

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 18 AUGUST 2015

CENTRAL EFFICIENCY FUNDS ANNUAL REPORT 2014/15

REPORT BY HEAD OF TECHNICAL AND PROPERTY SERVICES

ABSTRACT

This report presents the 2014/15 end of year status of both the Central Energy Efficiency Fund (CEEF) and Central Water Efficiency Fund (CWEF). The cash value of the CEEF on 31 March 2015 was £184,998 and projects completed in 2014/15 were forecast to result in a saving of £17,500 pa. The cash value of the CWEF on 31 March 2015 was £40,769 and projects completed in 2014/15 were forecast to result in a saving of £13,414 pa.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- (i) notes this annual report is required to be accessible to members of the public;
- (ii) approves the transfer of both the Central Energy Efficiency Funds (CEEF) and the centralised Water Efficiency Funds (CWEF) into the existing Carbon Reduction Fund when the CEEF ends on the 31 March 2016;
- (iii) notes the content of this annual report.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Communities that are sustainable:
 - Our natural built environment is protected and enjoyed
 - Our carbon footprint is reduced

3. BACKGROUND

3.1 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)

3.2 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)

4. CURRENT POSITION

Centralised Energy Efficiency Fund (CEEF)

- 4.1 CEEF had an opening balance of £194,519 and received £78,951 of repayments from projects completed in preceding years and benefited from interest of £1,452. In addition there was income of £9,162 from the operation of the Combined Heat and Power (CHP) plant at Arbroath Sports Centre, £360 from the solar Photo Voltaic (PV) panels at Inverkeilor primary school and £1,012 from the Housing Revenue Account (HRA). Payments totalling £100,458 were made in 2014/15 and outstanding commitments of £0 existed at 31 March 2015. A closing balance of £184,998 is carried forward to 2015/16.

Opening Balance of Fund	£	194,519	£
<u>Add</u>			
Interest in revenue balances		1,452	
CHP income		9,162	
PV income		360	
HRA income		1,012	
CEEF repayments		78,951	285,456
<u>Less</u>			
Payments made to 31 March 2015			(100,458)
Balance of fund as at 31 March 2015			184,998
<u>Commitments</u>			
Less outstanding commitments			0
Closing balance of Fund at 31 March 2015			184,998

Centralised Water Efficiency Fund (CWEF)

- 4.2 CWEF had an opening balance of £25,428 and received £7,125 of repayments from projects completed in 2013/14, and received £27,067 of repayments from projects completed in 2014/15 year. In addition £84 in interest was received. Payments totalling £18,935 were made in 2014/15. A closing balance of £40,769 is carried forward to 2015/16.

Opening Balance of Fund	£	25,428	£
<u>Add</u>			
13/14 CWEF repayments		7,125	
14/15 CWEF repayments		27,067	
Interest in revenue balances		84	59,704
<u>Less</u>			
Payments made to 31 March 2015			(18,935)
Balance of fund as at 31 March 2015			40,769
<u>Commitments</u>			
Less outstanding commitments			0
Closing balance of Fund at 31 March 2015			40,769

5. PROPOSALS

- 5.1 A condition of the Council receiving the central energy efficiency funding from the Scottish Government was that it publishes an annual report which is made available to members of the public and this being achieved through the submission of a formal report to committee.
- 5.2 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”.
- 5.3 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 expires 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. These funding changes will also recognise the development of Angus Alive with appropriate transfer of funding for energy reduction proposals and discussions are on-going.
- 5.4 The Committee is asked to note the contents of the annual report.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications at this point in time.

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

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