

CABINET MEMBER FOR ENVIRONMENT - 14 OCTOBER 2016

OXFORDSHIRE COUNTY COUNCIL INTERNAL ENERGY STRATEGY
2015-2020

Report by the Acting Director for Environment and Economy

Introduction

1. Oxfordshire County Council spends around £7 million on the energy needed for its corporate estate and activities. Energy costs are forecast to rise at around 4% per year creating a financial pressure if these costs are not properly managed.
2. Our energy use results in the emission of around 20,000 tonnes of greenhouse gases each year. Oxfordshire County Council has a commitment under Oxfordshire 2030; The Sustainable Communities Strategy to reduce emissions at an average of 3% year on year.
3. The Oxfordshire County Council Internal Energy Strategy 2015-2020 (Annex 1) sets a framework in which to manage costs and carbon emissions across the organisation. It was presented to County Council Management Team on 10 August 2016.

Exempt Information

4. The Energy Strategy does not contain any information considered to be exempt.

Oxfordshire County Council Energy Strategy 2015-2020

Objectives

5. This strategy sets a framework for managing energy under the council's direct financial control – corporate building energy, street lighting, and travel (business mileage and fleet).
6. It sets the following three objectives:
 - Ensure corporate energy costs do not exceed 2014/15 levels by reducing our energy use and purchasing energy effectively.
 - Make use of renewables and innovative new technologies where economically viable to reduce risk of supply, reduce costs and generate income.
 - Reduce greenhouse gas emissions from our properties and activities by 3% year on year, on average, in line with the Oxfordshire 2030 Sustainable Community Strategy commitment.

Principles

7. The Strategy adopts the principles of ISO 50001, the international standard for energy management systems, and provides the framework to embed energy management good practice across our everyday activities leading to continual improvement and helping us to reduce energy demand, manage costs and reduce emissions.
8. The strategy identifies a number of principles to follow in managing our energy use:
 - i. We will use the **energy hierarchy** to prioritise activities that save energy at the lowest cost, as well as maximise opportunities for energy efficiency and the generation of energy from renewable sources;
 - ii. We will fund activities through an **invest to save** approach - investing capital and capital finance to save a larger amount of revenue in coming years - making use of external funding where possible and advantageous;
 - iii. We will make use of our **organisational scale** to maximise the opportunities to reduce costs both through the way we procure energy and how we pay bills;
 - iv. We will ensure the **whole life cycle** energy impact of the activities we undertake and of the products and services we purchase is taken into consideration within our procurement processes;
 - v. We will continue working with our current partners, and explore new **partnerships** where there is a clear benefit to the council and the opportunity to lever additional economic and community benefit.
 - vi. We will work with colleagues across the organisation to identify projects in our three key areas of energy spend: street lighting; buildings and other assets; and travel.

Links to other plans and strategies

9. The energy strategy has cross-cutting links to a number of other plans and programmes:

Asset Utilisation Programme: The Council is looking to optimise and reduce the building footprint it occupies engaging with a One Public Estate approach. To help enable this transition it has undertaken a major programme to move staff to a more “agile” and flexible style of working.

Agile working: Opportunities offered via Agile working for virtual meetings, telephone and video-conferencing, working from locations closer to home are likely to have a positive impact on our mileage and emissions, helping us to change the way we work. This strategy can help to measure positive trends and impacts from such programmes.

Strategic Economic Plan: The vision for Oxfordshire is to be a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise

and research excellence. The importance of climate change is recognised in the SEP both as a long term threat to the economy and as a business opportunity. Low carbon sectors account for about 7% of the economy. Oxfordshire is considered well placed to deliver innovative solutions to support a global shift to a low carbon economy. This strategy does not seek to address wider county emissions and strategies, but it does enable Oxfordshire County Council to 'get its own house in order' and encourage innovation, external funding, and positive action on our own estate and across our activities. The current refresh highlighted the need for a county wide carbon strategy which may emerge in the final document as a commitment.

Local Transport Plan 4: Supporting the transition to a low carbon future is one of five key goals set out in Connecting Oxfordshire. As well as being the Transport Authority, the County Council also spends £2 million to meet the cost of travelling 4.5 million miles to deliver our own services. Our travel activities generate 11% of our own greenhouse gas emissions. This strategy will help the county council to measure and monitor our own transport use, seek ways to reduce our costs and impacts, and support bids for investment in innovative projects on our own estate such as Park and Rides.

Streetlighting strategy/policy: The council has undertaken a number of energy management trials and smaller scale roll outs of LED technology and dimming that has enabled it to keep energy consumption constant in this area in the face of a growing asset base. Significant further investment and revised policy will be needed to offset the impact of increased development and energy costs in future years. Cabinet will be asked to agree a new streetlighting policy in Autumn 2016. A new maintenance contract will then be let. Streetlighting and energy strategy have made an initial high level assessment of the opportunity for LEDs and will be proposing building this into a full business case through the commercial services board.

Key Issues

Energy within a changing organisation

10. The council is going through a period of unprecedented change in the scope and model of its operations. In the future the council may change in size, scale and scope of functions. There are a number of cross-departmental change programmes already in operation across the organisation set to transform the way we work such as digitisation and agile working.
11. Energy management does not require a new programme; it is an activity already happening across our estate. This strategy has been developed to agree principles that will help identify opportunities, prioritise action, ensure that long term revenue costs of decisions are weighed up against capital spend, embed energy management within existing programmes where appropriate, and monitor improvement.
12. Key assets such as streetlighting will continue to exist whatever the organisation looks like, and staff will continue to need to travel to deliver

services and undertake functions. The energy strategy is designed to sit alongside other key programmes such as Asset Utilisation Programme, helping to prioritise spend where it is most cost-effective on a large but rapidly changing estate.

Broader scope

13. A recent report commissioned by the County Council and the Oxfordshire Local Enterprise Partnership highlights the emissions made by different sectors of the economy, which amounted to **6,134 kT CO₂** in 2008 (the baseline year for monitoring against the Oxfordshire 2030 commitment). The transport, residential and commercial properties are particularly high contributors, along with the public sector. Oxfordshire County Council's greenhouse gas emissions totalled around 0.5% of broader county emissions.
14. The scope to reduce the greenhouse gas emissions of other sectors in Oxfordshire falls outside the scope of this strategy, but highlights an important leadership role, and the importance of continuing to work in partnership with others on the transition to low carbon economy. The Local Enterprise Partnership, Growth Board, Oxfordshire Partnership and Low Carbon Oxford all have a role in encouraging broader action. Initiatives such as OxFutures (a £15million community energy programme funded via the EU) and OLEV (Oxfordshire Low Emission Vehicles) are both good examples of multi-partner projects that have delivered action and clear benefits for the county

Budgetary implications

15. The strategy sets out the council's exposure to rising energy costs under a "business as usual" scenario.
16. The strategy proposes that the council prioritises activities that save energy at the lowest cost to the organisation (Section 5.3), producing annual action plans to identify where savings can be made.
17. Projects and programmes would continue to be brought forward via normal decision-making processes, as set out in the Commercial Operating Model, with each project setting out the invest-to-save business case and financial case to ensure cost-effectiveness to the organisation.
18. Annual reporting will identify progress against the energy strategy objectives and through this process the objectives can also be kept under review.

Equalities implications

19. Implementation of this strategy is not likely to disadvantage any particular groups. The impact on staff and customers of individual projects will be evaluated as part of the normal decision-making process.

Risk Management

20. The key risk evaluated is the predicted rise in energy prices.

21. Financial risks have been evaluated that the objectives are deliverable in the short to mid-term and cost-effective to the organisation.

Communications

22. Actions in strategy that relate to specific service areas have been formed collaboratively with relevant staff members.

23. County council consultees include property, streetlighting, ICT, procurement & finance, transport and innovation, infrastructure planning, transformation. In addition the team have collaborated with our property partners, Carillion.

24. A paper was also taken to the Schools Forum Traded Services in February 2014 outlining the council's reduction in direct support for schools with energy efficiency initiatives.

Governance and review

25. CCMT has agreed to sponsor the strategy reflecting the cross-organisational nature of the costs.

26. At its meeting in August 2016, CCMT recommended that the Energy Strategy now be taken forward through the delegated decision process for final sign off.

RECOMMENDATION

27 The Cabinet Member is RECOMMENDED to support the objectives and principles set out in the Energy Strategy document.

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Background papers: Oxfordshire County Council Energy Strategy 2015-2020

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