

Committee:	Dated:
Corporate Asset Sub-Committee	10 February 2017
Subject: Q3 Energy Performance Report (2016/17)	Public
Report of: City Surveyor	For Information
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SUMMARY

This report provides a performance update on energy reduction targets set out in the Carbon Descent Plan 2015 (CDP-15) and covers the nine month period from April to December 2016.

The latest analysis shows an overall energy consumption increase of 0.8% (absolute performance) compared to the same period in 2015/16. Please note this report only provides commentary on the absolute performance. The annual performance report for 16/17 will provide commentary on both the weather corrected and absolute performance.

Even though there were reductions in departments such as the Department of Markets and Consumer Protection and the City of London Freeman's School, there were other departments where the consumption was higher (due to an increased demand of facilities) which resulted in an overall marginal increase in consumption.

An increase of 0.8% will unfortunately result in the Corporation not meeting its annual reduction target of 2.25% for 2016/17. This further implies the savings achieved as part of the CDP-09 have been eroded and the current performance trend is unlikely to meet overall reduction target of 25% by 17/18 as set out in the CDP-15. Please refer to next section for an overall summary graph.

To mitigate this current performance gap, a meeting has been set up for 1st Feb 2017 with key departments to review the current membership, objectives and Terms of References (ToRs) of the existing Energy Board. It is anticipated this renewed membership will raise awareness and set the tone in achieving the Corporation's energy goals across the organisation and will support the development of a corporate wide energy strategy.

Recommendation

It is recommended that Members note the contents of this report.

Main Report

Performance Monitoring

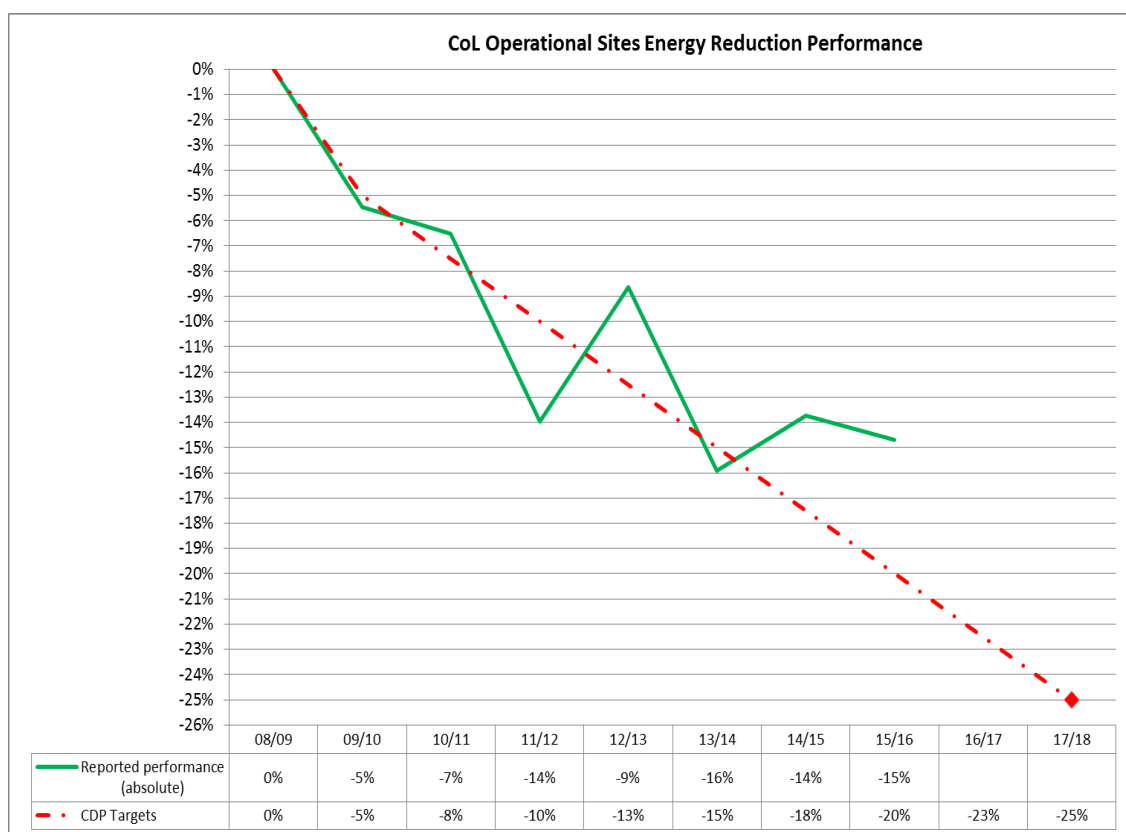
Current Performance

1. The table below demonstrates the energy consumption for April to December 2016 is 0.8% higher than the same period in 2015/16.

Table 1: Q3 performance comparison (Q1-3 2016/17 with Q1-3 2015/16)

Dept.	15/16 Q1-3	16/17 Q1-3	Diff. kWh	Diff. %
Barbican Centre	11,645,540	11,904,298	258,758	2.2%
Built Environment	5,287,530	5,246,306	-41,224	-0.8%
CoL Boys'	1,812,524	2,032,092	219,568	12.1%
CoL Freeman's	2,429,838	2,317,061	-112,777	-4.6%
CoL Girls'	1,317,509	1,316,808	-701	-0.1%
Courts	4,707,250	4,716,330	9,080	0.2%
CHL	2,085,963	2,333,080	247,117	11.8%
GSMD	4,932,050	5,359,172	427,122	8.7%
Guildhall	15,621,053	15,110,184	-510,869	-3.3%
Mansion House	1,236,911	1,338,369	101,458	8.2%
M&CP	22,198,779	21,833,390	-365,389	-1.6%
Open Spaces	3,628,603	3,759,983	131,380	3.6%
Police	4,001,694	4,184,811	183,117	4.6%
Walbrook Wharf	1,130,668	1,210,902	80,234	7.1%
Total	82,035,912	82,662,786	626,874	0.8%

- The departments and buildings with major increase were the City of London Boys School, Culture Heritage and Libraries, Guildhall School of Music and Drama, Mansion House and Wallbrook Wharf. Increases in consumption at these premises were mainly due to increased demand in heating due to colder weather and increased use of facilities.
- Below is a graph indicating the overall performance since the base year 2008/09. If we keep following the current performance trend, the Corporation is unlikely to achieve this year's target of 23% reduction by the end of 16/17.



Development of the Energy Strategy

4. Such energy reduction challenges are presently being reviewed in light of the current performance trend. The following narrative will be presented to the Energy Board as a 'short term strategy' in February 2017. If approved, it will form the basis of the draft Corporation's Energy strategy.
 - a. Explore an Energy Performance Contracting (EPC) option to deliver energy efficiency savings in bulk; or explore the 'RE: FIT' arrangement which is very similar to an EPC option but managed by the GLA (Greater London Authority) and mainly focussed on public sector;
 - b. Increased focus on data cleaning and metering exercise to ensure robust reporting;
 - c. Increased emphasis on assisting departments in identifying and delivering individual energy saving projects;
 - d. Continue to embed the energy agenda into wider CoL processes such as the capital projects gateway process; and
 - e. Behavioural change campaign to raise awareness with internal building users

AECOM update

5. In addition to the above, it is important that the Corporation considers completion of the AECOM recommendations. Please see Appendix 1 (available online) for more information on the recommendations.
6. In May 2013, the Corporation commissioned AECOM to carry out a strategic energy review of the operational estate. The overall aim of the review was to prepare a roadmap for an aspirational target of 40% by 2025 against the 2008 baseline. As a result of this study a set of recommendations were put forward, and agreed by the Summit Group in January 2014.
7. To date some progress has been made on these recommendations. However the nature of most of these recommendations is strategic, hence progress has been slow. This will be further discussed at the Energy Board.

Benchmarking Update

8. At the 18 November 2016 CASC meeting, it was raised that while reducing energy consumption was important, it may be that consumption was not the most appropriate measure for energy usage, given that it may not factor in a more intensive use of assets. Therefore, it will be beneficial to track efficiency of energy usage, rather than just consumption.
9. As a consequence, the Energy Team commenced a Benchmarking Review which aims to develop energy performance indicators which account for additional fluctuating influences and can be compared to national or local

benchmarks for determining whether performance is above or below typical levels and inform the development of realistic energy targets.

10. The review is progressing well, and currently looking to:

- establish the suitability of existing nationally recognised energy benchmarks and methods;
- developing methods for measuring energy performance for large mixed functionality buildings/sites (i.e. Barbican Arts Centre and Guildhall Complex);
- identifying which variables influence energy consumption and how these can be used for developing performance indicators appropriate to whole building or specific functions/services within buildings; and
- how other Local Authorities or Public Sector Bodies apply benchmarking.

11. The Energy Team expect to provide a summary of the results at the next CASC meeting.

Conclusion

12. An increase of 0.8% until now means the Corporation is unlikely to meet its annual reduction target of 2.25% for 2016/17 and will fall behind its planned target of reducing 25% by the end of 2017/18.

13. As a result it will be crucial to gain consensus on the 'short term strategy' in the upcoming meeting in February 2017 to re-focus the efforts in priority areas. In addition, delivery of the 14 AECOM recommendations set out in Appendix 1 will also play an important role in reducing the overall footprint of the Corporation.

Appendices

The appendix listed below is available online at the following link:

<http://democracy.cityoflondon.gov.uk/documents/s75576/EnergyAppendix.pdf>

Appendix 1 – AECOM Recommendations

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