

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>11 January 2023</b>
<b>Subject:</b>	<b>Annual Report for Energy Costs and Energy Reduction Projects</b>		
<b>Report Of:</b>	<b>Cabinet Member for Environment</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>		<b>No</b>
	<b>Budget/Policy Framework:</b>		
<b>Contact Officer:</b>	<b>Abi Marshall, Property Commissioning Manager</b>		
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<b>Appendices:</b>	<b>None</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 The purpose of the report is to inform Cabinet of the Council's energy costs and projects to reduce energy usage.

### 2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) energy usage and consumption in the year April 2021-22 be noted
- (2) future reporting focuses on energy saving initiatives and projects led by the Climate Change Manager and annual benchmarking reporting ceases as the portfolio has evolved and habits significantly changed since 2012.

### 3.0 Background and Key Issues

- 3.1 Gloucester City Council adopted a revised and updated Energy Management Strategy in 2012. One of the key objectives of this strategy was a commitment to yearly monitoring of energy costs however, we are starting to see a significant change to our property portfolio with the completion of Kings Square, the occupation of void units post COVID, increased use of our Cultural and Leisure Facilities, using our spaces for warm and well initiatives and the anticipated additions such as the Forum coming to fruition. Therefore, reporting of energy consumption year on year should not be done on a comparative basis.
- 3.2 The Council can no longer commit to reduce its annual spend on energy by £50,000 pa with the portfolio increasing, our offering to people to come out of the cold and people returning to their City Centres to work. We have made a £50,000 saving when

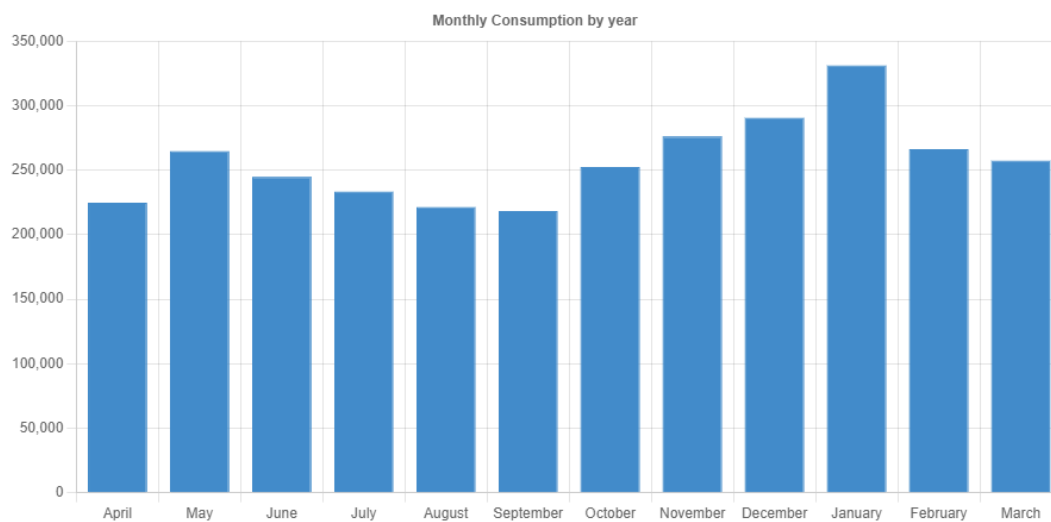
compared to 2019 – 2020. Last year (2020 -2021) we saw a significant reduction in our annual energy spend, however this is not surprising in light of COVID 19.

3.3 The councils’ various operational buildings and sites (including those operated by partners e.g., Aspire) consume significant quantities of gas and electricity. People are returning and using these assets optimally post COVID. The total gas and electricity bills for the year-to-date April 2021- April 2022 for the net operational sites excluding our partners is £527,486pa for electricity and £201,585pa for gas. In total this equates to £ 729,071pa (approx. £2,000 per day).

### 3.4 Electricity by monthly consumption

Consumption

Year	April	May	June	July	August	September	October	November	December	January	February	March
2021	224,889	264,662	244,902	233,468	221,348	218,391	252,522	276,231	290,593	331,117	266,478	257,392

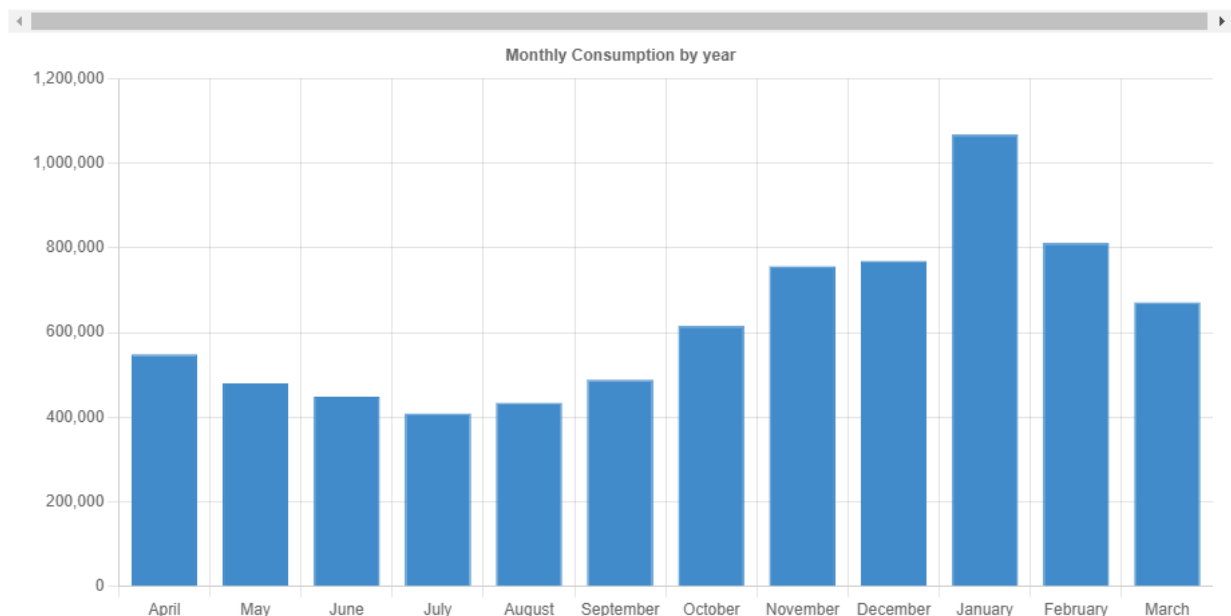


### 3.5 Monthly consumption for gas

#### ▲ Monthly Gas

Consumption

Year	April	May	June	July	August	September	October	November	December	January	February	March
2021	547,592	479,746	448,109	408,072	433,033	487,586	614,978	755,880	768,530	1,067,578	811,148	670,263



3.6 Commodity prices. Gloucester City Council procure its energy via WME. WME has procured its rates at circa 80% below current market rates for 2022 - 23, providing financial protection to Tewkesbury Borough Council and Gloucester City Council worth approx. £2.5m.

3.7 Procured commodity prices for 2023 – 2024 are 61% below current market rates.

3.8 With uncertainty around government direction and support packages that will help provide relief to the UK the future is unknown, but at least with our current contract we will not be impacted imminently.

#### 3.9 IMPORTANT NOTE

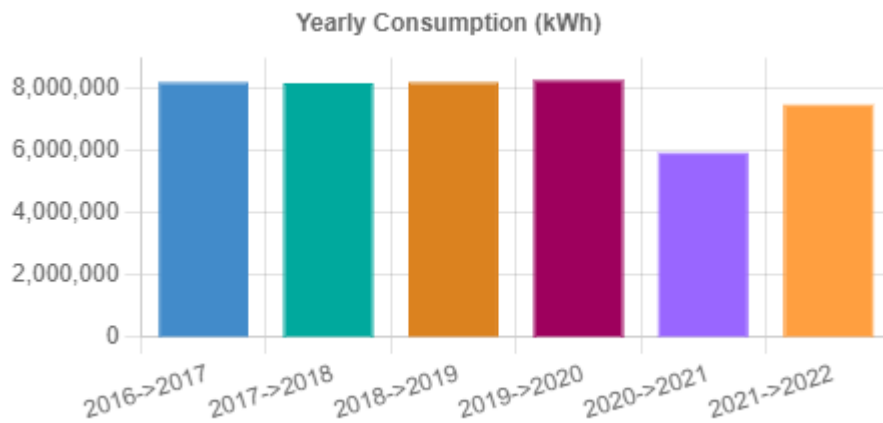
Costs were lower last year (2020 – 2021) on the core operational properties due to COVID.

#### 4.0 Gas Use

We now supply more buildings, arranging the utility supplies to addition sites e.g., the new sports complex at Plock Court and the new Bus Station.

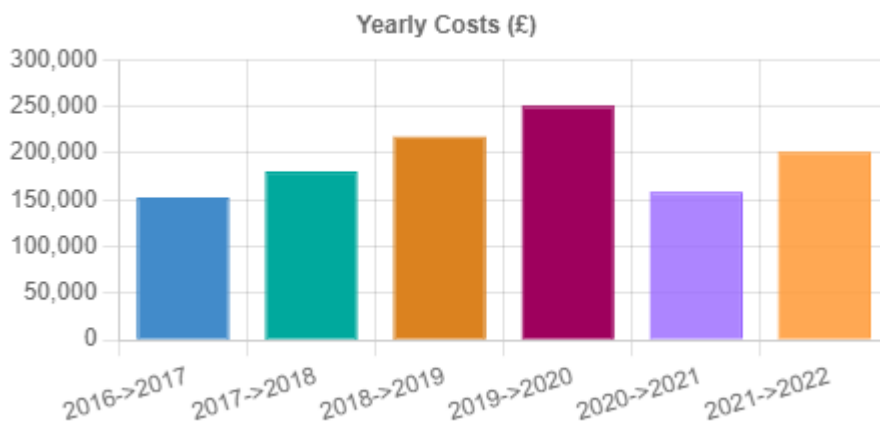
4.1 Work has now completed at Plock Court where a roof is covered with Solar PV's and the adjoining sports field houses a ground source heat pump. This will enable savings of approximately £28,000 per annum and reduce CO2 emissions by 69 tonnes. <http://www.local.gov.uk/case-studies/gloucester-city-council-renewable-energy>.

4.2 We also benefit from an additional £8,000pa for the green energy we export from the surplus we generate. These works have been grant funded by Salix (a non-departmental public body wholly owned by the Government). As you can see from the chart below our gas consumption apart from last year (due to COVID) does not vary greatly. Our gas consumption is down this year on 2019 – 2020 (ignoring 20 - 21, which was an exception due to COVID) which we believe is a direct result of works undertaken at Plock Court highlighted above.



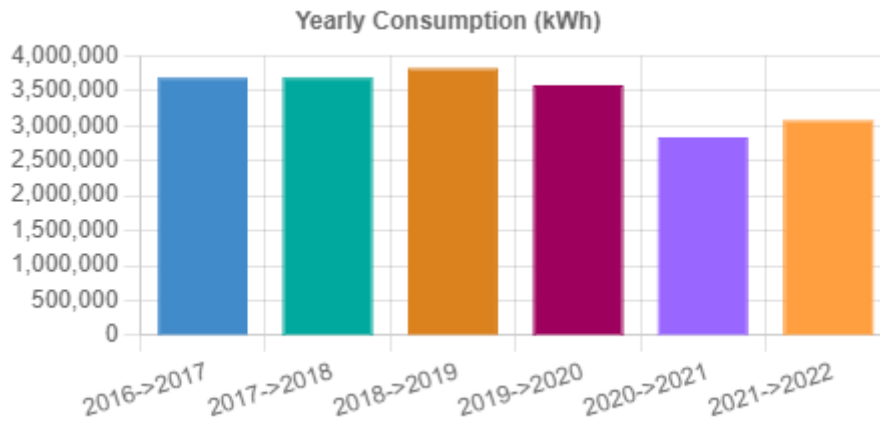
4.3 However, the cost increases year on year, again apart from 20-21 due to COVID. The Plock Court works have impacted on our use which you can see 2021-2022 is less than 2019 – 2020. We are benefiting currently from how we have procured our energy, and this is mitigating some of the cost increases we could have experienced.

## 5.0 Gas costs

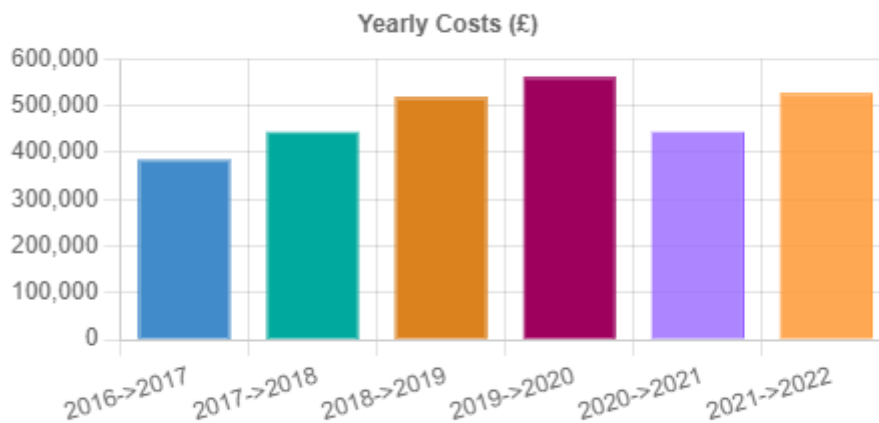


## 6.0 Electricity Use

6.1 As you can see from the chart below our consumption is down on 2019 – 2020, again we believe this is as a direct result from works at Plock Court.



6.2 Costs however are rising, which this chart demonstrates. Even though our consumption is down the cost of our electricity pa is still above £500,000.



## 7.0 Water Use

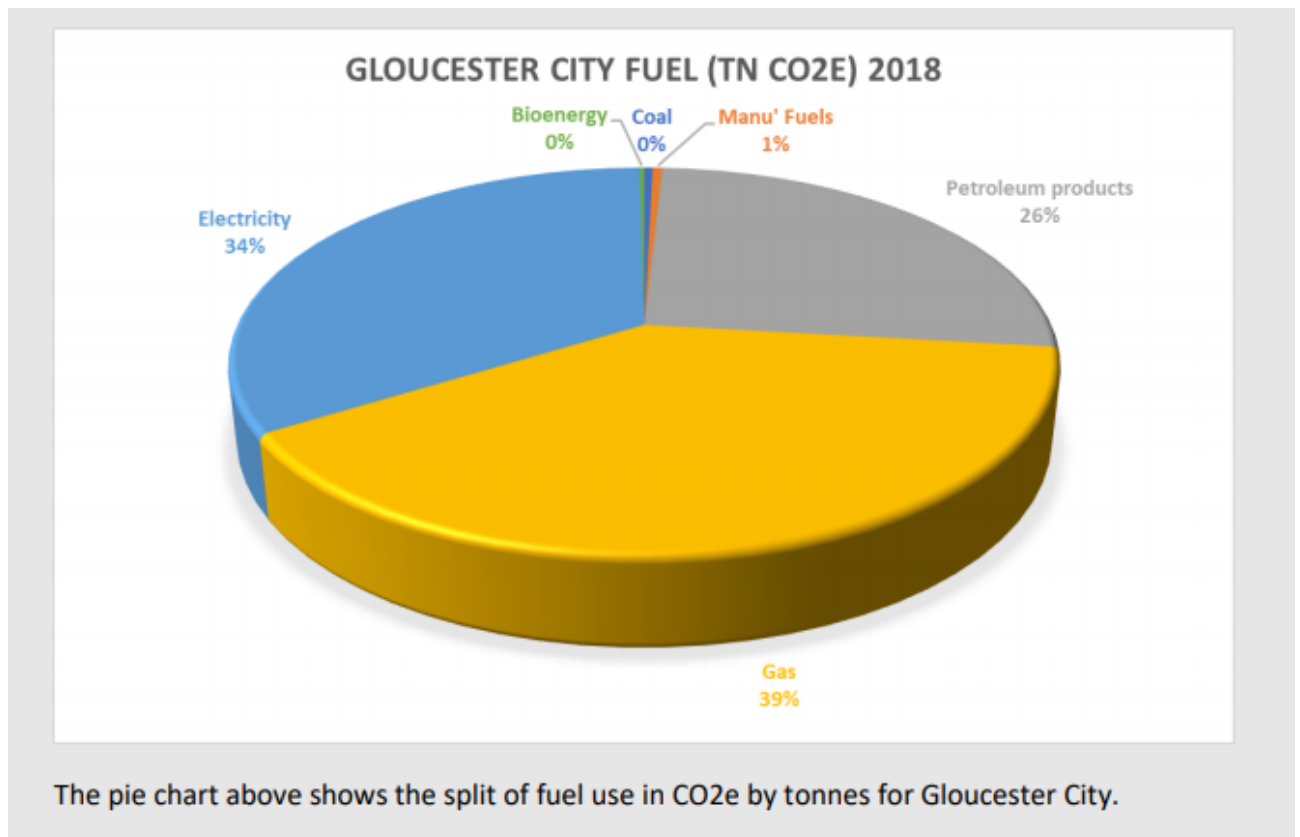
7.1 The other main utility cost for the Council is water, currently supplied by Severn Trent. The monitoring of water resources are carried out under contract by Aquafund who both monitor our usage and at their own cost have installed water saving devices in our building the cost of which are covered by sharing the resulting drop in water costs with them.

## 8.0 General energy price trends

8.1 It is highly likely and very probable that energy prices will rise sharply 2021-2022. West Mercia Energy (WME) are warning of extreme market rises. We are shielded for the next 12 months due to a cap we have in place, so now is exactly the right time to consider alternatives with significant grants available for implementation of a number of schemes that target carbon neutrality. However, expertise is required to tap into these, this expertise does not lie within the property team, who are best positioned to help with the implementation and advise on Green Leases.

## 9.0 Carbon Dioxide Emissions

9.1 In October 2020 a report was commissioned by the Climate Change Officer in relation to our Carbon Emissions and how the Council could expect to make large savings in energy use and consequent reductions in CO2 emissions. The Council is working towards achieving net zero carbon emissions by 2030 and a City wide commitment of 2045. The report is extremely comprehensive. [Climate Change Strategy Appendix 1.pdf \(gloucester.gov.uk\)](#) . The pie chart below has been copied in from this report.



The council's CO2 emissions have reduced by year on year when compared with the baseline year 2003-4. The above chart was taken from the Climate Strategy paper.

## 10.0 Energy Saving Projects

10.1 The move to a pool fleet reduced the Council's Carbon output. Reducing the fleet and the implementation of pure electric vehicles will further extend this.

Installing EV charge points across appropriate car parks will further help encourage more EV car ownership amongst its residents and businesses across the city. Investigating and moving to alternative fuels for the Council's heavy RCV fleet is achievable within the Council's 2030 target.

The completed work at Plock Court and the installation of the Ground Source heat pump using grant monies and targeted energy savings of £35,000pa, we are currently realising £28,000k savings plus receiving £8,000 return in energy we sell back to the grid, therefore we are benefiting much improved fuel economy using renewables as well as providing others with the excess we create.

Since 2003 the City Council has brought forward a number of capital projects aimed at reducing energy use in all its main buildings.

In the year 2018-19 the main projects delivered were:

- *Installation of LED Lighting in Longsmith Street Car park*
- *Installation of outdoor LED flood lighting and personnel lighting around the City e.g. 43 external lights at Plock court, Flood Lighting at Bishop Hooper monument. Westgate Street reception project replaced lights with LED on PIRs. Although the individual savings produced are small the aggregation of a large number of marginal gains make significant contribution.*
- *Recommissioning and rebalancing of the City Museum boilers, the museum was running on 4 boilers we have got all 8 boilers working and balanced the system which will not only improve resilience but will make fuel savings.*
- *Photovoltaic panels and other energy efficiency measures were made an integral part of the new Bus Station design.*
- *The roll out of the Enterprise Car scheme this has resulted both in a reduction of car usage/journeys and budget savings on travel.*

10.2 Where ever possible we are replacing lights with LED's this includes the City's Christmas tree this year, as well as our tenanted and operational properties.

## **11.0 Social Value Considerations**

11.1 Although there is limited direct scope for social value in the management of the portfolio the disposal strategy seeks to encourage Community Asset Transfer of suitable property Assets which will produce opportunities for ABCD.

11.2 By adopting an Energy strategy in 2003 and continuing to work to improve the energy efficiency of its main buildings the City council is acting in a leadership role by setting an example of good practice that the community can follow.

## **12.0 Alternative Options Considered**

12.1 The 2012 strategy had been carefully considered and is an amalgam of good estate management and the Council's values for that time period. This is the last report referring to that strategy.

12.2 Carry on with the current reporting regime, which has due to market changes, portfolio changes and habitual changes become a rather meaningless task. A new format has to be taken forward, led by the Climate Manager.

12.3 No further reporting to occur, which is not in keeping with Council objectives.

## **13.0 Reasons for Recommendations**

13.1 The Strategy will enable the Council to continue to make a significant contribution towards carbon reduction while cutting costs.

## **14.0 Financial Implications**

- 14.1 There are no direct financial implications, but the strategy will allow the Council to manage its property portfolio in a way that seeks to protect the returns on the property interests. However, there could be savings by the reduction of our energy usage by investing in energy saving projects. If any savings can be realised then the Councils Money Plan will be updated to account for these.

## **15.0 Legal Implications**

- 15.1 There are no direct legal implications in the content of this report. The Localism Act 2011 provides the council with the General Power of Competence to act in the best interests of its community, to deliver efficiencies and innovation and provide good value for money.
- 15.2 Officers will consult with One Legal to ensure that the council are able to demonstrate best value in the delivery of the proposed projects.

(One Legal have been consulted in the preparation of this report.)

## **16.0 Risk & Opportunity Management Implications**

- 16.1 There are no adverse risks associated with the proposed Strategy it does not change the risk profile of the way our portfolio is managed. However, this is best led by an energy specialist in conjunction with the property team to maximise gains.

## **17.0 People Impact Assessment (PIA):**

- 17.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

## **18.0 Other Corporate Implications**

### Community Safety

- 18.1 No adverse impacts.

### Sustainability

- 18.2 No adverse impacts.

### Staffing & Trade Union

- 18.3 No adverse impacts.

## **Background Documents:**

Climate Change Strategy - [Climate Change Strategy Appendix 1.pdf \(gloucester.gov.uk\)](#)