



Executive Committee

No Direct Ward Relevance

27th January 2010

ENERGY STRATEGY

(Report of the Head of Environment and the Head of Legal, Democratic and Property Services)

1. Summary of Proposals

To seek the adoption of an Energy Strategy and Action Plan to contribute to the Council's Objectives, including Climate Change Objectives.

2. Recommendations

The Committee is asked to **RECOMMEND** that

the Energy Strategy and Action Plan, as attached at Appendix 1 to the report, be adopted.

3. Financial, Legal, Policy, Risk and Climate Change / Carbon Management Implications

Financial

- 3.1 There is currently no allocated budget for the installation of energy efficiency measures. The Public Buildings Repairs and Maintenance budget for 2009/10 is £598,000 and whenever appropriate works are undertaken using this budget, the works install energy efficient products, where possible. The capital programme for 2009/10 is £27,530. A revenue bid of £120,000 has been submitted for planned maintenance, some of which would include the installation of more energy efficient measures.
- 3.2 The Council has secured an interest free loan from Salix (part of the Carbon Trust) to enable the Council to carry out energy efficiency projects. The loan is repayable from March 2011 in 8 equal instalments over 4 years. The expectation is that savings from energy efficiencies will be available to repay the loan and the Council will be able to keep any savings generated after the loan has been repaid.
- 3.3 The total amount of the loan to be requested amounts to £189,298. Details of the specific projects which would be carried out are set out in Appendix 1 to the draft Energy Strategy.

Legal

- 3.4 The Climate Change Act 2008 places the Secretary of State under a duty to ensure that the net UK carbon account for the year 2050 is at least 80% lower than the 1990 baseline. The Low Carbon Transition Plan 2009 sets out the Government's Plan for meeting the Climate Change Act target and demonstrates how the UK will deliver emission cuts of 18% on 2008 levels by 2020 (and over a one third reduction on 1990 levels).

Policy

- 3.5 The Council's Energy Strategy is now out-of-date and needs updating to take into account the Climate Change Act 2008 and the Council's objective of achieving a 2% year on year reduction in corporate carbon emissions. The Strategy will contribute to the Council's overall Climate Change Strategy.
- 3.6 National Indicator 185 measures the carbon emission from the Council's operations and the Council's performance against this target will be monitored.
- 3.7 The Strategy will contribute to the Council's Vision and strategic objectives by, for example, improving energy efficiency and managing the Council's assets effectively.

Risk

- 3.8 There is a risk that by not having and implementing an effective Energy Strategy, the Council will not achieve its carbon reduction objective or perform against the National Indicator 185 target

Climate Change / Carbon Management

- 3.9 The Energy Strategy makes a significant contribution to the Council's Climate Change Strategy and carbon management objectives.

Report

4. Background

The Council has had an Energy Strategy as part of its Asset Management Plan for some years. Recently, the drivers for the Energy Strategy have expanded to include not only effective asset management and Value for Money but also the need to mitigate against the effects of climate change.

5. Key Issues

5.1 The draft Energy Strategy attached at Appendix 1 has been developed to address the Council's objective of achieving a 2% year on year reduction in corporate carbon emissions as well as the drivers identified above.

5.2 The aim of the Strategy is:

“to reduce the Council's energy consumption in its estate, mitigate against future rising energy costs and identify how to best adapt the Council's estate for the risks and opportunities that future energy challenges will bring”.

In this context, 'estate' is defined as the Council's buildings, operations and services.

5.3 The Strategy sets out 3 main objectives:

- a) To improve the energy efficiency of our estate;
- b) To reduce energy consumption from our estate;
- c) To reduce fossil fuel reliance by moving to renewable sources of energy and to ensure that any savings made from investing in energy efficiency are reinvested in sustainable energy.

5.4 The data which the Council has collected as part of its baseline figure for National Indicator 185 shows that of the 3637 tonnes of CO₂ emissions for 2008/09, 77% of emissions were from the Council's buildings, 20% from the Council's fleet and 3% from business mileage.

5.5 The Strategy sets out some scenarios for carbon emissions in the future based on 3 different assumptions. The first is based on a 'business as usual' approach with no action being taken. This is likely to lead to increased energy consumption and carbon emissions. The second scenario is based on a 2% year on year reduction in energy consumption. The third is based on achieving the 10:10 pledge to reduce carbon emissions by 10% by the end of 2010 and a 2% reduction year on year thereafter.

5.6 An Action Plan has been prepared identifying the actions that need to be taken to achieve a reduction in energy consumption. Some of these are based around specific energy efficiency projects whilst others will need to address the behavioural change that will be required to make the fullest savings possible. In addition to the

Action Plan, the funding that will be required has also been identified

- 5.7 Members and Officers have an important role to play in embracing the objectives of the Strategy and the role of the relevant Stakeholders has also been included in the Strategy. The Energy Strategy and performance against the Action Plan will be reviewed by the Climate Change Advisory Panel to ensure that targets are being achieved and an annual review will be presented to the Executive and Overview & Scrutiny Committees.
- 5.8 The draft Strategy has been considered and endorsed by the Climate Change Advisory Panel.

6. **Other Implications**

- Asset Management - Energy efficiency measures are a significant element of management of the Council's assets and will help to improve the sustainability of the Council's assets.
- Community Safety - There are no specific Community Safety implications.
- Human Resources - All actions will be carried out within existing resources.
- Social Exclusion - There are no specific social exclusion implications.
- Environment / Sustainability -

7. **Lessons Learnt**

Improvement of the Council's energy efficiency and reduction in energy consumption will not only lead to reduced carbon emissions but could also help the Council to make significant savings.

8. **Background Papers**

Energy Saving Trust Local Area Carbon Emission Reduction report for RBC – June 2009

9. **Consultation**

This report has been prepared in consultation with the Climate Change Advisory Panel and relevant Borough Council Officers.

10. **Author of Report**

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11. **Appendices**

Appendix 1 – Draft Energy Strategy and Action Plan 2010 - 13