

CENTRAL SERVICES CABINET MEMBER MEETING

Agenda Item 13
Brighton & Hove City Council

Subject: Display Energy Certificates - Update
Date of Meeting: 29 June 2009
Report of: Director Finance and Resources
Contact Officer: Name: **Angela Dymott, Assistant Director** Tel: **29-1450**
Property & Design
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Key Decision: No
Wards Affected: All

1. SUMMARY AND POLICY CONTEXT

- 1.1 To update the Cabinet Member Meeting on the council's Display Energy Certificates, the progress achieved to date, the analysis of the information received, the emerging themes and actions and the proposals to address the areas and sites that are under-performing, through a prioritised programme of works under the carbon management programme.

2. RECOMMENDATIONS

Central Services Cabinet Member Committee recommends that:

- 2.1 The results of the DEC and Advisory reports form the basis of the council's strategy for carbon emissions reduction. As such priority should be given to those buildings which receive the lowest ratings. Resources within the council's Salix fund are to be applied as a priority to measures identified through the council's DEC programme pending full site specific analysis.
- 2.2 The report and recommendations are endorsed and that the report is submitted to Cabinet for approval.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 As of 1 October 2008, a Display Energy Certificate (DEC) and Advisory Report are required for buildings with a total useful floor area over 1,000m² that are occupied in whole or part by public authorities and by institutions providing public services to a large number of persons and therefore frequently visited by those persons. A Display Energy Certificate (DEC) shows the energy performance of a building (heating and electrical) based on actual energy consumption as recorded annually over periods up to the last three years. The Operational Rating is a numerical indicator of the actual carbon emissions from the building. This rating is shown on a scale from A to G where A is the lowest CO₂ emissions (best) and G is the highest CO₂ emissions (worst).

- 3.2 A DEC is valid for one year and must be updated annually. A one year implementation period was applied and transitional arrangements put in place specifically for multi Campus sites. A penalty charge notice of £500 may be levied for failing to display a DEC at all times in a prominent place clearly visible to the public, and £1,000 for failing to possess or have in their control a valid advisory report.
- 3.3 Early anecdotal evidence suggests that nationally at least 25% of buildings surveyed had received an F or a G rating with most buildings resulting in an average D rating and with less than 1% scoring A. It is also important to note that a number of modern Buildings have received poor ratings including City Hall which was constructed in 2002 to exacting standards by Foster & Partners, yet only received an E rating. This is very much the purpose of the legislation, to highlight actual performance and show progression towards the benchmark in subsequent assessments.
- 3.4 Brighton & Hove City Council has an ongoing climate change action plan and have received £200K funding from Salix to deliver carbon reduction projects across the council portfolio.

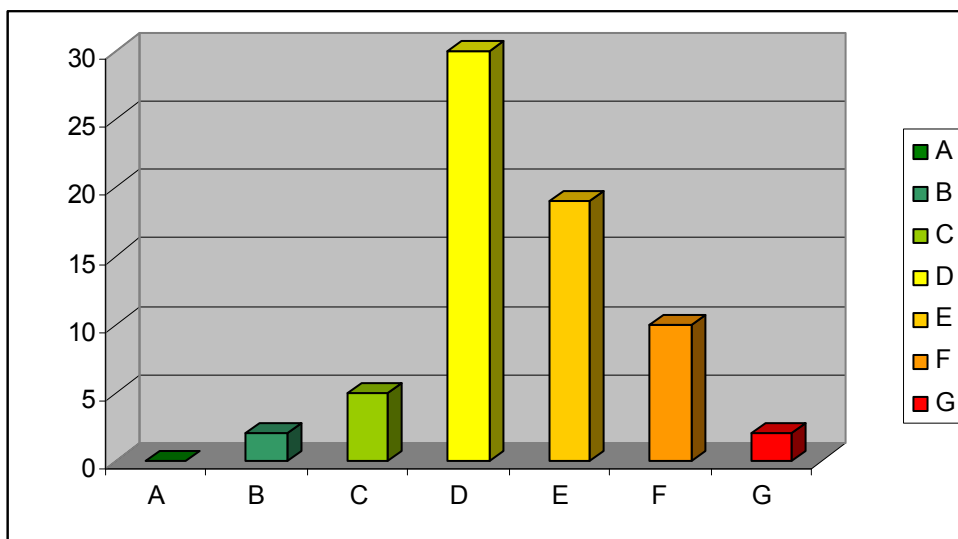
4 Progress

- 4.1 Originally 115 sites within the council portfolio were identified as meeting the survey the criteria, following research a further 4 sites were added to the list in April 2009, bringing the total council sites requiring certification to 119. As these sites have just been added and we are currently compiling all outstanding data, we do not yet have a grade or certification for these.
- 4.2 Following a competitive tendering exercise the council appointed Environ in September 2008 an accredited assessor to undertake the sites surveys, assessments and reports Environ completed the site surveys in March 2009. There are a number of sites which, due to operational or management history, have proved difficult to certificate.
- 4.3 The majority of council sites requiring certification are schools and as such fall within CYPT. A sub set of this group are the PFI operated schools. As the consumption data for these sites is not centrally collected, there have been some issues with data provision which are currently being worked through by the council Energy team and Environ. At the time of writing this report, consumption information had been passed to environ to enable these certificates to be lodged.
- 4.4 Trafalgar and Regency Car Parks were returned to Council management in November 2008 following their tenure with NCP. The council energy team have sought consumption records and have now supplied this data to Environ.
- 4.5 A similar situation is currently the case with three sites which are managed by DC Leisure. Two sites at Withdean Stadium along with Stanley Deason Leisure Centre have yet to provide the appropriate data to enable a certificate to be lodged.

- 4.6 A total of 30 non school sites are still to be lodged. 10 of these have been provisionally lodged and will be issued by 22nd June 2009. Consumption data for the remaining 20 sites has now been compiled and passed to Environ by to enable these to be lodged by the end of the month.
- 4.7 A total of 70 Certificates have now been lodged. With a further 10 sites receiving a provisional grade. The results based on 70% of the portfolio yield the following information as to the performance across the council.

Schools

- 4.8 Schools form the bulk of the council buildings requiring certification. The graph below shows the proliferation of scores across the council.



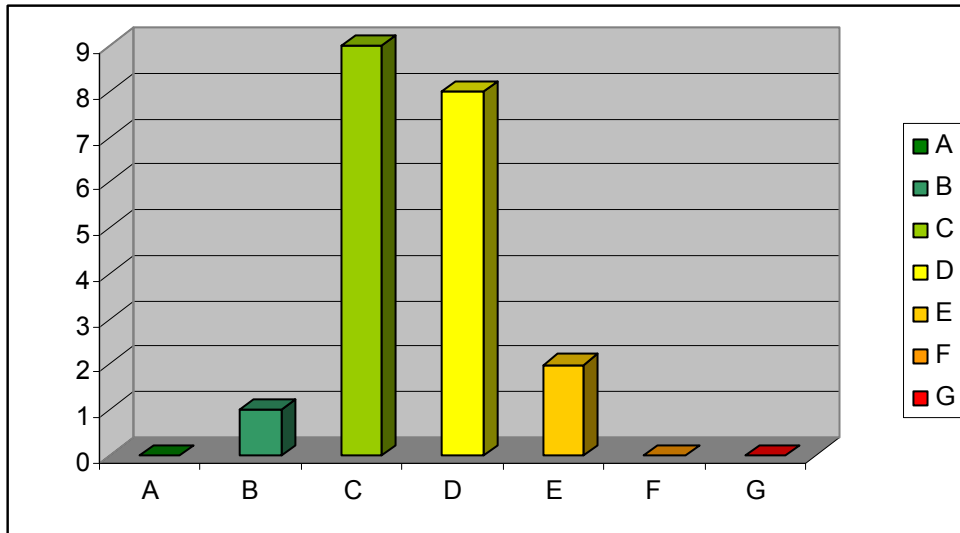
Buildings scoring D or above are deemed to be functioning above the typical performance for buildings of their type.

- 4.9 A total of 31 schools failed to reach this standard with 2 currently scoring G. However the 2 G grades were directly attributable to incomplete or corrupt data. Both cases are being investigated. A correction in either or both cases will not, however, be able to be lodge until the next round of certification.
- 4.10 From these results and with schools forming the bulk of the certificated sites it would appear prudent to target those schools receiving grades less that D with a view to improving these grades in the next round of certification.

Non School Sites

- 4.11 A total of 30 non school sites are still to be lodged. 10 of these have been provisionally lodged and will be issued by 22nd June 2009. Consumption data for the remaining 20 sites has now been compiled and passed to Environ by to enable these to be lodged by the end of the month.
- 4.12 Of the non school sites surveyed and certified at the time of this report, the majority fall within the Finance and Resources Directorate and include all of the main council offices and key sites such as the Jubilee library.

4.13 A further 10 sites received provisional grades. These provisionally graded sites will need to be finally verified before being lodged but have been included to give a true reflection of performance to date as shown below. Final grades will be produced by the 22nd June 2009, however performance across these sites is generally above typical.



5 Analysis

5.1 A total of 70 certificates have now been lodged. With a further 10 sites receiving a provisional grade. The results based on 70% of the portfolio allow us to conclude that the councils efforts are best directed towards improving the performance in schools.

5.2 Analysis of the advisory reports produced some generic themes:

- Improving energy management techniques
- Fitting zone controls to reduce over and under heating
- Implement programme of planned lighting systems maintenance
- Improving building fabric air tightness
- Introduce measures to reduce hot water usage
- Review building lighting strategies & propose alterations/upgrades

5.3 The advisory reports go on to suggest site specific actions which would have the highest impact and have a favourable financial profile. A number of these measures are already committed for delivery or should be followed up however, further analysis should be carried out to truly ascertain the cost benefit of delivering these measures. Key actions suggested include;

- Improving/introducing loft and/or cavity wall insulation
- Consider installing weather compensator controls on heating & cooling systems
- Consider upgrading major time controls to include optimum start/stop
- Constructing draught lobbies or installing door closers/revolving door solutions

- 5.4 From these results we can see that the DEC's provide a useful guide as to the sites within the portfolio where action should be targeted. It is, however important to note that the cursory nature of some of the inspections do not lend themselves to the immediate implementation of projects. An example of this would be the instances where the advisory reports have suggested the installation of biomass boiler plant at city centre schools without fully considering delivery and storage implications.
- 5.5 In conclusion, the council should use the DEC programme to identify sites for action, in the first instance concentrating on the 31, non PFI schools currently graded below D. The schools should be appraised on a site by site basis with the advisory reports serving as a guide to action. In all cases a cost benefit analysis must be carried out prior to committing to any of the identified actions. Once these criteria are met funds from existing programme such as Salix should be made available for project delivery.

6. CONSULTATION

- 6.1 Whilst no authorised data on national averages has been produced, various sources have stated the average grade across the UK to be D. Further evidence published at commencement of the programme suggested that one in four of the buildings assessed so far scored F or G, with less than 1% - scoring A (22 sites nationally).
- 6.2 Whilst this does suggest the council is in a similar position to other authorities, it should be noted that a number of the poor scores across the UK are equally as likely to be as a result of poor data as they are to be the result of poor insulation. For example some sites which are equipped with a high degree of renewable generation, could quite feasibly score G if the site has not kept a generation record in the format required. A situation which, whilst not condemning some schools in Brighton to a G rating has meant that best practice as demonstrated by one or two has not been recognised.
- 6.3 Further benchmarking has been carried out in association with East Sussex County Council Energy Management team. This benchmarking exercise revealed B&HCC to be in a similar position to other local authorities, scoring predominantly around D and with some final data delivery issues hindering completion. Most city councils have now identified October 2009 as an implementation deadline.

7 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 As all of the surveys were completed within the 08/09 financial year, no further payments for survey or certification are expected.

Finance Officer Consulted: Patrick Rice

Date: 17/06/2009

Legal Implications:

- 7.2 Display Energy Certificates form part of the final implementation in England and Wales of the European Directive 2002/91/EC on the Energy Performance of Buildings. The Directive is given effect by The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 (SI 2007/991 as amended).

The relevant parts of the Regulations are discussed in the body of the report. A more detailed guide to the scope and requirements of the Regulations can be found in the Communities and Local Government publication 'A guide to Display Energy Certificates and advisory reports for public buildings' issued in May 2008.

B&HCC are obliged to carry out all necessary surveys and display certificates by October 2009.

Equalities Implications:

- 7.3 There are no equalities implications.

Sustainability Implications:

7.4

- *Sustainable Consumption and Production* - The issue of certificates will increase awareness across the portfolio. The aim of this legislation is to thereby bring about a reduction in consumption and production.
- *Climate Change and Energy* – Similarly, the implementation of this legislation is designed to bring about a reduction in emissions in the short to medium term. The success of the certificated sites is reviewed annually with bench mark figures shown on yearly certificates. Regular performance monitoring of these sites forms a key part of the B&HCC climate change strategy.
- *Natural Resource Protection and Environmental Enhancement* – This indicator will not be affected by the proposed procurement.
- *Sustainable Communities* – This indicator will not be affected by the proposed procurement.

Crime & Disorder Implications:

- 7.5 There are no crime and disorder implications

Risk and Opportunity Management Implications:

- 7.6 There are no additional risk or opportunity management implications

Corporate / Citywide Implications:

- 7.7 The DEC's and Advisory reports will help the council understand its energy performance and its carbon footprint better and will assist in the identification and targeting of non-performing sites to enable better prioritisation of the resources available to the Council through Salix Finance and the Carbon Management Programme.

8 EVALUATION OF ALTERNATIVE OPTIONS

- 8.1 DEC's are a legal requirement and no alternative option is available.
- 8.2 To date Salix projects and associated funding have been allocated on an ad hoc basis. Project identification has required the Energy & Water Manager to suggest projects based on consumption and deviation from benchmark figures. Whilst continuing with this system may be effective, it lacks the targeted delivery offered by a DEC based implementation programme.

9 REASONS FOR REPORT RECOMMENDATIONS

- 9.1 The introduction of DEC criteria has enabled the council to finesse its project selection methodology with regard to retrofit projects. By adopting the DEC programme as the key project selection criteria B&HCC will be able to ensure that SALIX funds are best spent to reduce carbon emissions across the council portfolio.

SUPPORTING DOCUMENTATION

Appendices:

- 1. Schedule of DEC's lodged to date.

Documents In Members' Rooms

- 1. None

Background Documents

- 1. None

