

THE EXECUTIVE

14 JUNE 2005

REPORT FROM THE DIRECTOR OF REGENERATION AND ENVIRONMENT

BARKING AND DAGENHAM SUSTAINABLE ENERGY STRATEGY	FOR DECISION
<p><i>This report is presented to the Executive for the adoption of the Sustainable Energy Strategy as a corporate strategy and support the establishment of an Energy Strategy Steering Group.</i></p> <p>Summary</p> <p>The Barking and Dagenham Sustainable Energy Strategy (Appendix A) aims to reduce the Borough's climate change impact. It is a corporate strategy with cross-cutting policies influencing most departments. Due to the importance of climate change, it has the potential to become a high profile strategy for the Council.</p> <p>The Strategy contains policies to promote energy efficiency and renewable energy in existing buildings and in new buildings and the regeneration of the Borough. The Strategy has eight Strategic Objectives, forty three policies and fifty six actions.</p> <p>The Implementation Plan (Appendix B) will be taken forward by the Energy Strategy Steering Group and it provides an indication of the resource implications of the Strategy, but detailed assessments will need to be compiled for each policy by the council section responsible for its implementation.</p> <p>Any additional funding required to implement the Strategy will be subject to either the capital bid process or the 2006/07 revenue budget process. There are also substantial external funding pots available for implementing this Strategy.</p> <p>The Council 'leading by example' is a vital component of this Strategy – core to this will be an 'invest to save' approach to improving the energy efficiency of council buildings.</p> <p>Key climate change initiatives are brought together in this Strategy, such as improving the energy performance of housing, implementing the London Plan's energy policies and the Mayor's policy for a 'zero carbon' development in every borough.</p> <p>The Greater London Authority (GLA) has also chosen Barking Town Centre to be one of only five 'Energy Action Areas' in London to act as 'showcase low carbon communities'. This will involve the Council working with the GLA and other key regeneration partners to ensure that sustainable energy technologies are an integral part of the regeneration of the town centre.</p> <p>Corporate endorsement of the Strategy will help boost its profile and give its policies a higher priority. Having the Strategy in place will significantly increase the Council's chances of obtaining external funding.</p> <p>Wards Affected - All.</p>	

Recommendations

The Executive is recommended to:

1. Adopt the Sustainable Energy Strategy as a corporate strategy;
2. Support the establishment of an Energy Strategy Steering Group to oversee the implementation and monitoring of the Strategy;
3. Endorse Barking Town Centre as an 'Energy Action Area' to be taken forward in partnership with the Greater London Authority; and
4. Note that any additional funding required to deliver the Strategy will be subject to either the capital bid process or the 2006/07 revenue budget process.

Reason

This Strategy directly contributes to the following Community Priorities

- Making Barking and Dagenham Cleaner, Greener and Safer
- Improving Health, Housing and Social Care
- Regenerating the Local Economy
- Raising General Pride in the Borough

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1. Background

- 1.1 The Cleaner, Greener and Safer sub-group of the Barking and Dagenham Partnership has requested a climate change and energy strategy for the Borough. The Council signed the Nottingham Declaration on Climate Change in July 2001 which commits the Council to prepare a strategy to reduce energy consumption and carbon dioxide emissions.
- 1.2 In addition, the Mayor of London published his Energy Strategy in 2004 which outlines policies for reducing London's carbon dioxide emissions; this Barking and Dagenham Energy Strategy aims to implement these policies.
- 1.3 The first draft of this Sustainable Energy Strategy was produced in 2002 but due to the extensive work required in its development and its cross-cutting nature it failed to progress. It has been taken forward by the Environmental Sustainability Team over the last eight months so as to provide a strategic framework for addressing carbon dioxide emissions across the Borough. This Energy Strategy closely follows the Mayor of London's Energy Strategy and it aims to implement national and regional climate change policy at the local level.

1.4 The Sustainable Energy Strategy contributes directly to four of the Community Priorities:

- Making Barking and Dagenham Cleaner, Greener and Safer – through addressing a key environmental issue;
- Improving Health, Housing and Social Care – addressing fuel poverty is important in improving health, housing and quality of life;
- Regenerating the Local Economy – sustainable energy is a growing business area; and,
- Raising General Pride in the Borough – a greener Borough and more eco-friendly buildings like the Millennium Centre will contribute to the pride within the Borough.

1.5 This is an ambitious long-term strategy for a ‘low carbon’ Borough which aims to address all carbon dioxide emissions in the Borough, including those from the Council’s own activities, housing, business and transport.

1.6 Implementation will be overseen by the Energy Strategy Steering Group which will meet quarterly. The Strategy is being led by the Sustainable Development Group in the Department of Regeneration and Environment, and has been written in conjunction with Transportation, Asset Management, Regeneration, Economic Development and also with the Housing and Education departments. Policies and actions fall on all these sections of the Council.

1.7 The Sustainable Energy Strategy is attached as Appendix A and the Implementation Plan is attached as Appendix B. As the Energy Strategy Steering Group will be responsible for implementing the Implementation Plan, the timetable of the Plan is provisional at this stage.

2. Proposal

2.1 The Borough needs a sustainable energy strategy to provide a local response to climate change. Many other local authorities have had a climate change strategy in place for some time however; few councils have a strategy as comprehensive and cross-cutting as this one. In order to be successful the Sustainable Energy Strategy requires a high profile status and those Officers responsible for its implementation will need the space (time and resources) to implement its policies and actions.

Risk Assessment

2.2 Climate change and energy issues are growing in importance at the international, national and regional level and will therefore continue to grow in importance for local authorities. This Sustainable Energy Strategy will enable the London Borough of Barking and Dagenham to take forward climate change solutions, energy efficiency and renewable energy. This will better prepare the Council for future responsibilities and duties in this important area. The risks to the Council of failing to take a strategic and high priority approach to energy efficiency and renewable energy are high.

- 2.3 The Sustainable Energy Strategy has ambitious objectives and there is also the risk of the council failing to live up to expectations following the adoption and launch of this strategy. To manage this risk, the Sustainable Development Group will Chair the Energy Strategy Steering Group and report annually to the Executive on the implementation of the Strategy.

Approach

- 2.4 The coordination of the Energy Strategy is led by the Sustainable Development Group within the Planning Division and is a component of the Balanced Scorecard. The policies related to regeneration, housing and other areas will need to be a component of their Balanced Scorecards – the Energy Strategy's Implementation Plan outlines who is responsible for implementing each policy.

Impact on Local Economy

- 2.5 The Energy Strategy could have many positive impacts on the local economy by encouraging environmental business and activities. Energy efficiency and renewable energy are growth businesses and incorporating these features within the regeneration of the Borough will have many benefits for the London Borough of Barking and Dagenham.

Environmental issues and impact

- 2.6 The Sustainable Energy Strategy specifically aims to address the Borough's climate change impact and therefore has a very positive environmental impact.

3. Financial Implications

Capital Issues

- 3.1 Policy 2A in the Sustainable Energy Strategy states that the Council will improve the energy efficiency of council buildings through an 'invest to save' scheme. Actions 2A (i) and 2A (ii) involve developing the invest-to-save business plan later in 2005. Although 'invest to save' schemes can take a variety of different approaches they require some level of up-front investment. The level of the initial investment can be determined by the Council based on projected reduced running costs. The proposal for an 'invest-to-save' energy efficiency scheme will be taken to the CMT later in the year.
- 3.2 There are numerous good examples of local authorities implementing 'invest to save' energy efficiency programmes in their building stock. Through investing £200k a year, Redbridge Council has made a net saving of £1.04 million over the last 15 years. Through implementing a similar programme Woking Council has delivered fuel bill savings of £4.7 million over the past 10 years with annual savings of £700,000 a year; all from an initial investment of £250k. Woking Council ring-fenced all fuel bill savings resulting from their efficiency investments and continue to invest this money in efficiency measures.
- 3.3 Energy and water surveys undertaken by consultants Advanced Demand Side Management Ltd (ADSM) for a number of council buildings in 2002 identified efficiency measures that could deliver annual fuel bill savings of £8.5k for the Town Hall and £20k for Barking library.

- 3.4 Implementing the Decent Homes standard across the Council's housing stock up to 2010 will require all available housing capital funding. However, external funding is available for special energy efficiency projects that improve social housing energy performance beyond Decent Home standards. Housing and Health will need to allocate Officer time to considering these alternative options for funding innovative energy efficiency measures.

Policy Issue for Capital Spending in the Council

- 3.5 The Sustainable Energy Strategy has many implications for the Capital Programme in terms of environmental standards for purchasing and construction/refurbishment projects. The 'Council Leading by Example' section of the Strategy requires the Council to follow best practice in purchasing energy efficient equipment and energy efficient design in refurbishments and 'new build'. This will require changes in the criteria for successful projects, currently there is no provision within the Capital programme for sustainable energy projects and any future bids for resources will need to be considered as part of the overall review of Capital schemes.

Revenue Issues

- 3.6 The exact nature of the resource costs and revenue issues associated with implementing each of the policies and actions in the Strategy need to be determined by the sections responsible for their implementation. These resource issues will become more apparent once the Energy Strategy Steering Group is established to oversee the Strategy's implementation. Nonetheless, the attached Implementation Plan provides an initial assessment of the resource implications of each policy.
- 3.7 Key resource implications associated with the implementation of the Sustainable Energy Strategy could include;
- energy efficiency 'invest to save' programme for council buildings – most likely to be sourced from Capital Funding;
 - energy efficiency programme for the Borough's schools – could require an Officer to promote energy efficiency to the Borough's schools;
 - social and private housing energy efficiency programmes – funding might be required to commission study into scope for improving the energy performance of the Borough's housing;
 - energy / carbon assessments for key regeneration sites – a study is already taking place into a sustainable energy strategy for Barking town centre's regeneration;
 - preparing business plan and set-up costs for an Energy Services Company (ESCO) – although external funding could be available for this.
- 3.8 There are numerous sources of external funding that are available for delivering this Sustainable Energy Strategy, these are listed at the back of the Strategy document. However, accessing this external funding will require effort, and will often only be available once the Council has put in the groundwork to improve eligibility. This Sustainable Energy Strategy provides the Council with the context and background to successfully apply for external funding. If revenue resources

are required to promote sustainable energy schemes these bids will need to be considered as part of the 2006/07 budget process.

4. Staffing Implications

4.1 These will also become clearer following the establishment of the Energy Strategy Steering Group and once each responsible section begins implementing their policies and actions. There may be staffing implications for the following key policy areas:

- Implementing a best practice energy management programme across council property.
- Running an energy efficiency scheme with the Borough's schools.
- Increasing energy efficiency activity with regard to the Borough's housing.

5. Consultation

The following people have seen this report and have either raised no objection or have confirmed that they are happy with this report as it stands.

Internal:

Councillor McKenzie, Environment and Sustainability Portfolio
Councillor Smith, Housing and Public Health Portfolio
Councillor Kallar, Regeneration Portfolio

Regeneration Board – 30 November 2004

Regeneration and Environment

Jim Mack, Head of Asset Management & Development
Keith Stubbs, Energy Conservation Officer,
David Higham, Group Manager Strategic Transportation,
David Harley, Principle Regeneration Officer,
Rob Shooter, Group Manager, Regeneration Implementation,
Robert Farley, Team Leader Planning Policy,
Steve Jones, Street Lighting Manager,
Colin Reynolds, Assistant Manager-Fleet,
David Waller, Interim Head of Finance,

Housing and Health

Dan Read, Private Sector Housing Manager,
Isabella Rossi, Project Manager-Housing Strategy,
Ken Lyons, Acting Capital Works Manager,
Ken Jones, Head of Housing Strategy,
David Woods, Director of Housing & Health

Education, Arts and Libraries

Andy Carr, Assets Manager,

Corporate Strategy

Muhammad Saleem, Solicitor to the Council & Monitoring Officer
Paul Feild, Corporate Lawyer

External:

Joanna Dawes, Principal Policy Advisor-Energy, Greater London Authority
Penny Bramwell, Head of Sustainable Development Unit, Government Office for London

Background Papers

- The Sustainable Energy Strategy
- Implementation Plan
- Mayor of London's Energy Strategy, 'Green Light to Clean Power', February 2004 – www.london.gov.uk/mayor/environment/energy/index.jsp
- UK Government Energy Policy, 'Our Energy Future – Creating a Low Carbon Economy', February 2003 – www.dit.gov.uk/energy/whitepaper/index.shtml