

REPORT TO: Executive Board Sub-Committee
DATE: 16th October 2008
REPORTING OFFICER: Strategic Director, Environment
SUBJECT: Invest to Save
WARDS: N/A

1.0 PURPOSE OF THE REPORT

1.1 To update the Sub-Committee on progress with the Invest to Save bids, report on savings achieved to date and seek approval of further bids in relation to Power Perfectors.

2.0 RECOMMENDED: That:

- (1) the report and savings to date be noted; and**
- (2) the Invest to Save bids for Power Perfectors be approved.**

3.0 SUPPORTING INFORMATION

3.1 LOCAL AUTHORITY CARBON MANAGEMENT PROGRAMME

3.1.1 As part of the Invest to Save process four projects were approved in connection with the work the Council was undertaking through the Local Authority Carbon Management Programme.

3.1.2 Details of the projects and ongoing savings achieved to date are set out below.

3.2 NETWORKING OF PRINTERS TO MULTI-FUNCTIONAL DEVICES

3.2.1 An audit of the Council's fleet of photocopiers and printers identified that the Council had in excess of over 400 devices in its main buildings. Predominantly these printers were stand-alone and the aim of the project was to develop a print solution that took advantage of networked multi-functional devices (MFDs) and reduce the number of printers within the Council. The project will see a networked solution for MFDs across the following buildings: –

Runcorn Town Hall
Municipal Building
Catalyst House
John Briggs House
Rutland House
Grosvenor House

3.2.2 Phase 1 of the project (Runcorn Town Hall) is now complete in terms of installation but further work is required to install the Equitrac Print solution. A project plan is in place to roll out the MFDs to the other buildings over the coming months. The project will see the fleet printers and photocopiers in those buildings reduce from in excess of 400 to 103.

3.3 INVEST TO SAVE FUNDING

3.3.1 Funding of £60,000 was allocated from the Invest to Save budget. This was primarily to fund additional server capacity to run print software. To date, £8,486 has been committed for the work at Runcorn Town Hall. There still needs to be an IT solution to allow the Equitrac Print system to operate on the Citrix system and this will require some additional software. Further servers will be required as the programme is rolled out to other buildings.

3.4 SAVINGS TO DATE

3.4.1 At Runcorn Town Hall, the Council is currently saving approximately £900 a month on monthly lease and service costs compared with the previous solution. Once the contract is fully rolled out, it is anticipated that a saving in the region of £2,000 - £2,500 per month (£25,000-£30,000 per annum) will be achieved on lease and service costs.

3.4.2 Consumables are included under the current contract. To date, savings of £10,300 have been achieved at Runcorn Town Hall from reduced cartridge orders. As the contract rolls out this is expected to increase to approximately £90,000 per annum.

3.4.3 The Equitrac system which enables the Council to monitor printing patterns could lower costs by a further 10 -15% within Runcorn Town Hall and will be replicated throughout the majority of the Council's estate. This will be created mainly by improved control of colour usage and investigation of users' outputs with a view to redirecting large jobs to the Print Room, which has lower print costs.

3.4.4 The new devices have default settings to mono and duplex printing. Over time this should reduce the volume of paper used. In addition, the new devices are more energy efficient and in addition to using less devices this will result in an electricity consumption saving. A saving will also result now that the Council does not need to replace stand-alone printers. At this stage it is difficult to quantify exact figures for those savings.

3.5 INSTALLATION OF POWER PERFECTORS IN COUNCIL BUILDINGS

3.5.1 The Power Perfector's main feature is its ability to optimise and improve the source of voltage for a whole site and therefore cut energy

consumption and costs. This project is aimed to install Power Perfectors in a range of Council buildings.

3.6 INVEST TO SAVE FUNDING

3.6.1 Funding of £137,000 was allocated from the Invest to Save budget to install Power Perfectors.

3.7 SAVINGS TO DATE

3.7.1 A Power Perfector unit has now been installed at Kingsway Learning Centre and further units will shortly be introduced at The Brindley, Corporate Training Centre and Municipal Building. The total cost of installing Power Perfectors in these buildings is £60,000 and this will result in annual revenue savings of £26,500.

3.7.2 There are plans to roll out Power Perfectors to Halton Stadium, Widnes Market, Waterloo Business Centre, Rutland House and Runcorn Town Hall. The cost of installation in these buildings will be £101,000, which will result in annual revenue savings of £38,000.

3.8 REQUEST FOR ADDITIONAL INVEST TO SAVE FUNDING

3.8.1 Given the savings than can accrue from installing Power Perfectors, further work has been done to assess the potential of installing the devices at Picow Farm, Widnes Direct Link, Halton Lea Direct Link, Runcorn Market and Oak Meadow. The total cost of installing Power Perfectors at these buildings is £52,000 and should result in annual revenue savings of £12,000 per annum. The Sub-Committee's approval is sought to increase the Invest to Save bid from £137,000 to enable these schemes to proceed. The total cost of the Invest to Save bid including fees would be £248,150 which would give annual revenue savings of £75,000 per annum, a payback of approximately 3.3 years.

3.9 HALTON STADIUM – INVEST TO SAVE FUNDING

3.9.1 A funding of £49,000 was allocated to Halton Stadium to undertake a programme of works to improve lighting, heating and water controls. The works have now been completed.

3.9.2 In 2006/07 the Stadium used 1,310,899 kwh of electricity at a cost of £94,307. In 2007/08 the number of kwh reduced by 174,381 kwh to 1,136,518 kwh. The reduction was due to a combination of the technical works and a pro-active energy campaign undertaken by staff. Electricity costs at the Stadium in 2006/2007 were £94,307. Costs for 2007/08 were £87,994.48, a saving of £6,313. The saving has to be seen in the context of rising energy prices and would have been greater if costs had not increased substantially. Reduction in consumption amounts to 13.3%.

3.10 ENERGY CAMPAIGN

3.10.1 This project aims to develop an ongoing staff awareness campaign which would include developing a network of energy champions to take a lead in their service areas for encouraging behavioural change to reduce energy consumption.

3.11 FUNDING FROM INVEST TO SAVE

3.11.1 £10,000 was allocated from the Invest to Save scheme to design an energy campaign and bring in support from the Carbon Trust to train and develop the network.

3.11.2 To date, the campaign has been designed and a network of officers across the Municipal Building, Rutland House, Halton Lea Library, Warrington Road Children's Centre, Halton Stadium and four primary schools has been established. The Carbon Trust will train the network in early October and it is the intention to launch the campaign the week commencing 20th October to coincide with the Energy Saving Trust's National Campaign on Energy Awareness. Halton Stadium piloted a similar scheme last year and energy usage reduced each month by between 3,000 -10,000 kw hours. The Carbon Trust estimate that energy consumption can be reduced by between 5% and 15% through good housekeeping. If the Council can target a 10% reduction in energy due to staff awareness, this could achieve a saving of in excess of £20,000 per annum based on current prices. It is anticipated that energy prices will significantly increase in the next few years, which would increase any savings from a reduced consumption across the above buildings.

3.12 INVEST TO SAVE BID – LIGHTING UPGRADE

A project to replace old light fittings and tubes together with the introduction of lighting controls at some of the larger corporate buildings is being drawn up. Once costs and savings have been identified, a further bid for resources from the Invest to Save budget will be brought forward.

4.0 POLICY IMPLICATIONS

4.1 The above actions are in line with the Council's Carbon Management Strategy and Implementation Plan, which was drawn up as part of the Council's involvement in the Local Authority Carbon Management Programme.

5.0 OTHER IMPLICATIONS

5.1 The Council spends in excess of £1m per annum on energy costs in buildings. In the past 12 months prices have been extremely volatile and substantial increases are anticipated when the new gas and

electricity contracts are negotiated. The current gas contract expires on 31st March 2009 and current predictions are the Council can expect a 75% increase in costs over the next two-year period. In terms of electricity the Council has two supply contracts. The first a half hourly contract which covers larger buildings. This is a one-year contract and expires on 30th September 2008. The current prediction is that there will be an increase of 101% on current costs. The Electric Sub 100kw contract expires on 31st March 2009 and current predictions are that prices will increase by 75% over the next two years. These increases would add substantially to the Council's existing costs and across all contracts could add approximately £800,000 to the existing contracts.

Any action the Council can take to reduce energy consumption will help to reduce pressure on these budgets.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 There are no direct implications for the Council's priorities although reducing spend on energy can help direct resources to frontline services.

7.0 Children and Young People In Halton

None.

8.0 Employment Learning and Skills in Halton

None.

9.0 Healthy Halton

None.

10.0 A SAFER HALTON

None.

11.0 HALTON'S URBAN RENEWAL

None.

12.0 RISK ANALYSIS

None.

13.0 EQUALITIES AND DIVERSITIES ISSUES

None.

14.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Carbon Management Strategy and Implementation Plan	Chief Executive's Office, Municipal Building, Kingsway, Widnes.	Jim Yates, Principal Executive Officer