



Alive West Norfolk

Report to Council

Meeting Date:

Report Title:

Author	Report Type	Impact			
Neil Gromett	For Decision		High	Medium	Low
	For Information	X		X	

Purpose:

The purpose of the report is to update the panel on progress with the Re:fit energy performance contract.

Summary:

The Borough Council has entered into an arrangement with Local Partnerships to deliver the Re:fit energy performance contract.

Following a tendering exercise Ameresco are the Council's preferred partner in delivering this project. This involves identifying, designing and delivering a range of Environmental Control Measures (ECMs) to improve energy efficiency, cost and CO2 emissions.

A detailed Investment Grade Proposal (IGP) of 15 council buildings has identified a guaranteed saving of £136,504 per year for a capital investment of £1,394,493. This is a payback of 10.22 years.

The Defined Performance Parameters guarantee a minimum emission reduction of 478 tonnes CO2e

Detail:

1. Introduction to the Refit Programme

The rising impact and cost of carbon emissions means that public sector organisations are under increasing pressure to reduce their emissions. In addition, high fuel bills are being seen at the same time as an increasing need for all organisations to achieve savings. As such, reducing carbon emissions leads to direct financial, risk management and reputational benefit to public sector, third sector and commercial organisations alike.

The Re:fit framework is co-owned by Local Partnerships and the Greater London Authority. It has been developed in partnership with the former Department of Energy and Climate Change and Crown Commercial Service.

Re:fit was originally created in 2008 by the Greater London Authority and is now a national scheme with over 200 organisations signed up and over 600 properties successfully retrofitted.

The robust energy performance contracting approach provides the opportunity to reduce carbon emissions, achieve substantial guaranteed energy savings, and cut costs through energy efficiency and energy generation measures.

Local Partnerships, working with the Department for Business, Energy and Industrial Strategy, is continuing to support public sector organisations outside London to implement Re:fit schemes across selected premises and sites.

The Local Partnerships Refit team

Local Partnerships is owned by HM Treasury, the Local Government Association and Welsh Government. It helps the public sector deliver locally by providing professional support and advice in areas such as procurement, negotiation and contract management, assurance, funding, sourcing and commissioning, solving problems, achieving savings, shared services and forming effective partnerships.

Local Partnerships operates at a local and national government level across a range of sectors and fields including health, IT, waste, social care, leisure, parking, emergency services as well as core infrastructure projects including bridges, tunnels and roads.

Local Partnerships' Re:fit team help public sector organisations through every stage of the process, providing hands-on legal, financial, technical, project management and procurement expertise developed in delivering Re:fit projects to date and using the latest templates.

2. Proposal/Post Implementation Review/Monitoring Report

In September 2017 Cabinet agreed to work with Local Partnerships to access the Re:fit scheme aimed at reducing CO2 emissions, energy consumption and cost. Through this scheme the council wished to develop a relationship with a pre-approved supplier that will deliver guaranteed savings measured against an approved measurement and verification plan (M&V) plan.

The Re:fit project is an OJEU compliant tender contract that provides a framework of 16 contractors who are able to deliver projects in line with the schemes contractual requirements. This project is aimed at reducing the Councils energy consumption and carbon footprint across a wide range of services, including office buildings, sports centres, depot and street lighting. In subsequent phases the Council wishes to investigate commercial opportunities with the development of alternative renewable energy solutions including solar farms and energy centres. The Council has an objective to reduce emissions and its carbon footprint.

The Council currently spends in the region of £947,000 per annum on utilities, this broken down equates to £177,000 on gas, £570,000 on electricity and £200,000 on water. It has previously been identified that there is significant scope for improving energy performance within Council owned buildings. In order to improve energy efficiency in these buildings significant investment is now required.

Following agreement from Cabinet to progress with the scheme Officers tendered to select a service provider to partner to optimise the energy efficiency of selected premises and sites to:

- improve the energy performance of its assets through measured and verified energy efficiency improvements and/or energy generation
- Reduce emissions and save money through guaranteed annual cost savings and/or income generation.

The Council expects the project to:

- Utilise external parties to deliver a programme of energy efficiency investments in the Councils corporate estate.
- Minimise the need for technical input from the Council or its consultants
- Implement the improvements as quickly as possible in order to maximise the financial and carbon benefits.
- Provide detailed business plans to justify capital expenditure.
- Reduce the whole life costs of running the council's estate as quickly as possible.
- Favour investments with a payback period of 10 years or less and prioritise investments with the shortest payback periods.
- Reduce the council's exposure to escalating energy prices and the implications of electricity market reform. Exploit opportunities to gain an income from installation of renewable energy technologies and associated government incentives such as the renewable heat incentive and feed-in tariffs.
- Minimise disruption to the delivery of council services.
- Create a programme which will allow the Council to work with local partners, enabling the Council to develop income generating opportunities:
 - Through renewables – PV with energy sold to clients via power purchase agreements
 - Possibility for providing Council owned energy centres and district heating solutions for new housing developments
 - Support the roll out of vehicle electrical charging points

Phase one of the project includes 14 Council owned buildings and in excess of 800 street lights.

Following a tender exercise and evaluation Amaresco were selected as the Council's preferred partner.

3.0 Current position

Planned ECMs

Energy Conservation Measures (ECM) Matrix

Premises/Buildings	LED Lighting & Controls	BMS	VSD	Operating Schedules	Heat Recovery and Utilisation	CHP	Solar Photovoltaic	Voltage Optimisation	PC Power Management	Boiler Replacement / Optimisation	Building Fabric Improvement	De-Electrification of Heat
Lynnsport	✓	✓	✓	✓			✓				✓	✓
Downham Market Leisure Centre	✓	✓		✓		✓	✓			✓	✓	
ST James Pool	✓	✓	✓	✓		✓	✓			✓	✓	
Oasis	✓	✓	✓	✓						✓		
Corn Exchange	✓	✓		✓								
Crematorium	✓	✓		✓	✓							
Kings Court	✓	✓		✓								
Kings Lynn Town Hall	✓	✓		✓								
Depot / Nursery	✓	✓		✓								
Arts Centre and Guildhall	✓											
South Lynn Community Centre	✓											
Fairstead Community Centre	✓											
Hunstanton Council Offices	✓											
Dutton Pavilion, Kings Lynn	✓											

Ameresco has now completed ECMs Solar PV, Boiler Optimisation, Building Fabric Improvements and nearing completion on CHP, LED Lighting and Controls.

The disruption of coronavirus has affected the progress of all remaining works from 23/03/20 with limited works continuing where appropriate measures can be put in place.

The project completion date is difficult to determine at this stage due to the restrictions on movement and working from 16th March. At this stage completion will be delayed following the recent additional lighting works and coronavirus. It is estimated that another 6 weeks is required for all works except the CHP work at Downham Market which is assumed to be on hold until August. Ameresco are continually reviewing latest government guidance on Covid-19 and subject to the length of lockdown Ameresco will consider applying for an extension of time under the contract.

Lighting works are planning to restart in early July following approval with an expected 4 weeks remaining to cover new rooms at 4 sites recently put in scope.

CHP works at Downham Market has progressed to roughly 50% complete and is restricted due to Covid-19.

Controls projects at St James, Downham Market and Lynnsport are ongoing with a further 2 weeks required for those sites.

Programme Status

Task Name	Duration	Start	Finish	% Complete
Borough of King's Lynn & West Norfolk - Project Programme	336 days	31/05/2019	11/09/2020	83%
Contract	86 days	31/05/2019	27/09/2019	100%
Design	165 days	30/09/2019	15/05/2020	90%
Procurement	155 days	28/10/2019	29/05/2020	95%
ECM Installation	176 days	20/12/2019	21/08/2020	69%
Lynnsport	100 days	27/01/2020	12/06/2020	82%
Downham Market Leisure Centre	176 days	20/12/2019	21/08/2020	59%
ST James Pool	85 days	27/01/2020	22/05/2020	95%
Oasis	105 days	27/01/2020	19/06/2020	35%
Corn Exchange	10 days	25/05/2020	05/06/2020	0%
Crematorium	5 days	25/05/2020	29/05/2020	0%
Kings Court	88 days	19/02/2020	19/06/2020	50%
Kings Lynn Town Hall	75 days	17/02/2020	29/05/2020	17%
Depot / Nursery	2 days	10/02/2020	11/02/2020	100%
Arts Centre and Guildhall	3 days	12/02/2020	14/02/2020	100%
South Lynn Community Centre	106 days	27/01/2020	22/06/2020	83%
Fairstead Community Centre	99 days	06/02/2020	23/06/2020	67%
Hunstanton Council Offices	103 days	03/02/2020	24/06/2020	75%
Dutton Pavilion, Kings Lynn	1 day	18/02/2020	18/02/2020	100%
Final Snagging/Training/Handover	15 days	24/08/2020	11/09/2020	0%

Monitoring and Verification (M&V)

M&V involves two essential components:

- Verifying the ability of the project to generate all the projected and /or guaranteed saving
- Measuring actual, periodic performance of the project against the established baseline(s).

As part of the IGP Amaresco has developed a comprehensive M&V plan. This is a critical element of the performance contract because it provides the basis for the energy savings guarantee. This plan is compliant with the international Performance Measurement and Verification Protocol (IMPVP) standard.

