



CABINET 27TH FEBRUARY 2019

SUBJECT: FUNDING FOR THE INSTALLATION OF ENERGY EFFICIENT LIGHTING THROUGHOUT TY PENALLTA

REPORT BY: INTERIM CORPORATE DIRECTOR (COMMUNITIES)

1. PURPOSE OF REPORT

- 1.1 The report seeks Cabinet approval of funding arrangements for the installation of energy efficient lighting throughout Ty Penallta offices.

2. SUMMARY

- 2.1 The existing florescent lights within Ty Penallta are to be replaced with modern energy efficient LED fittings. This £175,000 project will reduce the annual electricity bill by £24,000 and reduce the Authority's carbon footprint by 83 tonnes per annum. The upgrade project is approved for funding via the Local Authority Energy Financing (LEAF) invest to save loan scheme and work can start in February 2019. However, it is proposed that a portion of the projected Miscellaneous Finance underspend be utilised to pay off the loan in 2018/19 which will allow the annual energy cost saving to be declared as a recurring MTFP saving. The released LEAF funds will be diverted to other energy reduction projects on or within Authority buildings.

3. RECOMMENDATIONS

- 3.1 It is recommended that Cabinet approve the use of a portion of the projected Miscellaneous Finance underspend to fund the Ty Penallta lighting upgrade project costing £175,000 and that the associated energy cost saving of £24,000 be declared as a recurring MTFP saving.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The recommendation allows in year underspends to be used to invest in a project which will deliver recurring revenue cost savings with a payback period of approximately 7 years.

5. THE REPORT

5.1 The lighting to the main office areas within Ty Penallta is based on a now outdated technology. The lights within the west wing of the first floor were replaced with modern movement and light sensitive LED fittings in 2018. These new lights use 75% less energy than the previous fittings but as they dim on brighter days and are movement activated the actual energy saving will be greater. This trial was successful and the upgrade is now intended to be rolled out to the rest of the building. A £175,000 project was approved for Local Authority Energy Financing (LEAF) invest to save funding and following a competitive tender process the contract was awarded with work to commence in February 2019.

5.2 The LEAF funding is a loan which is normally repaid over many years so a recurring revenue cost saving arising from the reduced electricity costs would not be realised and it is now proposed that a portion of the projected Miscellaneous Finance underspend is used to pay off the loan in 2018/19. The £24,000 annual reduction in electricity charges would then be offered as a recurring MTFP saving.

5.3 Conclusion

Given the availability of funds, it is recommended the project is fully funded by the Authority in 2018/19 and the consequential electricity cost saving declared as a recurring MTFP saving thereafter.

6. ASSUMPTIONS

6.1 The projected electricity cost saving is based on 2018/19 unit electricity charges and operational experience relating to operating hours. It is likely that electricity costs will increase and therefore the projected saving is considered conservative.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 The reduction in carbon emissions resulting from reduced energy consumption links to the Public Service Board Well Being Plan and its “Cleaner and Greener” priority.

7.2 The resultant recurring revenue saving links to the Authority’s medium term financial plan and the need to reduce revenue expenditure in future years.

7.3 In this regard the savings directly link to the Authority’s medium term financial plan principle aimed at limiting the impact of cuts on front link services by reducing expenditure elsewhere.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 The recommendation within this report links to the well being goal “A Globally responsible Wales” as a result of reducing the Authority’s carbon footprint.

8.2 The recommendation within this report is consistent with the five ways of working as defined within the sustainable development principle in the Act and in particular the importance of balancing short-term needs with the need to safeguard the ability of future generations to meet their long-term needs.

8.3 The recommendation within this report secures a recurring revenue saving which will reduce financial pressure on other areas and is therefore consistent with long term aim of the Well-being of Future Generations (Wales) Act to improve the social, economic, environmental and cultural well-being of Wales.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications associated with the recommendations within this report.

10. FINANCIAL IMPLICATIONS

10.1 The recommendation within this report requires that £175,000 of the projected Miscellaneous Finance underspend is diverted to fund the lighting upgrade project but will give rise to a recurring revenue saving of £24,000 per annum.

11. PERSONNEL IMPLICATIONS

11.1 There are no personnel implications arising from the recommendations within this report.

12. CONSULTATIONS

12.1 The views of the consultees listed below have been incorporated in this report.

13. STATUTORY POWER

13.1 Local Government Acts 2000.

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