

Bid for Funding



Project Name:	Climate Change Fund		
Project Code:	2019	TBA	
Project Description:	Budget requirement to fund Climate Change & Energy related projects		
Project / Programme Manager:	Various	Wards:	Various GBC assets
Senior Responsible Officer:	TBA	Directorate:	TBA
Lead Councillor:	Cllr Reeves	Service:	NHMS – Property
Corporate Plan Theme:	Community	Confidential:	No
Expected Start Date:	April 2020	Exempt VAT Implications:	No
Target Completion Date:	On-going		

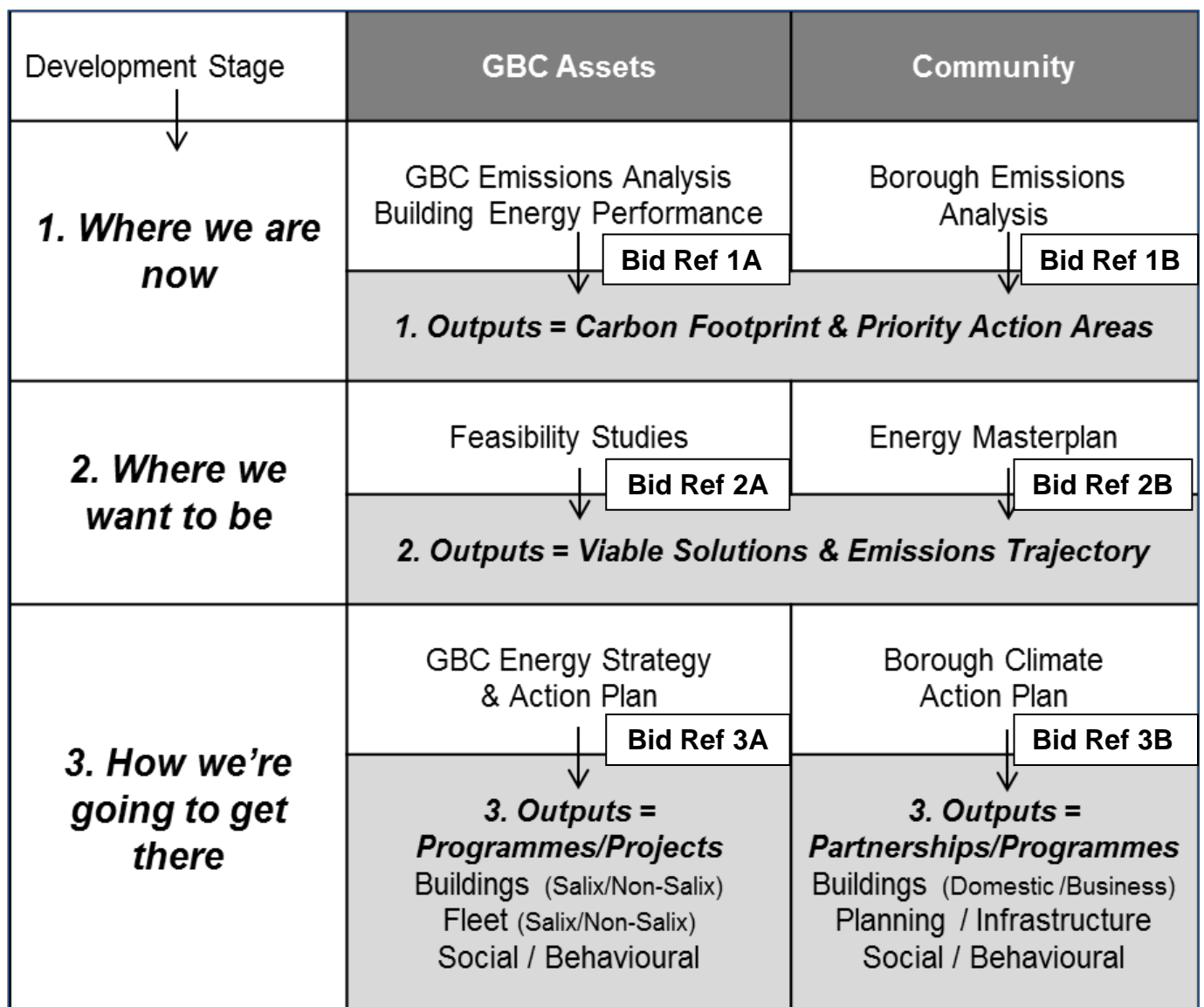
Section A – Strategic Content

<p>A01. What is the project trying to achieve?</p>	<p>This programme of work helps the Council to address the Climate Emergency by setting up a Climate Change Fund to deliver projects involving baseline analysis, scoping, feasibility studies, strategy development, action planning and technical implementation.</p> <p>Budget to allow for:</p> <ul style="list-style-type: none"> • Expansion of the Salix Invest-to-Save fund for sustainable energy projects* • Scoping, feasibility and delivery of Energy and Climate Change projects* within GBC corporate property and land assets • Review of CO2 emissions baseline and overall potential for CO2 reductions with the Borough, including an Energy Masterplan • Partnership work with other Local Authorities to support CO2 and energy saving measures within the business community and improve EV charging infrastructure <p>* Examples of both Salix and non-Salix project types include:</p> <ul style="list-style-type: none"> • Energy efficient heating and lighting – e.g. Heat Pumps and LEDs • Renewable energy schemes – e.g. Solar PV and Hydro • Electric Vehicle fleet upgrades & borough charging infrastructure • Building fabric improvements – e.g. Insulation, glazing • Municipal water dispensers
<p>A02. Which strategic priorities in the Council's Corporate Plan is the project trying to achieve?</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes. <input checked="" type="checkbox"/> Making travel in Guildford and across the borough easier. <input checked="" type="checkbox"/> Regenerating and improving Guildford town centre and other urban areas. <input type="checkbox"/> Supporting older, more vulnerable and less advantaged people in our community. <input checked="" type="checkbox"/> Protecting our environment. <input checked="" type="checkbox"/> Enhancing sporting, cultural, community and recreational facilities.

	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need. <input checked="" type="checkbox"/> Creating smart places infrastructure in Guildford. <input checked="" type="checkbox"/> Using innovation, technology and new ways of working to improve value for money and efficiency in Council Services.
A03. How does it meet the strategic priorities outlined?	Climate Change work cuts across many different service areas including Planning, Housing, Corporate Property, Regulatory & Leisure Services, Fleet etc, which all impact on the above. The Council, through the motion agreed at its meeting in July 2019, set out its commitment with regard to Climate Change. As well as for our own estate, the Council is committed to supporting the community response to the challenges presented by Climate Change and will be working with stakeholders over the coming years to address this. Whilst some actions come at minimal cost, inevitably many will have financial implications. It is important we have a flexible fund in place to allow us to respond more quickly than the existing budget cycles envisage.
A04. Explain the problem that is being addressed and why the project is necessary.	As noted above, the overarching issue being addressed is the global problem of Climate Change. This has local economic, social and environmental impacts due to more extreme weather patterns with related effects on many forms of agricultural production and commodity prices, species loss and climate-related damages from extreme temperatures, storms, flooding, droughts etc.
A05. What are the critical success factors or KPI's of the project? ie which measures will you use to determine success?	<ul style="list-style-type: none"> • A clear analysis and presentation of the Carbon Footprint and a well-researched and evidenced emissions trajectory for Guildford • A document that aids the delivery of the Local Plan • A viable Action Plan and rolling programme of projects to address CO2 reduction on our own estate • Delivery of energy and CO2 savings to correspond to the emissions targets and trajectory developed • Number of EV Charge Points delivered via Surrey Pilot and their utilisation. • Number of SMEs supported & respective CO2/energy/cost savings achieved, in line with overall LoCASE partnership targets.
A06. What are the expected benefits or outcomes for local residents and businesses?	<ul style="list-style-type: none"> • Improved local environment and a more sustainable Borough • Reduced energy consumption across our estate ensuring a more efficient use of Council Tax contributions • Increased cleaner, more secure and affordable energy production in the Borough • Improved awareness by residents via communication of carbon footprint • Energy master-planning approach will incorporate cutting-edge mapping technologies to provide a visually appealing and engaging way of involving stakeholders and communicating the challenges and opportunities to work in partnership to change our borough for the better • SMEs benefit from 50% reduction in costs of implementing energy saving measures, reducing their energy overheads and by capitalising on their enhanced green credentials • Local residents & business' employees will be able to access some of the technologies implemented – eg vehicle charging & water dispenser points. • Council will lead on new innovative energy & carbon reduction schemes encouraging business & residents awareness.
A07. Outline options considered or that will be considered for delivery of the project.	The fund will cover various energy, carbon reduction and environmental protection projects and scoping/feasibility studies. Each proposed scheme or study will be separately evaluated prior to authorisation by the Director of Strategy in consultation with the Leader of the Council. Progress will be monitored by the Climate Change and Innovation Board.
A08. Outline project dependencies eg with other projects or partner organisations.	<ul style="list-style-type: none"> • Bid Refs 1B, 2B & 3B need to align with Local Plan processes & timescale • Bid Refs 1A, 2A & 3A need to align with asset & property management plans • Bid Ref 3B business support delivery dependent on LoCASE funding • Bid Ref 3A relevant projects need to align with Salix processes & timescale

A09. Legal / statutory requirement?	No
A10. Legislative / statutory implications?	No
A11. Planning permission required?	Dependent upon project
A12. Building regulation required?	Dependent upon project
A13. Land acquisition required?	No
A14. Environmental consents?	No
A15. Highways / traffic consents?	No
A16. Details of other required consents.	N/a

Note 1: The diagram below shows how all the elements of this bid fit together



Section B – The Financial Case

B01. Costs

N.B. Bid Reference numbers below refer to development stages on previous page

Year	Description	Capital Value (£)	Revenue Cost Centre Code	Revenue Cost Centre Name	Revenue Account Code	Revenue Account Name	Revenue Value (£)
2020/21 2021/22	Bid Ref 1A/B, 2B Consultancy costs & fees to support Borough carbon footprinting, CO2 emissions trajectory, energy masterplanning		B3911	Climate Change Strategy	D4520	Consultants	50,000 (Yr 1) 50,000 (Yr 2)
2020/21 2021/22 and ongoing	Bid Ref 2A Consultancy costs & fees to support development of GBC Energy Strategy & related project proposals (esp. for non-HRA property assets)		B3911	Climate Change Strategy	A*/D4520	Salaries & Consultancy	66,000 (Yr 1) 66,000 (Yr 2)
2019/20 2020/21	Bid Ref 3A Expansion of Salix Invest to Save fund for Energy / CO2 Reduction projects (match funding)	47,000 (19/20) 170,000 (20/21)		Inflation Budget / Invest to Save Reserve			
2020/21 and on-going	Bid Ref 3A Non-Salix Energy & CO2 Reduction projects for GBC non-HRA property assets incl. fees / feasibility	250,000 (Yr 1) 500,000 (Yr 2)			D4520	Consultancy	50,000 (Yr 1)
2020/21 2021/22 2022/23	Bid Ref 3B Consultancy & marketing costs for delivery of LoCASE - ERDF-funded business grants for energy & CO2 reduction projects, LA Partnership.						20,000 (Yr 1) 15,000 (Yr 2) 15,000 (Yr 3)
2020/21	Bid Ref 3B Surrey EV Charge Points pilot project, LA Partnership (match funding).						17,500 (additional to 25k already allocated for 19/20)

B02. Costs Totals

Year	Capital Total (£)	Revenue Total (£)
2019/21	47,000 (Salix)	
2020/21	250,000 (+ 170,000 Salix)	186,000
2021/22	500,000	131,000
2022/23	500,000	81,000 and ongoing

B03. Outline the assumptions used to cost the project.

- Sufficient projects to meet the criteria
- Sufficient resources to deliver
- Flexible programming to take advantage of external funding opportunities

B04. Financial Benefits eg savings or additional income

Year	Description	Capital Value (£)	Revenue Value (£)
2019/20 And ongoing	FIT – Feed-in-tariffs for existing Solar PV		Est. 15,000
2019/20 and ongoing	RHI	30,000 (existing claims) 30,000 (pending claims)	
2019/20	<i>Warm Homes Fund</i>	<i>142,000 (bid for funding)</i>	
2019/20	Salix Invest to Save projects	47,000 (Salix contribution)	Annual savings: 7,500 (LED lighting)
2020/21	Salix Invest to Save projects	170,000 (Salix contrib)	Annual savings: 10,000 (LED lighting) 20,000 (Solar PV) 15,500 (Hydro Priv. Wire) 34,000 (EV Minibuses)

B05. Funding

Year	GBC Funding Request (£)	Third Party Contributions (£)	Sources of Third Party Contributions
2019/20	47,000 Salix	47,000	Salix
2020/21	170,000 Salix	170,000	Salix
2020/21	250,000 capital	Possible funding via LoCASE – GBC is bid partner	Possible European funding towards capital works for example EV charging hub, solar PV & battery storage, water source heat pumps
2021/22	500,000 capital	Possible funding via LoCASE	Possible European funding towards capital works for example EV charging hub, solar PV & battery storage, water source heat pumps
2020/21	186,000 revenue	40,000 (est.) + 0.2FTE Project Mgt + scoping workshop tbc Possible LoCASE funds	Heat Network Delivery Unit (BEIS) BEIS CSE (Centre for Sustainable Energy) LoCASE (ERDF)
2021/22	131,000 revenue	Possible LoCASE funds	LoCASE

B06. Non-Financial Benefits

Title	Category	Measure	Expected Delivery Date
Energy savings	Reduced Asset Costs	£ annual & lifetime savings per project	On completion of energy related projects
Carbon savings	Reduced Carbon	tCO2 savings (annual & lifetime)	On completion of projects
Clean Energy & Transport	Improved Social Benefits	Improved Air Quality	On completion of projects

Note 2: Explanation to Support the Financial Case

Salix

Salix have approved an overall increase in the fund of size of £434,000 (£674,000 total fund size). This is 50/50 match funding between Salix and the Council. As indicated in Section B, £47,000 of the Council's portion of the match funding is required for 19/20 and £170,000 is required for 20/21. It is proposed to vire the Council's portion from the inflation budget, or alternatively fund from Invest to Save Reserve. This requires CMT approval.

There is the ability to add a management charge onto the payback of projects, which is proposed to be added onto projects, i.e. 10%-15%, where reasonable and without jeopardising viability. This can be used to pay towards the additional staffing costs requested for above and would in effect be a cross charge for services required to identify, develop schemes, secure qualification and funding via Salix as well as fund administration.

Climate Change Fund

The Climate Change Fund, excluding the Salix element, will be wholly funded by the Council.

Revenue part of Climate Change Fund

In order to ensure we have the necessary staffing resources to manage at a strategic and programme level the Council's response to the Climate Change agenda, it is proposed to allocate up to £100,000 revenue funding. There is currently £24,640 in the climate change strategy budget for staffing, which is currently being used to fund a member of staff on a casual basis. In addition there is £9,200 for consultants (total of £33,840). Spend to date is £26,500, and it can be assumed the full year spend will be £50,000, and over spent by £16,000. An increase of £66,000 is therefore requested for staffing and consultancy services. The additional provision for promotion will be retained to support some of the initiatives such as LoCASE.

To establish baselines and obtain associated data, a considerable amount of work needs to be carried out, particularly to support Planning Policy development. Such work is not only specialised but represents a series of discreet projects in their own right. A revenue budget of £100,000 is proposed to fund consultancy support to achieve this as quickly as possible.

As we increase the number of installations that are eligible for funding incentives such as the Renewable Heat Incentive scheme it is important we are resourced to ensure claims are made in a timely manner. For example, RHI income from the implementation of Air Source Heat Pumps. The proposed revenue allocations will assist in ensuring we maximise all external funding opportunities, the number of which are increasing..Provision is also being suggested for a scheme to support local businesses as part of the LoCASE project.

Capital part of the Climate Change Fund

It is proposed that the Climate Change Fund will form part of the Approved General Fund Capital Programme. Applications to the fund will be subject to evaluation and approval by the Director of Strategy Services in consultation with the Leader of the Council in her capacity as Lead Councillor for Climate Change. For applications where the costs will exceed £200,000, approval from the Executive will be sought, in line with other delegations in the financial regulations.

A further investment of £1 million is planned through the HRA for 2020/21 on measures to reduce energy consumption in our tenants' homes, and will form part of the HRA business plan report.

Section C – The Economic Case

C01. Expected number of homes brought forward.	N/A
C02. Expected number of jobs created.	
C03. Expected amount of employment floor space delivered.	N/A

C04. Outline your assumptions in determining the economic benefits.	<p>Investment in physical infrastructure will create employment opportunities however at this stage it is not possible to quantify.</p> <p>A number of the investments anticipated will reduce energy consumption and therefore consumption costs. In some case financial support maybe receivable – for example through the Renewable Heat Incentive scheme.</p>
C05. Describe any other economic benefits.	Businesses may choose to reinvest any savings they make into expanding their business.

Section D – The Commercial Case

D01. Outline any procurement requirements.	
D02. Outline preferred procurement route / strategy.	Dependent on projects
D03. Outline key procurement risks.	Supplier availability

Section E – The Management Case

E01. High Level Project Timetable

Item	Stage of Project	Start Date	Finish Date

E02. High Level Project Milestones

Milestone	Description	Indicative Date

E03. Project Risks

Title	Description

<p>E04. Provide high level details of proposed project management arrangements & project team (please use post names / titles rather than naming individuals).</p>	
<p>E05. Provide a brief outline of key stakeholders eg who they are and how they will be engaged.</p>	
<p>E06. Will any public consultations be required? If so, provide a brief outline.</p>	

E07. How will the project be evaluated post implementation?	
---	--

E08. Outline any expected formal Council / Committee / Board decisions or consultations and expected timescales.

Committee / Board	Type of Decision	Expected Date
Council		
Executive	Where investment exceeds £200,000 on a single project .	
Community Executive Advisory Board	Project specific	
Place making and Innovation Executive Advisory Board	Project specific	
Overview and Scrutiny		
Planning	Project specific	
Licensing	N/A	
Corporate Governance and Standards	N/A	