

BODY: CABINET
DATE: 7 FEBRUARY 2007
SUBJECT: CORPORATE ENERGY AND WATER POLICY
REPORT OF: JO BYERS, ASSISTANT DIRECTOR – SUPPORT SERVICES

Ward(s): All

Purpose: To approve the adoption of a Corporate Energy and Water Policy.

Decision type: Key Decision

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Recommendations: Agree to the adoption of a Corporate Energy and Water Policy.

1.0 Executive Summary

- 1.1 A Corporate Energy and Water Policy for the Council is proposed to support the Corporate Energy Action Plan.
- 1.2 The policy will be made a public document outlining the Council's commitment and intent to use resources carefully, minimising costs and minimising our impact on the environment. The Energy and Water Policy will also help drive forward and maintain momentum for the implementation of the Action Plan.
- 1.3 On the 21st November 2006 the Corporate Management team (CMT) endorsed the Action Plan. This is attached as appendix 2 to this report, and consists of a capital works programme, closer monitoring of consumption and costs, training, and utility contract management.
- 1.4 The Action Plan seeks to mitigate rising energy costs and the effects of climate change generated by the Council's use of fossil fuels.

2.0 Our Present Position

- 2.1 The Council is changing its approach to energy and water management. Previous management practices were insufficient for the Council to deal with escalating costs, which have effectively doubled since 2004 to an expected average of £760,000 (£1.2m if the Council's range of residential housing is included).

- 2.2 The primary reason for the increase in expenditure has been a number of price rises in the UK energy market. The table below shows that electricity has increased 202% and gas 123% since the 2003/2004 financial year. In addition, Eastbourne's water supplier, South East Water also incurs the UK's most expensive water charges at £1.34 per cubic meter.

	2003/4	2004/5	2006/7
average electricity unit price (pence)	2.88	4.20	8.70
gas unit price (pence)	1.26	1.60	2.82

EBC energy costs per kilowatt 2003-2007.

- 2.3 The issue of escalating costs has been compounded by plant and facility management issues that prevent the Council from mitigating further rises in energy prices. The Action Plan approved by officers (appendix 2) is starting to address these issues.

The Government's Carbon Trust Programme estimates that up to 10% of annual expenditure could be saved following full implementation of a suitably targeted Action Plan, backed by a policy commanding senior support. This could in theory save up to £65,000 and contribute to the efficiency savings targets required for the 2007/2008 budget and beyond.

- 2.4 To substantiate this, an independent report for the Council identified £82,500 of savings; £32,000 of which were from policy/procedural changes, monitoring and targeting and savings through procurement efficiencies.

3.0 Our Achievements to Date

- 3.1
- The approval by CMT of the Energy Action Plan in November 2006 to reduce waste, costs and our impact on the environment.
 - In December 2006/ January 2007 water audits were conducted for our sports centres and municipal buildings. Water reduction devices are being installed to most toilet cisterns.
 - Further independent energy audits for sports centres and the crematorium were conducted in January 2007.
 - The Facilities Manager for the municipal buildings has set up a one year heating, ventilation and air conditioning system contract to maintain plant systems for the three municipal buildings. Estimated savings from energy efficiency by following their recommendation should return £5,000 annually.
 - Contracts re-negotiated using consumption/tariff modelling. Additionally 100% of all sites have been placed on a competitive contract (Previously 42% of all contracts on non-competitive default rate: savings presently being calculated although estimated at £20,000).
 - A provisional database of all sites and accounts has been established for the first time. Preliminary estimates and forecasts of spend and usage conducted on a limited number of sites.
 - Demonstrating a corporate commitment to climate change renewable

energy now supplies four key sites: No.1, 68, Congress Theatre and the Town Hall. Savings are estimated at 595 tonnes, or 28% of our total carbon dioxide emissions. Providing the Action Plan is implemented the additional cost of changing to renewable energy is negated.

- Separate meter readings taken at a number of key sites and some improvement of billing validation system. Improved liaison with site managers and basic scoping assessment of site issues and procedure.
- The heating system serving the Congress Theatre and the suite and kitchens has been de-coupled, with a separate boiler serving the Congress Suite and kitchens, improving comfort and saving £5,000 per annum.

4.0 Identifying Our Strengths & Weaknesses

4.1 An assessment of management practices, (Appendix 3) was used to compare the priority attached to different aspects of energy management in the Council.

4.2 Overall the Council's score (also Appendix 3) showed an unbalanced profile score on the matrix. This suggests that it is harder to perform well as efforts in one area may be wasted by a lack of progress elsewhere.

To address these issues CMT approved the Action Plan (appendix 2) and funding was released to start immediate action with a timeframe for completion before the end of financial year 2007/2008.

In addition to the above, the adoption and implementation of the Corporate Energy and Water Policy will help the Council resolve the policy and management system shortfalls highlighted since 2004 (shown below).

Aspect	Score	Issue
Energy Policy	0	No explicit policy exists to justify and drive forward a Council-wide initiative. No targets set, no benchmarking, no adherence to best practice.

Taken from appendix 3: Review of Management Practice in 2006

5.0 Report Implications

5.1 As previously stated the public demonstration of the Council's commitment is essential to securing support, participation and motivation from both staff and public.

6.0 Consultations

6.1 The Action Plan (appendix 2) has been approved by CMT. Consultations have taken place with neighbouring local authorities and other public bodies in order to share knowledge and source best working practices. No public consultation has taken place yet.

7.0 Resource Implications

7.1 The Energy Initiatives Officer has just left the authority and in order to deliver the Action Plan and to pursue energy efficiency across the Council it is important that this resource is replaced.

8.0 Other Implications

8.1 The Corporate Energy and Water Policy makes a positive step towards addressing the issue of climate change. It compliments a suite of other climate change initiatives (such as Planning Policy and the Home Energy Conservation Act) which deal with other sectors such as domestic housing and transport issues. All seek to reduce the pollution generated by the inefficient and wasteful use of fossil fuels in Eastbourne.

9.0 Conclusion

9.1 Adoption of the Corporate Energy and Water Policy will ensure that the Action Plan is supported, implemented, further developed and mainstreamed.

Jo Byers
Assistant Director Support Services

Background Papers:

Carbon Trust Report Summary.