

Report sponsor: Director of Corporate
Governance, Property and Procurement.
Report author: Energy Manager

Buildings Energy Strategy

Purpose

- 1.1 The purpose of this report is to give an overview of the Buildings Energy Strategy, its purpose, the impact it will have on the authority, and to seek approval for its adoption.

Recommendations

- 2.1 To approve the Buildings Energy Strategy.
- 2.2 To delegate authority to the Director of Corporate Governance, Property and Procurement to make minor and technical alterations to the Buildings Energy Strategy, following consultation with the Cabinet Member for Housing, Property and Regulatory Services.

Reasons

- 3.1 The Buildings Energy Strategy focuses on the corporate estate. It details the strategic approach required by the authority to assist in achieving the Net Zero target set out by Derby City Council to be carbon neutral by 2035.
- 3.2 Electricity and gas prices are rising at an unprecedented rate year on year.
- 3.3 The Buildings Energy Strategy is in line with and intended to support the Climate Emergency declared by the Council in 2019.
- 3.4 To reduce energy demands by reducing consumption and to reduce carbon emissions.

Supporting information

- 4.1 This strategy is in line with legislation requiring the Government to deliver the target to reduce the UK's net emissions of greenhouse gases by 100 per cent relative to 1990 levels by 2050.
- 4.2 This strategy will also help to deliver the Government's Greener Buildings Strategy, which sets out to ensure that the public sector has reduced its direct emissions by 50 per cent compared to a 2017 baseline by 2032.
- 4.3 The Buildings Energy Strategy has four strategic focus areas of approach:
 - **Reduce Energy Consumption:** reduce energy demand, recover energy where possible and ensure it is used in a non-wasteful manner.
 - **Improve Energy Efficiency:** consider energy efficiency at all asset levels, invest in energy saving technologies.
 - **Install Renewables:** buy renewable energy going forward and invest in renewable installations.
 - **Carbon Offsetting:** the remaining carbon will be targeted by carbon offsetting.
- 4.4 The Buildings Energy Strategy covers Derby City Council's corporate estate which is comprised of 136 sites and accounts for over 54% of the Council's overall carbon emissions. This excludes schools.
- 4.5 The Building Energy Strategy applies to all corporate properties, it initially focuses on the top consuming sites that account for 55% of overall emissions from the corporate estate. Property asset rationalisation will influence decisions for these sites and the approach will need to remain flexible to accommodate changes.
- 4.6 Monitoring and evaluation is at the heart of energy management. Understanding the consumption of each site is vital to steering the action plan. The energy management database is managed to ensure we are collecting and reviewing energy consumption trends.
- 4.7 Once a site has reduced its demand for energy, we will look at installing renewable energy technologies such as solar panels and heat pumps.
- 4.8 The Strategy states that all potential new developments must consult with the Property and Consultancy Services team prior to any works commencing.

Public/stakeholder engagement

- 5.1 The Energy Strategy has been circulated to Climate Change Action Group, Asset Rationalisation Board, Policy Team, Legal Team and Estates Team, for consultation and the comments returned have been acknowledged and included where applicable.

Other options

- 6.1 Do nothing. Should the Council not adopt a long-term strategy, it is likely that the authority will fail to meet the commitment to achieve net zero carbon by 2035, energy prices will continue to increase, and reputational damage will be incurred.

Financial and value for money issues

- 7.1 This report has no direct financial implications. Any financial implications as a result of the strategy and its effect on individual projects, schemes which require approval, will follow the appropriate approval process.
- 7.2 To give an overview of potential implications the following should be noted:
- Invest to save projects will require significant funding. Each identified project will need to be funded as appropriate – examples include capital programme budget where possible, the Salix Public Sector Decarbonisation Scheme grant funding (PSDS) or the Derby City Council Climate Change Fund.
 - Decarbonising heating systems can result in increased energy costs. This is due to the increased electricity demand to run the heat pumps needed. Electricity is more expensive than gas per kWh at present time and this would need to be reflected and funded in the appropriate budget.
- 7.3 Energy investments will help protect against energy price increases, save money and help increase the resilience and reliability of grid electricity.

Legal implications

- 8.1 This strategy will also help to deliver the Government's Greener Buildings Strategy, which sets out to ensure that the public sector has reduced its direct emissions by 50 per cent compared to a 2017 baseline by 2032.
- 8.2 The Climate Change Act commits the UK government by law to reducing greenhouse gas emissions by at least 100 per cent of 1990 levels (net zero) by 2050.
- 8.3 Derby City Council has set a target to be Net Zero by 2035. The Buildings Energy Strategy details the strategic approach required by the authority to assist in achieving the Net Zero target.

Climate implications

- 9.1 Investing in carbon reduction projects will have a positive environmental impact. It will lower our carbon emissions which will help reverse the impacts of global warming and improve air quality.
- 9.2 Projects will be prioritised based on their carbon and financial savings.
- 9.3 Top energy consuming sites will be prioritised for carbon reduction projects as there are more energy savings to be made.
- 9.4 Doing nothing will lead to our climate warming ever further and climate implications getting worse.

Socio-Economic implications

- 10.1 Decarbonising heating systems is largely achieved by replacing gas heating plant with electric heating plant, this may result in increased energy costs. These increased costs could impact Derby City Council residents.
- 10.2 Doing nothing will result in Derby City Council's carbon footprint remaining the same, resulting in an increase in utility costs due to rising energy prices and an increase in carbon off-setting to achieve net zero. This would impact Derby City residents.
- 10.3 Doing nothing will also lead to worsening climate implications and uncontrolled events. These will include more flooding which will impact insurance claims.

Other significant implications

- 11.1 PAS2038 has been released for commercial buildings in response to an urgent requirement to improve the energy efficiency of buildings in the UK, in line with Climate Change Act. It is an energy standard aimed at tacking carbon emissions.

This report has been approved by the following people:

| Role | Name | Date of sign-off |
|---------------------|---------------|------------------|
| Legal | Emily Feenan | 08-02-2024 |
| Finance | Toni Nash | 31-01-2024 |
| Service Director(s) | Emily Feenan | 08-02-2024 |
| Report sponsor | Emily Feenan | 08-02-2024 |
| Other(s) | Jenny Wizzard | 15-11-2023 |

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| Background papers: | Building Energy Strategy Report |
| List of appendices: | |