

THE VALE OF GLAMORGAN COUNCIL

CABINET MEETING: JANUARY 31, 2007

REPORT FROM THE DIRECTORATE OF COMMUNITY SERVICES

FUNDING OF CAVITY WALL INSULATION FOR CORPORATE BUILDINGS

Purpose of Report

1. To present a sound business case for investing in a program of insulation for Council Buildings.

Background

2. Policy agreement 7a between the Welsh Assembly Government and the Vale of Glamorgan Council requires a 6% reduction in the carbon dioxide emissions associated with building use in the year leading up to 31st March 2007. The baseline was established using data from 2001 and 2002. The most recent annual figures to 31st March 2006 showed that there had been an increase in building related carbon dioxide emissions over the baseline of 5.9%. i.e. We are missing the Policy Agreement target by 11.9%. The reasons for this increase include factors such as
 - A general lack of investment in energy efficiency measures historically.
 - The continuing expansion of IT facilities within all buildings but especially schools.
 - Lack of maintenance
 - Specific problems within certain buildings such as a leaking hot water calorifier in Barry Leisure Centre over several months.
 - Energy use increases in larger buildings such as the Civic offices/Barry Leisure centre where for instance an increase of 15% in electricity use has occurred over the last 2 years.
3. A capital bid is being made for a "spend to save scheme" for energy efficiency once again this year but, should it be successful work wouldn't start until next summer.

- As an interim measure investment in insulation measures in the next few months would have a big impact on the energy use within particular buildings and would start a trend of energy reduction, which could be reported next April when the existing policy agreements finish.

Relevant Issues and Options

- Single contractor quotations have been provided for insulation of the Civic Offices and Barry Leisure Centre.

Resource Implications (Financial and Employment)

- Table 1 indicates the overall costs for heating at Barry Leisure Centre and the Civic Offices. The quotations costs for cavity wall insulation for the Civic Offices and Barry Leisure Centre are shown in table 2: It should be noted that this work could result in a reduction of 104 tonnes of CO₂ per annum at a one off cost of £40,500. Revenue savings would cover this investment within just over 3 years and the annual savings of over £12,000 would be realised year after year thereafter.
- A report of the Director of Finance, ICT and Property dated 13th December 2006 recommended that the work is initially financed through the project fund. A fund set up at the end of 2003/04 to finance capital and revenue projects. The aim of the Fund was to initially finance a project with repayment of such advances (including interest) being credited back to the fund.
- Four annual repayments of £11,263 would be made back into the fund by the relevant operational budget.

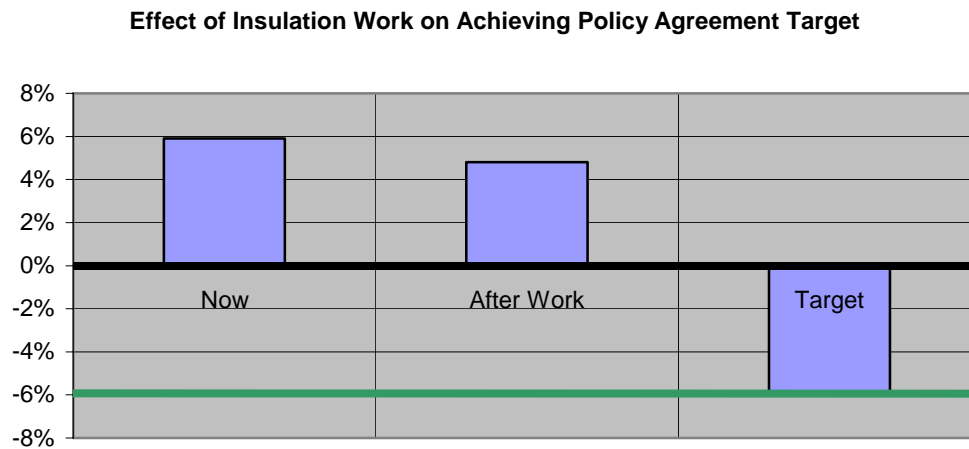
Table 1

Building Name	Gas Use (kWh)	Gas Cost
Barry LC	2,473,108	£45,347.00
Civic Offices	1,369,246	£35,783.00
Total	3,842,354	£81,130.00

Table 2

Building Name	Total CO ₂ Emissions (Tonnes)	Cost of CWI	Reduction in CO ₂ (Tonnes)	Reductions in Annual Fuel Costs	Simple Payback (Years)
Barry LC	727	£15,500.00	72	£8,285.67	
Civic Offices	845	£25,000.00	33	£3,887.18	
Total	1,573	£40,500.00	104	£12,172.85	3.3

9. A 1.1% saving would be achieved by taking this action over the policy agreement baseline. This may not sound much but it is a start. The following graph highlights the impact of this work on the Policy Agreement Target.



Legal Implications (to include Human Rights Implications)

10. The work will comply with the latest Health and Safety standards.

Crime and Disorder Implications

11. The work is not expected to have any effect on crime and disorder.

Equal Opportunities Implications (to include Welsh Language Issues)

12. All those who use the buildings will receive the benefits of the improved insulation

Corporate/Service Objectives

13. The corporate priority for the environment is “To achieve a quality environment through promotion and use of sustainable practices and by making the best use of current and future resources.”
14. The Corporate key target is to “Reduce the percentage of carbon dioxide emissions in the non-domestic public building stock by 6% between 2004 and 2007 (PA)

Policy Framework and Budget

15. This report is a matter for Executive decision by the Cabinet.

Consultation (Including Ward Member Consultation)

16. There are no consultation implications.

Appropriate Scrutiny Committee

17. Corporate Resources

RECOMMENDATIONS

1. Approval be given for funding to be made available in the 2006/07 capital programme to carry out insulation works on Barry Leisure Centre and the Civic Offices
2. The capital cost of the works will be funded from the Project Fund and based on a projected cost of £40,500, 4 annual repayments of £11,263 will be made back into the fund by the relevant operational budget.

Reasons for recommendations

1. In order to release money for work to go ahead in winter 2006/7 which will have an impact on the final policy agreement figures up to April 2007.
2. To confirm repayment arrangements.

Background Papers

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Officers Consulted -

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Chris Williams – Operational Manager (Property)

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