

**To:** Finance and Resources Committee

**From:** Chief Constable

**Date:** 22<sup>nd</sup> February 2010

**INNOVATION RESERVE – MATCH FUNDING FOR ENERGY EFFICIENCY SCHEMES**

**1. Purpose**

1.1 The purpose of this report is to ask the Finance and Resources Committee to consider approving the creation of a match-fund initiative with Salix Finance Ltd. Salix provide ring-fenced funding in the form of a Conditional Grant which is matched by the Authority to create a revenue fund to pay for energy-efficiency projects across the estate.

**2. The Fund**

2.1 Salix Finance is an independent company using public funding from the Carbon Trust to accelerate public sector investment in energy efficiency technologies through 'invest to save' schemes.

2.2 Salix offers interest-free match funding for initiatives aimed at cutting energy costs and, because the money is ring-fenced, it can be 'recycled' and carried over from year to year. The financial savings made from projects are paid back into the fund to finance further energy-saving projects. Projects must comply with certain criteria which ensure that only proven technologies with good CO<sub>2</sub> reductions and short pay-back times are approved. This includes projects such as boiler and lighting upgrades, insulation and improved glazing.

2.3 Once a fund is established, it becomes self-sustaining and can be in operation for 15-20 years as savings generated by completed projects are recycled back into it. Only when the organisation has exhausted all possible projects does the grant have to be repaid to Salix Finance.

2.4 Salix will provide the Conditional Grant in tranches, over a 2 year period. It is suggested that the Force provides £50,000 in year 1, so that Salix also pays £50,000 into the fund and another £50,000 in year 2, again doubled by Salix's grant. Therefore, with a total of £100,000 investment from us, we could undertake projects worth £200,000 in the first two years. After this, we would be able to undertake additional projects with the money saved on energy from previous projects.

2.5 The Environment Officer, and the Director of Finance and Resources, have met with a Salix representative and suggest that this would be a good use of the Authority's Innovation Reserve.

### 3. Recommendation

- 3.1 It is recommended that the Committee consider approving, in principle, the use of the Innovation Reserve for a match-funded scheme with Salix Finance Ltd, to pay for energy efficiency projects, subject to the Treasurer being satisfied with the financial accounting arrangements. The total investment to be £100k over 2 years at this stage.

### BIBLIOGRAPHY

Source Document (s)	Contact Officer	Location
	Caroline Bradley Environment Officer Phone: (01480) 422478 Email:  <u><a href="mailto:caroline.bradley@cambs.pnn.police.uk">caroline.bradley@cambs.pnn.police.uk</a></u>	Cambridgeshire Constabulary Hinchingsbrooke Park, Huntingdon, Cambs, PE29 6NP.
<p>Originating Officer .....Caroline Bradley.....</p> <p>Is it considered that this report contains 'exempt information' and should be considered in private? No</p> <p>If the answer is "YES", please state the nature of the exempt information and the relevant clause (s) by virtue of Part 1 of Revised Schedule 12A to the Local Government Act 1972.</p> <p>Nature of exempt information: .....</p> <p>The attached report has been cleared with the undermentioned Officer/s who have assessed the exemption status above:            (delete as appropriate)</p> <p><del>Chief Executive</del>/Treasurer/Chief Constable</p> <p>Others .....</p> <p>Submitted on .....10<sup>th</sup> February 2010.....</p> <p>A report will not be sent to the Authority unless this box has been satisfactorily completed and all necessary consultation carried out - the responsibility for which rests with the originator (except for consultation with the Chairman and this will be undertaken by the Chief Executive).</p>		