

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Buildings, Land and Procurement Panel
Date:	17 December 2013
Title:	Energy Performance Project Phase 1
Reference:	5401
Report From:	Director of Culture, Communities and Business Services

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1. Context

- 1.1. The Corporate Management Team have endorsed, in principle, £1.42m to fund an Energy Performance Project (EPP) across the County Council's corporate built estate, including libraries, offices, older persons and nursing care homes. This fits well with the corporate initiative Transforming the Council 2015 and will contribute to revenue cost reductions and building environment improvements for staff and service users. A detailed business case was prepared and supported by the Head of Finance as part of this proposal.
- 1.2. This project will install various measures and technologies on a building by building basis across several sites in order to reduce energy consumption by increasing the efficiency of energy use and reducing energy waste. A full list of properties is in Appendix 1. Associated carbon reductions and energy cost savings will also be made as a direct consequence of implementing these measures. Typical measures might include high efficiency lighting, automated lighting control, heating controls and roof insulation. A full list of measures is in Appendix 2.
- 1.3. Phase 1 of the Energy Performance Project will focus on 25 of the County Council's highest energy consuming sites within its corporate estate, and will commence early in financial year 2014/15. Later phases will address remaining sites across the corporate estate, and will consider extending the Project to schools and other external organisations.
- 1.4. This report focuses on delivery of Phase 1 only.

2. Delivery overview

- 2.1. Delivery of the EPP will comprise five stages:
 - Stage 1 - Building information validation

- Stage 2 - Detailed design and procurement plan development
- Stage 3 - Procurement
- Stage 4 - Installation of the measures
- Stage 5 - Validation and verification

Stage 1 - Building Information Validation (September 2013 - November 2013)

- (i) Sense checking
Revisit the surveys previously undertaken to reaffirm the suitability of the proposed measures and technologies for each site; confirm costs of measures; and update the existing financial model as required.
- (ii) Monitoring and verification research
Develop monitoring and verification methodologies and in line with those used by the industry for the monitoring and verification of the energy/carbon reductions

Stage 2 - Detailed design and procurement plan development (October 2013 – December 2013)

- (iii) Develop a detailed procurement plan comprising, strategy, methodology and delivery plan.
For each site, finalise the detailed specification of the proposed measures and technologies and prepare the tender documentation for the procurement of the contractors.

Stage 3 - Procurement (December 2013 to March 2014)

- (iv) Procurement of contractors is not considered to be a specialist activity but more business as usual, which can be delivered within existing County Council supply chains. It is anticipated there will be a range of contractors to supply and install the measures and technologies depending on the type, complexity and specialism

Stage 4 - Installation on Site (April 2014 to March 2015)

- (v) Delivery of the required measures by contractors, programmed and co-ordinated by Property Services

Stage 5 - Validation (April 2014 until at least December 2015)

- (vi) Ongoing monitoring and verification of installed measures and technologies to determine the effectiveness of the measures compared to the calculated data.

3. Current Activity

- 3.1. The sites and associated efficiency measures comprising Phase 1 were determined through work carried out previously. Further work has been undertaken recently to confirm the status of these sites, and identify any changes to them which may have taken place in the intervening period.
- 3.2. The delivery of an Energy Performance Project will interface with a number of other County Council work programmes, including the Policy and Resources Capital Programme for 2013/2014 and 2014/15, and Hampshire Workstyles. Linkages between these programmes will be closely co-ordinated.

4. Funding and approvals

- 4.1. The Business Case is supported by the Head of Finance as a sound investment with an appropriately short pay-back period.
- 4.2. Total funding required will be £1.42 million inclusive of fee and contingency and it is proposed that the funding is provided from capital allocated in the 2013/14 programme for energy projects.
- 4.3. Funding for officer time to take the project to the end of Stage 1 (information validation) has been identified from existing resources specifically approved for the development of energy reduction initiatives. It is anticipated that the staff cost of undertaking all of the activities in Stage 1 will be in the order of £20,000.
- 4.4. Staff costs for the delivery of Stages 2, 3, 4 and 5 will be covered by the project fee derived from the project funding. This equates to approximately £175,000.
- 4.5. It is proposed that this fee is made available in the 2013/14 financial year to progress the scheme to procurement stage in order that work can commence early in 2014/15.

5. Working Arrangements

- 5.1. A delivery team has been established within CCBS and supported with specialist resources from the Director of Economy, Transport and Environment and the Director of Corporate Resources Team. The delivery team will report to a project steering group comprising senior managers and officers which will monitor progress. Members will be informed through the Energy Members group already established and chaired by the Executive Member for Income and Capital Resources.
- 5.2. Regular progress reports will be taken to the corporate officers Energy Working Group by the Project Lead.

5.3. In order for the project to deliver the optimum financial savings, works should ideally be completed on all sites in one condensed period. The works may be split into, groups of four or five sites for ease of procurement and delivery, but these will be completed ‘back-to-back’ as a continuous programme of works to gain the greatest efficiencies in procurement and delivery. A further option would be to deliver a single measure across all sites in one contract rather than being bundled into a package of mixed works/measures particularly if that measure is a more specialised one, eg cavity wall insulation.

6. Project Risk Management

6.1. The majority of risks on this project are considered to be classified as “Low” as they are typical of all construction projects, eg resource to deliver the project. The risks, tabulated below have been classified as medium risk and will require management as identified.

Risks	Level	Failure	Management
Delivery halted due to unknown building issues	Medium	It is possible that building works could be halted or delayed and additional costs may be incurred due to contractors coming across unknown issues with buildings when carrying out the works.	CCBS hold a great deal of information on our buildings and issues such as listed building status and asbestos are already factored into the plans. However contingency funding is included within the budget for this project
Service user disruption	Medium	Takes longer, costs more, service delivery affected, issues halt programme.	Engagement with client departments to be carefully managed to minimise disruption to both service delivery and the project

7. Energy Saving/Carbon Reduction

7.1. When all measures are complete across all 25 sites the energy savings achieved will be in the order of 200,000 kWh per annum which equates to a carbon reduction of 845 tonnes per annum. This will make a contribution to the County Council’s Carbon Reduction Strategy Phase 2, 2015-2025.

7.2. Savings will be of the order of £5 million over the lifetime of the measures (25 years). Initial calculations have indicated a potential return on investment around 15% would be achieved for the EPP programme.

8. Recommendation

That the Buildings, Land and Procurement Panel make the following recommendations to the Executive Member for Policy and Resources:

8.1. That an Energy Performance Programme (EPP) is designed and delivered to the top 25 energy consuming buildings in the corporate estate. This is to be funded from Capital Allocations already budgeted for Energy related projects in the 2013/14 Capital Programme.

- 8.2. A capital allocation of £1.42 million is set aside for the Energy Performance Project from the Capital programme allocation for Energy Projects for delivery of the design and construction work in 2013/14 and 2014/15.
- 8.3. That the Energy Performance Programme (EPP) is added to the Capital Programme 2013/14.
- 8.4. The fee of £175,000 is made available to the Director of CCBS to progress the scheme design and procurement in 2013/14.

Appendix 1 - List of Phase 1 sites

Name	Type
Aldershot Library	Library
Bar End Offices and Warehouse	Office/Warehouse
Bickerley Green	Nursing/Residential
Calshot Activity Centre	Activity Centre
Castle Avenue	Office
Castle Hill	Office
County Museum	Museum
EII Court South	Office
Emsworth Nursing Home	Nursing/Residential
Fareham Library	Library
Farnborough Library	Library
Fleming House	Nursing/Residential
Forest Court	Nursing/Residential
Gosport Discovery Centre and Register office	Library/Office
Hawthorn Court Nursing Home	Nursing/Residential
Marlfield Nursing Home	Nursing/Residential
Micheldever Transport Depot and Labs	Office
Oakridge House Nursing Home	Nursing/Residential
Record Office	Office
Royal Victoria Country Park	Activity Centre
Sir George Staunton Country Park	Activity Centre
Sir Harold Hillier Gardens	Activity Centre
Three Minsters House	Office
Ticehurst Nursing Home	Nursing/Residential
Westholme Nursing Home	Nursing/Residential

Appendix 2 - List of measures

Electrical	Mechanical	Building
<ul style="list-style-type: none"> • 50W Halogens to LED • Motion Sensors • Photoelectric Dimmer Sensors • PIR Motion Sensors • T8 to LED Lighting Conversion • T8 to T5 Lighting • Time Clocks • Tungsten to compact fluorescent lighting 	<ul style="list-style-type: none"> • Building Management System • Heating Controls and Zoning • Install TRVs • Installation of New Boilers • Insulate Valves in Plant Rooms • Power Flush Radiators • Fit Reflective Radiator Panels 	<ul style="list-style-type: none"> • Roof Insulation (Pitched) • Cavity Brick Wall Insulation • Draught Proofing

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Carbon Strategy	<u>Reference</u> 1152	<u>Date</u> 26.07.2010
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. An Equalities Impact Assessment will be undertaken, if required, by the service occupants managing buildings which may require moves or decanting arrangements to facilitate this programme. This will be determined at a future date.

2. Impact on Crime and Disorder:

- 2.1. There is no impact on Crime and Disorder.

3. Climate Change:

- 3.1. The Energy Strategy and Carbon Management Plan will have a significant positive effect on the carbon emissions of the county Council. Climate change impacts are a driver in implementing reduction programmes.