

Cabinet Committee on Climate Change and the Environment

Meeting to be held on 11th October, 2011

Electoral Division affected: All

Update on Schools' Energy Loan Fund

Contact for further information:

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Executive Summary

This report seeks to inform the Committee of the recent approval given by the Schools' Forum for how the previously established Energy Loan Fund should operate.

Recommendation

That the Cabinet Committee for Climate Change and the Environment notes the report and supports the implementation of the Schools' Energy Loan Fund in line with the approval given by Schools' Forum.

Background

The Schools' Forum has previously agreed to transfer funding from the Schools' Centrally Retained Reserve to support the setting up of an Energy Loan Fund. The Council's Energy Team was charged with conducting a series of energy surveys at 30 of the schools with the poorest energy rating as determined by the Display Energy Certificate (DEC) records.

The surveys were recently completed and the results presented to Schools' Forum on 20th September 2011. Approximately £4.1 million worth of schemes were identified. Of this £1.5 million will be financed from the 2011/12 CYP capital allocation for condition based works in schools which is now underway. A further £1.25 million worth of schemes have a payback in excess of 20 years and so are unlikely to ever be financially viable on their own. This leaves schemes totalling £1.35 million.

The condition under which the loans are to be made is that the Fund will only lend a maximum of 5 times the value of the annual savings in energy arising from the works in question. This will allow the fund to be sustained from the repayments after 5 years (assuming the whole fund is utilised each year). Where the payback of a scheme exceeds 5 years the school would have to fund the balance from other sources.

Consequently of the £1.35 million, a total of £835,000 will be supported by the Fund leaving the remaining £520,000 to be made up from contributions by the individual

schools. This will encourage investment in the most cost effective schemes with the biggest return per £ invested. Successful implementation of the identified schemes will reduce overall carbon emissions by approximately 1,070 tonnes per annum.

The Schools' Forum has agreed to support these schemes and the proposed method of operation but as participation in the Energy Loan Fund is entirely voluntary, has asked the Energy Team to write to the schools concerned to encourage them to apply for loans to enable the works to proceed.

Consultations

Schools' Forum has recently been consulted on the operation of the Energy Loan Fund and has given its support for the operation as described in this report.

Implications:

This item has the following implications, as indicated:

Risk management

Effective implementation of the Schools' Energy Loan Fund will assist schools in their efforts to reduce energy consumption and thereby carbon emissions. This will in turn reduce the financial commitment required to purchase carbon allowances as part of the CRC

Any representations made to the Cabinet Committee prior to the issue being considered in accordance with the Public Notice of Forward Plans

Name:	Organisation:	Comments:
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N/A

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
Schools' Forum - Carbon Reduction Commitment – Proposals for Operation of Energy Loan Fund	20 th Sept. 2010	Matthew Tidmarsh/OCE/ 01772 533243

Reason for inclusion in Part II, if appropriate

N/A