

The Carbon Reduction Commitment (CRC) and Schools

1. Purpose

- a) To outline the situation of Wiltshire Council and schools with regard to financial and legal liabilities arising from the Carbon Reduction Commitment (CRC);
- b) To identify a preferred way forward for discussion at the October 2011 Schools Forum on how schools will take on their financial liability for the CRC from 2012/13 (the council is bearing the costs corporately for 2011/12).

2. Wiltshire Council and the CRC

The CRC Scheme

The CRC is a mandatory scheme to improve energy efficiency and thereby cut CO₂ emissions in large public and private sector organisations. The scheme is described in detail at Appendix 1. A glossary is included at the back of this paper.

The scheme applies a number of drivers to encourage participating organisations to better understand and reduce their energy usage:

- Financial:
 - purchasing allowances for every tonne of CO₂ emitted
 - 10% uplift in costs for estimated data¹
 - fines for non-compliance
- Behavioural:
 - collation of better, more accurate energy data and a requirement to keep records
 - increasing energy efficiency / reducing emissions to cut costs
- Reputational:
 - through the publication of an annual performance league table

Changes to the CRC

In the Autumn/Winter 2011, Government will draft a package of legislative measures which aim to simplify the CRC from April 2014 onwards (Phase 2). See Appendix 1 and point 3d) below.

Wiltshire Council's emissions

Wiltshire Council's CRC carbon emissions come from an estate counting over 800 properties, including over 230 schools. Transport emissions are not included in the CRC.

Wiltshire Council's total footprint for 2010/11, the first reporting year of the first phase of the CRC, was approximately 47,600 tCO₂ and its annual report covered around 43,000 tCO₂. Schools represented 51% of our annual report emissions. Street lighting represented 18%. In 2011/12 the council will switch street lighting from dynamic to passive energy supply which removes it from CRC eligibility, thereby reducing overall emissions and saving the council around £95k per annum in CRC costs. As a result, schools' share of emissions is predicted to increase to around 60% of the council's CRC emissions.

¹**Non-estimated (actual) data** requires two meter readings to be taken at least six months apart for gas and electricity, or supplier statements to be provided for fuels such as oil and LPG.

The first year that the council will pay for its CRC emissions will be in July 2012 retrospectively for 2011/12, at £12 per tCO₂. The council is accruing for these costs in 2011/12. If the rate of £12 per tonne had been applied to emissions for 2010/11, the council would have had to purchase allowances for a **total of £525,624**. The **CRC liability relating to schools (including academies) would have been £261,972**. In the following two years of Phase 1, the price of carbon is expected to rise to £14, then £16 per tCO₂. Assuming no changes in emissions, liability for schools' emissions at £16 per tCO₂ would rise to £349,296. Beyond Phase 1, costs are likely to continue to rise on an annual basis by £2 per year. At the same level of emissions future costs for schools' emissions would be £392,958 at £18 per tCO₂, and £436,620 at £20 per tCO₂.

Reducing our liability

There are three ways to reduce the financial liability from the CRC: 1) reduce emissions; 2) increase the amount of actual data to avoid the 10% uplift; 3) ensure the council does not incur fines for non compliance.

In order to reduce our CRC liability, the council is:

- Installing automatic meter reading equipment (AMR) across the estate, including schools, in order to accurately measure consumption and to target where consumption is unexpectedly high. For 2010/11, we have avoided the 10% uplift on 89% of our annual report emissions through recording actual consumption data.
- Implementing a Carbon Management Plan with a target to reduce emissions
- Implementing an invest-to-save programme of work, whereby investment in energy efficiency measures in the short term will lead to long term savings (from both avoided energy spend and avoided CRC costs)
- Working with schools through a dedicated Projects Officer to help reduce emissions (see below).

The costs of the CRC are currently built into the council's corporate medium term financial strategy and identified on the risk register.

Support for Schools

In the school year of 2011/12, the dedicated Climate Change Projects Officer-Schools will pilot two new engagement programmes to help schools reduce their emissions - the Carbon Trust's Collaborative Low Carbon Schools Service and the Ashden Environmental Award-winning Severn Wye Energy Agency project called YEP! (Young Energy People).

Both of these projects are expected to generate at least 10% energy savings in participating schools, primarily through behaviour change, which will lead to both CRC savings and energy cost savings. The intention is to roll out these projects with a greater reach and impact in following years.

In addition to these projects, an Energy Surveyor is being funded within the Energy Services Team to identify energy efficiency opportunities both in the schools and non-schools estate, targeting high energy consumers to start with. The Energy Surveyor will visit all the schools on the Low Carbon pilot programme and will offer to conduct surveys in other high consuming schools and academies once it has been established that the school has a willingness to act on the findings.

A proportion of Wiltshire Council's invest-to-save fund will be available to schools as 0% financing for energy efficiency measures with a good payback (generally 4-years or less).

Web pages and resources are being produced for all Wiltshire schools to enable them to effectively monitor and reduce their energy consumption within their schools, including advice on 'green' ICT equipment and solar panel schemes.

The Cost of Energy

The council's procurement team have reviewed the corporate contracts for gas and electricity. The vast majority of schools have opted into these contracts and the Procurement team will be writing to all schools updating them on the following information:

At present, the council has yearly procurement rounds starting on 1st April for gas and 1st October for electricity. The council has taken the decision to align the procurement rounds so from 1st April 2012 all rounds will start on 1st April.

Electricity prices starting on 1st October 2011 will only cover six months to 1st April 12 and are likely to be higher than they would have been if a complete year round had started on that date. The price of electricity is likely to be in the region of 30% more than prices paid in October 2010. The gas price will be unaffected as this is already priced for April 1st start.

From April 2012 the rolling annual electricity contract will be re-established (aligned with the gas contract). This may be increased or reduced by market price changes during the winter.

3. Current CRC Issues

a) Schools' Emissions Performance and Performance League Table

As it is estimated that during 2011/12 schools will account for 61% of the council's CRC footprint, the council's position in the national CRC league table will be heavily influenced by school performance in carbon management. It is therefore essential that schools continually strive to improve their performance by reducing energy consumption both for reputational reasons and because the future cost of energy and the CRC are likely to increase significantly. It is therefore recommended that after each annual submission, in the autumn of each year, a survey benchmarking Wiltshire schools' CRC emissions performance is compiled by the council.

In order to enable schools to determine their relative performance against others, each school will be provided with two performance league tables with the names of all other schools apart from their own deleted. These tables will outline the CRC cost per school building size and CRC cost per pupil numbers. (The age of schools buildings is not a useful comparison factor: one would expect modern buildings to be more energy efficient than older buildings, but in fact although they may be thermally more efficient, they often incorporate higher use of ICT equipment making them high energy consumers.) Further supporting information will then be provided alongside this to inform the data. A survey will be prepared for 2010/11 based on the CRC charges relating to each school if the council had to purchase allowances.

b) Costs and Schools

To date, correspondence from the council to schools has stated that the cost of the CRC will initially be borne corporately, although it has been signalled that costs may eventually be passed on to schools. It should be noted that the CIPFA CRC Guide for Schools states that CRC costs can be top-sliced from the DSG budget. Alternatively, it may be apportioned to Individual School Budgets, provided there is agreement from the School Forum. Penalties incurred as a result of non-compliance may be passed on directly to individual schools.

In order to avoid the 10% uplift for estimated data, the council will require actual (non-estimated) consumption data from schools. Where the 10% uplift is incurred by the council as a result of schools failing to provide actual (non-estimated) data, the council will consider passing on this cost to schools.

Options for passing costs to schools are discussed in point 4 below.

c) Compliance reporting issues

The council faces penalties in the event of non- or inaccurate reporting.

Schools have a statutory requirement to provide the data that the LA requires with regard to the CRC. It is proposed to include the provision of energy data alongside the routine financial compliance statements already provided to head teachers and governing bodies with the intention of achieving full compliance. The process to pass on the cost to a school where it fails to comply would be subject to consultation with all schools and agreement of Schools Forum.

A list of the information required from schools is attached at Appendix 2.

d) Academies and the CRC

With academies (and PFI Schools) being funded separately from the Wiltshire Council budget, the council is in a situation of having no direct control over the energy consumption / emissions from these buildings or the resulting CRC costs.

The Department for Education standard academy transfer documents do not include any reference to the CRC. From mid August 2011, the legal documents prepared by Wiltshire Council for transferring schools to academy status will include clauses requiring the academies to report CRC data to the council and to refund the council for the purchases of allowances made on their behalf.

Local government has lobbied government on this issue. In the current consultation on simplifying the CRC which closes on 2 September, Wiltshire Council will recommend that from Phase 2 (2013/14 – 2018/19) onwards:

- Our preferred option is for the responsibility for CRC for academies to be removed from the council and handed over to the Department for Education or the Young People's Learning Agency. Academies will already have staff in place who would be in a position to take on the responsibility of administering the CRC – bursars, facilities managers, business managers, etc. In this way, energy can be considered to be a resource to be managed in the similar way that finances are already.
- Alternatively, if responsibility stays with local government, we would want provision to be made in the CRC regulations placing a legal requirement on academies to:
 - Provide energy consumption data and evidence as reasonably requested by the Local Authority.
 - Pay the LA for allowances to cover their emissions
 - To reimburse the LA for the administrative burden
 - To put in place and deliver against a 'carbon management plan' with a target to deliver a reduction in the academy / school's emissions. The target must have the LA's approval that and be challenging but deliverable.

e) Academies and Solar panels

The academy transfer leases allow for academies to sub-let their roofs for solar photovoltaic schemes under their own authority. However, they must seek consent from Wiltshire Council for any alterations that need to be made to any roof.

4. Options

Wiltshire Council is aware from national networks such as the Local Government Information Unit that local authorities are considering how to pass on CRC costs to schools. Informal officer networking shows that most authorities in our region are keen to charge individual schools, or failing that will top slice the DSG budget.

In the meantime, the council has considered three options for ensuring the costs relating to schools are passed on appropriately to the schools budget. **In all three options, the costs of the CRC for the first year (ie payment in July 2012 for 2011/12) will be borne by the council corporately:**

Option 1, Top-slicing Dedicated Schools Grant (DSG) budget:

Regulations allow LAs to “top slice” the schools proportion of the CRC from the Dedicated Schools Grant, with the agreement of Schools Forum. This would leave less funding to be spent on all schools but would mean individual schools are not faced with an additional cost pressure. This option would not provide transparency in schools as it would effectively remain a hidden cost. Schools Forum agreement is required.

Assuming CO₂ emissions across the schools estate stay at the current levels (ie 22,053 tCO₂) and that the cost of carbon is as previously indicated by Government, projections for the total liability from schools are:

2011/12 @ £12 per tCO ₂ To be paid from corporate budget	2012/13 @ £14 per tCO ₂	2013/14 @ £16 per tCO ₂
£261,972	£305,634	£349,296

Risks to centralising the CRC costs to the DSG:

- Failure of schools to take ownership of their CRC emissions and to engage with energy efficiency.
- For schools that do engage and reduce their emissions, they receive no direct financial benefit in the form of reduced CRC costs (beyond the direct energy cost savings they are able to make)
- If some schools fail to engage at all (eg fail to provide energy consumption data) the council will bear corporately either the cost of fines or the 10% uplift for estimated data

Benefits of centralising the CRC costs to the DSG:

- DCE is in a stronger position to coordinate and drive forward energy efficiency work programmes.

Option 2, Charging individual schools – Cabinet Members’ Preferred Option:

Regulations permit LAs to pass the costs on to individual schools. To achieve this, the LA must formally consult all head teachers and governing bodies and seek the agreement of Schools Forum, to amend the LA’s Scheme for Funding Schools. Schools would also need to be notified of the likely charges in advance of the financial year so that they can include the cost in their three year budget plans. Schools will need to accrue for the charge at the end of 2011-12. Agreement would also need to be reached regarding how the monies would be recovered from schools i.e by invoice or deduction from budget share payments. As the LAs Scheme for Funding Schools does not apply to academies, an alternative arrangement would need to be put in place. Consideration could be given to amending the Scheme to allow the LA to deduct any unpaid charge from the following year’s budget share. Schools Forum agreement would be required and a consultation with all schools.

Table 1 below illustrates the level of CRC liability to individual schools with a range of costs of carbon (£12 to £20 per tonne). A range of typical schools was selected on the basis of their current overall budget (ie large, medium and small).

The greatest CRC liability currently (ie current emissions at £12 per tCO₂) would lie with Marlborough St Johns School & Community College at £11,715, the second greatest would lie with Chippenham Sheldon School at £8,079. The lowest CRC liability currently would lie with Chirton CE VC Primary School at £164.

The vast majority of schools (74%) would have a CRC liability of less than £1,000. A further 14% would have a liability of £1,000 - £4,000. 27 schools would have a liability of between approximately £4k and £12k, these schools being secondaries, those that are already academies and special schools.

Risks of charging individual schools:

- The CRC liability for the vast majority of schools is currently relatively small (£200 - £1,000) which may not be enough to encourage schools to take ownership of the issue. Charges will increase over time, but for many schools may remain relatively low.
- The burden of administering the charges may be relatively high.

Benefits of charging individual schools:

- Greater awareness of and ownership of the issue.
- The costs of CRC can be built into the business cases for energy efficiency measures.
- Schools that successfully reduce their emissions will see a direct impact on their CRC financial liability

Table 1: Illustration of typical CRC costs at the individual school level based on 2010/11 emissions

Type of School	School name	DfE Number	2011/12 School Budget	TOTAL tCO ₂ 2010/11	CRC Cost at £12 / t	CRC Cost at £14 / t	CRC Cost at £16 / t	CRC Cost at £18 / t	CRC Cost at £20 / t
Secondary – large	Warminster Kingdown School	4072	£6,982,070	514.75	£6,177	£7,207	£8,236	£9,266	£10,295
Secondary - large	Trowbridge The John Of Gaunt School	4075	£5,951,372	580.84	£6,970	£8,132	£9,293	£10,455	£11,617
Secondary – small	Amesbury The Stonehenge School	4070	£3,612,772	385.01	£4,620	£5,390	£6,160	£6,930	£7,700
Secondary – small	Durrington Avon Valley College	4071	£3,485,630	373.52	£4,482	£5,229	£5,976	£6,723	£7,470
Special	Rowdeford School	7002	£2,354,340	274.95	£3,299	£3,849	£4,399	£4,949	£5,499
Primary - Large	Chippenham Charter Primary School	2226	£1,009,603	84.31	£1,012	£1,180	£1,349	£1,518	£1,686
Primary - Large	Bradford on Avon Christ Church CE Contr'd Primary	3015	£1,322,102	75.46	£906	£1,056	£1,207	£1,358	£1,509
Primary - Medium	Christian Malford CE Primary School	3038	£354,055	28.46	£342	£398	£455	£512	£569
Primary - Medium	Chilton Foliat CE Primary School	3318	£390,202	24.11	£289	£338	£386	£434	£482
Primary - Small	Figheledean St Michael's CE Primary School	3071	£346,527	24.58	£295	£344	£393	£442	£492
Primary - Small	Savernake St Katharine's CE Primary School	3023	£318,067	17.11	£205	£240	£274	£308	£342

Option 3, Combination of Passing on / Top-slicing a Proportion of the Costs:

This is a combination of options 1 and 2. For example, at 50% DSG budget charge and 50% charged to individual schools, the total deducted from the DSG would be £131k at £12 per tCO₂, and £175k at £16 per tCO₂. With schools being charged for 50% of their CRC liability, around 200 schools would be responsible for under £1,000 of CRC liability.

Risks and benefits for a combination of passing on and top-slicing a proportion of costs:

- Although it would provide some protection for schools with higher costs, it would arguably be more bureaucratic and not provide transparency of the real costs. This option could, however, be used as a transition to individual charging.

5. Recommendations

It is recommended that:

- 5.1 A survey benchmarking Wiltshire schools' CRC emissions performance be compiled by the council and shared with Wiltshire Schools after each annual submission.
- 5.2 Compliance be monitored and reported through the routine financial compliance statements already provided to head teachers and governing bodies and that the process of passing on the cost to a school that fails to comply be consulted with all schools through the Schools Forum.
- 5.3 Option 2 be agreed by Schools Forum as the preferred way forward for passing CRC costs on to schools.

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Appendix 1: Summary of the CRC

The CRC Scheme

The CRC is a mandatory scheme to improve energy efficiency and thereby cut CO₂ emissions in large public and private sector organisations. These large organisations are responsible for around 10% of the UK's CO₂ emissions. The scheme features a range of reputational, behavioural and financial drivers to encourage participating organisations to develop energy management strategies that promote a better understanding of and reduce energy usage.

The CRC is designed to run in three phases, with payments being made as follows:

Phase 1: 2011/12 – 2013/14 **Phase 2:** 2014/15 – 2018/19 **Phase 3:** 2019/20 – 2023/24

Organisations became eligible for Phase 1 of the scheme if in 2008 they consumed around 6,000 MWh (6,000,000KWh) of electricity (around £500k worth) and had at least one half-hourly electricity meter (HHM) settled on the half-hourly market. Participants include supermarkets, restaurant chains, water companies, banks, local government and all central government departments.

From 2010/11, data on energy consumption (gas, electricity, heating oil, LPG, kerosene, biomass, etc) must be gathered by participating organisations and reported to the Environment Agency (the CRC scheme administrator) by the end of July following the end of each financial year for the duration of the scheme. Evidence for energy consumption (meter readings and supplier invoices) must be kept for the duration of the scheme. The EA will audit participating organisations following a risk based approach, and all organisations can expect to be audited once every five years.

The EA apply conversion factors to each of the reported energy fuel types to determine the amount of carbon emissions of each participating organisation. Emissions from electricity generated onsite from renewable energy sources (eg solar pv) may be off-set against the overall footprint where ROCs or FITs are not claimed.

Organisations must report on their emissions footprint (Footprint Report) in the first year of Phase 1. Alongside this, organisations must submit an Annual Report for each year of the phase which must include at least 90% of these emissions, on the basis that the final 10% of emissions are likely to be too onerous to gather information on due to the small level of consumption.

CRC Costs

In the first year of Phase 1 (2010/11), there is no financial charge for emissions. For 2011/12, organisations must purchase allowances to cover their annual report emissions at a charge of £12 per tonne of CO₂. This payment will be due in July 2012. The price of allowances for future years is not yet confirmed and will be set annually in Government's April Budgets. Current indications suggest the charge for allowances will rise to £14 per tCO₂ for 2012/13 and will rise to £16 per tCO₂ in 2013/14, bringing it in line with the Carbon Floor Price². Thereafter, Government has signalled that the cost of CRC allowances will rise to £30 by 2020, and the price is therefore likely to rise by around £2 per year.

A second financial driver is applied in order to improve energy data management, in the form of a 10% uplift on emissions for which the organisation has only estimated data rather than actual data. (Data is considered to be actual where there are two meter readings at least six months apart.)

² From April 1st 2013, firms generating [electricity](#) will be required to pay at least £16 per tonne of CO₂ they produce. This is known as the Carbon Floor Price.

CRC Fines

Fines will be applied to an organisation where it fails to report or reports inaccurately.

Performance League Table

In October of each year the EA will publish a performance league table. In the first year, an organisation's position in the league table will depend on: a) the amount of emissions covered under the Carbon Trust Scheme (a performance improvement accreditation scheme to reduce emissions) over the last three years; and b) the percentage of emissions covered by voluntary automatic meter reading (AMR) (ie a way of collecting accurate, actual data).

In subsequent years, the position in the league table will be determined by the relative improvement of performance. A growth metric will be applied to ascertain whether emissions have increased or reduced relative to the size of the organisation. For private sector organisations this is calculated relative to turnover. For the public sector, relative to revenue spend.

Changes to the CRC

It should be noted that the CRC is under review and is likely to be changed in autumn 2011 for Phase 2 as it has been criticised for being over-complicated. In particular, local government discussion forums have picked up the following issues:

- The CRC is a carbon trading scheme, although currently it is more like a tax as a fixed price payment is made retrospectively on the basis of actual emissions. This is likely to be changed by the review into two sales of allowances in a year: the first made at the beginning of the financial year at the fixed price rate on the basis of projections of likely energy consumption/emissions, and the second taking place at the end of the year on a market price basis to ensure enough allowances have been purchased to cover actual emissions.
- Government recognises that the changing of schools' status to academies creates an anomalous situation whereby councils are responsible for the emissions of entirely independent organisations. This is likely to be addressed in the CRC review. However, nationally the schools estate represents a significant amount of emissions and it is unlikely that Government will remove these emissions from the CRC. The issue to be resolved is who will take on the responsibility of reporting them and paying for the resulting allowances.
- It is probable that to simplify the scheme, fewer fuel types will have to be reported with LPG and kerosene no longer included.
- It is also possible that the distinction between the annual report (100% of emissions) and the footprint report (90% of emissions) may be removed.

Appendix 2: Information required by Wiltshire Council from Schools for CRC reporting purposes

All Energy consumption data for the year 01/04 – 31/03

Every school is obliged under the CRC regulations to provide such information as is reasonably requested from the Local Authority for the purposes of complying with the CRC. This will include total energy used per utility and per supply for the whole site, including other buildings on the site such as caretakers bungalows, nurseries etc, and details of how those other buildings on the site are supplied and paid for.

Wiltshire Council will require the following information to be supplied by schools each year:

For each electricity and gas supply:

- The Meter Serial Number (found on the meter)
- The Meter Point Administration Number (electricity) and the Meter Point Reference (gas) – found on the bills
- The name of the supplier
- The amount of energy used through that meter between 01/04 and 31/03
- Details of any sub meters fed through that meter and the amount of energy recorded by the sub meter
- Details of any change of meter during the specified period
- Details of any change of supplier during the specified period

For each oil or LPG supply:

- Details of all deliveries of fuel during the specified period, with copies of delivery invoices
- Details of any changes to fuel supplies during the specified period

For any renewable energy generated on the site:

- Details of how much electricity or heat has been generated during the period 01/04 to 31/03
- Details of any ROCs (Renewable Energy Certificates) or FITs (Feed in Tariff) or RHI (Renewable Heat Incentive) that have been claimed for generating energy on site
- Details of how generation amounts have been recorded (egg. measured through a meter or calculated by estimation)

NB: On site renewable energy generation sources may include solar panels, wind turbines, heat pumps, CHP units, biomass boilers and anaerobic digesters.

Notification of changes to buildings:

- Details of any significant changes to buildings that may have an impact on energy consumption, such as an extension; refurbishment; new heating system; electrical rewire etc.

This information will be collected every year using a survey form to be completed and returned by each school.

Appendix 3: Schools converting to Academy Status

1. The following academies have already converted:

- Hardenhuish (1/09/2010)
- Lavington Secondary (16/12/2010)
- South Wilts Grammar (1/01/2011)
- Bishops Wordsworth's Grammar (1/02/2011)
- Sheldon (1/04/2011)
- The Corsham School (Secondary) (1/04/2011)
- Corsham (Primary) (1/04/2011)
- Wootton Bassett Secondary (1/07/2011)
- Pewsey Vale Secondary (1/07/2011)
- Kingdown Community (1/08/2011)
- St Laurence (1/08/2011)
- Malmesbury Secondary (17/08/2011)
- St Augustine's Catholic (1/09/2011)
- Calne St Edmund's RC Primary (1/09/2011)
- Devizes St Joseph's RC Primary (1/09/2011)
- Great Cheverell Holy Trinity Primary (1/09/2011)
- Springfields Special School (1/09/2011)

2. The following are due to convert imminently:

- St Edmund's Girls School Salisbury (1/10/2011)
- John Bentley (originally 1/09/2011 but now date TBC, expected relatively soon)

Glossary / Acronyms

- AMR** Automatic meter reading equipment (AMR or smart meters) which enable the accurate collection of data. A meter will be defined as an AMR meter under CRC if it meets the following four criteria:
- The meter together with an ancillary device is capable of capturing consumption data on at least an hourly basis;
 - The meter is the main fiscal meter and not a sub-metering device;
 - The meter has been read remotely;
 - The consumption data is made available to the customer.
- CIPFA** Chartered Institute of Public Finance and Accountancy
- CO₂** Carbon dioxide is by far the most significant of the greenhouse gases contributing to global warming. Once CO₂ is released from the burning of fossil fuels (coal, oil, etc) it stays in the atmosphere for around 100 years, thus creating a cumulative build up and intensifying the greenhouse effect.
- CRC** The Carbon Reduction Commitment Energy Efficiency Scheme is a mandatory scheme to improve energy efficiency and thereby cut CO₂ emissions in large public and private sector organisations. These organisations are responsible for around 10% of the UK's CO₂ emissions. The scheme features a range of reputational, behavioural and financial drivers which aim to encourage organisations to develop energy management strategies that promote a better understanding of energy usage. Details are in Appendix 1.
- DSG** The Dedicated Schools Grant is a ring-fenced specific grant from central government which must be used in support of the authority's Schools Budget and for no other purpose.
- FITs** Feed in Tariff - Feed-in Tariffs (FITs) became available in Great Britain on 1st April 2010. Under this scheme energy suppliers make regular payments to householders, communities and organisations who generate their own electricity from renewable or low carbon sources such as solar electricity or wind turbines. Investors in renewable electricity generation receive a generation tariff for every kWh of energy generated. They will receive the benefit of reduced energy costs by using the energy they generate and any electricity exported to the national grid will also garner a tariff (the feed-in part of the tariff).
- LPG** Liquefied petroleum gas (also called LPG, GPL, LP Gas, autogas, or liquid propane gas) is a flammable mixture of hydrocarbon gases used as a fuel in heating appliances and vehicles.
- PFI** Private Finance Initiatives
- RHI** Renewable Heat Incentive – Like the Feed-in Tariff, the RHI incentivises property owners to invest in renewable heat (eg solar thermal panels, biomass boilers, etc) by receiving a guaranteed payment for paid for 20 years from the registration date and index-linked for inflation generating heat. The RHI is administered by the official regulator Ofgem who pay the tariffs with money from the Treasury. Investors will save money by eliminating or reducing the need for gas or oil, both of which are becoming increasingly expensive year-on-year. In addition, they will be paid up to 8.5p/kWhr for the hot water and heat generated and used. The exact tariff depends on exactly what systems you use and how large they are.
- ROCs** The Renewables Obligation (the RO) is the main support scheme for renewable electricity projects in the UK. It places an obligation on UK suppliers of electricity to source an increasing proportion of their electricity from renewable sources.
- A Renewables Obligation Certificate (ROC) is a green certificate issued to an accredited generator for eligible renewable electricity generated within the United Kingdom and supplied to customers within the United Kingdom by a licensed electricity supplier. One ROC is issued for each megawatt hour (MWh) of eligible renewable output generated.