



Energy Policy Task Group

Report of the Task Group Reconvene

Place Scrutiny Committee

September 2015

INTRODUCTION

The Place Scrutiny Committee received an update report to their 17 June 2015 meeting on the Energy Policy and Strategy Review. Members expressed disappointment at the lack of progress made towards the recommendations laid out in the Energy Policy Task Group's Report published in November 2014 and agreed to reconvene the energy policy task group to meet with the Cabinet Member for Community and Environmental Services and the Environmental Performance Board to identify and address any barriers preventing the recommendations being progressed and to construct a timetable for implementation (see [Minute *80](#)).

The task group met with the Cabinet Member for Community and Environmental Services and the three senior representatives of the Environmental Performance Board, i.e. the Head of Highways, Capital Development and Waste, the Head of Planning, Transportation and Environment, as well as the Head of Business Strategy and Support on 12 August 2015.

FINDINGS

The Cabinet Member and members of the Environmental Performance Board expressed their desire to incorporate the views of scrutiny in their future planning and delivery of services. Progress against the original ten recommendations had been achieved as follows:

	Recommendation	Progress
1	To develop the ongoing scrutiny of the "One Council" Energy Policy and Strategy and associated opportunities for monetary savings and investment returns, with a formal reporting mechanism to Members.	<p>From August 2015 onwards, the Cabinet Member for Community and Environmental Services will sit on the Environmental Performance Board and will attend meetings of the Place Scrutiny Committee in regular intervals in the future to update on progress.</p> <p>An Environmental Performance Management Group will commence which reports to the Environmental Performance Board which will oversee operational issues.</p>
2	To collect accurate energy consumption data across the corporate estate and to record the data so that it relates to the size of the estate.	<p>As the size of the retained estate was emerging in line with the Estates Strategy for Devon County Council 2012-2017, energy management can now be planned effectively. The Council's energy consumption had already significantly decreased due to the disposal of assets.</p>
3	<u>and</u> To implement an energy management system across the corporate and schools estates to measure and monitor the consumption of all	<p>Devon County Council purchases energy through a collaborative contract with other public sector partners to achieve economies of scale. The contract is competitively tendered for at least every seven years and the LASER Energy Buying Group will supply the Council's and some schools' electricity and gas from April 2016 onwards.</p> <p>The contract will install further automatic meter reading (AMR) technology to achieve AMR on all gas and electricity meters.</p>

	<p>utilities, i.e. gas, water and electricity, in order to manage and reduce the County Council's energy consumption and financial expenditure.</p>	<p>In addition an Energy Bureau Service which will have the facility to compare consumption with industry benchmarks for similar building types and uses. . This tool will enable the identification of good performing and poor performing corporate buildings. The system will also have the capability of monitoring water consumption.</p> <p>Members noted that the County Council has no control over the schools' management of energy consumption and/or generation. However the new Laser contract will install AMR in all schools using the corporate energy contract meaning that schools will receive accurate billing.</p>
4	<p>To develop a clear and concise renewable energy strategy, identifying a prioritised list of suitable sites across the corporate estate, based on evidence of current energy consumption levels and projected return rates from individual sites.</p>	<p>The appointment of a two-year fixed-term Corporate Energy Manager is expected in the autumn 2015 who will</p> <ol style="list-style-type: none"> 1. establish a cost-effective corporate energy management function, which will include overseeing the installation of AMR in 2016 and establishing the Laser Bureau Service as key tools in the identification of further energy efficiency projects. 2. prepare a Renewable Energy Strategy
5 6	<p>To work towards replicating the Okehampton model across the schools estate and explore measures by which this might be achieved, including utilising the knowledge, skills and expertise at Okehampton College. <u>and</u> Following an evaluation of the pilot installations, identify how to accelerate the rate of retrofitting schools with energy efficiency and renewable energy technologies in combination with Recommendations 3 and 4.</p>	<p>Devon County Council is piloting the RE:FIT schools energy efficiency programme with 18 schools, funded through a £1m loan fund offered to the pilot schools by DCC. Procurement of the preferred installation partner concludes in September 2015.</p> <p>It is hoped that participating schools will showcase the programme's success and more schools will participate in the future.</p>

7	To review the County Council's approaches to borrowing and investing capital reserves when presented with low risk, high return investment opportunities such as energy efficiency projects and renewable energy.	The County Council's approaches to borrowing and investing capital reserves with regard to renewable energy projects have been reviewed as part of the development of the Energy Policy. The outcome of this review is that current approaches are unlikely to change in the short and medium term.
8	To identify council assets appropriate for community-funded renewable energy projects, develop an approach for offering these for community investment and determine how individual initiatives can be supported.	<p>The Corporate Energy Manager, who will be appointed in the autumn of 2015, will consider opportunities for community investment as part of the development of the Renewable Energy Strategy.</p> <p>The Planning, Transportation and Environment service is commissioning a review of the range of options which exist for local authorities to engage with community energy initiatives. This will form part of the evidence based used by the Corporate Energy Manager in developing the Renewable Energy Strategy.</p> <p>Over the past four years DCC has supported community energy groups to pursue community-owned renewable energy projects. DCC's latest support programme in 2014/15 - the Community Energy Accelerator - involved the provision of small, start-up grants to enable local groups to organise themselves to be in a position to apply for DECC's Rural or Urban Community Energy Funds. A further tranche of grant funding will be advertised in September 2015. DCC has also prepared a Community Energy Legal Toolkit to help community energy groups understand good practice in developing community energy projects. This is believed to be the first in the UK. Available online at https://new.devon.gov.uk/energyandclimatechange/community-energy-legal-toolkit</p> <p>The experience of some of the community energy groups engaged on the Accelerator has been captured in a video which highlights the opportunities available to community energy groups as well as the challenges that Devon County Council is helping local communities overcome. The video is available at https://new.devon.gov.uk/energyandclimatechange/community-energy</p>
9	If the use of capital reserves and prudential borrowing continues to be	The Investment and Pensions Fund Committee considered a report on the solar PV energy scheme at their meeting on 27 February 2015 and rejected the proposal on the basis of

	<p>unviable (referring to recommendation 7), the existing outline business case prepared by the Environmental Performance Board for the development of solar PV on redundant landfill sites and park & ride facilities, and wind turbines on County Farms, should be presented to the Investment and Pension Fund Committee.</p>	<ul style="list-style-type: none"> – the Pension Fund’s duty to provide the best return on investment possible; – the potential for a conflict of interest if the Pension Fund were to make an investment into local infrastructure; – the potential risks involved in this type of investment in the long term.
<p>10</p>	<p>If the use of capital reserves and prudential borrowing continues to be unviable (referring to recommendation 7), Devon County Council should enter into a partnership with an expert body in order to produce a business case for investment by the Pension Fund in renewable energy installations across the corporate and schools estate, incorporating community investment.</p>	<p>See above. Investment in DCC renewable energy schemes has been discounted by the Investment and Pensions Fund Committee.</p>

Delivering the Energy Strategy

In addition to the evidence gathered above, the task group also heard how

- the conversion of [part-night street lighting](#) is already exceeding its target to deliver 20% savings in energy consumption and associated costs. The remaining roads, which will remain lit all night, will benefit from the installation of LED lights with the help of a £10.6m grant from the Department of Transport from 2016 onwards, which is forecast to save an additional 33% in energy consumption.
- the Council has been awarded a 75% grant from the Department for Transport to lease four electric vehicles for civil parking enforcement officers and the Planning, Transportation and Environment group, which will be based at County Hall, Ivybank and Ryefield in Kingsteignton.

With reference to any larger-scale renewable projects, the task group noted that the National Grid southwest of Bristol is at capacity until 2020 which means that no further installations will be able to feed into the National Grid until approximately then. This hinders the possible installation of solar PV at the redundant landfill sites and park & ride car parks in the short term but the development of a Renewable Energy Strategy (see recommendation 4 above) will consider opportunities for generating energy for consumption by private consumers without the need to feed energy into the National Grid, as well as keeping the Council's options under review for deployment later in the decade when capacity becomes available.

CONCLUSION

Members were encouraged by the progress which had been achieved and suggested that the achievements should be communicated publically more widely. The task group will continue to keep the matter under review.

Councillors Gordon Hook and Ray Radford

Copies of this report may be obtained from the Democratic Services & Scrutiny Secretariat at County Hall, Room G31, Topsham Road, Exeter, Devon, EX2 4QD or by ringing 01392 384383. It will also be available on the County Council's website at:

www.devon.gov.uk/index/councildemocracy/decision_making/scrutiny/taskgroups.htm

If you have any questions or wish to talk to anyone about this report please contact Janine Gassmann, Scrutiny Officer, tel. 01392 384383 or email janine.gassmann@devon.gov.uk