

REPORT TO: Organisational Improvement and Environment Commission

DATE: 16th April, 2007

DEPARTMENT: Corporate Policy & Improvement

REPORTING OFFICER: Executive Director (Corporate Policy & Improvement)
(Kevin Douglas)

SUBJECT: **ENVIRONMENT INITIATIVES FUND (EIF) - FINAL FUND ALLOCATION**

WARD/S AFFECTED: All

FORWARD PLAN REF:

1.0 PURPOSE OF REPORT

- 1.1 In June 2006 the Cabinet established the Environment Initiatives Fund (EIF) to assist in delivering its top corporate priority "Caring for the Environment".
- 1.2 On 30th November, 2006 Corporate Management Team approved the process for the allocation of the Fund and at the Leader meeting this was revised to accommodate the Waste Recycling Initiative/Programme and some targeted bids. This was subsequently endorsed by Cabinet and Council.
- 1.3 Cabinet considered the bids for funding on 14th March, 2007 and allocated funding accordingly.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that:-

2.1.1 The Organisational Improvement and Environment Commission considers the report and comments accordingly on the EIF and the

allocation of funding to the Cabinet Member (Resources) and then to Cabinet.

3.0 RECOMMENDED REASONS FOR DECISION

3.1 The appropriate allocation of the Fund within the agreed process.

4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 None.

5.0 BACKGROUND INFORMATION

5.1 The Environment Initiatives Fund (EIF) was established by Cabinet in June 2006 and endorsed by Council in July 2006.

5.2 The Council made available a sum of £515,000 as a specific fund to take forward its corporate priorities but specifically the "Caring for the Environment" corporate priority and related cross-cutting issues.

5.3 This links to two major strategic policy initiatives:-

5.3.1 The establishment of an Environment Portfolio in May 2006.

5.3.2 The Notice of Motion (debated at Full Council in October 2006) making "Caring for the Environment" the top priority for the Council.

5.4 The Notice of Motion focussed on two key cross-cutting environmental issues:-

5.4.1 The need to decrease carbon emissions to prevent global warming.

5.4.2 The need to sustain and conserve material resources.

An application for EIF funding must be able to satisfy one or other of these criteria.

5.5 As part of that Notice of Motion there were a number of key actions that the Council will seek to undertake. These are:-

That the Council works towards:-

5.5.1 Improving the energy and water efficiency of its own buildings.

5.5.2 Working with local businesses to encourage them to improve energy and water efficiency.

5.5.3 Implementing renewable energy and cleaner fuel technologies in Council buildings and vehicles, including Council owned housing.

5.5.4 Raising awareness of climate change and the simple actions that the whole community can take to help.

5.5.5 Using procurement policy to support environmentally friendly initiatives.

5.6 These key environmental actions will be given priority in the allocation of the EIF and as part of the environmental assessment of any proposed Council initiatives.

6.0 THE ENVIRONMENT INITIATIVES FUND (EIF)

6.1 The Fund is an internal fund to be bid for by Departments which is available to meet the Council's seven corporate priorities and twelve strategic actions. Funding can be linked to projects that help deliver larger council initiatives. All proposals for financial support from the Fund will be subject to an environmental assessment before any decision on funding is made. This environmental assessment will be one of the key factors in determining the allocation of the Fund to resource Council initiatives.

6.2 The Guidance, Protocol and Criteria are attached as **Appendix 1** to assist in considering the process and funding allocated.

6.3 In December 2006 it was agreed that:-

6.3.1 The EIF would be top-sliced to support the Waste Recycling Initiative.

6.3.2 Schemes that are developed be fast-tracked for consideration by Cabinet.

6.3.3 An open bidding process would be held for the remainder of the funding.

6.4 From the £515,000 allocated, the Fund was then top-sliced by £260,000 to leave an available Fund of £255,000.

7.0 EVALUATION PROCESS

7.1 All schemes submitted have been evaluated for Policy, Financial and Environmental compliance and all have been validated by the relevant officers.

7.2 In seeking to recommend the allocation of the EIF, further evaluation has been undertaken based upon the following assessment criteria.

7.3 The further assessment criteria are:-

7.3.1 Environmental impact and benefit of the scheme.

7.3.2 Efficiency and effectiveness of the scheme.

7.3.3 Risk assessment - financial and operational.

7.4 The detailed assessment criteria are:-

7.4.1 **Environmental Impact and Benefit:** The impact of the scheme and the delivery of environmental benefits either to a specific sector or customer group and the level of reduction of carbon emissions.

7.4.2 **Efficiency and Effectiveness:** This relates to the consideration of not only achieving environmental benefits but securing financial benefits on an ongoing basis. It also takes into account the cost of the scheme in achieving the outcomes proposed which allows a value for money assessment to be made.

7.4.3 **Risk Assessment:** This relates to the potential deliverability of the scheme and the potential for requiring additional funding or residual funding impact once the scheme is delivered.

8.0 INITIAL BIDS - FEBRUARY 2007

8.1 Three bids were submitted in detail by the Environment Services Manager which total £195,100.

These were:-

- (1) Cavity Wall and Loft Insulation for Rural Housing - £64,500
- (2) Light Bulbs for Recycling - £72,300
- (3) Business Environmental Accreditation and Support Programme - £66,600

8.2 These bids were considered by Cabinet on 6th February, 2007 and they approved the Light Bulbs for Recycling scheme (£72,300) and deferred the other two schemes for further consideration, when all the other EIF schemes were submitted by the deadline of 15th February, 2007.

9.0 FURTHER BIDS - MARCH 2007

9.1 There were five further schemes submitted for consideration of the EIF. These were:-

9.1.1 **Installation of Invertors in Swimming Pools** - this is to reduce energy consumption and carbon emissions and produce a long-term energy cost saving.

9.1.2 **Implementation of the Energy Action Plan** - this would extend the current consultants' work by a further 12 months to implement the action plan drawn up. This would have long-term benefits and cost savings.

- 9.1.3 **Water Conservation at Harlow Hill Nursery** - a two-part scheme to recycle water by opening up a borehole at Harlow Hill and to recycle rain water. This would reduce costs at the Council's Nursery.
- 9.1.4 **Council-wide tree planting to off-set the carbon emissions made by the Council's vehicle fleet** - this would help off-set the Council's carbon footprint through planting native trees and through long-term carbon sequestration.
- 9.2 With the two deferred schemes already submitted (see paragraph 8.1), this gave six schemes for detailed consideration.
- 9.3 Following approval of the Light Bulbs for Recycling scheme, there was a total of £182,700 remaining in the Fund to be allocated.
- 9.4 The six schemes submitted total £277,100 and as such exceeded the amount available in the Fund by £94,400.
- 9.5 A further scheme was also being prepared related to combined Heat and Power Units (CHP) in Leisure, Museums and Arts. This scheme was submitted on 31st March, 2007 and will be considered by the Cabinet Member (Resources) with the two deferred bids.
- 9.6 Following assessment of the schemes the following prioritisation was recommended to Cabinet:-

Group 1	<u>Environmental and VFM Benefits with Low Risk</u> Invertors in Swimming Pools - £12,000 Energy Action Plan - £25,000 Water Conservation - £33,000
Group 2	<u>Environmental Benefits with Low Risk</u> Cavity Wall Loft Insulation for Rural Housing - £64,500
Group 3	<u>Environmental Benefits with Medium/High Risk</u> Business Environmental Accreditation Scheme - £66,600 Tree Planting to Off-set Carbon Emissions - £76,000

The detailed evaluation and recommendations to produce the above assessment groups are set out in **Appendix 2** for information.

- 9.7 Cabinet approved the Group 1 and Group 2 schemes and deferred the Group 3 schemes for consideration with the further scheme from Leisure, Museums and Arts.
- 9.8 By supporting these schemes the funding was allocated as follows:-

	£
Invertors in Swimming Pools	12,000

Energy Action Plan	25,000
Water Conservation Schemes A and B	33,000
Cavity Wall and Loft Insulation	64,500
	134,500

9.9 This left a sum of £48,200 in the Fund which is unallocated, two schemes unsupported and one further scheme being developed for consideration (see paragraph 9.5).

9.10 Two options were considered for the distribution of the remaining funding. These were:-

Option 1

Retain the unallocated funds for use during 2007/2008 against schemes that may emerge from Departments' ongoing work and emerging opportunities. This could include the possible scheme for CHP in Leisure, Museums and Arts (see paragraph 8.5).

Option 2

Support a reduced scheme/s from those remaining in paragraph 8.6 (ie, the Group 3 schemes).

9.11 If the second option was pursued then the two remaining schemes would need to be assessed as to viability of pursuing one or both at a reduced level.

9.12 It was recommended that whichever option is adopted, a decision is made to allow final approval by the Cabinet Member (Resources) to avoid any further delay.

9.13 CMT and Cabinet recommended that Option 1 be approved to allow a further scheme to be produced. This was time limited to the end of April 2007 and then a decision made on the three remaining schemes.

10.0 CONCLUSIONS

10.1 The creation of the EIF has brought forward a number of innovative and cost-effective schemes that will support the Council's top corporate priority "Caring for the Environment".

10.2 Based upon the recommendations (see Appendix 3), the Fund covers a range of service areas. The breakdown is as follows:-

DCS	Environmental Services	£71,800
	Parks & Open Spaces	£33,000
	Housing Services	£64,500
DDS	Property and Estates	£ 37,000

10.3 £260,000 has already been allocated to Environmental Services via Waste Management.

- 10.4 In addition, £72,300 was allocated to Environmental Services for the Light Bulbs Scheme in February 2007.
- 10.5 The EIF, once allocated, will be monitored on a half-yearly basis and reported to CMT, the Corporate Performance Panel and Cabinet as part of the ongoing performance monitoring to ensure the agreed targets are being achieved.

OFFICER CONTACT: Please contact Kevin Douglas if you require any further information on the contents of this report. The officer can be contacted at the Department of Corporate Policy & Improvement, Council Offices, Crescent Gardens, Harrogate, by telephone on 01423 556705 or by email - kevin.douglas@harrogate.gov.uk

SUSTAINABILITY ASSESSMENT/POLICY CONSIDERATIONS

		Implications are		
		Positive	Neutral	Negative
A.	Economy		✓	
B.	Environment	□		
C.	Social Equity		✓	
(i)	General			
(ii)	Customer Care/People with Disabilities			
(iii)	Health Implications			
D.	Crime and Disorder Implications		✓	

If all comments lie within the shaded areas, the proposal is sustainable.