energy efficiency projects "capital funds" was particularly common among universities/education (c.90%) and Councils/Borough respondents (c.80%), whilst "Salix finance" was also popular with respondents. The chapter also explored other sources of finance that could be used in energy efficiency projects. Examples included subsidy regimes (e.g. Feed-in Tariff and Renewable Heat Incentive) and the use of revenue or spending budget to finance investment.

Capacity and capability support for the wider public and higher education sectors

Questions explored the resource barriers organisations face. This section summarises the main points raised in response to the seven questions on organisational barriers to energy efficiency schemes and emissions reduction.

Table 2: Resource barriers organisations face

Barrier	No. of responses
Limited internal capacity to manage and deliver projects	83
Lack of time and / or resource	64
Complex decision chains	57
Accounting or governance issues	44
Lack of business case development experience	31

The majority of respondents stated that the main barrier they faced was the limited internal capacity their organisation had to manage and deliver projects. The issue was felt to be compounded by uncertainty about future Government priorities which made organisations reluctant to invest in this area; the increasing scarcity of resources for energy efficiency projects was also mentioned. The chapter also looked at other resource barriers, one of which was difficulty in finding sufficient supporting information to justify proposed spending and a continually changing legislative and operational landscape.

The chapter also explored the use of Energy Service Companies (ESCOs) or Energy Performance Contracts (EPCs) with only 25% stating that they used either, with a slightly greater proportion (49%) not using them. Respondents were asked to consider other ways of overcoming capacity and capability issues and a wide-range of suggestions were made including consistency in government legislation and government funding for emissions reduction capacity and capability. There was also support for a pool of expert resources that could be accessed as required; skills and training were also seen as important.

Other future options to cut energy bills and carbon emissions

Questions focussed on future ambitious action required to meet the fifth carbon budget. This section summarises the main points raised in response to questions on future greenhouse gas reduction targets and views on further action to support emission reduction.

The majority of respondents (91%) stated that they would support a future and more ambitious voluntary target. Of those that did not, they stated this was because their preference would be for a mandatory target. In terms of a mandatory target, a total of 88% of respondents said that they would support a mandatory requirement (12% said they would not) stating it was more likely to drive action and be taken seriously within their organisation whilst acting as a driver for investment.

In order for the public sector to deliver a genuine leadership role, respondents said a future target must be challenging, yet achievable (54%), and the majority opinion was for a 50-59% emission reduction target.

Respondents also suggested actions that could support the public sector to catalyse the wider low carbon transition. They mentioned the role of central and local government in providing leadership and setting strong and consistent low carbon targets, along with policy and regulation. The chapter also explored national or international examples of best practice. Just under half of the respondents (46%) either did not answer this question at all or responded that they did not know of any relevant examples. Of those that did respond, Germany, Sweden, Denmark and the Netherlands were most commonly cited as positive international examples, and a number of UK examples were also listed.

Next steps

Alongside the publication of this document BEIS is releasing the Emissions Reduction Pledge 2020[4]; a guide for organisations wishing to support the voluntary target of a 30% reduction in greenhouse gases by 2020/21, against a 2009/10 baseline.

During the next 12 months the BEIS Public Sector team will be organising, or attending, a number of events and seminars to promote the target and encourage organisations across the sectors to sign up to the scheme. In addition, we will be working closely with event organisers, existing networks and forums to promote the target as widely as possible.

In relation to the future greenhouse gas reduction targets, and views on other actions to support ambitions in the fifth carbon budget, BEIS will be developing an action plan over the next year to show how the department intends to take forward a range of other issues raised during the consultation process. This will be published in March 2019.

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[4] https://www.gov.uk/government/publications/emissions-reduction-pledge-2020-emissions-reporting-in-public-and-higher-education-sectors

Annex

An emissions reduction target for the wider public and higher education sectors

Individual responses to Question 8: Which organisations should NOT be expected to meet a voluntary target? Please explain

- Covered in other requirements
- Smaller organisations, such as GP surgeries or small cultural organisations, would not have the resource to accurately report on their carbon emissions, let alone implement projects to deliver them. The organisation has to be large enough to employ a dedicated energy or environment / sustainability role to manage this.
- I would expect that leisure and cultural facilities would usually be covered by local authority remits.
- Organisations should only be responsible for the emissions over which they have operational control
- Would not have capacity to implement improvements at the rate required
- Please provide clarity because some mental health sites provide supported residential housing as part of their service and this should be included. Also the NHS does offer some site residences (e.g. nurse and doctors accommodation) and, for ease, it is suggested that this remains in scope as it will be de minimis unlike halls of residence etc. in University sector and housing associations where residences would make a significant impact in emissions levels.
- I would look to the larger users of energy to be included first then look to do the smaller assets last. I don't think that there should be users who do not report as this would undermine what is being achieved.
- Measures required to reduce usage will either have minimal impact or be too expensive and/or complex to install due to the nature and operating hours of these facilities.
- It can be quite a complicated process to gather all necessary information to make a full declaration of carbon emissions. Perhaps smaller organisations could aim to reduce grid electricity consumption alone, or all metered supplies (electricity and connected gas). This could have a positive effect without causing too much extra work for the smaller organisation.
- The Council has two majority owned companies. One of these companies undertakes work for both the Council and for organisations outside of the Council to generate additional income. We feel it will be very difficult, and create a significant administrative burden to separate the activity of the business that is undertaken for the Council and others as vehicles and office space could be used for both parts of the business on a daily basis.
- The other company undertakes all of its work for the Council so therefore should be included.

- The continued expansion of academies means that the inclusion of maintained schools could see the Councils baseline in this area shift year to year as this transition continues to take place. Further, the Council has no direct influence over the energy use of these sites, or collects, or has access to staff travel data.
- For there to be wide scale change - there cannot be exceptions to a voluntary target. Any organisation that would struggle to implement targets will need additional support financially and in terms of capacity.
- Smaller estates
- All public sector and higher education organisations should be expected to contribute towards the emissions reduction targets.
- This is tricky and identifies the difference between energy efficiency (reduction in consumption without affecting performance and energy saving (reduction in consumption by affecting performance).
- The most important thing is that all organisations are required to measure and report on their energy use. This will increase awareness of energy use in these organisations and will also increase our understanding of energy use in this sector more generally. It will also provide evidence as to whether the voluntary target is working.
- The reason being is that provision of such services is influenced by the needs of the individual.   The facilities tend to be small in nature and can have intensive care packages requiring in some instances intensive energy use disproportionate to the sectors as a whole and vary dependent on need.
- All publicly funded organisations should be expected to participate in any schemes that are introduced so that the process retains credibility. This will also help give a more complete picture of public sector performance against wider legislative drivers such as the Climate Change Act. However, participation should be subject to a financial, per capita or volumetric (kWh) threshold as discussed above.
- Lack of resources to report
- Service quality should be the first priority - needs to guarantee for emergency service
- Emergency services should be granted derogation for major events or other such reasons. Others with change of occupancy need to be able to vary their end report e.g. 90% occupancy of university premises/residences.
- Essential services
- As this is a voluntary target, it should be up to the organisation whether they aim to meet the target regardless of the public sector they are in. The expectation should be on the larger institutions outlined in question 5.
- Public and Higher Education sectors collectively account for 3% of UK emissions and both should measure, report and respond to climate-related risks.
- The public sector, including central Government and local authorities, and the private sector need to take action on energy efficiency and be seen to do so by wider society, which in turn could lead to a culture change.
- Society needs a culture change when it comes to energy efficiency and the private sector will be more willing to set their own targets and deliver on action plans (with initiatives such as ESOS) if the public sector, local authorities and

central government are seen to be doing likewise, and not making excuses to avoid difficult decisions.

- The organisation type; type of service they deliver; and type of building should be taken into account when setting a target. Appropriate targets could be set according to the type of estate/buildings, services and use.

- For example, some organisations with an estate that consists of mainly historical buildings or public buildings that are used for a statutory service such as hospitals may find it more challenging and therefore should have lower targets to meet.

- Most organisations would acknowledge the need to reduce their own environmental impact, but may only be able to take action with access to appropriate support and funding.

- In 2008 the Carbon Trust offered all UK Local Authorities a free local Carbon Management Plan up to 2012. This enabled participating Councils an opportunity to establish a common goal: improve ways of working together to develop local action plans; develop systems and processes for monitoring and collection of relevant data; as well as raising awareness and securing leadership support.

- In 2015 CBC took the initiative to fund a new LACM Plan so that carbon and financial savings could be realised. We recognise that this is not possible for all organisations as the challenge is to find sufficient funds up front, and due to budget restraints may only be viable with projects that pay back within a short space of time.

- Many budgets and resources are already stretched in the Public Sector. It may be unrealistic to expect NHS emergency services and hospitals to participate without access to a new fund and supporting service to provide a clear route to carbon management planning. The proposed service should show how investment in energy efficiency measures can lead to significant future financial savings. This may be the incentive needed for organisations that have restricted budgets and resources already.

Please note some respondents requested that their responses are not published so not all responses are included.