

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Committee
Date:	16th March 2015
Subject:	Building Energy Policy and Action Plan
Portfolio Holder(s):	Cllr Richard Dew
Head of Service:	Dewi R Williams
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Local Members:	N/A

A –Recommendation/s and reason/s
To adopt the Energy Policy and Action Plan and implement energy efficient schemes in order to demonstrate the authority’s commitment to saving energy and reduce carbon emissions

B – What other options did you consider and why did you reject them and/or opt for this option?
N/A

C – Why is this a decision for the Executive?
The report is prepared following a request by the Leader for an update on the Council’s Building Energy Policy.

CH – Is this decision consistent with policy approved by the full Council?
Yes

D – Is this decision within the budget approved by the Council?
Yes

DD – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	Finance is working with Property to take this issue forward and will seek to identify suitable funding on an invest to save basis.
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

E – Risks and any mitigation (if relevant)	
1	Economic
2	Anti-poverty
3	Crime and Disorder
4	Environmental
5	Equalities
6	Outcome Agreements
7	Other

F - Appendices:
<ol style="list-style-type: none"> 1. Background paper 2. Building Energy and Water Saving Policy 3. 2015 Energy Management Action Plan

FF - Background papers (please contact the author of the Report for any further information):

Energy and Water Use in Buildings

1.0 Background

- 1.1 In order to respond to the Climate Change Act 2008, the Welsh Government have set a target to reduce emissions in the public sector to a maximum of 0.83 metric tonnes of carbon dioxide equivalent (MtCO₂e), against a baseline of 1.13 MtCO₂, and a 3% reduction in emissions year on year.
- 1.2 Welsh Government's aspiration is for the public sector to lead by example in making improvements in energy efficiency and on climate change action.
- 1.3 It was reported to the *Economic Development, Tourism And Property Scrutiny Committee* meeting on the 18th April 2012, that the *Energy and Water Policy for Council Buildings Scrutiny Review Panel* were to prepare energy efficiency schemes for Council buildings. Officers determined that there was a need for a policy that could guide decisions with regard to scheme priorities, detailed proposals for design that provided implementation and future strategies with regard to choice of fuels and associated heating apparatus.
- 1.4 The Panel attached considerable importance to the proposed Energy and Water policy for Council Buildings, suggesting that the proposed Policy had an important role to play in guiding policy making, since its successful implementation would have a number of cross cutting implications across the Authority.
- 1.5 The (draft) Energy and Water Saving Policy for Buildings (Appendix 2) and the Energy Management Action Plan (Appendix 3) presented to the Commissioners' Board Meeting for approval on 18th June 2012 and while the policy was approved in principle, it was decided "*that potential costs in resourcing the proposed policy be raised at a meeting of the SLT and that the outcome of their discussions be reported back to the Board of Commissioners for consideration in due course*".
- 1.6 The report to SLT on the 7th August 2012 recognised that Financial resources would be required to pay for staff training and awareness of suitable energy and water efficiency projects, which to date has not been secured.
- 1.7 To date, there is no approved Energy Efficiency Policy in place for all buildings. The policy has remained in draft and actions to meet the policy statements have not been actioned due to a lack of resources.
- 1.8 Over the past year the energy efficiency team within Property Services has been disbanded due to redundancies and lack of capital budget being available for projects.

2.0 Energy Saving Projects

- 2.1 Since 2010 no Capital budget has been made available for energy saving projects.
- 2.2 The new schools at Ysgol Y Bont and Ysgol Y Graig have been built to the highest BREAAAM standard and are a good start to reducing the Authorities carbon load. Some repair and maintenance works have installed more energy efficient plant and equipment, although due to the limited budget this has not had a significant impact on energy use.
- 2.3 Some buildings have been closed and others are due to close, this will contribute to the authority's reduction in energy use. Closure of the old Ysgol Y Graig and Ysgol Y Bont buildings will provide considerable financial and energy savings, as the energy usage of these buildings equates to 20% of the energy used in the Main Council building. Funding to implement changes within the main Council building to transfer staff from these buildings is available within the Smarter Working.
- 2.4 Within the Smarter Working project there is funding to implement changes to energy usage, in particular installation of light switches that will automatically switch off lights in empty rooms. The amendments to the doors of the main Council Reception area should also provide considerable energy savings.

3.00 Energy Use

- 3.1 Various methods for comparing the authority's performance with others have been proposed, but to date it has not been possible to get reliable performance indicators.
- 3.2 It is very difficult to get reliable data on annual consumption due to estimated and inaccurate billing from the energy suppliers which can often take many months to resolve.
- 3.3 Early indications are that between 2010/11 and 2013/14 total energy use decreased by 10%. However this is largely due to buildings having closed and the fact that the weather was colder in 2010/11 compared to 2013/14
- 3.4 All large buildings are required to have a Display Energy Certificate which is the most accurate measure of energy performance currently available. The average DEC rating for these buildings indicates little change since 2010.
- 3.5 Given the above it appears at this early stage that the Authority is not doing enough to reduce its energy consumption.

4.00 Investment Options

4.1 In order to reduce energy costs initial investment is required to install energy efficient plant and machinery such as biomass boilers, solar panels etc. The payback period for these projects varies according to the plant installed and also the potential for grants/finance available. Possible funding includes the Feed in Tariff (F.I.T.) and the Renewable Heat Incentive (RHI).

4.2 Feed In Tariff (F.I.T.)

If the authority were to install an electricity-generating technology from a renewable or low-carbon source such as solar PV or wind turbine, the UK Government's Feed-in Tariffs scheme (FITs) could generate income from the energy supplier. As well as saving on reduced electricity cost are paid through the F.I.T. for the electricity generated and for any surplus electricity exported to the grid. Unfortunately these tariff rates have reduced considerably over the past 4 years.

4.3 Renewable Heat Incentive (RHI)

The non-domestic Renewable Heat Incentive (RHI) helps businesses, public sector and non-profit organisations meet the cost of installing renewable heat technologies.

Payments are made over 20 years and are based on the heat output of the system installed. Payments are made once the scheme has been completed and approved. There is a limited budget for this grant and no guarantee of obtaining it before carrying out the work. Therefore there is a risk involved as it cannot be presumed that the grant will be paid

4.4 SALIX

It is possible to borrow money from Salix Finance Ltd. in the form of interest-free loans, but one must first ensure that the proposed project is one that would use a technology currently funded by Salix. Afterwards, the project should pay for itself in energy savings within a maximum 8 year period. Loans will be paid back to Salix by direct debit on a 6 monthly basis over a period of 6 years.

4.5 External Finance Companies

The authority has been approached by various companies offering to undertake energy saving projects free of charge. The companies concerned do so on the basis that they benefit from FITS payments or RHI payments over a fixed period (usually twenty years). The schemes on offer so far have been of poor value, not offering any significant long term financial benefit to the authority. Certainly it would be better for the authority to carry out and fund the work itself, thereby making the most saving. However, if the authority

cannot find the available funding either by its own Capital or through SALIX, then these offers should be considered as they will reduce the authorities carbon emissions if not generate economic savings.

- 4.06 In the past, it was generally recommended that a sum equivalent to 10% of a Council's energy and water expenditure should be invested in energy and water efficiency schemes. The Council spends nearly £2 million annually on energy and water; therefore nearly £200,000 should be invested to reduce this expenditure. An initial investment is likely to payback within 5 years.

Should £200,000 be invested in energy and water efficiency schemes, then the annual reduction in energy and water expenditure would be at approximately £40,000, recurring each year for the life of the scheme.

5.00 Recommendation

- 5.1 The Authority should adopt the Building Energy and Water Saving Policy and the Energy Management Action Plan 2015 as a first step towards demonstrating its commitment to energy reduction.
- 5.2 The Authority should endeavour to implement energy efficient schemes ideally using Capital funding, but if that funding is unavailable via external finance companies.

ISLE OF ANGLESEY COUNTY COUNCIL
BUILDING ENERGY AND WATER SAVING POLICY
DECLARATION OF COMMITMENT

Policy Statements

Isle of Anglesey County Council will:

1. Make available sufficient resources at corporate and Service level for the effective management of energy and water.
2. Educate and raise awareness of energy and water issues among technical staff and develop Continuing Professional Development (CPD).
3. Give priority to reducing energy demand, rather than installing or upgrading heating systems, where practicable to do so.
4. Consider energy and water resources when procuring or maintaining plant and equipment (including office equipment) and also when planning new projects.
5. Avoid propane gas and heating fuel oil as building energy sources.
6. Define roles and responsibilities for energy and water so they can be managed efficiently and establish clear reporting procedures.
7. Establish and implement procedures for efficient operation of plant and equipment.
8. Establish ownership of energy and water costs at service level.
9. Raise awareness amongst employees of good practice regarding energy and water resources.
10. Investigate and implement means to purchase energy at the most cost-effective price.
11. Investigate external renewable energy sources and, if practicable, purchase a proportion generated from such sources.
12. Reduce emissions of carbon dioxide to agreed targets.
13. Invest in new technologies, including renewable energy technologies, where this meets investment criteria.
14. Develop energy and water efficiency projects and invest in energy and water saving technologies, processes and equipment.
15. Report annually on energy and water performance.

ENERGY MANAGEMENT ACTION PLAN 2015					
POLICY COMMITMENT	ACTION REF.	ACTION REQUIRED	NEXT STEP	WHO	COST
1. Make available sufficient resources at corporate and Service level for the effective management of energy and water	1.01	Appoint a Project Manager			
	1.02	Bid for capital funding each year			
2. Educate and raise awareness of energy and water issues among technical staff and develop Continuing Professional Development (CPD)	2.01	arrange 1 training session and 1 event annually for technical staff			
	2.02	Utilise Y Ddolen and MonITor to internally publicise energy and water consumption and costs, and to provide regular energy and water awareness information and best practices regarding energy and water resources;			
	2.03	Upon the implementation of this policy, a press release is sent out in the name of the Chief Executive and the Leader of the Council, to generate awareness of, and motivation to comply with, the policy;			
	2.04	Success against the policy's aims and objectives are regularly publicised so as to reinforce the benefits of the Policy, persuade staff to engage with the Policy, and encourage them to look around for further savings.			
3. Give priority to reducing energy demand, rather than installing or upgrading heating systems, where practicable	3.01	Communicate this requirement to technical staff			
	3.02	Prepare list of potential projects that reduce energy demand			
	3.03	Annual report to SLT on projects completed			
	3.04	Ensure all new buildings and extensions have minimal or no heating, to obviate the need for central heating;			
4. Consider energy and water resources when procuring or maintaining plant and equipment (including office equipment) and also when planning new projects	4.01	Give priority to procure energy efficient mechanical and electrical plant and equipment			
	4.02	procure the best energy efficiency rated kitchen appliances, e.g. refrigerators and freezers			
	4.03	procure low energy ICT equipment			
	4.04	maintaining plant and equipment to ensure optimal efficiency is maintained			
5. Avoid propane gas and heating fuel oil as building energy sources	5.01	Prepare programme for replacing existing LPG and heating fuel oil fired heating and hot water systems			
	5.02	Prepare programme to reduce energy demand in same buildings			
6. Define roles and responsibilities for energy and water so they can be managed efficiently and establish clear reporting procedures	6.01	Encourage each department to appoint environmental champions			
	6.02	Role of the SLT will need to be clarified following the latest reorganisation			
	6.03	Consider nominating an elected member as Energy Champion for the Council			
	6.04	Clarify responsibilities for energy procurement			
7. Establish and implement procedures for efficient operation of plant and equipment	7.01	Consider providing training to building managers, caretakers and other staff			
	7.02	Consider providing training to maintenance staff			
	7.03	Arrange regular servicing of energy & water plant and equipment			
8. Establish ownership of energy and water costs at service level	8.01	Each department to nominate appoint staff responsible for energy & water costs at service level			
9. Raise awareness amongst of good practice regarding energy and water resources	9.01	Promote and publicise Saving Energy & Water In Buildings policy			
	9.02	Create energy & water saving leaflet and circulate via Y Ddolen			
	9.03	Investigate and arrange on-line training options for staff and mention/include in induction training			
10. Investigate and implement means to purchase energy at the most cost-effective	10.01	Arrange energy supply contracts by competition			
	10.02	Explore collaboration possibilities with neighbouring local authorities			
11. Investigate external renewable energy sources and, if practicable, purchase a proportion generated from such sources	11.01	Monitor green electricity price			
	11.02	Monitor green gas price			
12. Reduce emissions of carbon dioxide to agreed target	12.01	Prepare carbon reduction projects and apply for funding			
	12.02	Examine options for obtaining grants or external funds			
	12.03	Establish mechanism for approving external funding arrangements			
13. Invest in new technologies, including renewable energy technologies, where this meets investment criteria	13.01	Prepare 3 projects annually for installation of renewable energy technologies and seek funding.			
		Monitor the energy performance of projects to inform future investments.			
14. Develop energy and water efficiency projects and invest in energy and water	14.01	Prepare energy and water efficiency projects and seek funding			
15. Report annually on energy and water performance	15.01	Submit an annual report			