

Decision maker:	Director of Economy and Place
Decision date:	12 October 2018
Title of report:	Corporate Energy Efficiency Measures - Invest to Save
Report by:	Principal Energy & Active Travel Officer

Classification

Open

Decision type

Non-key

Wards affected

Lower Bullingham

Purpose and summary

To approve additional expenditure for the installation of energy efficient (LED) lighting at Unit 3 depot at Thorn Business Park in order to reduce energy and maintenance costs in addition to reducing carbon emissions.

Recommendation(s)

That:

- a) **An additional £30,000 is approved for the installation of LED lighting at Unit 3; and**
- b) **The Energy & Active Travel Manager be authorised to take all operational decisions necessary to implement the above recommendation within the approved budget and in accordance with contract procedure rules.**

Alternative options

1. **Do nothing** - The council will not benefit from the financial and carbon savings these projects offer. This will adversely affect the council's ability to deliver a required £30k saving target in 2018/19 and the council's ability to deliver against its carbon reduction targets.

Key considerations

LED Lighting – Unit 3

2. A previous decision was made¹ to install LED lighting at 3 sites including Unit 3. The quotes for the work were in excess of the figure quoted in the decision report. Ross on Wye Library and Maylords proceeded under the authority granted by the original decision. We now seek authority to proceed with the revised costing at Unit 3 as laid out in this report. Whilst the costs have increased, the revised business case summarised at paragraph 10 below demonstrates the further investment still represents value for money.
3. The lighting at Unit 3 is currently aging and in need of replacement. This proposal is to replicate the successful office LED project at Plough Lane to upgrade the lighting to LED.
4. Although Unit 3 is occupied and used by Balfour Beatty Living Places (BBLP), as the energy costs are a pass through cost within the Public Realm contract, the council will be the net beneficiary of the energy cost savings.

Summary

5. The implementation of the project will result in reduced revenue costs, reduce future energy cost pressures and will help to deliver the council's carbon reduction target.
6. Procurement of the project was carried out through a full tender process in line with the Council's contract procedure rules with support of the Commercial Team.
 - a. The successful bidder will be appointed once this decision has been made, expecting early October contract award and contract completion by the end of the calendar year.

Community impact

7. The project contributes to achievement of the aims within the council's corporate plan to support improvement in the quality of the natural and built environment and to make best use of the resources available in order to meet the council's priorities. This project will improve the council's energy efficiency and reduce its carbon footprint, provide cost savings on an invest to save basis to help the council achieve its MTFs savings target by generating on-going revenue savings. The installation will comply with the construction design management regulations 2015, the energy and active travel team will work alongside the property services team to ensure all installations are compliant and all health and safety regulations observed.

Equality duty

8. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- A. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- B. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- C. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

¹<https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=5026>

9. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying ‘due regard’ in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

10. The estimated capital costs and energy savings based on the revised costings are summarised in the below table, also included is the original costs and savings:

	Current annual energy cost £000	Annual energy cost with proposed new technologies £000	Capital Cost £000	Proposed annual energy savings £000	Payback period (years)
Unit 3, Thorn Business Park original	6	2	25	4	6.3
Unit 3, Thorn Business Park revised	6	2	30	4	7.5

- a. The proposal is to finance this project through the existing ‘LED Office & Car Parking’ budget
 - b. The LED Office & Car Parking budget currently is £300k with no spend to date
11. As the energy costs at Unit 3 are a pass through cost within the Public Realm contract, these savings will be realised by the Council and will be used to finance the capital investment.
12. Although the proposed lighting installations will also reduce annual maintenance costs compared to the existing lighting, these have not been included within the above calculations. This is because the centralised Property Maintenance budgets do not include a specifically identifiable budget for lighting maintenance and so therefore this should not be considered a saving against existing budgets. It will however help to reduce the pressures on this budget.

Legal implications

13. This is an executive decision, it is not an operational decision that involves the day to day management of the council. As it is a non key decision the officer can take this decision in accordance with the chief executives scheme of delegation.
14. There are no specific legal implications arising from this report. The council has a duty to secure best value in the performance of all of its functions and the proposed energy efficiency measures are intended to realise environment and economic benefits over the lifecycle of their investment. The proposed measures are not anticipated to materially impact on customers’ access to, or experience of, their local environment and as such no consultation process is required prior to commissioning or installation. The council’s procurement rules applied to the procurement of the new equipment.

Risk management

15. Health and safety during the installation of the measures will be managed by working alongside the property management team to oversee the works and utilising contract design management (CDM) regulations and procedures.
16. Structural surveys will be carried out on all buildings due to have solar PV installed before any works take place to ensure the building is fit to take the extra load of the solar panels.
17. The energy generation and efficiency measures outlined in this report are replications of successful projects carried out across the corporate estate. LED lights have already been successfully installed in Plough Lane and Garrick Multi Story car park among others.
18. A £30k savings target has been set for the corporate energy budget (2018/19); these savings will be at risk should these efficiency measures not go ahead.
19. Working on the assumption that the recommendation(s) will be approved, the relevant risks will be managed at a service level and entered into the environment and waste services risk register.

Consultees

20. None

Appendices

21. None

Background papers

22. None identified