

Report to the Cabinet

Report reference: C-050-2010/11
Date of meeting: 31 January 2011



Portfolio: Safer and Greener;
Performance Management.

Subject: Council Energy Efficiency

Responsible Officer: John Preston (01992 564111).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) To note that the Area Based Grant intended for climate change related expenditure within the DDF reserve is now at a total of £67,500;
- (2) To allocate a sum of £15,000 of the grant to be used to monitor and improve efficiency of energy management systems within the Civic Offices and Conder Building by installing Smart Metering and increasing roof insulation over both buildings to 300mm;
- (3) To allocate £40,000 of the grant to the Facilities Management budget for use on energy efficiency projects; and
- (4) To allocate £12,500 of the grant to energy efficiency measures at the replacement Museum Store and Countrycare building.

Executive Summary:

The Council is committed to recording a baseline of its energy use and making year on year targets for reduction under the Energy Performance of Buildings Regulations 2007, the Climate Change Act 2008, the Nottingham Declaration, the 10:10 Initiative and the corporate Climate Change Strategy. To improve performance in this area, the Facilities Management team has highlighted the installation of Smart Meters and additional roof insulation as priority works in the Civic Offices and Conder Building. Installation of Smart Metering and additional insulation will allow the Council to quickly identify areas that energy and cost savings can be made, as well as reduce the heat energy that is lost through the roof of the Council Offices.

Reasons for Proposed Decision:

The Council has not achieved its commitment to reduce energy use by 10% in 2010, instead making a total reduction of 4.1%. In addition, the Council must comply with the Energy Performance of Buildings Regulations 2007, which requires that a Display Energy Certificate is displayed in a prominent and public place, showing the energy performance of the Council Offices. At present, the Civic Offices and Conder Building fail to meet the government baseline of energy efficiency set by the Regulations. Further work must be carried out if the

Council is to meet regulations and targets, or achieve energy and cost savings in the coming years.

Other Options for Action:

To take a decision not to use the Area Based Grant to fulfil objectives related to climate change. This decision would be counterproductive to the Council's commitment under the Nottingham Declaration to "achieve a significant reduction of greenhouse gas emissions from our own authority's operations, especially energy sourcing and use." It would also be contrary to the Council's aims to reduce emissions and increase efficiency of its systems as set out in the Climate Change Strategy, the Council's commitment to the 10:10 initiative and the Council's Corporate Plan Medium Term aims, which state that the Council aims to 'Continuously improve efficiency by adopting new ways of working with our partners and maximising revenue from our assets.'

Report:

1. Climate change is widely accepted as an urgent and serious problem. There is broad agreement that it can be attributed to the increase of gases such as carbon dioxide in the atmosphere from human activity and is expected to result in increased severe weather particularly droughts, floods and storms in the Eastern Region of the UK, not to mention far more severe atmospheric changes worldwide. It is also internationally recognised that by implementing drastic changes to reduce emissions into the atmosphere, the expected severity of climate change impacts can be lessened. Under the UK Climate Change Act, the UK's national target of CO₂ emission reduction is 34% by the end of 2020, with Local Authorities expected to take a leading role in achieving this reduction.

2. The Council has already declared its commitment to national emission reduction targets in several ways; by joining the 10:10 initiative in 2009, in which the Council pledged to reduce emissions from its own operations by at least 10% during 2010, by signing the Nottingham Declaration, which also involved a pledge to reduce emissions from the Council's own operations, and finally in the Council's own Climate Change Strategy.

3. The energy efficiency work carried out during the period from 1 July 2009 to 31 June 2010 was sufficient only to achieve a 4.1% reduction in energy use and cost, a figure that is below the carbon reduction targets that the Council is committed to. That reduction was largely achieved by amending the operation of the existing heating system at the Civic Offices. The new heating system and new windows in the Conder building have since been undertaken, but were not completed by 31st June 2010. Energy use increased at Langston Road Depot, so when those facilities are replaced elsewhere, it will be important to achieve more efficient lower carbon replacements. Furthermore, the Council is not currently meeting the baseline set by government in the Energy Performance of Buildings Regulations and until further work is undertaken to improve the energy efficiency of the Council Offices, there is unlikely to be progress in this area.

4. In 2010, the Audit Commission carried out a Key Line of Enquiry into how effectively the Council uses natural resources in its operations and procedures. The assessment highlighted several weaknesses in the Council's understanding of its own quantities and patterns of energy use. It was found that this is partly due to electricity and gas data being taken in most cases from estimated bills, as well as difficulties in retrieving bills from staff in other buildings, officer time spent collating information and a lack of appropriate software to record energy data.

5. Due to the above issues preventing the proper collection of energy data, it is not possible to keep thorough records or gain an accurate understanding of Council energy use.

Until thorough knowledge of energy use is achieved, the ability to pinpoint weakness and highlight potential carbon and expenditure savings in the Council's energy systems is very limited. In addition, it is important that energy use is measured with as much accuracy as possible for compliance with energy regulations. It is therefore suggested that £6000 of the Area Based Grant is used to fund the installation of Smart Meters in the Civic Offices and Conder Building to enable a full and accurate map of energy use within these buildings.

6. As a further measure towards reducing carbon emissions in line with the Council's commitments and to create cost savings, it is suggested that an additional £9,000 from the Area Based Grant is used to increase roof insulation to achieve 300mm depth over both the Civic Offices and Conder Building. This would ensure that heat generated in the offices is not lost through the roof, making further savings in energy expenditure and carbon emissions and working towards improving the Council's Display Energy Certificate to a rating that is in compliance with the government set baseline within the Energy Performance of Buildings Regulations.

7. Officers have considered other options for use of the remaining funds, including whether use could be made of the Feed in Tariff scheme (which presently offers a significant pay back, and over an extended period of time, and which might be used on schemes on one or more of the Council's present buildings, or on buildings which it builds or acquires.)

8. A different option, given the considerable expenditure by Facilities Management on the Council's estate, and the energy reduction emphasis of a considerable number of such projects is to allocate £40,000 to the Facilities Management budget and allocate the remaining £12,500 towards the intended refurbishment of the buildings for the replacement Museum Store and Countrycare which are in the Council's program of estate rationalisation.

Resource Implications:

The Area Based Grant in the DDF was intended for the implementation of actions outlined in the climate change strategy but so far remains unused.

Legal and Governance Implications:

None.

Safer, Cleaner and Greener Implications:

Spend of the grant allocation in the areas outlined would directly impact on the Council's performance under the Climate Change Strategy, the SCG strategy, the Council Plan, the Nottingham Declaration, the 10:10:10 initiative and Display Energy Certificates.

Consultation Undertaken:

Discussion via Green Corporate Working Party, Pre Cabinet and consultation with other officers.

Background Papers:

Climate Change Act 2008; EU Directive on Renewable Energy 2009; The Energy Performance of Buildings Regulations 2007; Carbon Reduction Commitment Energy Efficiency Scheme.

Impact Assessments:

Risk Management

Once the National Indicators are replaced, there is a strong likelihood that local authorities will be set strict statutory targets for carbon reduction and that the Council would risk consequences if targets are not met. There is also a very strong likelihood that smaller organisations will soon be required to trade in the Carbon Reduction Commitment Energy Efficiency Scheme.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?
On looking at what is being proposed, it is not deemed that any group or individual will be discriminated against.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A.