

Title: Decarbonisation of Council Assets
Lead Officers: Steve Partner and Dave Barber
Portfolio Holder: Councillors Jan Matecki and Alan Rhead
Wards of the District directly affected: All

Summary

This Council has an ambition to achieve net zero carbon emissions from its direct operations by 2025. This report sets out the proposed approach to decarbonising the Council's assets and specifically recommends how the money set aside from the Climate Action Fund for Asset decarbonisation will be utilised.

Recommendation(s)

- (1) That the strategic approach to Asset Decarbonisation, as set out in para 1.3 of Appendix 1 is agreed as the basis for future spending on non-housing assets decarbonisation and grant bids
 - (2) That the funds agreed from the Climate Action Fund at the Cabinet meeting in November 2021 be utilised to deliver the proposals set out in paragraph 10.1 (Phase 1) and 10.2 (Phase 2) of appendix 1
 - (3) That the scope of works for each project that is brought forward under 10.1 of appendix 1 incorporates an assessment of the expected carbon savings to be achieved.
 - (4) That authority is delegated to the Head of Assets in consultation with the Portfolio Holder for Homes, Health and Wellbeing to agree specific schemes within the scope of paragraph 10.1 of appendix 1 (Phase 1) and within the budget identified in paragraph 1.8 below.
-

1 Background/Information

1.1 At its meeting on 8th July 2021, the Cabinet agreed the following Climate Change ambitions:

Ambition 1 – Net Zero Carbon Council 2025: ensure the new South Warwickshire Council is net zero carbon within a year of its first elections (or both Council's separately by 2025), in the event that the Councils do not merge) and that services provided through contractors include carbon reduction targets to deliver net zero by 2030.

Ambition 2 – Low Carbon South Warwickshire 2030: to reduce net carbon emissions from across South Warwickshire by a minimum of 55% by 2030 and alongside this, plan how to further reduce carbon emissions to net zero by 2050.

Ambition 3 - Adaptation 2050: by 2050 to enable our environment and communities to have adapted to the potential of at least a 3 degrees rise in global temperatures by 2100.

1.2 Subsequently at its meeting in November the Cabinet agreed the joint Climate Change Action Programme (CCAP) which set out the first steps towards achieving the ambitions. The CCAP included a commitment at 1.1 to develop a deliver an Assets Decarbonisation Plan comprising a programme of works for decarbonising all Council buildings. Alongside this, Cabinet agreed to set aside approximately £450,000 over two year (2022/23 and 2023/24) from the Climate Action Fund to support this work – recognising that in reality the total cost of decarbonizing the Council’s assets will be far higher and that other sources of funding such as grants will also be required.

1.3 Emissions from WDC/SDC’s building assets accounted for more than 3000 tonnes of CO2e emissions in 2019/20. Excluding contractor emissions, this amounts to around 85% of the Councils’ overall carbon emissions. The proposals set out in Appendix 1 seek to provide the framework for decarbonising assets through the following stages:

Making every kWh count: -

There are numerous small changes that staff and managers can make which will make small savings. Initiatives such as turning heating down slightly, ensuring electric equipment is modern and turned off along with lights, when not in use

Quick Wins:-

Look at existing proven means of reducing carbon usage with minimal spend against maximum effect. Lighting, reviewing Building Management Systems (BMS) and reducing water flow are typically effective.

Alterations to assets:-

This will look at physical improvements to the structure and physical use of assets to improve heat loss by whatever means. Installation of PV units would be included in this.

Change from fossil to non-fossil fuel systems:-

Investing in new systems and to reduce fossil fuel for heating with changing heating systems, but also of looking at reducing the non-fossil fuel usage in other systems such as cooling systems.

1.4 Appendix 1 provides some analysis of the opportunities and costs associated with specific buildings and proposes that in the first instance two main strands of work are pursued.

1.5 **Strand 1 - Addressing opportunities in relation to “making every kWh count” and “Quick Wins”.** These are predominantly relatively simple and easily undertaken which:-

- Do not require significant specialist input and can therefore be undertaken by the Councils’ in-house property professionals.
- Can be carried out relatively easily and so do not require significant consultation with numerous stakeholders/third parties
- Do not require planning or other applications other than those that are self-certifiable.
- Still give good reductions in carbon usage
- Do not have excessive pay-back periods.

1.6 **Strand 2 – Addressing alterations to assets.** This strand has two sub-sections

- Phase 1 - Work to the fabric which will improve insulation and reduce heating costs.
- Phase 2 – Works involving changes to the heating systems.

In both cases, these projects will:-

- Deal with whole building solutions.
- Involve consultations with other stakeholders
- Are complex projects requiring specialist consultants to appraise, design and to cost.
- Require longer term planning and will involve consents such as Listed Building etc with potential to impact on timescales
- May need advice when making any future grant applications

1.7 It is recommended that the councils proceed with both strands simultaneously but with the knowledge that the works in Strand 2 will take a good deal longer to come fruition. Strand 2 works will also be significantly more expensive both in preparing schemes and delivering the works.

1.8 It is proposed that the £225,000 available from the WDC Climate Action Fund for 2022/23 is utilised as follows:

Phase 1: It is intended to utilise £165,000 to:

- Review and change all lighting units to all properties to LED systems and where possible daylight and/or motion sensor controls.
- Implement simple initiatives to reduce heat loss such as replacement of door and window seals and opening systems
- Install PV panels wherever these can be effective
- Review heating controls and upgrade these as appropriate
- Review cooling systems and change to more efficient systems where possible

1.9 Phase 2: It is intended to set aside £60,000 (which will be used in conjunction with £30,000 from Stratford DC) to develop a detailed and prioritised programme of works. The highly technical nature of developing such a programme means that we will need to draw on external expertise. This programme will form the basis for future funding and investment decisions. It will also underpin the Councils' proposals for future phases of the Public sector Decarbonisation Fund.

1.10 Whilst it is not possible at this stage to be specific about the level of financial or carbon savings Phase 1 will achieve, the scope of works for each project will include an assessment of both financial implications and carbon savings. This will be key in deciding on the scheme's value for money and therefore whether to proceed. The total carbon savings achieved will be monitored and reported at least annually as part of the Service Area Planning reporting.

1.11 It should be noted that a number of the initiatives proposed involve improvements to electrical systems (such as lighting). As the Council utilises a green electrical tariff (100% renewable electricity), these initiatives will not impact directly on the Council's carbon emissions. However, they are important in terms of the decarbonisation of public sector buildings as a whole and will reduce the UK's overall carbon footprint.

- 1.12 Further, some of the Phase 1 schemes have the potential to reduce the Councils' energy costs. In these cases, it is proposed that a careful record of all the financial savings achieved is kept and that these savings are used to support the case for initiatives within Phase 2 that could give rise to increased revenue costs. This may be necessary because a number of the proposals in Phase 2 (for instance replacing gas heating systems with electrical based systems such as heat pumps) may increase annual running costs as a result of the current differential in the costs of gas and electricity.

2 Alternative Options available to Cabinet

- 2.1 The Cabinet could decide to agree a different strategic approach to decarbonisation of assets. For instance, as an alternative the strategy could be to purely focus on a building by building approach. However, this is not recommended as there would be a need to carry out detailed and highly technical assessments before any work can be implemented. This would hamper the potential to achieve quick wins from the start.
- 2.2 A further alternative would be to carry out all the work in house. Whilst this would reduce the risks associated with the procurement of the phase 2 technical expertise, it is unlikely to provide such a robust programme of works as the in-house expertise is limited and resources are already stretched

3 Consultation and Member's comments

- 3.1 The proposals set out in this report provide detail on a key element of the Climate Change Action Programme agreed by Cabinet in November 2021. The Portfolio Holders for Climate Change and Housing have been consulted on the report and have supported its proposals.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 The procurement processes associated with commissioning the work required for Phase 2, will be undertaken on behalf of Warwick and Stratford-on-Avon District Councils in accordance with Warwick District Council's code of procurement practice.

4.2 Financial

- 4.2.1 The costs detailed in paragraph 1.8 can be met through the Climate Action Fund for 2022/23. This is consistent with the level of budget identified in the Climate Change Action Programme report agreed by Cabinet in November 2021.
- 4.2.2 It is recognised that there are likely to be future costs associated with Asset Decarbonisation that will exceed the budgetary provision made in the November 2021 cabinet report. Until the study proposed under Phase 2 is complete, the full cost of this is not known. Further the potential for grant funding to support those costs is not currently known. Therefore, once the Phase 2 study has been undertaken a further report will need will be brought to propose a prioritised and costed programme of works to achieve the 2025 Net Zero Carbon ambition.

4.3 **Council Plan**

4.3.1 The core purpose of these proposals is to reduce the Councils' carbon emissions as part of the response to the climate emergency in line with the Council's Business Strategy.

4.4 **Environmental/Climate Change Implications**

4.4.1 The proposals in this report have been developed to directly address the Councils' climate change ambitions and the specific action area associated with Assets Decarbonisation set out in the CCAP.

4.5 **Analysis of the effects on Equality**

4.5.1 There are no impacts on equality associated with this report

4.6 **Data Protection**

4.6.1 There are no data protection of the proposals

4.7 **Health and Wellbeing**

4.7.1 The proposed changes to buildings will be carried in in a way that fully takes account to the needs (including health and wellbeing) of building users.

5 **Risk Assessment**

5.1 Phase 1: the main risk associated with Phase 1 of the Strategy is that the carbon savings will be limited due to the scale of the schemes. As a result, more significant reductions in the Council's carbon footprint may be reliant on phase 2.

5.2 Phase 2 also has some significant risks. A previous procurement exercise undertaken by WDC for a broadly similar study failed to identify any suitable suppliers. As a result, there is a risk that we will not be able access the expertise we require to develop a programme of works. A further risk associated with phase 2 is that at the moment we do not know the likely cost of these decarbonisation works and to what extent this will be affordable. It is likely that we will need to be reliant on external funding (such as Public Sector Decarbonisation Fund (PSDF) grants) to deliver the significant parts of the programme. Whilst the Government Build Back Greener Strategy has signalled that there will be further rounds of the PSDF, the timing, criteria and level of funding available is not known.

5.3 In combination the risks set out in 5.1.and 5.2 above means that there is a high level risk that the ambition of achieving net zero carbon for our organisation(s) by 2025 will not be achieved. In preparing the proposals set out in Appendix 1, officers have been very conscious of that ambition and believe that the proposals offer the most effective way of both making practical progress now (through Phase 1 quick wins) and planning for the medium term improvements and grant opportunities (through the Phase 2 work programme).

6 **Conclusion/Reasons for the Recommendation**

6.1 This report sets out how the Councils plan to reduce carbon emissions from the non-housing building assets by providing the basis for investment in quick wins, as well as setting the framework for future investments and grant bids. The phase 1 proposals are expected to make significant impact on the Councils' carbon emissions during 2022/23. The precise extent of this will be monitored throughout the as the scope of works for proposals are brought forward. The

implementation of Phase 2 is expected to accelerate process as heating systems are decarbonised. This will provide the route toward achieving the ambition of being a net zero-carbon organisation by 2025.

Appendices

Appendix 1:

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	Cabinet – 10 th February 2022	
Title of report	Assets Decarbonisation Plan	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC & SDC *	19/1/22	Support subject to minor amendments
Financial Services *	14/1/22	Support subject to minor amendments
Legal Services *	14/1/22	Support subject to minor amendments
Other Services		
Chief Executive(s)	14/1/22	
Head of Service(s)	n/a	
Section 151 Officer		
Monitoring Officer	14/1/22	Support subject to minor amendments
CMT (WDC)	17/1/22	Support subject to minor amendments
Leadership Co-ordination Group (WDC)	24/1/22	
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?	Yes	
Contrary to Policy/Budget framework	No	

Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes	
Accessibility Checked?		