

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member – Environment and Transport
Date:	6 March 2012
Title:	ECOTEC 21 European Project
Reference:	3611
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

1.1. The purpose of this paper is to:

- Obtain Executive Member approval in principle to participate as a partner in the ECOTEC 21 project - submitted under the European Commission's INTERREG IVA France (Channel) – England funding programme - if the project proposal is selected to proceed to implementation in March 2012.
- Obtain Executive Member approval for the decision on the final terms of participation in the ECOTEC 21 project to be delegated to the Director of Economy, Transport and Environment once the County Council learns whether or not the submission has been successful. An outcome is expected by 9 March 2012.

1.2. This paper seeks to provide background information on the ECOTEC 21 project and why Hampshire County Council has offered to participate as a partner. It will also set out the budget requirements for participation in the project.

2. Contextual information

2.1. Hampshire County Council has been included as a partner in a European project proposal which was submitted under the European Commission's INTERREG IVA France (Channel) – England funding programme in October 2011. The project has been developed by Medway Council, and will focus on the use of Combined Heat and Power (CHP) technology. The project is known as ECOTEC 21.

- 2.2. Project partners are currently waiting to learn whether or not the submission has been successful. An outcome is expected by 9 March 2012.
- 2.3. The ECOTEC 21 project will focus on enabling partners across the Channel to further understand the use of CHP in existing buildings with a view to facilitating implementation and increasing uptake in the programme area.
- 2.4. If the project is approved, a formal decision to participate will need to be made by Hampshire County Council. This decision will need to be taken immediately as the project contract will be signed by the Lead Partner without delay.

3. Finance

- 3.1. If successful, the project duration will be 3 years, commencing March 2012 and closing February 2015.
- 3.2. The programme provides grant funding for up to 50% of eligible expenditure. The remaining 50% of project costs must be match funded by partners.
- 3.3. The County Council's budget has been front loaded, so that the majority of expenditure occurs in 2012/2013 and 2013/2014.
- 3.4. The total budget for the County Council's part of the project is £192,000, made up primarily from existing staff salaries. The grant of £96,000 to be paid will defray some of these costs, as well as paying towards the costs of undertaking the project activities.

4. Performance

- 4.1. The County Council is currently considering the development of district energy in Winchester, with any potential scheme utilising CHP technology. Work is underway to support the development of a more detailed business case for this. In addition, district energy schemes and CHP are also being considered in other areas of the county.
- 4.2. In order to successfully progress work in these areas, the County Council will need to expand its knowledge, understanding and expertise relating to district energy and CHP technology. ECOTEC 21 will provide an opportunity to do this. Particular planned activities are relevant for tasks that the County Council will need to undertake in any case. Thus, funding and partnership support will be available to the County Council to support elements of ongoing and upcoming work.
- 4.3. Participation in a European project will also enable the County Council to raise its profile at a European level; build partnerships and relationships with other organisations and regions across the Channel area; gain up-to-date and relevant skills and expertise in European project development and delivery;

and facilitate understanding of complex external funding opportunities specifically relating to the energy and climate change agendas.

5. Future direction

- 5.1. ECOTEC 21 represents an opportunity for the County Council to become involved in a European project, and receive funding towards already planned and programmed activities which will contribute towards the County Council's work on district energy and CHP.

6. Recommendation

- 6.1. That, subject to the ECOTEC 21 project proposal being selected by the Interreg Programme Committee to proceed to implementation, the Director of Economy, Transport and Environment be given delegated authority to approve the final terms of participation in consultation with the Executive Member for Environment and Transport.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. It is not considered that participation in the ECOTEC 21 project will have any equality impacts.

2. Impact on Crime and Disorder:

- 2.1. It is not considered that participation in the ECOTEC 21 project will have any crime and disorder impacts.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Participation in the ECOTEC 21 project will enable the County Council to expand its knowledge, understanding and expertise relating to district energy and CHP technologies. Use of these technologies has the potential to increase fuel efficiency, and reduce fossil fuel consumption and carbon emissions. They also provide opportunities for the deployment of renewable technologies that otherwise would not be viable in individual buildings. Whilst this project will not fund capital investment, it will leave the County Council better placed to take related decisions potentially leading to a reduction in our carbon footprint and levels of energy consumption.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Hampshire County Council is heavily reliant on grid-based fossil fuel imports for its energy. Climate change has the potential to significantly impact upon the energy sector. Changes to climate and severe weather events may affect the UK's capacity to generate energy and distribute power and may alter patterns of energy consumption and use. Because energy markets operate in a global context, climate change impacts elsewhere in the world that significantly impact global energy supply may also have the potential to indirectly affect Hampshire.

By building knowledge and expertise in energy technologies like district energy and CHP, the County Council will be better placed to act and take appropriate decisions to ensure Hampshire is better prepared should climate change lead to interruptions of energy supply.

It will also help to ensure business continuity and the maintenance of service delivery in the case of extreme weather events.