

EAST RENFREWSHIRE COUNCIL

14 May 2014

Report by Director of Environment

THE SALIX ENERGY EFFICIENCY LOANS SCHEME

PURPOSE OF REPORT

1. To seek the Council's approval to enter into a loan agreement with Salix in relation to proposed energy improvements at Thornliebank depot.

RECOMMENDATIONS

2. It is recommended that the Council grant authority to the Director of Environment in consultation with the Chief Financial Officer to enter into a loan agreement with Salix for £66,500.

BACKGROUND

3. SALIX is an independent, public funded company, dedicated to providing the public sector with 100% interest free capital finance funding for energy efficient projects.

4. The scheme is known as SEELS SCOTLAND (SALIX Energy Efficiency Loans Scheme), and is available to any public sector body which is subject to the public bodies duties in the Climate Change (Scotland) Act 2009. It is supported and being promoted by the Scottish Government.

5. The scheme offers loans on the basis of a minimum 4 year payback and up to 8 years, depending on the project payback. Applications for loans have been invited on a "first come, first served" basis. To take advantage of this the Environment Department submitted an application to Salix for £66,500 which has been approved and now requires approval.

REPORT

6. The Environment Department commissioned an energy efficiency audit of Thornliebank Depot to identify possible opportunities. Recommendations from the audit report were used to inform a bid to SEELS for £66,500 to fund implementation of the following measures:

Description of work	Number of lamps/current Wattage etc	Project Type
Replace halogen track lights in the reception and stairwell	24x50W 8x35W	LED lighting
Replace low bay SON lamps with LEDs in the garage store	11x250W	LED lighting
Replace external SON fittings with LED floodlights	16x250W 18x400W 13x80W	LED lighting
Install new luminaires and occupancy sensors in drying rooms, locker rooms toilets and the canteen	Entrance hall to CCTV room Toilets, locker rooms, drying room and canteen Corridor to archive stores Corridor to locker rooms and canteen	Efficient lighting and controls
Insulate valves and flanges in the boilerhouse	Gas savings	Insulation - pipework
Draught proofing	Gas savings	Insulation - draught proofing

7. Electricity/gas usage is expected to reduce, resulting in anticipated savings of £12,916 per year. This equates to a payback period of 5.12 years, being rounded up to 6 years by SEELS.

8. In order to comply with the loan conditions, the works must be completed and loan claimed by December 2014. The funds will be released when a completion certificate is submitted to SEELS.

9. Repayments over the next 6 years will be paid by direct debit in March and September. The loan can be settled in full at any time.

10. The cost of the loan repayments will be met from within existing Departmental energy budgets from the date of installation and the Council will begin to benefit financially once the loan is repaid from around year 6 onwards.

11. The Carbon benefit to the Council has been calculated at 62.59 tonnes of CO₂ per annum.

FINANCE AND EFFICIENCY

12. The Finance Business Support Team within the Environment Department has been fully involved in these discussions and support this proposal. The Chief Financial Officer will make the necessary financial arrangements regarding repayments. There will be immediate revenue savings on energy payments from the date of installation which will be sufficient to meet the annual loan repayment costs.

CONSULTATION

13. There was no requirement for consultation with regard to this report.

PARTNERSHIP WORKING

14. There was no partnership working associated with this report.

IMPLICATIONS OF THE PROPOSALS

15. There are no staffing, property, IT, sustainability, equalities or other implications at this point in time.

CONCLUSION

16. By entering into an interest free loan with Salix the Council will make savings on its energy costs and will benefit from carbon emission reduction. After around year 6, the Council will start to benefit financially.

RECOMMENDATIONS

17. It is recommended that the Council grant authority to the Director of Environment in consultation with the Chief Financial Officer to enter into a loan agreement with Salix for £66,500.

Director of Environment

Further information can be obtained from Andrew Cahill, Director of Environment on 0141 577 3036 or andrew.cahill@eastrenfrewshire.gov.uk

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KEY WORDS: Energy, savings, loan, SEELS, Salix.