

SCHOOLS, COUNTY COUNCIL FUNDING, EMERGENCY REPLACEMENTS AND THE ENERGY PERFORMANCE CONTRACTING PROGRAMME

To: Cambridgeshire Schools Forum
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From: Cherie Gregoire, Project Manager, Mobilising Local Energy Investment

1.0 INTRODUCTION

- 1.1 There are declining levels of publicly available money for school maintenance. In a 2013 letter from Cambridgeshire County Council, Head Teachers of maintained schools were advised to:
- a. maximise use of their Devolved Formula Capital (DFC), and any other available funds;
 - b. consider purchasing capital items by drawing down on 3 years' worth of DFC in advance;
 - c. use any uncommitted revenue balances which exist by capitalising these surpluses to cover the costs of identified works;
 - d. consider securing private donations to fund specific projects; or
 - e. consider applying for a capital cash-flow loan from the Schools Corporate Finance Team (where the school can afford to fund the scheme but cash flow is tight).
- 1.2 Only once these avenues are exhausted, can a school apply to the Authority for capital support funding. Priority investment projects include boiler replacement, replacement of boiler controls, and roof or window replacement.
- 1.3 Schools can access emergency finance for broken down equipment e.g. boilers where there is evidence that it has been appropriately maintained and serviced regularly. This year there are approximately 30 schools likely to access finance for emergency replacements.

2.0 ALLEVIATING PRESSURE ON THE EMERGENCY BUDGET- KEY ISSUES

- 2.1 Emergencies need to be dealt with swiftly and the current mechanism in place is adequate to deliver emergency replacements. However, to reduce the number of emergency finance deals required and therefore reduce pressure on the education capital budget, early intervention on maintenance and replacement of equipment to prevent emergencies should be considered.
- 2.2 The Mobilising Local Energy Investment programme is installing energy measures under an Energy Performance Contract (EnPC) on schools. An EnPC, through its energy savings, provides sufficient funds to pay back capital investment and accrue financial benefit over time. The aim of this process is to manage energy bills, introduce energy efficiency and generation equipment into schools and for schools to plan for a medium term maintenance and equipment budget. In theory, as more schools enter into EnPCs, the lower the emergency finance requirement for boilers should be.
- 2.3 LGSS distributes a Good Stewardship Guide to schools to assist Head Teachers and Governors of Community Schools to provide good stewardship of their school premises. The Guide contains instructions on seeking capital investment from the Authority to address maintenance and condition needs, typically in the form of a grant. Within that process, the schools typically apply for replacement of boiler or boiler controls, roof (where patch-and-mend procedures are no longer possible or practical), lighting and windows. The required upgrades applied for within this process are limited to those needed in the

next 12 months to prevent closure of the school.

- 2.4 Boilers, controls and lighting upgrades are also commonly recommended to schools undergoing an EnPC. Although the Authority has a good track record of replacing equipment with more efficient models there is a lost opportunity in the depth of savings that could be achieved across multiple mechanical and electrical systems by using an EnPC in as many schools as possible.
- 2.5 Content on the EnPC programme will be included in the next draft of the Good Stewardship Guide.

3.0 NEXT STEPS AND TIMESCALE

- 3.1 Inclusion of a question into the Condition Capital Support Funding application to identify if a school is currently working with our Delivery Partner, Bouygues Energies and Services Ltd. (procured via a framework process), to undertake an EnPC or not.
- 3.2 If the school is in the process of an EnPC when equipment failure occurs, options of fast-tracking replacement within a larger scope of works can be explored. The team have worked through a similar process with fast tracking PV installations ahead of other energy conservation measures to take advantage of higher feed-in tariff rates. A flowchart describing the proposed process is set out in Attachment A.
- 3.3 Where schools have not been approached for EnPC and there is scope for inclusion, the application can be referred to the EnPC team to make the introduction into the programme.
- 3.4 However, the overall timeframe for replacement would be longer than the typical emergency replacement process as the development of a desktop assessment would be required and thus may not be suitable. Please note, in an emergency situation these applications are completed after the situation has been resolved, therefore the opportunity is in the non-emergency applications for funding.

4.0 RECOMMENDATION

- 4.1 Members of the Schools Forum are asked to note the contents of the report.