

Cylchlythyr | Circular

Carbon Management Policy

Date: 27 March 2014
Reference: W14/09HE
To: Heads of higher education institutions in Wales
Response by: No response required
Contact: Name: Chris Cowburn
Telephone: 029 2068 2247
Email: chris.cowburn@hefcw.ac.uk

This circular sets out the minimum requirements on universities to develop and maintain a publically available carbon management strategy. It incorporates a number of changes arising from the responses to the earlier consultation circular W13/38HE and individual reports on university performance in this area.

If you require this document in an alternative accessible format, please telephone us on (029) 2068 2225 or email info@hefcw.ac.uk.



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

Introduction

1. The intention of this policy is to support and demonstrate effective carbon management by indicating and working towards a clear aspiration to reduce carbon emissions, through the application of an appropriate level of commitment and resource. This approach should also be used to demonstrate how the sector is embedding previous advice provided by the Carbon Trust Wales, particularly the 2012/13 Carbon Management Status Report.
2. The Welsh Government has already established policies and ambitions around carbon reduction¹, which are consistent with the carbon budget approach adopted by the UK Government as part of the Climate Change Act 2008² with an intention of securing a reduction of 80% in carbon emissions by 2050 based on 1990 levels. The requirement to reduce carbon emissions and improve energy efficiency is being developed through increased taxation, reporting requirements, and the introduction of green levies to support the development of low carbon energy sources. These initiatives have perhaps been over shadowed by significant increases in energy cost with expenditure on energy in Welsh universities increasing from £11m in 2003/04 to over £20m in 2010/11.
3. Universities in Wales are already contributing significantly to the carbon reduction agenda through research. There is also evidence to show that universities in Wales have had some success in controlling carbon emissions despite significant expansion in student numbers, and increased levels of research in recent years. In 2012 Carbon Trust Wales noted that between 2003/04-2010/11 student numbers and floor area of the HE estate in Wales both increased by 17% but that energy consumption had increased by only 5% during this period indicating an overall improvement in efficiency.
4. A number of changes have been made to this policy following the earlier consultation circular [W13/38HE](#). The comments received and the HEFCW responses to these are summarised at Annex 1.

Background

5. In 2012/13 HEFCW and the Carbon Trust Wales commissioned the Higher Education Carbon Management Review (HECMR). The project examined carbon management practice at each of the Welsh universities and assessed this against eight key features of effective carbon management to enable comparison across the sector and other public sector organisations. All institutions were provided with confidential individual reports setting out detailed recommendations for potential improvements.

¹ wales.gov.uk/topics/environmentcountryside/climatechange/emissions/publicsector/?lang=en

² www.gov.uk/government/policies/reducing-the-uk-s-greenhouse-gas-emissions-by-80-by-2050/supporting-pages/carbon-budgets

A sector wide report was also produced principally for consideration by HEFCW and the Welsh Government. This report was presented to HEFCW Council in September 2013 which made the following recommendations:

- i. HEFCW should include carbon management as part of the institutional risk review processes from 2014-15 as part of the estates assessment.
- ii. Institutions should be required to have an appropriate carbon management strategy, published on their website, including identified targets, prioritised potential projects, annual reporting and identified resources.
- iii. HEFCW would expect institutions to identify improvements to their metering infrastructure as part of their carbon management strategies, with an aspiration to achieve directly metered energy use for all buildings greater than 1000 square metres.
- iv. HEFCW should continue to work in partnership with Carbon Trust Wales and other bodies to provide support and to signpost external public and private funding sources available to the sector.

Approaches to Carbon Management

6. The remainder of this paper concentrates upon the implementation of recommendations ii-iv above.
7. There already exists significant guidance as to how carbon management plans should be developed and it is not the intention of this policy to repeat this or add to it³. Similarly our view is that that it would be unhelpful to provide a specific format for a carbon management strategy, recognising that many institutions already have strategies in place or under development following recent mergers. We have therefore focussed on the development of an approach to carbon management specifying minimum content and approach rather than developing a detailed methodology. Institutions may additionally wish to develop and maintain a detailed carbon management plan outside of the public domain or alternatively provide public access to the detailed strategy
8. Consistent with recommendation (iv) above, HEFCW is continuing to work with Carbon Trust Wales, the Environmental Association for Universities and Colleges, and Salix Finance (a not-for-profit company owned by public sector organisations). We have recently held a seminar to assess sector interest in accessing dedicated Salix interest free capital to fund appropriate carbon reduction projects.

³ See Annex 2 for suggested guidance on the development of carbon management strategies.

Achieving consistency and transparency

9. Table 1 below sets out the minimum specification for a carbon management strategy.

<u>Ambition</u>	
1	<ul style="list-style-type: none"> Increasingly corporate organisations are expected to demonstrate leadership, commitment and performance in relation to the carbon reduction agenda. Acknowledging the very different constraints and challenges faced by individual universities we believe that the level of ambition in terms of carbon reduction should be a matter for individual institutions to establish, publish, and support with a quantified level of resources sufficient to deliver the ambition based upon the opportunities available to them. This should reflect upon national policy, and stakeholder requirements. The level of ambition should be influenced by strategic plans, institutional commitment to environmental sustainability and the potential for cost saving / avoidance both in the short term but also in the longer term given the expectation of increased energy and carbon costs⁴.
	<p><u>Minimum specification</u></p> <ul style="list-style-type: none"> The Carbon Management Strategy must state an absolute carbon target for all measured scope 1 and 2 emissions to be achieved by the end of the strategy period (maximum five years), interim, and relative targets, eg electricity or gas use per student may also be included. The absolute figure must be a total carbon target for all measured scope 1 and 2 emissions. Any voluntary targets in relation to scope 3 should be stated separately.
<u>Scope</u>	
2	<ul style="list-style-type: none"> In defining the scope of a carbon management strategy we are mindful that in most cases material scope 1 and 2 data (as defined by the Greenhouse Gas protocol)⁵ is already collected through the Higher Education Statistical Agency (HESA) Estate Record and increasingly scope 3 data will be collected in this way. We consider that this should in most cases form the basis for carbon reporting as it provides a consistent basis of collection, division and calculation across all UK HE institutions. Where institutions are unable to collect specific areas of scope 1 or scope 2 emissions this should be clearly stated. Scope 3 carbon reporting is a relatively new area which we believe is insufficiently developed currently to merit mandatory inclusion although we would encourage those institutions that wish to include

⁴ www.gov.uk/government/uploads/system/uploads/attachment_data/file/239937/uep_2013.pdf

⁵ www.ghgprotocol.org/calculation-tools/faq

	further detail in this area to do so in a manner that is consistent with the existing HEFCE guidance ⁶ .
	<p><u>Minimum specification</u></p> <ul style="list-style-type: none"> • The minimum specification requires the inclusion and consideration of all carbon emissions arising from scope 1 and 2 data reported within the Estate Record. Where there are known gaps these should be clearly identified. Institutions are encouraged to include scope 3 data where this is available.
	<u>Context</u>
3	<ul style="list-style-type: none"> • This section of the strategy should enable the reader to understand the particular challenges or constraints that the university faces as well as providing supporting evidence for the approach adopted. This should include reference to historic performance, resources applied to carbon reduction, as well as demonstrating effective linkage to wider policies which assist in carbon reduction such as space management policies, capital investment programme, and refurbishment standards. This section should also outline reporting structures and governance arrangements to demonstrate how carbon management is effectively linked to the overall management and development of the university. Reference should also be made to potential future opportunities where this precludes more immediate action.
	<p><u>Minimum specification</u></p> <ul style="list-style-type: none"> • The minimum specification should indicate the governance arrangements for carbon/energy management, current and historic performance of scope 1 and scope 2 emissions, and associated utilities. Historic performance measured against an appropriate baseline year (to be selected by the institution) should also be included. Particular areas targeted for improvement, should be highlighted.
	<u>Proposed Improvements</u>
4	<ul style="list-style-type: none"> • The HECMR clearly identified a number of areas where institutions could make progress in their approach to carbon management. We would expect the carbon management plan to demonstrate how and when these measures will be implemented or justification for the adoption of an alternative strategy. • The HECMR also recommended that all institutions should look to achieve individual energy and water sub metering for all buildings with a gross internal area of 1000 square metres or larger. The achievement of this standard should be documented within the approach proposed.

⁶ www.hefce.ac.uk/media/hefce1/pubs/hefce/2010/1002/10_02.pdf

	<ul style="list-style-type: none"> This section should also identify staffing and resources dedicated exclusively to this agenda, as further evidence of commitment to the identified level of ambition.
	<p><u>Minimum specification</u></p> <ul style="list-style-type: none"> A summary list of proposed carbon reduction projects that may be undertaken during the strategy period consistent with the issues identified within the context section of the strategy. The list should indicate budget capital cost, estimated carbon / energy and financial savings. The source of funding to support the implementation of the proposals. The timescale within the plan period for their implementation.
	<p><u>Annual Reporting</u></p>
5	<p><u>Minimum Specification</u></p> <ul style="list-style-type: none"> Institutions should select a baseline year to appropriately reflect individual circumstances and the availability of accurate consumption/carbon data. A justification should be provided to explain and justify the selection of the baseline year. Reporting as a minimum must cover all recorded scope 1 and scope 2 emissions and consumption data submitted to the HESA Estate Record. Reporting on water should be included but can be limited to recorded consumption where insufficient data is available to calculate carbon emissions. Progress should be reviewed annually against the ‘ambition target’ set out at 1 above. Scope 3 reporting is voluntary but where undertaken should follow the calculation provided within the HESA Estate Record. Comparability of carbon data between years is to be maintained by ensuring that all high level carbon reporting from previous years is where necessary updated using current DEFRA conversion figures to enable meaningful reporting .This should be enhanced by reporting of both consumption and carbon data where this provides context⁷. Carbon reporting should not be amended to reflect degree days or cooling days although reference to degree days may be included within the report to provide context to performance. The annual carbon report to include the following key performance indicators using Estate Record data; <ul style="list-style-type: none"> Total scope 1 and 2 emissions per FTE student on the non-residential estate. Total scope 1 and 2 emissions per square metre gross internal area. Total scope 1 and 2 emissions Co2 KG divided by gross turnover.

⁷ www.ukconversionfactorscarbonsmart.co.uk/

- | | |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none">○ Total scope 1 and 2 emissions on the residential estate divided by number of bed spaces. |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------|

Timetable

10. Institutions should ensure that their carbon management strategies, including initial reporting on 2012/13 data, are displayed on their websites by the end of September 2014, and annually thereafter.

Further information / responses to

11. For further information, contact Chris Cowburn (tel 029 2068 2247; email chris.cowburn@hefcw.ac.uk)

Assessing the impact of our policies

12. We have carried out an Impact Assessment of this policy which includes consideration of the impact on sustainability, the Welsh language, and Welsh language provision within the HE sector in Wales. Further information regarding Impact Assessments can be obtained from equality@hefcw.ac.uk.

Annex 1

Carbon Management Policy W13/38HE Consultation (Proposed amendments to consultation draft)	HEFCW Response
Ambition	
Concerns regarding the inclusion of institutional business travel under scope 1.	The circular only requires the inclusion of data that is already submitted to HESA. Although omissions should be clearly identified we are not requiring the inclusion of additional data.
Insufficient reference to the effect of research on carbon performance.	We have not detailed any specific requirement to reduce carbon by a fixed percentage. The requirement is to demonstrate a committed approach to carbon reduction, including appropriate resource, governance and ambition which realistically reflects on the strategic mission of the university.
The specification as drafted includes waste and water which should be considered as a separate agenda.	We consider that both water and waste should logically be included within the strategy, as they contribute to carbon emissions and are often influenced by decisions or projects that encompass other areas of carbon reduction. The development of a separate strategy to cover water and waste would present an additional burden to universities.
Context	
Proposal to amalgamate Table 1 and Annex 1 to clarify requirements.	Agreed.
Proposed Improvements	
Reference to the requirement set out within the HEMCR that institutions should have a dynamic plan, and prioritised list of projects including	The requirement to produce a dynamic plan can be achieved through (if required) annual updating of the carbon management improvement list,

costs, energy/carbon/financial savings sources of funding etc.	or indeed the strategy if required. The improvement list is intended to record potential projects not all of which will be delivered.
Reporting	
Support for allowing institutions to select their own baselines but seeking clarification of HEFCW's reporting proposal in respect of carbon.	It is considered impractical to establish a uniform baseline, and therefore an objective benchmark of comparative performance. Any assessment of performance would need to have regard to, the overall response of the institution to carbon reduction including an assessment of proportionate resources and actions being applied, together with effort made to identify opportunities for carbon saving.
Confirmation as to whether the proposed KPIS are mandatory.	These are now included within the reporting minimum specification.

Annex 2

Suggested Guidance on Carbon Management

1. HEFCE Carbon Management Strategies and Plans
www.hefce.ac.uk/pubs/year/2010/201002/name,65923,en.html

2. Carbon Trust Higher and Further Education
www.carbontrust.com/resources/guides/sector-based-advice/further-and-higher-education
www.carbontrust.com/resources/guides/carbon-footprinting-and-reporting/carbon-footprinting

3. Environmental Association of Universities and Colleges (Universities and Colleges Climate commitment for Scotland)
www.eauc.org.uk/ucccf/home

4. DEFRA
www.gov.uk/government/uploads/system/uploads/attachment_data/file/69282/pb13309-ghg-guidance-0909011.pdf

5. Greenhouse Gas Protocol
www.ghgprotocol.org/