

Surrey Heath Borough Council

Executive

19 September 2023

Energy Strategy

Portfolio Holder:	Cllr Morgan Rise – Net Zero, Wellbeing & Environment Portfolio Holder
Strategic Director	Nick Steevens – Strategic Director of Environment & Community
Report Author:	Cameron Dent – Climate Change Officer
Key Decision:	No
Date Portfolio Holder signed off the report	21.8.23
Wards Affected:	All

Summary and purpose

To consider the adoption of an Energy Strategy.

Recommendation

The Executive is advised to RESOLVE that the Energy Strategy, as set out at Annex A to this report, be adopted.

1. Background and Supporting Information

- 1.1 Led by international events, 2022 saw a massive increase in energy prices and while these have significantly reduced from the peak, they threaten to stabilise at a significantly higher level than we have been used to seeing for the last decade, with wholesale energy prices being roughly 50% higher than before the Ukraine war. Further, As the world economy transitions away from carbon-based fuels and the UK becomes more reliant on electricity as a source of power, predicting the price of energy becomes more difficult and may lead to further price shocks, like those seen in 2022.
- 1.2 Price shocks, such as 2022 have a large impacts for local authorities, by eroding budgets as bills increase. For example, over the last year, our electricity costs increased from 16p to 25p per kWh, or an increase of 56%. With prices forecast to be similar for the council next year. Over a year, this amounts to approximately an extra £125,000 for the council's electricity.
- 1.3 Uncertain and unstable energy prices also drive home the importance of meeting previous energy reduction goals, in line with the council's 5 Year

Strategy and the commitment to achieve net zero by 2030. As such, an Energy Strategy has been designed to mitigate the impact of price instability while ensuring that our net zero ambitions remain on track.

- 1.4 The action plan has interventions set across three key themes which cover our operational energy use, supporting residents and businesses and generating renewable energy.
- 1.5 The key details within the strategy are:
 - 1.5.1 Surrey Heath House and Camberley Theatre account for 50% of building emissions. As such, achieving net zero will be determined by the Council's future plans for these sites. Removal from the building stock, or moving to energy efficient premises, will lead to large carbon reductions. Otherwise, extensive retrofits will be needed. As such, redevelopment of Camberley Town Centre is a once in a generation opportunity to sharply cut emissions.
 - 1.5.2 Decarbonisation of buildings will require large capital resource and officer time, with total works worth £2.7 million already being identified. If these works were completed, it would reduce the council's emission it has direct control over by 35%.
- 1.6 The key actions within the strategy are:
 - 1.6.1 E4. i - Reduce energy use through changes to day-to-day operations in council buildings
 - 1.6.2 E4.ii - Ensure that all buildings are on the best value for money tariffs
 - 1.6.3 E5.i - Include energy saving requirements where appropriate in new contracts
 - 1.6.4 E5.ii - Discuss energy saving with existing contractors and leisure center operators
 - 1.6.5 E6.ii - Creation of costed decarbonisation plans for highest energy consuming buildings and the submission of capital bids for works
 - 1.6.6 E7. i - Review information and information channels aimed at informing residents about energy saving
 - 1.6.7 E10.i - Identify sites, submit capital bid for and install renewable energy generation capacity.

2. Reasons for Recommendation

2.1 It is recommended that the Energy Strategy, as set out in ANNEX A, is adopted as this strategy supports a number of SHBC's commitments as below:

2.1.1 SHBC has pledged to achieve net zero emissions across the organisation by 2030.

2.1.2 The Five Year Strategy sets out a commitment to tackling climate change and protecting the environment.

2.2 Other than meeting existing commitments, this strategy will help the council take concrete action to reduce the impact of high energy costs.

3. Proposal and Alternative Options

3.1 It is proposed that the Executive adopts the Energy Strategy, with or without any further amendments it considers appropriate.

3.2 Alternatively, the Executive can choose not to adopt the Energy Strategy, but this would leave the council without a dedicated plan to deal with high energy costs, should they arise again in the future, and the need for action to reduce carbon emissions.

4. Contribution to the Council's Five Year Strategy

4.1 The Five Year Strategy has a number of related actions as below:

4.1.1 "Achieve at least 70% net reduction in the council's carbon emissions."

4.1.2 "Improve energy efficiency and increase local renewable energy production to transition to net zero-carbon energy status."

4.1.3 "Adapt our estate and operations to meet the challenges of climate change."

5. Resource Implications

5.1 The Energy Strategy does not have any direct resource implications. However, in order to deliver the aims of the strategy, it is noted that significant capital and staff time will be required.

6. Section 151 Officer Comments:

6.1 There are no direct budget implications identified in the report. Future budget bids (capital and/or revenue) will have to be made through the normal budgeting process.

6.2 The Council is facing a budgetary gap over its Medium Term Financial Strategy and as such any additional expenditure must be considered in the light of the need to close this gap.

7. Legal and Governance Issues

7.1 No matters arising.

8. Monitoring Officer Comments:

8.1 Approval of the strategy is an Executive Function.

9. Other Considerations and Impacts

Environment and Climate Change

9.1 The Energy Strategy will help deliver the council's existing climate pledges.

Equalities and Human Rights

9.2 No matters arising.

Risk Management

9.3 In meeting the actions set out in the Energy Strategy, there will be some risks on a project by project basis. These will be identified before any project begins, listed in a risk register and action to mitigate the impact of any risks will be made.

Community Engagement

9.4 No matters arising.

Annexes

Annex A – Energy Strategy

Background Papers

Not Applicable