

Efficiency West Midlands (IEWM) for Low Carbon funding with £35,000 awarded in 2012. This funding was awarded on submission of satisfactory returns, evidence of financial expenditure and confirmation of compliance of funding conditions. The fundamental condition of this grant funding was that 10% of the subsequently generated annual revenue savings had to be paid to IEWM for 3 years following the first year of implementation. The updated Carbon Management Delivery Plan attached outlines the completion of the 2012/13 projects which were funded through the IEWM and council funding, as well as projects completed in previous years.

2.2 As highlighted above the delivery of the Carbon Management Plan is monitored through the Carbon Board. A corporate Carbon Management Officers Team is responsible for implementing the plan seeking new projects as well as monitoring the progress of projects. The draft updated Carbon Management Delivery Plan attached includes projects that have been considered by these groups as appropriate. The projects which require funding and involve works to the council's building have been ranked in order of priority based on costs and payback savings.

2.3 As indicated in section 9, no provision has been made in the 2013/2014 capital or revenue budgets for any of the projects listed in the current and next calendar year. Consequently whilst officers will continue to explore the potential to secure external funding members may wish, at this stage, to consider the option for some of the listed projects being funded from the newly established Revenue Investment Fund. The latter fund will be managed by a Cabinet Panel which will consider projects from a variety of sources but may favour "invest to save" projects of the sort listed in the Plan because of the scope it provides to recycle investment from efficiency savings achieved.

3. **Options considered**

Option 1 – do nothing; this is not an appropriate response in view of the Council's commitment to the Carbon Trust's programme.

Option 2 – approve the draft Plan and identify funding in the Council's capital and revenue budgets to facilitate project delivery.

Option 3 – approve the draft Plan in principle and seek external funding opportunities or other innovative funding approaches that accord with the Council's corporate priorities (e.g. Revenue Investment Fund).

4. **Preferred option**

Taking account of public sector austerity measures and competing priorities in the Council's capital programme and revenue budget, option 3 is considered the most appropriate course of action.

5. **Proposals**

a) To note progress of the delivery of the projects in the Carbon Management Delivery Plan for 2012/13 and to approve projects for the 2013/14 plan.

b) To authorise officers to seek external funding opportunities to support delivery of the remaining projects and to seek consideration of appropriate projects as part of the Revenue Investment Fund allocation process.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

6.1 The delivery of these projects clearly contributes to the priority of Promoting a cleaner, safer and sustainable borough.

7. **Legal and Statutory Implications**

7.1 As part of the 2012 decision to utilise IEWM funding the Council has committed to paying 10% of the annual financial savings for 3 years to them. If officers are able to secure external funding for projects in 2013/14 the funding requirements and pay back periods will need to be considered in conjunction with the Portfolio Holder for Environment and Recycling prior to making any legal commitments.

8. **Equality Impact Assessment**

8.1 The benefits of investing in energy efficiency measures will benefit all members of the community and will not impact on particular equality strands.

9. **Financial and Resource Implications**

9.1 The proposed projects for 2013/14 outlined in the appendix have estimated costs and longer term financial savings, however, there is no Council capital or revenue allocated to the projects.

9.2 Your officers will seek opportunities for external funding but it must be recognised that pure grant funding for energy efficiency schemes is very unlikely to be available in the forthcoming years, there may however be further opportunities for grant funding with repayment conditions like that of the 2012 IEWM funding. Within the sector there are also models based on loans and lease lend, these not only provide an opportunity to deliver energy efficiency schemes but could with the right pay back periods enable the Council to commence savings within the lease period.

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9.4 Examples of potential funding include schemes operated by companies such as Salix Finance which offer 100% interest free capital finance loans for energy efficiency in the public sector. They offer three types of finance, one of which could be suitable; funding of £5,000 upwards with a project payback within 5 years.

9.5 Lease lend is based on the Council having an interest free loan for the capital costs of the project, such as Biomass boilers and LED lighting, then the Council paying 50% of the savings back to the loan company each year until the loan is repaid.

9.6 The options outlined at paragraphs 9.4 and 9.5 would give rise to borrowing for capital purposes and members would need to be appraised of the detailed/practical implications before agreeing to proceed with such approaches.

9.7 The other option that members may wish to explore is to consider the scope for one or more of the listed projects to be funded from an "Invest to Save" programme through the Budget Support Fund.

10. **Major Risks**

10.1 There are no major risks.

11. **Key Decision Information**

- 11.1 The delivery of projects in the plan will help reduce energy usage and carbon emissions which will deliver improvements to Council buildings that are used by a range of the residents potentially from wards across the Borough.

12. **Earlier Cabinet/Committee Resolutions**

- 12.1 Cabinet in February 2012 noted the decision of the Portfolio Holder for Environment and Recycling that the £35,000 funding is claimed from the Improvement and Efficiency West Midlands to deliver energy efficiency improvements in the premises referred to in the report.
- 12.2 Cleaner Greener and Safer Communities Overview and Scrutiny Committee received a progress report on the delivery of the Carbon Management Plan in February 2013 including proposed projects and resolved that this information be received.

13. **List of Appendices**

- 13.1 Updated Carbon Management Plan Delivery Plan.

14. **Background Papers**

- 14.1 None.