

# WIRRAL COUNCIL

## CABINET

12 JANUARY 2012

<b>SUBJECT:</b>	<b>COMMUNITY ENERGY EFFICIENCY FUND</b>
<b>WARD/S AFFECTED:</b>	<b>ALL WARDS</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF LAW, HR AND ASSET MANAGEMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR JONES</b>
<b>KEY DECISION?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update for Members on the Community Energy Efficiency Fund and seeks approval to amending the criteria for applications.
- 1.2 The grant is in support of the council's goal to reduce Wirral's carbon footprint.
- 1.3 The grant is not Statutory.

### 2.0 RECOMMENDATIONS

- 2.1 That the new procedure and criteria now reported be adopted for future applications for the Community Energy Efficiency Grant.

### 3.0 REASON FOR RECOMMENDATIONS

- 3.1 To simplify the process for applications for the Community Energy Efficiency Grant to encourage a greater number of applications.

### 4.0 BACKGROUND AND KEY ISSUES

- 4.1 Cabinet, on 22nd February 2010, approved the 2010/11 Council Budget, which included a number of initiatives to 'Improve the Environment, Energy Efficiency and Carbon Reduction'. One of these initiatives was an allocation of £66,000 to set up Energy Efficiency Grants for Community Groups.
- 4.2 Cabinet, on 24 June 2010, approved the mechanism and qualification criteria for administering the grant, the main elements of which are identified below:

#### **Purpose**

To support the long term sustainability of community groups running community buildings by investing in energy-efficient technologies to reduce energy costs, climate change levy payments and the impact of climate change. Grants will be available for a number of different energy efficiency technologies, including building insulation, heating and lighting upgrades and IT energy efficiency improvements.

## **Grants**

There will be two levels of grant available depending on the commitment of individual organisations. Grants of up to £2,000 will be available to organisations meeting the criteria for the scheme. For organisations willing to provide matched funding, a grant of up to £4,000 would be available. Grants would be allocated on an individual technology basis i.e. more than one grant could be requested by an organisation, say for (1) Boiler replacement and (2) Insulation. Grants will only be payable on completion of a project and will be allocated on a first come, first served basis.

## **Criteria**

Projects must deliver energy efficiency benefits and comply with the following criteria:

Maximum 5 year payback period.

Payback of projects implemented must be shorter than the expected life of the building or the technology must be transferable.

If the expected lifetime of the building or lease is shorter than the expected lifetime of the technology, then the compliancy calculation will be based on the shorter of the two.

Projects must be seen as being additional and not mandatory.

- 4.3 Cabinet, on 21 February 2011, added a further £57,000 to the balance of the Community Energy Efficiency Fund, with a resolution that bureaucracy placed upon voluntary and community groups be reduced by simplifying the application and approval process, with funds being allocated to Area Forums for them to recommend to Cabinet appropriate schemes for approval.
- 4.4 Cabinet, on 23 June 2011, were advised that the fund would be advertised at the June area forums with applications invited from June to September 2011 in line with other funding stream available through area forums, although with decisions subject to an officer panel.
- 4.5 To date a total of 29 applications have been received with 15 applications having been approved. Notwithstanding the additional promotion through the Area Forms and third sector network, the receipt of applications has been a slow but steady stream.

## **5.0 PROPOSED CRITERIA**

- 5.1 In response to the instruction to simplify the procedure, consideration has been given as to which aspects of the application would cause difficulty to groups and which aspects could be omitted. The original application process has been reviewed and is considered to be relatively straight forward, although feedback from prospective applicants suggests that the requirement to demonstrate a payback period can be onerous and prohibitive. This requirement is an industry standard, however, in order to simplify the process it is proposed that the requirement to demonstrate a payback be exchanged for an approved list of technologies which are most likely to provide a reasonable return on energy

savings. It is also proposed that the level of grant be increased and simplified. A summary of the revised criteria is as follows:

## **Grants**

There will be one level of grant available up to £5,000. Grants would be allocated on an individual technology basis i.e. more than one grant could be requested by an organisation, say for (1) Boiler replacement and (2) Insulation. Grants will only be payable on completion of a project and will be allocated on a first come, first served basis.

## **Criteria**

Projects must deliver energy efficiency benefits and, if identified on the approved list of technologies, claimants will not be required to demonstrate a payback. The approved technology list is included in appendix A, although Members are asked to note that this list will be subject to continual update and review of technologies.

For technologies not identified on the list, applicants will be asked to demonstrate a minimum payback period of ten years.

Payback of projects implemented must also be shorter than the expected life of the building or the technology must be transferable.

If the expected lifetime of the building or lease is shorter than the expected lifetime of the technology, then the compliancy calculation will be based on the shorter of the two.

Projects must be seen as being additional and not mandatory.

- 5.2 Applications are currently considered by a panel of officers and it is noted that Cabinet have requested that suitable projects are reported to Cabinet for approval. In order to achieve reduced administration and bureaucracy Members are asked to delegate approval of projects to the Director of Law HR and Asset Management.

## **6.0 RELEVANT RISKS**

- 6.1 The revised criteria are intended to simplify the process for applications to the fund which should reduce the risk of not committing the whole allocation.

## **7.0 OTHER OPTIONS CONSIDERED**

- 7.1 A number of ways have been considered to improve the process, but the report highlights the recommended way forward.
- 7.2 The purpose of this report is to seek approval to a simplified process and as a consequence other uses of the fund have not been addressed.

## **8.0 CONSULTATION**

- 8.1 The fund has been promoted through the Council's website, area forums and the third sector network.

## **9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 9.1 The grant is specifically aimed at voluntary, community and faith groups.

## **10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

### **10.1 FINANCIAL IMPLICATIONS**

10.1.1 The Council has allocated resources to enable voluntary groups to invest in their buildings in order to reduce overheads. This one-off Energy Efficiency Fund was allocated £66,000 in 2010/11 with a further £57,000 in 2011/12. To date, £33,022 has been committed with £90,000 remaining in the Fund.

### **10.2 STAFFING IMPLICATIONS**

10.2.1 There are no staffing implications arising directly from this report.

### **10.3 ASSET IMPLICATIONS**

10.3.1 There are no asset implications arising directly from this report. However, the continued availability of this funding stream will provide potential support to groups involved in the community Asset Transfer programme.

## **11.0 LEGAL IMPLICATIONS**

11.1 There are no legal implications arising directly from this report.

## **12.0 EQUALITIES IMPLICATIONS**

12.1 There are no equalities implications arising directly from this report.

## **13.0 CARBON REDUCTION IMPLICATIONS**

13.1 The grant is aimed at reducing Wirral's carbon footprint.

## **14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

14.1 Planning permission and or listed building consent may be required for some types development not covered by permitted development rights.

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## **APPENDICES**

A technologies list is attached.

## **REFERENCE MATERIAL**

Reference has been made to the criteria of the fund, details of which, including guidance notes can be viewed on the Council's website..

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Budget	22 February 2010
Cabinet – Community Energy Efficiency Fund	24 June 2010
Cabinet - Budget	21 February 2010
Cabinet – Neighbourhood Plans and Area Forum	23 June 2011
Funding	