

## ANGUS COUNCIL

## COMMUNITIES COMMITTEE – 16 AUGUST 2016

## CENTRAL EFFICIENCY FUNDS ANNUAL REPORT 2015/16

**1. INTRODUCTION**

This report presents the 2015/16 end of year status of both the Central Energy Efficiency Fund (CEEF) and Central Water Efficiency Fund (CWEF). The available unallocated balance of the CEEF on 31 March 2016 was £171,785 and projects completed in 2015/16 were forecast to result in a saving of £15,849 pa. The available unallocated balance of the CWEF on 31 March 2016 was £35,103 and projects completed in 2015/16 were forecast to result in a saving of £5,634 pa.

**2. BACKGROUND**

- 2.1 The Resources and Central Services Committee noted the contents of Report No 1008/04, ENERGY EFFICIENCY INITIATIVE FUNDING and approved the Council's participation in the Scottish Executive's energy efficiency initiative and by doing so the Council received £320,900 in funding. The funding can only be used on approved projects that meet the required payback criteria thus allowing the fund to operate on a revolving basis and ensuring funding will be available to invest in future energy efficiency measures. This funding package is referred to as the Central Energy Efficiency Fund. (CEEF)
- 2.2 Following the success of the CEEF, a similar funding scheme to capitalise on the potential water efficiency projects was established by the Council in 2011/12 with an initial allocation of £50,000 (report 79/12 "2011/12 Revenue Budget – Flexibility Between Financial Years" refers) The scheme operates along the same lines as the central energy efficiency fund and is referred to as the Central Water Efficiency Fund. (CWEF)

**3. CENTRALISED ENERGY EFFICIENCY FUND (CEEF)**

CEEF had an opening balance of £184,998 and received £69,574 of repayments from projects completed in preceding year. In addition there was income of £4,651 from the operation of the Combined Heat and Power (CHP) plant at Arbroath Sports Centre and £759 from the solar Photo Voltaic (PV) panels at Inverkeilor Primary School and Seaton Grove. Payments totalling £86,103 were made in 2015/16 and an adjustment of £3,036 was made to correct errors made in previous years in relation to the HRA repayments. A closing balance of £171,785 is carried forward to 2016/17. The unallocated balance however is £170,012 after deduction of the outstanding commitments.

|   |         |          |
|---|---------|----------|
|   | £       | £        |
| Opening Balance on Fund   | 184,998 |          |
| <u>Add</u>  |         |          |
| CHP income  | 4,651   |          |
| PV income   | 759     |          |
| CEEF repayments   | 69,574  |          |
| Interest on revenue balances                                    | 942     | 260,924  |
| <u>Less</u>   |         |          |
| Payments made to 31 March 2016                                  |         | (86,103) |
| Correction for errors in prior years relating to HRA repayments |         | (3,036)  |

|   |                       |
|---|-----------------------|
| Closing ledger balance on Fund at 31 March 2016 | <b>171,785</b>        |
| Outstanding commitments payable 2016/17         | <b>(1,773)</b>        |
| Available balance of Fund at 31 March 2016      | <b><u>170,012</u></b> |

#### 4. CENTRALISED WATER EFFICIENCY FUND (CWEF)

CWEF had an opening balance of £40,769 and received £16,491 of repayments from previous projects.. Payments totalling £22,310 were made in 2015/16. A closing balance of £35,103 is carried forward to 2016/17.

|   |        |               |
|---|--------|---------------|
|   | £      | £             |
| Opening Balance of Fund                     | 40,769 |               |
| <u>Add</u>                                  |        |               |
| 15/16 CWEF repayments                       | 16,491 |               |
| Interest on revenue balances                | 153    | 57,413        |
| <u>Less</u>                                 |        |               |
| Payments made to 31 March 2015              |        | (22,310)      |
| Closing balance on fund as at 31 March 2016 |        | <b>35,103</b> |

(there are no outstanding commitments payable for 2016/17)

#### 5. PROPOSALS

- 5.1 The Council has received formal notification from the Scottish Government that the Central Energy Efficiency Fund agreement will expire on the 31 March 2016 “after which there will be no obligation to report to the Scottish Government regarding carbon, cost and energy savings or seek approval for installing measures relating to this finance”. Under Section 44 of the Climate Change (Scotland) 2009 Act the Government will introduce a new reporting system, the public bodies’ duties (PBD), part of which includes the requirement for the Council to report annually on the works undertaken to reduce its carbon emissions. The Government encourages authorities to continue to use the “CEEF revolving model”.
- 5.2 It was agreed at the Carbon Reduction Member/Officer Working Group (1 May 2015) to transfer the remaining monies in Central Energy Efficiency Fund (CEEF) and the Centralised Water Efficiency Fund (CWEF) into the Carbon Reduction Fund (CRF) when CEEF expired on the 31 March 2016. The CRF also operates on a revolving basis similar to CEEF & CWEF and the transfer of the funds will create a single funding source. This will ensure conservation works continue to deliver carbon reductions and enable the Council to meet its local and national obligations.

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