

Title: Energy Reduction Manager Update
Contains Confidential or Exempt Information?: <i>NO - Part I</i>
Member reporting: Councillor Coppinger, Lead Member for Sustainability
Meeting and Date: Sustainability Panel - 21 March 2017
Responsible Officer(s): Andy Jeffs, Interim Strategic Director of Operations Craig Miller, Head of Community Protection & Enforcement Services
Wards affected: All

REPORT SUMMARY

1. This report provides an overview of the progress being made to deliver the Council's energy and water reduction strategy.
2. This update report recommends that Members note progress and comment on the proposed work plan for the next period. It is also recommended that Reading Borough Council is contacted to discuss the possibility and practicalities of using ERDF funding for the schools RE:FIT project.
3. Recommendations are being made because it is important that Members provide comment and direction on the work being carried out and that the sustainability strategy targets are met.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Sustainability Panel notes the report, the progress made and comments on the proposed work plan over the next period as detailed in paragraph 11.18.

RECOMMENDATION: That the Sustainability Panel approves contacting Reading Borough Council to discuss the possibility of ERDF funding for the schools RE:FIT programme.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 The Council is currently working towards a four year Sustainability Strategy running from April 2014 to March 2018. The strategy focuses on 6 workstreams including: Sustainability, Energy, Water, Waste, Transport and Renewable Generation. The strategy has three key targets over the four year period which are:

1. Reduce energy use in the Council building estate by 15% in 2017/18 compared to a 2013/2014 baseline.
2. Reduce water usage in the Council's corporate office buildings by 3% in 2017/18 compared to a 2013/2014 baseline.
3. Recycling rates increased to 55% in 2017/18.

2.2 Each year an action plan is drawn up to enable the Council to meet these targets as well as other goals presented in the strategy documents. This update provides a progress report for the energy workstream.

2.3 After the first two years of the strategy the 2013/2014 energy baseline has been reduced by 12.5%. This equates to the Council avoiding just under £130,000 of energy costs over these two years.

2.4 Table 1: Report options

Option	Comments
(a) The Council does not work towards the sustainability strategy. This is not recommended	(a) Failing to work towards the sustainability strategy would mean the Council would not be able to meet its legislative commitments, would not be able to continually drive down energy costs and therefore would not be offering value for money for its residents.
(b) The Council works according to the current and any future sustainability strategy. This is the recommended option	(b) The Council will be able to meet all its legal requirements whilst improving the local environment and providing value for money for its residents.

3. KEY IMPLICATIONS

3.1 Table 2: Target outcome following report

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Overall reduction of annual gas and electricity consumption in Council buildings in 2016/17 compared to the 2013/14 baseline.	<11%	11-12%	12.1-13%	>13%	31 st March 2017

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 No new funds are being sought through this paper.

5. LEGAL IMPLICATIONS

5.1 None.

6. RISK MANAGEMENT

6.1 Table 4: Risks for Sustainability Strategy actions.

Risks	Uncontrolled Risk	Controls	Controlled Risk
Targets for overall energy and water reduction are not met.	High	By providing updates at each panel meeting, Members are able to keep track of overall progress to ensure the Council meets its annual projected reductions and savings commitments.	Low
Increasing energy and water costs for the council puts additional pressures on budgets.	High	By providing updates at Panel meetings on progress to reduce energy and water usage and progress on securing the best	Low

Risks	Uncontrolled Risk	Controls	Controlled Risk
		available energy contracts, Members will be able to assess the work that is taking place to ensure that cost increases are minimised as far as possible.	

7. **POTENTIAL IMPACTS**

7.1 This update contains content relating to the sustainable improvement of the Council's buildings and the information collated about them.

7.2 No equality impact assessment has been carried out.

8. **CONSULTATION**

8.1 None

9. **TIMETABLE FOR IMPLEMENTATION**

9.1 **Table 5: Timetable**

Date	Details
31/03/2017	Completion of current annual plan.

10. **APPENDICES**

10.1 Appendix 1 - ESIF Priority Axis 4: Supporting the shift towards a low carbon economy in all sectors - Objectives and Activities

Appendix 2 – Annual Plan 2016/17 progress update

11. **BACKGROUND DOCUMENTS**

European Regional Development Low Carbon Funding

11.1. Early February saw the launch of a new European Regional Development Funding (ERDF) programme. The Thames Valley Local Enterprise Partnership will be overseeing applications for Berkshire and Reading Borough Council will be providing technical assistance.

11.2. In total there is €14.6m of European Regional Development Funding (ERDF) available for the region. One of the regional ERDF priorities is called: 'Supporting the shift to a Low Carbon economy in all sectors'. £2.5m has been made available for this funding priority. In the Local Enterprise Partnership

(LEP) European Structural and Investment Funding (ESIF) Strategy the priority is broken down to three objective areas:

- Promoting the production and distribution of energy derived from renewable sources– target delivery of 1MW of local renewable capacity.
- Promoting energy efficiency and renewable energy use in enterprises– target support of 84 businesses
- Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector– target to improve at least 40 houses and to reduce public building carbon emissions by 640 tCO₂.

11.3. The objectives were designed to stimulate local research & development, innovation and to build the skills to enhance growth in the green economy in the region. For a more in depth look at the objectives and activities for the low carbon priority area please see Appendix 1.

11.4. Reading Borough Council will be providing technical assistance for funding applications. The funding will be available for two years although DCLG are looking for applications throughout 2017 over a number of application windows.

11.5. The application process is multistep and requires input and/or support from Reading Borough Council, the Local Enterprise Partnership (LEP) and the Department of Communities and Local Government (DCLG). The application must both align with the programme guidance (DCLG) and the LEP European Structural and Investment Funds (ESIF) strategy. It has been that standard retrofit projects would not be suitable for the funding and that an element of innovation will be required in order to secure funding. Interestingly energy performance contracting such as the RE:FIT framework has been highlighted as an activity that might be supported under the public building objective.

11.6. Making an application and delivering according to the rules set out by the EU may prove to be very resource intensive and this presents a risk to the Council if the rules are not strictly followed. Another concern is the practicality of applying for funding and linking it to a project such as the schools RE:FIT due to the potential number of parties involved and the funding/ project timescales. At this stage it is recommended that Reading Borough Council is contacted to discuss the possibility of funding for the schools RE:FIT programme and how the funding might be delivered in reality. Further opportunities will also be investigated with relevant officers.

Annual plan 2016/17

11.7. The current annual plan and the progress against the objectives can be found in appendix 2. The key implication for energy savings is currently showing a 13.8% reduction (cumulative) against the baseline to the end of January 2017. The target for the year was 11% and so this has already been met. Projects such as the LED lighting phase 2 and the Town Hall Building Management System are in progress with a view to implementation in 2017/18. There is a

new solar panel installation also being considered as part of the York House development. Work on energy awareness has been implemented/ investigated this year with the implementation of the Schools Energy Saving Competition and initial development of a staff energy awareness programme. A water reduction project is being implemented at the Town Hall as an initial start to water reduction in the Council's buildings. The wider sustainability actions of the LED streetlighting upgrade programme and recycling in the borough have also been progressing well.

Close the door campaign

- 11.8. The Council received a request from a resident via Cllr Wilson to look into what could be done about shops leaving their doors wide open whilst also having the heating on/ air conditioning on. This practice can waste about 50% of a shop's heating and can deteriorate the shop environment due to both hot/cold areas and the influx of air borne pollutants. This waste of energy is directly contrary to UK legislation such as the Climate Change Act 2008 which legislates an 80% reduction in greenhouse gases by 2050 compared to 1990 levels. Many shops have an open door policy because it is believed that by closing a door footfall will reduce.
- 11.9. The resident picked out two shops in Windsor which were heating with their doors open. Both stores were contacted to find out why their doors were open when they were heating. Both shops stated that their head office dictated an open door policy. Therefore in both instances the relevant head office has been contacted to find out if they would change their open door policy.
- 11.10. There is a national close the door campaign which has had some success in getting some large chains to shut their doors. It was highlighted by this campaign that Cambridge University conducted a study on shops closing their doors and how that related to footfall and transactions. It was found to have no affect. The campaign also highlights studies showing a 50% waste of energy by stores that keep their doors open all through trading hours and that stores reduced the levels of air borne pollution by a third by closing their doors. Perhaps the Council should be supporting this campaign and it should be promoted in the autumn with local businesses.

Energy Switch to Save Scheme

- 11.11. The latest Energy Switch to save scheme has been running since the beginning of January. The auction was on the 14th February and First Utility has won the auction for all tariff types except prepayment meters. Suppliers didn't wish to bid on prepayment meter tariffs due to the impending prepayment meter price caps that are being implemented by Ofgem on the 1st April 2017. It is thought that once the cap has been introduced suppliers will commence bidding for the prepayment meter business once again. The Council doesn't have any registrants in this category this time.
- 11.12. In terms of numbers there were 129 registrants at the time of the auction (at the last auction we had 71 registrants). This number has risen slightly post auction to 132. 116 of these registrants provided realistic registration information and they could save on average £110.12 per household by switching. 64% of registrants could save by switching supplier. Post auction

registration is still open at the auction prices and will be running until 20th March.

11.13. The average saving has reduced considerably since the last auction (£280). This is due to market prices increasing and therefore making it harder to make a saving against your current tariff. Even so £110.12 is still a great saving for the registrants to take should they wish to.

11.14. The issue raised at the last Sustainability Panel regarding the incumbent supplier contacting the switcher to try and persuade them to stay was raised with the energy switching scheme providers Ichoosr. Their response was that if residents have particular issues with any supplier harassing them that they should raise them with OFGEM. They also said that even if people are persuaded to stay that they will be able to quote the auction price and get it matched or bettered. This means that the resident will be making the saving but just with their existing supplier rather than a new supplier. Making a saving for our residents is the goal of the switching scheme and therefore if some residents take this route we are still achieving this.

Building Management System, LED lighting tenders and Town Hall water reduction project

11.15. Both the Building Management System (BMS) and LED lighting tenders have both been returned. Work assessing the tenders is currently underway and the winning bidders will be notified shortly.

11.16. The LED lighting project is looking to commence mid April starting with Maidenhead Library. The BMS installation programme will be finalised once the winning bidder has been appointed.

11.17. The Town Hall urinal controls works have been appointed to one of the Council's Term contractors. Parts have been ordered with a view to the works happening towards the end of March.

Proposed work plan over the next period

11.18. The work being carried out between now and the next Sustainability Panel will be:

- LED lighting upgrade programming
- Building Management System upgrade programming
- Contacting Reading Borough Council about the ERDF funding
- Managing water reduction project installations
- Working up an action plan for 2017/18

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Coppinger	Lead Member for Sustainability		
Cllr Mills	Chairman of the Sustainability Panel		
Lisa Pigeon	Environmental Health Lead		

Name of consultee	Post held	Date sent	Commented & returned

REPORT HISTORY

Decision type: Non-key decision	Urgency item? No
Report Author: Michael Potter, Energy Reduction Manager, 01628 682949	