



## Energy Policy for Buildings

### RECOMMENDATION

- 1.1 To consider the attached Energy Policy and refer any comments to Council Cabinet.

### SUPPORTING INFORMATION

- 2.1 The Council's Energy Policy was written in the early 1990s and is well out of date. The Energy Policy attached at Appendix 2 has been written to reflect the Government's and European Union's targets for reducing energy consumption and current good practice. It sets out policies for energy purchase, the design, maintenance and use of buildings and describes how these will be implemented, energy use monitored and the policy reviewed and performance reported.
- 2.2 Although good practice continues to be followed in many areas, this Policy will raise the profile and provide renewed impetus for energy and water saving measures. Prudential borrowing will enable a programme of energy efficiency measures in buildings which were difficult to fund previously. The re-establishment of an Energy Cross Service Working Group attended by Energy Champions from each department will help provide ownership within departments.
- 2.3 Improved monitoring will allow performance to be reported and better targeting of resources to reduce energy consumption.
- 2.4 The Policy links with the Action Plan produced by the Environment and Sustainability Overview and Scrutiny Commission following its review of Home Energy Conservation, Recommendation 23: Property Services to look at issue of quick wins and greater integration of major improvements with planned maintenance.

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Energy Policy for Buildings

## IMPLICATIONS

### Financial

- 1.1 Prudential borrowing allows the Council to invest in energy saving measures in its buildings and fund the capital costs through revenue savings resulting from reductions in energy consumption. The schemes initially proposed will have a payback period that generally will not exceed five years. The savings will contribute to the Gershon efficiency savings targets.

### Legal

- 2.1 The Council has a duty to comply with European Directives on energy efficiency.

### Personnel

- 3.1 A Cross-Service Working Group will be established, chaired by the Energy Group Leader, with a representative from each department who will act as the 'Energy Champion' for the department. Each building/site will be required to have an Energy Monitor.

### Equalities impact

- 4.1 None

### Corporate Objectives and priorities for change

- 5.1 The proposal comes under the Council's Objective of a **diverse, attractive and healthy environment** and the Priority of **minimise increases in Council Tax and increase value for money from our services**.

### ENERGY POLICY FOR BUILDINGS

#### Policy

- 1.1 Derby City Council will minimise the environmental impact of its services by reducing consumption and wastage of energy and water and by promoting the use of renewable sources of energy.
- 1.2 The European Commission has established a Directive on Energy Efficiency and Energy Services. The Directive requires Councils to set a good example to other energy users and reduce consumption by 1.5% per year through implementation and pursuit of good energy procurement and efficiency measures. The Council aims to implement and pursue a policy of good energy and water management that will exceed these requirements wherever possible. The Council will aim to reduce consumption, wastage and carbon dioxide pollution by more than the 1.5% EU target each year and by 10% from the level in 2003/04 by the end of the decade.
- 1.3 New buildings will be assessed for the projected lifetime consumption of energy. Design solutions will aim to reduce the consumption of fossil fuels and make best use of renewable sources of energy and combined heat and power.
- 1.4 Necessary maintenance work and major refurbishment work will be taken as an opportunity to improve the energy efficiency of Council buildings and equipment.
- 1.5 Energy efficiency will make an important contribution towards achieving Gershon Report efficiency targets.

#### Implementation

Management structure:

- 2.1 The Cabinet Member for Planning, Transportation and Environment has responsibility for Energy Conservation.
- 2.2 The Energy Group Leader, Corporate Services, will lead an Energy Cross-Service Working Group responsible for the implementation of the policy across the Council. Each Department and the Director of Finance will be represented on the Group. The Group's functions will include reviewing the implementation of this Policy, monitoring energy consumption by department, recommending and monitoring the performance of energy projects and other initiatives.
- 2.3 Each department's representative on the Group will be an Energy Champion for their department. The champion will monitor energy and water consumption in their department and liaise with the Energy Group Leader to control and reduce consumption. Each building/site will have an Energy Monitor to check the building and report energy consumption and water wastage to the Champion.

Both champions and monitors will be trained in basic energy and water management techniques by the Energy Group Leader.

- 2.4 The Council's 'Green Team' will promote good housekeeping measures in offices and encourage staff to conserve energy.
- 2.5 All staff will be made aware, via an intranet page, of the Council's commitment to improve energy efficiency, reduce waste and reduce carbon dioxide emissions from Council buildings. It will contain good energy management practice for use both at work and in the home and provide feedback to sites that have been successful in reducing water and energy consumption.
- 2.6 All new staff will be made aware of the Council's policy during their induction training.

#### Funding:

- 2.7 The Council will use 'spend to save' to fund improvements in energy performance. For 2005/06, a fund of up to 3% - approximately £120,000 - of the energy and water spend from 2003/2004 will be allocated. This will be dedicated to energy management/energy saving projects. The savings will be used to fund the financing of the initial costs. Payback periods for these projects will generally not exceed five years.
- 2.8 The Council will actively pursue funding for energy-saving measures from external sources, for example European funding and utility suppliers.

#### Energy purchase:

- 2.9 To reduce the carbon dioxide emissions generated by the Council, the purchasing of electricity generated from renewable sources, for example wind, will be investigated. The Council will target buildings with high energy use and, hence, high carbon dioxide emissions to be supplied with energy from renewable sources.

#### Monitoring

- 3.1 The Council will create a monitoring system to provide information on current energy consumption of its buildings and allow measurement of the effectiveness of energy efficiency projects.
- 3.2 Buildings will be assessed for their energy consumption per square metre. Sites with high consumption will be surveyed and cost effective recommendations made to improve energy efficiency.
- 3.3 Energy performance and carbon dioxide emissions of its buildings will be displayed in a public area where required.

- 3.4 To improve accountability and energy management the Council will, where possible, change the energy accounting method and adopt electronic billing. Such a system will allow the data to be used more effectively to monitor and control the Council's energy costs and consumption.

## **Review**

- 4.1 This Policy will be reviewed and performance reported to Council Cabinet annually.