



## **SUSTAINABLE DEVELOPMENT ADVISORY PANEL – 14TH JULY 2014**

**SUBJECT: LOCAL AUTHORITY ENERGY FINANCING SCHEME (LAEF)**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151  
OFFICER**

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### **1. PURPOSE OF REPORT**

- 1.1 To outline to the Sustainable Development Advisory Panel how implementation of the Local Authority Energy Financing (LAEF) scheme, which is independently overseen by Salix, has reduced the authority's energy usage and carbon footprint and reduced associated costs

### **2. SUMMARY**

- 2.1 The Energy Management Team is continuing to strengthen Caerphilly's carbon credentials by effective use of the LEAF scheme. A total of £1.469m has been invested to date and this has resulted in annual cost savings on electricity and gas bills of £371k. Payments to the carbon reduction commitment scheme (carbon tax), have also been reduced by circa £40k.
- 2.2 The Authority's carbon emissions has been reduced by some 2,484 tonnes.
- 2.3 The Salix national performance league tables for 13/14 confirm that Caerphilly has outperformed all other participating Welsh authorities and has performed very well compared to the majority of the 132 uk wide participating organisations.

### **3. LINKS TO STRATEGY**

- 3.1 Energy conservation links directly to conserving resources.

### **4. THE REPORT**

- 4.1 Caerphilly County Borough Council established the Local Authority Energy Financing (LAEF) scheme in September 2004. It is an invest to save scheme designed specifically for energy conservation projects.
- 4.2 It is known nationally as Salix, which is the name of the finance company that provides organisations with capital on behalf of central government. Salix has provided £200k and Caerphilly £419k.
- 4.3 The scheme has set eligibility criteria, which are monitored by Salix. For example the technologies installed must achieve certain payback criteria and the fund can't be used for renewables where feed in tariffs are claimed, as this would be "double dipping" into government funding. Loans can be provided on any council building and for any technology.

- 4.4 Salix is a national scheme, there are currently 132 organisations involved including local authorities, universities, health trusts, hospitals and fire trusts.
- 4.5 The first LEAF fund investments were implemented in 2004. Since then projects totalling £1.47m, or 240% of the original fund value, have been delivered. These have included insulation schemes, high efficiency boilers, high efficiency lighting, insulating pool covers and improved heating and ventilation controls systems.
- 4.6 The delivered projects have reduced the Authority's energy costs by £371k to date. This saving is the highest achieved by any of the participating Welsh authority and 10th in the UK wide league table which includes 132 organisations. The full table included in Appendix 1.
- 4.7 The delivered projects have reduced the Authority's carbon footprint by 2,484 tonnes to date. This saving is the highest achieved by any of the participating Welsh authority and 16th in the UK wide league table which includes 132 organisations. The full table included in Appendix 2.
- 4.8 Furthermore associated payments due via the carbon reduction commitment scheme (carbon tax) have been reduced by circa £40k.
- 4.9 The residual LEAF fund plus payments received for agreed loans will be reinvested. Pipeline projects for 14/15 include:
- Risca Pool LED Lighting
  - Risca Hall LED Lighting
  - High efficiency lighting projects (T5 HF & LED):
    - Abercarn Primary
    - Bedwas Junior
    - Coed Y Brain
    - Cwmglas
    - Derwendeg Primary
    - Machen Primary
    - YG Fargoed

## **5. EQUALITIES IMPLICATIONS**

- 5.1 There are no equalities implications.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no financial implications other than the considerable savings resulting from the LAEF Scheme.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no personnel implications.

## **8. CONSULTATIONS**

- 8.1 No consultations, the report is for information purposes only.

## **9. RECOMMENDATIONS**

- 9.1 To note the progress made to date and to support the continual investment in carbon reduction technologies.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 The recommendations will assist in reducing energy consumption and cost for the authority.

## **11. STATUTORY POWER**

- 11.1 N/A

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Appendices:  
Appendix 1 Financial Saving  
Appendix 2 Carbon Saving