

Cheltenham Borough Council
Cabinet – 21st September 2010

Adoption of an Energy Management Policy

Accountable member	Councillor Roger Whyborn
Accountable officer	Rob Bell, Assistant Director, Operations
Accountable scrutiny committee	Environment Overview & Scrutiny Committee
Ward(s) affected	None

Executive summary **Managing energy use and the associated costs within the Council’s own estate is an issue which will become increasingly significant over the next few years. The Council is facing a considerable funding gap and at the same time fuel costs are likely to rise. The council’s energy spend for 2009/10 was approximately £898,000.**

The Council has been working to reduce energy use for a number of years and has made good progress on gas consumption. Reducing electricity consumption remains difficult, but it also the area over which all staff can have a direct influence. The adoption of an energy management policy will demonstrate senior commitment to reducing energy consumption which can then be cascaded throughout the organisation so that energy management is considered a priority by all employees.

The Senior Leadership Team has already aligned itself behind the policy and has collectively agreed to create capacity for staff to take the policy forward.

The Council has also signed up to 10:10 and has an ongoing commitment to reducing carbon emissions from its activities, a large percentage of which comes from the consumption of energy. Adopting an energy management policy will ensure a coherent and coordinated approach to help deliver these commitments.

Recommendations **Cabinet adopts the Energy Management Policy set out in Appendix 1.**

Financial implications	<p>The adoption of a formal energy management policy does not present any financial implications as additional resource is not required. However, management resource will be required from within existing resources.</p> <p>Contact officer: Nina Philippidis, Accountant nina.philippidis@cheltenham.gov.uk, 01242 775221</p>
Legal implications	<p>No comments received.</p>

<p>HR implications (including learning and organisational development)</p>	<p>There are specific implications in the policy, namely “determining specific roles and responsibilities for energy management within the context that energy management is part of the role of every employee of the Council”, and the “Encourage continual professional development (CPD) for staff involved in energy”. Appraisals and the Learning Gateway will be able to assist through recording specific CPD needs for roles and capturing how these are being met.</p> <p>If there is significant work involved in the action plan, then we will need to consider our capacity to deliver and how we might fit it into our work plan.</p> <p>Contact officer: amanda.attfield@cheltenham.gov.uk 01242 264186</p>
<p>Key risks</p>	<p>The adoption of a formal energy management policy does not present a risk in itself, provided initial commitment is carried through to real action, but it will contribute to the management of two of the risks identified in the corporate risk register (set out below), by reducing costs and forming a key part of the efficient management of the council’s estate:</p> <ul style="list-style-type: none"> • CR3 – if the council is unable to come up with long term solutions which bridge the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision • CR7 – the council does not yet have an updated asset management strategy. Without a sound basis on which to make informed decisions there is a risk that the council is not using its resources to best effect which could in turn impact on financial, environmental and service decisions. [Since adopted on 27 July 2010.]
<p>Corporate and community plan Implications</p>	<p>The Corporate Strategy identifies access to fuel supplies and climate change as future challenges and recognises the need to promote the efficient use of fuel to reduce carbon emissions as well as reduce costs. It also includes a commitment to reduce carbon emissions from the council’s own operations by 3% per annum for the next five years.</p> <p>The sustainable community strategy identifies climate change as a cross-cutting principle which must be taken into account by all the strategy partners and identifies saving energy as a key element of sustainable living.</p> <p>Energy management has, for a number of years, been recognised as a key element in minimising the Council’s contribution to climate change. Formalising this work through the introduction of an energy management policy will enable further progress to be made by clearly demonstrating member and senior officer commitment, defining roles and responsibilities for energy management across the organisation and enabling the development of a coordinated delivery plan.</p>

1. Background

- 1.1 The council has been working to reduce energy consumption for a number of years and set itself a target to reduce energy use by 20% by 2009/10 from 2005/6 levels. Actual achievement against that target is illustrated in the table below.

	Energy consumption 2005/6 (kWh)	Energy consumption 2009/10 (kWh)
Electricity	3,588,184	3,466,173
Gas	10,660,252	8,698,322
Total energy consumption	14,248,436	12,164,495
Reduction in energy achieved		14.6%

- 1.2 Although the target was not achieved, good progress has been made on reducing gas consumption over this period (down 18%). Electricity consumption, however, remains a difficult issue (down 3%). Until now, energy management has largely been considered a property maintenance issue; however, reducing electricity consumption in particular is within everyone's power to influence. This is particularly true when considered in the context of the proliferation of electrical equipment.
- 1.3 The proposal to introduce an energy management policy is brought forward by the council's internal carbon reduction group. This group was established to develop and deliver an internal carbon reduction programme, which was approved by Cabinet in January 2009. One of the carbon reduction objectives identified in this programme was to *'ensure that responsibility for energy management becomes embedded in the role of every employee at the council'*. The carbon reduction group is of the opinion that an overarching framework is needed to drive home the importance of energy management and to strengthen its promotion as a personal responsibility, in much the same way as health and safety.
- 1.4 The policy itself identifies the steps that need to be taken to manage energy use effectively. This will include defining roles and responsibilities across the organisation and this, together with other specific measures to achieve the steps set out in the policy, will be developed into a formal

delivery plan once the policy has been adopted.

2. Reasons for recommendations

- 2.1** Energy management in general is an issue of good practice; it is something for which everyone has a personal responsibility and should be treated in much the same way as health and safety.
- 2.2** The Senior Leadership Team (SLT) has already aligned itself behind the policy, recognising the need for senior level commitment on this issue, which can then be cascaded throughout the organisation. In addition, all have agreed to create capacity for staff to take this forward; this is of particular importance for building managers, who will need to take ownership of the policy and help in taking the initiative forward. It will also empower individual members of staff to identify and make changes.
- 2.3** The policy will strengthen the Council's overall commitment to reducing carbon emissions and contribute to the aspirations expressed by Cabinet in signing up to the 10:10 initiative. It should also deliver cost savings which might otherwise not be achieved.

3. Alternative options considered

- 3.1** The alternative to a formal energy management policy is to continue with the rather more informal approach currently in place. However, in order to bring energy management to the fore and to ensure that every member of staff understands they have a personal responsibility to act in a way which minimises the council's consumption of energy, the carbon reduction group recommends the adoption of a formal framework to visibly strengthen the council's commitment to tackling this issue.

4. Consultation and feedback

- 4.1** The proposed energy management policy is an internal document, the development of which was initially identified as being important by building managers. The carbon reduction group has developed the policy in response and the Assistant Director Operations has gained support from

the Senior Leadership Team for its introduction.

5. Performance management –monitoring and review

5.1 Measures to monitor and review performance are contained within the policy.

Report author: Gill Morris

Appendix: 1. Energy management policy

Background information: Internal carbon reduction programme

Cabinet Report risk template

The risk				Original risk score (impact x likelihood)			Managing risk					
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register	
	If the council does not take a coherent and coordinated approach to energy management it will find it increasingly difficult to reduce energy consumption, which will have financial and environmental consequences, could impact on the ability to deliver services and also damage the council's reputation	AD Operations Rob Bell	06/08/10	3	4	12	Reduce	Adopt energy management policy Develop and deliver implementation plan		David Roberts / Tom Mimmagh		