

REPORT OF THE
Executive Member for Economic Development
PART II

1. ENERGY STRATEGY AND CARBON REDUCTION PROGRAMMES

- 1.1. Since the County Council's Energy Strategy was approved in the Summer of 2010, a successful programme of initiatives and projects has been implemented delivering energy reductions and cost savings. In an economic climate of rising energy prices and concerns about future security of supply, the strategy has proved to be timely in setting a framework to achieve a wide range of benefits.
- 1.2. The Executive Member for Economic Development (and Chair of Building, Land and Procurement Panel (BLPP)) has led the programme. The Executive Member has been supported by Members from across Parties in overseeing progress and the programme has so far delivered reductions in energy consumption to the value of £30 million for both the Council and partner schools. Over the last seven years, approval has been given to investment in projects and programmes and a summary of these are as follows:
 - 1.2.1. The first phase of the Carbon Management Plan from 2010 to 2015 reduced the total emissions (and thereby energy consumption) by 22.8% exceeding the target of 20% set by Cabinet. This delivered £29 million of energy cost savings, around 30,000 tonnes of carbon reduction and £200,000 avoided carbon tax payments. This was successfully achieved through a combination of projects and initiatives including street lighting replacement, office accommodation efficiency reductions, modern technology installations, improvements to the built estate and a behaviour change programme.
 - 1.2.2. Since 2015, the Council's in-house Property Service has progressed a number of further initiatives delivering additional energy savings and carbon reductions alongside growing professional capacity and knowledge in this important market sector. The Director of Culture, Community and Business Services (CCBS) continues to expand the team which is funded fully from the cost of the energy projects and additional external income from sold services. The team has a commercial focus and all programmes have a Return On Investment paying back any capital within a prudent timescale.
 - 1.2.3. After two years into the second phase of the Carbon Management Plan (2015-2025) excellent progress in continuing to be made. A 38.1% reduction has already been achieved against a target of 40% from 2010 levels. This is a reduction of 6,000 tonnes of carbon and around £1m of energy cost savings. It is evident that the Phase 2 target will be achieved earlier than planned and the Director of CCBS will be

recommending options to increase this target to BLPP at a future meeting.

- 1.2.4. Since 2010, the Carbon Management Plan has delivered a reduction in energy equivalent to £30 million for both the corporate estate and schools – a significant contribution to financial targets and thereby enabling more resources to be prioritised into front line services.
- 1.2.5. As a direct result of the reduction in carbon emissions, the County Council has made a saving on Government Carbon Tax of £330,000 compared to the amount which was taxed before the introduction of the programme in 2010.
- 1.2.6. The Council is embracing the need to capture energy from renewable sources. This reduces our carbon emissions, saves energy, reduces cost and demonstrates a commitment to reducing the reliance on fossil fuels. Since 2010, over 60 photovoltaic (PV) installations have been constructed or are planned on the roofs of Council buildings and schools, saving around £100,000 in revenue costs and 500 tonnes of carbon. The economics and viability of PV installations has now changed with the significant reduction in Government feed-in tariffs. The situation is kept under review and should there be a positive change, this would be brought forward to BLPP for consideration. PV installations are currently installed only where it is appropriate to do so and benefits can be realised – for example, some new school extensions in ideal locations.
- 1.2.7. At the most recent meeting of BLPP, a report on Carbon Management Strategy and Energy Reduction Programme was supported. This reminded Members of the decision in July 2017, to invest a further £2.7 million in more initiatives. These were based on sound outline business cases with prudent returns on investment. These were:
 - £1.6 million on the replacement of lighting in the corporate estate with modern LED technology. This is expected to deliver an annual revenue saving of around £240,000 in both energy and maintenance costs.
 - A procurement and installation programme of a county wide network of Electrical Vehicle (EV) charging points to provide capacity for the Council, public sector partners and public EV users. The vehicle industry is currently at a threshold where more commitment and sales of EV are expected and the County Council intends to be at the forefront of this in the public sector.
 - The conversion of the Council's own small vehicle fleet of around 180 cars and vans to electric saving in the order of £210,000 per year on fuel costs. A number of pilots have already commenced in County Supplies, the Courier Service and Hampshire Scientific Services.
 - The investigation, development and financial feasibility of using emerging modern battery technologies to store electricity, smooth peaks in demand and potentially provide an income to the Council.

1.3. In summary, the Energy and Carbon Management Programmes have exceeded targets since the Cabinet approved the Strategy in 2010. The programmes and initiatives have gathered pace, grown in scale and delivered a significant number of benefits alongside reductions in expenditure.

COUNCILLOR MEL KENDAL
Executive Member for Economic Development