



Nottinghamshire
County Council

Beacon Council Scheme: Sustainable Energy

Case Study: Local Authority Energy Finance (LAEF) Scheme

Introduction

The County Council was selected to participate in the LAEF Scheme, along with 17 other Local Authorities. We received a grant of £500,000 from the Carbon Trust, and match funded this amount ourselves. This total of up to £1m created an 'invest to save' fund which we are using to kick-start an energy efficiency programme within the Council's property estate.

The fund will be utilised to improve energy efficiency measures, to make energy cost savings and reduce CO₂ emissions. Initially we are concentrating on our main energy use buildings i.e. secondary schools with the highest energy use per square metre. In the long term we plan to broaden the projects to incorporate all of our sites.

The key objective of the LAEF scheme is to increase the capital investment in energy efficient and low carbon technologies. We will use the £1m to provide interest-free loans to finance the energy saving projects, which will be repaid from a percentage of the agreed forecast energy savings over the payback period of the project. Investment is restricted to projects that have been economically proven and can demonstrate they can repay the initial investment in 5 years or less. The capital cost of each project must exceed £2,500, although smaller schemes within a site can be combined to reach this total.

The loan repayments will be ploughed back into the scheme and used to fund further energy efficiency projects. In time the 'invest to save' fund will become self-sustaining.

Projects

Suitable projects for the LAEF scheme could include:

- Heating control systems
- Insulation projects
- Heating Ventilation and Air Conditioning installation and replacement
- Lighting retrofit
- Lighting control systems
- Swimming pool covers

Benefits

The LAEF scheme provides numerous benefits for each project including: reduced site energy consumption and therefore reduced energy costs; risk free commitment as the savings pay for the investment; continued energy savings once the loan is repaid; no capital investment by the project site; improved environmental conditions within the project site, improved building energy performance and working conditions.



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Sustainable Energy

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