

Minister for Business, Energy and Tourism
Fergus Ewing MSP

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Dear Steve

Central Energy Efficiency Fund: Expiry of Grant Agreement

As you will be aware, the Central Energy Efficiency Fund (CEEF) was launched in 2004 by the Scottish Government to support the delivery of energy efficiency and renewable energy measures to reduce carbon emissions in the Scottish Public Sector. All public bodies awarded CEEF finance, including Aberdeen City Council, are responsible for managing their own ring-fenced allocations and identifying appropriate energy efficiency and renewables projects for implementation within their own estates.

Between the years 2004-2006 Aberdeen City Council received **£565,369.00** from the Scottish Ministers for the implementation of CEEF within their estate. As set out in the CEEF grant agreement, the terms and conditions of this fund will expire on 31 March 2016, after which there will be no obligation to report to the Scottish Government regarding carbon, cost and energy savings or seek approval for installing measures relating to this finance.

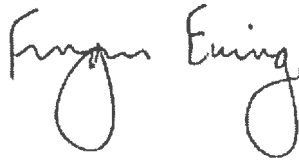
Reducing carbon emissions and increasing energy efficiency continues to be a major priority for the Scottish Government, with public bodies including local authorities, playing a key role in supporting Scotland to meet its ambitious climate change targets. As well as the direct environmental and financial benefits of improving energy efficiency, the public sector has the scope to set the standard for other sectors.

Section 44 of the Climate Change (Scotland) 2009 Act places duties on public bodies relating to climate change which requires them to: contribute to carbon emissions reduction targets; contribute to climate change adaptation and act sustainably. To encourage continuous improvement and also improve the quality and consistency of information reported by the public sector, Ministers intend over the next nine months to introduce a reporting requirement for the production of reports on compliance with the public bodies duties (PBD) by relevant public bodies. The annual information provided by major players, who include all local authorities, will be collated and analysed with a PBD report being produced that will provide sector specific information on emission reductions, project activity, achievements and challenges. This new reporting method will replace Scotland's Climate Change Declaration reports currently undertaken by local authorities, with the findings being

used to inform future Scottish Government climate change policy, funding and support programmes.

It is therefore important that public bodies continue to implement energy efficiency and carbon reducing measures. The CEEF revolving fund model is an excellent example of how financial investment can be best utilised to achieve maximum results. It is a hugely successful programme, since inception it has funded over 2466 projects, generated financial savings of over £211 million and carbon savings of 1659ktCO₂ collectively across all the Scottish local authorities. I would strongly encourage you to continue to maintain a revolving energy efficiency fund after the expiry of the terms and conditions of CEEF in March 2016 to support future carbon saving and energy efficiency projects across the Aberdeen City Council estate.

Yours sincerely,

A handwritten signature in black ink that reads "Fergus Ewing". The signature is written in a cursive style with a large loop at the end of the last name.

Fergus Ewing