

DCC Building Decarbonisation Scheme for approval

Report of the Head of Planning, Transportation and Environment

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation: that the Cabinet be asked

- (a) to approve the £3.3m capital spend on the energy-efficiency retrofit of four corporate buildings. This will be made up of:
 - Government Grant from Public Sector Decarbonisation Scheme: £2.1m
 - Devon County Council Carbon Reduction Plan: £1.2m.
- (b) to approve the scheme for progression to construction, and to give delegated powers to the Head of Planning, Transportation and Environment, in consultation with the Cabinet Member for Climate Change, Environment and Transport, to make minor amendments to the scheme details.

1. Summary

Devon County Council (DCC) has secured funding from the government's Public Sector Decarbonisation Scheme (PSDS) to retrofit corporate estate buildings to deliver carbon, energy, and cost reductions. Additional "top up" funding is required from the county council in order to meet the necessary standards. This will contribute towards the implementation of the authority's Carbon Reduction Plan in response to the climate emergency.

2. Introduction

DCC has secured a grant from PSDS to deliver low carbon retrofits to five corporate estate buildings. Of this portfolio, Lucombe House has gone ahead and has been allocated £0.7m from this PSDS grant to ensure energy-efficiency upgrades occur as part of its current refurbishment. The scheme being proposed addresses a further four corporate estate buildings.

3. Proposal

A scheme has been developed to use existing DCC capital, provisionally allocated to the Carbon Reduction Plan, as a local contribution, in order to top-up additional PSDS funds to deliver the retrofit of the Great Moor House, Abbey Rise, St Michaels and Taw View buildings to the required standard.

This would exceed the Carbon Reduction Plan targets for the corporate estate as set out in the Carbon Reduction Plan by 2030. This recommendation reflects this authority's recognition that emissions must be reduced rapidly.

The works will be carried out while the buildings are occupied and generally consist of the installation of insulation to building fabric, mechanical ventilation with heat recovery, LED lighting, building management systems, solar panels, and air source heat pumps. There will be some anticipated disruption, but this will be mitigated as far as possible.

The programme for the works is to start in November, and to be completed in 2022.

4. Options/Alternatives

DCC has one other option which is to 'do nothing'. This is not recommended as DCC will not make the necessary progress towards its carbon reduction targets.

5. Consultation

The scheme is in line with the published Climate Change Strategy which has been approved by Cabinet and has been made available on the Council's web site. It also aligns with the Draft Interim Devon Carbon Plan which is also available for consultation.

6. Financial Considerations

Proposed DCC local contribution capital funding of £1.2m is phased over 2021/22 and 2022/23 with potentially the majority in year 2. This capital has already been provisionally earmarked for the implementation of the Carbon Reduction Plan funded by internal borrowing. The revenue impact of this borrowing is already included in the Medium-Term Financial Strategy. This is not an increase to the existing capital programme, but an allocation of existing funds.

This is to be supplemented by draw down of PSDS grant of £2.1m 2021/22.

It is anticipated that there should be some revenue savings due to less energy usage and increased use of solar panels. The situation regarding revenue savings is complicated as although heat pumps use electricity which has a higher pence per kilowatt value than gas, gas prices have increased and there is a national policy to move away from gas. Furthermore, some of these technologies are fairly new and revenue costs will be monitored.

Property	Total Project Cost	PSDS Grant	CRP (DCC)
Great Moor House	1,243,119	1,124,235	118,884
Abbey Rise	708,748	392,725	316,023
St Michaels	663,879	350,860	313,019
Taw View	710,390	250,318	460,072
TOTAL	3,326,136	2,118,138	1,207,998

7. Legal Considerations

There are no specific legal considerations for DCC. The Climate Change Act 2008 (2050 Target Amendment) Order 2019 requires the UK to become carbon neutral by 2050. DCC has a moral obligation to demonstrate local leadership towards achieving this requirement. All procurements will be in compliance with public procurement regulations.

8. Environmental Impact Considerations (Including Climate Change)

The project will make substantial progress towards DCC's carbon reduction target and improve the building's resilience to increasing temperatures.

9. Equality Considerations

An Impact Assessment has been prepared and circulated separately to Cabinet Councillors and is available at [Zero Carbon Buildings - Impact Assessment \(devon.gov.uk\)](https://www.devon.gov.uk/zero-carbon-buildings-impact-assessment)

Climate change will affect everybody in the county, and it will affect people less able to adapt the most. These include less affluent people, those living with physical and mental health conditions, those living in coastal communities or other areas prone to flooding and young people who will live with the effects becoming worse over their lifetimes. Implementing the recommendation will help grow efforts to reduce international carbon emissions and minimise these impacts on everyone.

There are no equality impacts anticipated directly from the retrofit activity.

10. Risk Management Considerations

The proposal has the following risks and mitigations:

- *PSDS administrators don't agree to the proposal:* DCC has assessed the proposal as passing PSDS's terms and conditions and are in dialogue with the administrators.
- *Prices increase further:* We have secured confirmation from contractors that their tender price is still correct at this time. Once in contract the works will be at a fixed price and managed with contingency budget. Contingency has been put in to cover some price rises.
- *Works not delivered on time:* PSDS require grant to be spent by 30th March but DCC-funded measures can be done after this date.

11. Public Health Impact

The project will reduce fossil fuel burning which in turn will reduce emissions of air pollutants such as NOx and particulate matter which will benefit communities near to the sites. The works will also improve ventilation levels within the buildings that will improve wellbeing for occupants.

12. Conclusion

It is recommended that use is made of Devon's capital allocated to climate change to ensure the proposed low carbon retrofits are delivered to the required standard. This project aligns with the Council's carbon reduction objectives by the installation of insulation to building fabric, mechanical ventilation with heat recovery, LED lighting, building management systems, solar panels, and air source heat pumps at four of the Council's buildings.

Dave Black
Head of Planning, Transportation and Environment

Electoral Divisions: All

Cabinet Member for Climate Change, Environment and Transport: Councillor Andrea Davis

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
Nil		

DCC Building Decarbonisation Scheme for approval – Final