

ENERGY EFFICIENCY INITIATIVE FUNDING

Abstract

This report advises on the response by Angus Council to the invitation to participate in the Energy Efficiency Initiative introduced by the Scottish Executive and receive supporting funding of £321,000 over the 2004/05 and 2005/06 Financial Years.

RECOMMENDATION

The Resources and Central Services Committee is recommended to:

1. note the contents of this report;
2. approve the action taken by the Director of Property Services and
3. note that further reports will be submitted, in due course, detailing programmes of work to be undertaken with funding from this new resource.

1. INTRODUCTION

The Scottish Executive, in its letter of 06 June 2004, invited Angus Council to participate in a new Scottish Executive Public Sector Energy Initiative comprising a £20 million energy efficiency investment scheme for the public sector in Scotland, covering local authorities, health boards and Scottish Water. The funding is intended to provide the initial investment needed for the public sector to implement energy efficient initiatives in schools, hospitals, offices and other buildings.

The purpose of the scheme is to establish "invest to save" funds, managed at local level, which will enable local authorities to implement long term energy efficiency strategies within their estates.

As a consequence of the deadline for notification of participation in the initiative, a preliminary notification of participation has been sent to the Scottish Executive and this will be supported by a more detailed response, which will confirm that Angus Council can fully meet the criteria specified for participation. The recent achievement by Angus Council of accreditation to The National Energy Foundation Energy Efficiency Accreditation Scheme demonstrates compliance with these criteria.

2. BACKGROUND

Angus Council has, since 1997, been progressing a corporate energy management strategy, which was updated in 2001 to reflect the new targets and objectives established by Central Government.

One element of the strategy has been a small but on-going energy “spend to save” programme to undertake projects, which will reduce the Council’s production of greenhouse gases, reduce energy consumption and save money. Funding has been provided from the Property Renewal and Repair Fund and from provisions within the Property Services element of the Financial Plan.

This programme is initiated and managed by the Energy Management Unit within the Property Services department with financial savings in current and future years being merged within the annual budget setting process.

The new Scottish Executive Initiative requires Angus Council to establish a specific “Invest to Save” Fund which will finance energy efficiency projects within the council’s non-housing estate with projects being chosen by the Council to meet specific local needs and to make the most of local opportunities.

Although the fund will be established from a specific Scottish Executive grant, savings resulting from this investment are to be retained by the Council with a proportion of the energy bill savings from each project being used to repay the initial investment by flowing back into the fund. The intention is that the fund becomes self-sustaining and able to make investments in energy efficiency projects on a continuing basis.

The payment of the grant, £321,000 will be spread over two financial years with half being made available in 2004/05 and the balance in 2005/06.

3. IMPLICATIONS

Representatives of the Property Services and Finance departments attended a Scottish Executive seminar on this initiative on 16th July 2004 and as a consequence a protocol for managing the arrangements to support the participation in this initiative are being finalised.

The Energy Management Unit will be responsible for the management of the fund and its use for energy efficiency projects and will liaise with the Scottish Executive to secure their approval to the programmes being undertaken, in accordance with Scottish Executive guidelines, and confirmation that outcomes are being achieved.

4. FINANCIAL IMPLICATIONS & FUNDING ARRANGEMENTS

The Property Services and Finance departments will establish appropriate mechanisms for administering the fund in accordance with a protocol, which is currently being finalised.

It is not anticipated that these arrangements will, at this time, require any adjustment to the current resources available to the Energy Management Unit.

7. HUMAN RIGHTS ACT IMPLICATIONS

There are no Human Rights Act implications specific to this report.

8. CONSULTATION

The Chief Executive, the Director of Law & Administration and the Director of Finance have been consulted in the preparation of this report.

9. CONCLUSION

The Resources and Central Services Committee is recommended to note the contents of this report; approve the action taken by the Director of Property Services and note that further reports will be submitted, in due course, detailing programmes of work to be undertaken with funding from this new resource.

REFERENCES

<u>Committee</u>	<u>Date</u>	<u>Report No</u>	<u>Subject</u>
Resources and Central Services	4 December 2003	1450/03	Energy Accreditation Award
Policy and Resources	23 October 2001	1202/01	Energy Management Updated Strategy And Future Funding Arrangements
Policy and Resources	09 September 1997	917/97	Energy Management - A Corporate Commitment

BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above report.

M G Lunny
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