

Cheltenham Borough Council
Cabinet – 13th September 2022
Heating and Energy Policy

Accountable member	Cllr. Alisha Lewis, Cabinet Member Climate Emergency
Accountable officer	Gemma Bell, Director of Finance and Assets (Deputy S151 Officer) Mike Redman, Director of Climate Change and Place Services
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>The Heating and Energy Policy has been written as an addendum to our ‘Climate Emergency Action Plan’ to specifically expand on policies and practices in respect of Energy, which comprises a significant portion of our current carbon and financial footprints</p> <p>This policy sets out the key commitments which will be applied to all energy activity within the Council and Council-owned Properties. Our key objective to manage and reduce our energy usage within all Council buildings, particularly those that are part of our operational portfolio.</p> <p>Delivery of the objectives stated in this policy will be supported through the development and implementation of an energy action plan. This will include:</p> <ul style="list-style-type: none"> • Communications • Measuring and monitoring arrangements • Energy and emissions reporting • A sustainable procurement statement • Building refurbishment guidelines • Building energy performance review <p>There has never been a better time to review and reduce our energy consumption; the coming winter could well be the most expensive on record. By supporting staff to reduce consumption at work, we hope to introduce a wider culture of energy saving across the borough with benefits for financial, social and environmental well-being.</p>
Recommendations	<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Recommend to Council the approval of the Heating and Energy Policy included in Appendix 4. 2. Delegate to the Director of Climate Change, in consultation with the Director of Finance and Assets (Deputy s151 Officer) responsibility for monitoring the implementation of the Policy.

<p>Financial implications</p>	<p>Rising energy costs and the uncertainty over the forecast cost of energy in 2022/23 mean the council are currently facing an unbudgeted pressure of almost £1m to operate the buildings in our portfolio. Work is ongoing to reduce our energy usage and make our buildings more energy efficient and this policy outlines the principles which will be underpin this work.</p> <p>For the most part this policy will mean a financial saving for the Council but may require some investment on “an invest to save” basis through the Climate Investment Fund. Funding bids will be supported by robust business cases which will be monitored as part of the monitoring arrangements for the strategy.</p> <p>Contact officer: Gemma Bell, Director of Finance and Assets, gemma.bell@cheltenham.gov.uk</p>
<p>Legal implications</p>	<p>This report is to provide an addendum: Heating and Energy Policy, to the existing Council’s Climate Emergency Action Plan: Pathway to Net Zero</p> <p>The overarching legislative context of the Council’s Climate Emergency Action Plan: Pathway to Net Zero, is the Climate Change Act 2008. This Act places a legal duty on central government to set legally binding targets to reduce UK greenhouse gas emissions to net-zero by 2050. The UK legal framework on climate change is also shaped by both case law and international agreements.</p> <p>Where specific projects or actions are required going forward to support the Climate Emergency Action Plan and ‘Cheltenham’s Green Deal’ (the Climate Change Investment Strategy) further legal advice and support should be sought.</p> <p>The Council must ensure that any decisions taken must be in accordance with the Council’s Constitution and Financial Rules, particularly in regard to decision making, implementation of strategy/action plans and any funding requirements</p> <p>Contact officer: One Legal, legalservices@onelegal.org.uk</p>
<p>HR implications (including learning and organisational development)</p>	<p>No material considerations.</p> <p>Contact officer: HumanResourcesCheltenham@publicagroup.uk</p>

Key risks	<p>If energy costs keep rising / fluctuating as per the current market then it impacts on our ability to accurately budget/forecast expenditure and may impact on our the investments we can make in projects / programmes whilst still being able to achieve our MTFS.</p>
Corporate and community plan Implications	<p>The proposed Heating and Energy Policy will support the council's stated ambitions to be net zero by 2030 through reducing energy usage and linked carbon emissions across our property portfolio.</p> <p>Contact officer: Richard Gibson, Head of Communities, Wellbeing and Partnerships, Richard.Gibson@cheltenham.gov.uk</p>
Environmental and climate change implications	<p>This policy is in line with our Climate Emergency Action Plan.</p> <p>Contact officer: Cllr. Alisha Lewis, Cabinet Member Climate Emergency, Cllr.Alisha.Lewis@cheltenham.gov.uk</p>
Property/Asset Implications	<p>All property and estates management decisions consider the impact on our energy usage. This policy will provide a framework for the council to hold third parties who use our buildings to account for their energy usage and support the corporate priority to become carbon net zero. The building management section of the policy is also aligned to the council's asset management strategy and will continue to ensure our portfolio continues to maximise the benefits our assets are generating for residents, tenants, staff and our communities.</p> <p>Contact officer: Gemma Bell, Director of Finance and Assets, gemma.bell@cheltenham.gov.uk</p>

1. Background

- 1.1** The current energy crisis is unprecedented. Last October, 4.5 million UK households were in fuel poverty. Now National Energy Action predicts this will rise to 8.4 million. The Council has been effected financially by the current cost rises and must therefore take urgent action to manage its energy usage. The current price increases are likely to continue for the foreseeable future unless there is a major change in the factors driving the market. There is no obvious evidence of such change on the horizon except the demand destruction that will inevitably follow. In line with other major organisations the Council must decrease its energy usage quickly in order to manage our expenditure this winter. This is also in alignment with the current ambition to be Net Zero by 2030.

2. Reasons for recommendations

- 2.1** These recommendations will measure, track and reduce our usage in a consistent way. This will offer both carbon and financial savings for the council.
- 2.2** It will upskill staff to manage their energy usage at home and work.

3. Alternative options considered

- 3.1** There are no other reasonable options which are aligned to the council's corporate priorities and with the current volatility of energy costs as a result of rising inflation and the current energy crisis.

4. How this initiative contributes to the corporate plan

- 4.1** The proposed Heating and Energy Policy will support the council's stated ambitions to be net zero by 2030 through reducing energy usage and linked carbon emissions across our property portfolio

5. Consultation and feedback

- 5.1** This report has been written in consultation with the Property team and the Climate Emergency Team. Discussions have been held with staff and the operators of our buildings about the best way to deal with the current crisis and it was felt that clear guidelines about responsibility are required. There is also a consistent requirement for clear information in regard to usage which this policy will provide.

6. Performance management –monitoring and review

- 6.1** Monthly review meetings will be held looking at each buildings usage with responsible operators
- 6.2** We are currently monitoring our energy results and trading position on Clearview, this will be expanded to track by each operational building

6.3 Energy budgets will be issued to building users and results will be published

6.4 Regular reforecasts will be produced monthly detailing our current financial position.

Report author	Alexandra Wells, Energy Officer, Alexandra.Wells@cheltenham.gov.uk
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Equality Impact Assessment3. Heating and Energy Policy
Background information	N/A

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
347	If energy costs keep rising / fluctuating as per the current market then it impacts on our ability to accurately budget/forecast expenditure and may impact on our the investments we can make in projects / programmes whilst still being able to achieve our MTFS	Gemma Bell, Director of Finance and Assets	4	4	16	Reduce	This policy and the associated action plans.	Gemma Bell, Director of Finance and Assets	