

REPORT TO THE EXECUTIVE



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PORTFOLIO	Resources
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ASSET MANAGEMENT - ENERGY EFFICIENCY WORKS

PURPOSE

1. To seek authority from the Executive for expenditure from the Capital Programme budget on Energy Efficiency Works in 2009/10.

RECOMMENDATION

2. It is recommended that the Executive authorises the release £100,000 from the Council's Capital Programme for energy efficiency works.
3. That the Executive approves that these monies be spent on energy efficiency works as outlined in the report.
4. That the Head of Property Consultancy, in consultation with the Executive Member for Resources, be authorised to tender the works in accordance with Standing Orders and accept the most advantageous tender for the works.

REASONS FOR RECOMMENDATION

5. These works will reduce energy consumption and carbon emissions inline with the Council's Strategic Objectives, Sustainability Action Plan and Carbon Management Plan.

SUMMARY OF KEY POINTS

6. The following proposed Energy Efficiency Works for 2009/10 are as identified within the Carbon Management Plan:

Projects	Budget Allocation 09/10	
Insulation (Roof)	£	39,100
Lighting Controls (Identified in DEC advisory report)	£	21,250
Boiler Replacement (Minor Condensing Boilers)	£	21,250
Other	£	3,400
Professional Fees & Salaries (15%)	£	15,000
Total	£	100,000

7. Loft insulation could potentially save 10-20% of energy consumption with a typical payback of 2-4 years based on Good Practice Guide 312 on total energy space heating in naturally ventilated buildings.

The aforementioned budget allocation allows for further investigation and feasibility study of loft insulation in Townley Hall, Burnley Town Hall, Nicholas Street and Burnley Mechanics. Works would be carried out on the properties with the shortest payback for upgrading loft insulation and works to the remaining properties would be re-evaluated for the following financial year.

8. The installation of Passive Infrared (PIR) lighting sensors as recommended in the DEC advisory report could provide energy savings of approximately 10-15% per annum with payback periods of 2-3 years. The main works to be carried within this financial year are located in Townley Hall; Parker Lane; Nicholas Street and Contact Burnley. Larger operational buildings have been targeted as they offer the highest energy efficiency reductions.
9. The proposed boiler replacement works is a continuation of our existing boiler replacement programme. The renewal of old conventional boilers with high efficiency condensing boilers would effectively lower fuel costs and carbon emissions. High efficiency condensing boilers work on the principle of recovering and using heat which is normally wasted from the flue of a conventional boiler.

Although they require a significant initial investment, they have proven to be economical on a longer term basis as high efficiency condensing boilers are able to convert more than 90% of their fuel into heat compared to the 60 - 70% for the existing conventional boilers. Thus, enabling fuel savings to eventually repay initial installation costs.

10. The above opportunities to reduce energy consumption have been identified and prioritised to ensure that the emphasis is placed on those with significant energy reduction potential within the shortest payback period.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

11. The £100,000 is coming from Prudential borrowing and will be paid for from the savings identified above.
12. Measures to increase energy efficiency will reduce energy costs, which is particularly important for the future given the predicted increases in energy prices. Energy and fuel costs have seen a dramatic rise in recent years, with energy prices increasing by well over 50% since 2004 and this trend is not expected to change in the coming years.

POLICY IMPLICATIONS

13. Consistent with Council Policies and Strategic Objectives, particularly:
PL3b - Reduce the Council's energy consumption by 5% per annum.

DETAILS OF CONSULTATION

14. Corporate Sustainability Group
Chair of Better Services.

BACKGROUND PAPERS

15. Held in Property Consultancy.

FURTHER INFORMATION

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