

March 2022

Decision Session – Executive Member for Environment and Climate Change

Report of the Head of Carbon Reduction

Corporate Buildings Decarbonisation Plans

1. Summary

- 1.1 In 2019, City of York Council (the council) declared a Climate Emergency and have since set the ambition for York to be net zero by 2030. This ambition is part of the council priority in making a cleaner, greener city, (The City of York Council Plan).
- 1.2 In 2020/21, the council's corporate buildings generated 1,713 tonnes of carbon dioxide emissions (tCO₂). Decarbonising the council's buildings is an important consideration for achieving our net zero ambition and becoming a carbon neutral council by 2030.
- 1.3 Within the UK Governments 'Build Back Greener Net Zero Strategy', a further £1.425bn has been committed to decarbonising public buildings through the Public Sector Decarbonisation Scheme (PSDS) for 2022/23 to 2024/2025, plus a further £475m top up per year, to cut emissions from public sector buildings by 75% by 2037.
- 1.4 Decarbonisation Plans for our corporate buildings will provide an evidence base for future PSDS applications and create a pipeline of capital projects for funding bids to finance the decarbonisation of our assets.

2. Recommendations

- 2.1 The Executive Member is asked to:
 - i. Approve the use of £50,000 from the Climate Change Scheme Fund to cover the creation of decarbonisation plans for 5 to 10 of the council's corporate buildings.

Reason

Decarbonisation plans for our corporate buildings present an opportunity to reduce the council's carbon emissions and reduce energy bills while providing the basis for external grant funding, minimising the cost of capital works to the council. The Climate Change Scheme Fund was established to support carbon reduction initiatives.

3. Background

- 3.1 The council's corporate emissions account for 3.8% of city-wide greenhouse gas emissions. Energy use costs £783k per year and gas use alone is responsible for 47% of direct corporate emissions.
- 3.2 Total Gas/Electricity consumption (kWh), carbon emissions (tCO₂e), and costs for each council corporate building are presented in Annex 1.
- 3.3 The top 10 gas consuming sites account for 68% of carbon emissions from corporate buildings. Targeting these highest consuming sites will have the greatest impact on reducing carbon and cost.
- 3.4 Buildings will be selected for decarbonisation plans using the following criteria:
 - Total carbon emissions
 - Total energy cost
 - Age/type of current heating system
 - Eligibility for PSDS funding

4. Decarbonisation Plans

- 4.1 Detailed specification for the decarbonisation plans will be produced in collaboration with Asset Management and Property Services, and will consist, as a minimum of:
 - Technical assessment of:
 - potential renewable energy generation
 - lighting improvements
 - potential low carbon space heating/hot water solutions.
 - Feasibility assessment of:
 - potential building fabric improvements
 - internal improvements and appliance upgrades

- water saving measures
- Options appraisal of technical solutions with quantified energy savings, carbon savings, cost savings, capital costs, operational costs and technical constraints.

5. Benefits

5.1 Decarbonisation Plans have the potential to produce the following benefits for the council:

- Clear plans for decarbonising our highest emitting buildings and supporting our ambition to be net zero by 2030.
- Potential to reduce energy costs associated with council buildings.
- A route to access significant government grant funding (through PSDS) reducing capital costs for the council.
- Potential to reduce building maintenance costs.
- Potential to improve occupant comfort.
- Demonstration of leadership and best practice by the council towards net zero carbon.
- Potential to improve local air quality from a switch away from fossil fuel heating systems.

5.2 All potential benefits will be quantified in the decarbonisation plans and will be used to inform which projects are taken forward.

6. Options Appraisal

Option 1: Use £50,000 from Climate Change Scheme Fund to undertake decarbonisation plans

6.1 Producing decarbonisation plans for our buildings positions the council for future grant funding bids, minimising the cost of capital works to the council.

6.2 The project supports our transition to a carbon neutral council by 2030 and has the potential to reduce energy costs.

6.3 The scope of the project aligns with the intention for establishing the Climate Change Scheme Fund and there is sufficient resource within the fund to undertake this work.

Option 2: Do nothing

6.4 Without the decarbonisation plans, the £50,000 would be retained in the Climate Change Scheme Fund; however, the council would not be in a position to bid for future grant funding and would expect to incur higher costs to deliver carbon emission reductions.

7. Recommendation

7.1 It is recommended that £50,000 from the Climate Change Scheme Fund is used to carry out decarbonisation plans for council corporate buildings. The decarbonisation plans will be used to apply for PSDS, gain access to central government capital funding, and subsequently decarbonise council assets as we work towards a Net Zero city by 2030.

7.2 The Executive Member is asked to:

- ii. Approve the use of £50,000 from the Climate Change Scheme Fund to cover the creation of decarbonisation plans for 5 to 10 of the council's corporate buildings.

Reason

Decarbonisation plans for our corporate buildings present an opportunity to reduce the council's carbon emissions and reduce energy bills while providing the basis for external grant funding, minimising the cost of capital works to the council. The Climate Change Scheme Fund was established to support carbon reduction initiatives.

8. Council Plan

8.1 The recommendation from this paper fulfils one of the commitments from the Council Plan: Providing data of carbon emissions across the city. This monitors progress against the Greener and Cleaner Council Plan priority.

9. Implications

9.1 Full implications are considered below:

- **Financial** - £50k will be covered by the existing Climate Change Scheme capital budget and approval requested at the

next Executive Member decision session. Costs to deliver activities detailed in the plans will be considered separately.

- **Human Resources (HR)** – The Carbon reduction team will support internal and external stakeholders with the delivery of the project. No other HR implications have been identified.
- **Equalities** – No equalities implications have been identified.
- **Legal** - With a budget of £50,000 to procure external support for the decarbonisation plans, the threshold at which a full procurement exercise would be required under the Public Contracts Regulations 2015 will not be met. The Council's internal Contract Procedure Rules would, however, need to be considered; at this value, if an appropriate framework agreement cannot be identified the requirement would be for a minimum of three written quotations to be obtained from potential providers. Legal Services should be consulted as part of this process in order to draft an appropriate contract for publication.

In the event that the Council is successful in applying for PSDS funding, Legal Services will also need to be consulted to ensure that the terms and conditions of any grant funding agreement are acceptable and that the Carbon Reduction team are fully apprised of their rights and obligations.

Further procurement exercises may be required depending on the value of any works or services identified in the decarbonisation plans. Appropriate contracts will again need to be drafted according to the Carbon Reduction team's requirements.

- **Crime and Disorder** – No crime and disorder implications have been identified.

- **Information Technology** – No IT implications have been identified.
- **Procurement** – see legal above
- **Property** – CYC Asset Management and Energy Teams have capacity to support project progress and eventual decarbonisation delivery.

10. Risk Management

10.1 The following risks have been identified:

- The commissioned decarbonisation plan is not produced to the desired standard. This risk will be mitigated with a specific project tender specification to support the procurement process.
- The decarbonisation plan does not produce the desired advice e.g. the chosen buildings have little practical capability to decarbonise effectively. This is unlikely as all buildings have some scope to reduce their carbon emissions.
- The decarbonisation plan is not ready in time for the next PSDS application phase. However, if this is the case we can simply apply at the next round.
- Despite creating a quality decarbonisation plan, we are unsuccessful with PSDS and are unable to deliver actions, raising expectations that could create reputational impacts.
- There are no further phases to PSDS and/or we do not qualify to place an application.
- No potential energy and/or cost savings are identified within the decarbonisation plan.
- The decarbonisation strategies identified within the plan do not reduce energy and maintenance costs, with the potential to increase costs.
- Potential problems in delivery if the building is listed and/or within the conservation area. Planning permission may be required for external changes.

Contact Details

Author:

Shaun Gibbons

Head of Carbon Reduction
Policy, Intelligence, Carbon
and Communications
07923 222971

Officer Responsible for the report:

Claire Foale
Assistant Director Policy & Strategy

Report Date 25/02/2022
Approved

All

Wards Affected: [List wards or tick box to indicate all]

For further information please contact the author of the report

Background Papers:

Annexes

Annex A_Corporate Building Energy & Emissions Data