

INTRODUCTION

1. This circular confirms the capital funding allocations for energy and water targeting and monitoring infrastructure. The capital allocation also includes a discretionary element of funding which can be used to fund projects which will deliver improved energy efficiency or reduced carbon emissions.

BACKGROUND

2. In March 2005, the Wales Audit Office Wales published a report on energy and water management in the higher education sector in Wales. One of the key recommendations of that report was that institutions should establish a system for monitoring and targeting energy and water consumption. This recommendation together with other recommendations from the Wales Audit Office Wales report were subsequently endorsed by the National Assembly for Wales Audit Committee in November 2005.
3. In January 2006 HEFCW and the Carbon Trust Wales jointly commissioned an initial report on the feasibility of introducing a consistent system of targeting and monitoring for energy and water throughout the sector. This initial work has been supported by a more detailed project commissioned in October 2006 which developed a template for the installation of submeters at each institution sufficient for them to record 90% of energy and water consumption at each institution, and which provided an estimated cost for the installation of the infrastructure.

PROPOSED ENERGY BUREAU SERVICE

4. HEFCW will be appointing an energy bureau service to receive the data generated by the proposed submeters. It is anticipated that this appointment will be made by 1 June 2007. The data generated by the submeters will be compiled and analysed by the bureau service and returned to institutions in a format that will enable energy managers to better understand existing patterns of consumption and to identify potential leaks or wasted consumption. Individual institutions will only have access to their own data and sector data at an aggregated level. The Council will use the data to assess progress in improving energy efficiency, and developing environmental sustainability. The data will be shared with the Carbon Trust Wales to inform debate on improving energy performance. It is intended that the bureau service will be operational by 1 July 2007.
5. In October 2006 capital funding was identified sufficient to support the allocation of £3.8M to institutions and to fund the provision of an energy bureau service which will receive the data generated and provide analysis and support to institutions and HEFCW.

ALLOCATION METHOD

6. The distribution of funding has been allocated in proportion to institutions total formula driven funding for teaching and research 2005/06 subject to a minimum allocation of £100,000. HEFCW has retained funding sufficient to meet the anticipated running costs of the energy bureau service for a period of one year certain with an option to extend this for a further year subject to the availability of funding. The allocations of funding are shown in Annex A.

AREAS OF EXPENDITURE

7. The funding allocations to institutions must be used in the first instance to fund the installation of an operational system of sub metering and associated infrastructure in accordance with the specification set out in the consultants report and where necessary the purchase of project management support to ensure timely completion of the installation and commissioning. To ensure effective operation of the project the equipment and associated infrastructure must be installed as specified within the consultants reports (copy attached). Institutions will also need to develop a schedule indicating floor area, location, and use category (residential, teaching ,research, administration or other) for each submeter. The

work required to install, commission, project manage, and identify the required infrastructure is referred to as Category A expenditure in the remainder of this document. This work must be completed by 11 January 2008.

8. The allocations awarded are in all cases in excess of the estimated cost of installing the required infrastructure of sub metering. The remaining funding must be spent on projects which will improve the energy or water efficiency of the estate, or reduce carbon emissions. (Category B expenditure) This work must be completed by 31 July 2008.

CLAIMING ALLOCATIONS

9. The release of institutions' allocations will be subject to receipt of a completed part 1 pro forma shown at Annex B. Failure to install and commission the submeters and associated infrastructure in accordance with the consultants specification, or to facilitate the supply of data to the bureau service may result in a withdrawal of some or all of the monies allocated.

TIMING OF PAYMENTS

10. The allocations will be released in March 2007.

MONITORING AND EVALUATION

11. Institutions will be required to submit an installation plan detailing the expected dates of installing and commissioning all outstanding submeters and associated infrastructure. This must be submitted by 31 May 2007 and in the format set out in part 2 of Annex B. This also includes a brief statement as to intended or completed expenditure in respect of category B expenditure. The submission of this plan does not preclude institutions from installing or commissioning submeters in advance of submission of the plan.
12. HEFCW will monitor the installation and commissioning of the submeters through the contract with the bureau service and through ongoing dialogue with energy managers. Where the rate of installation and commissioning of meters shows a negative variance of greater than 10% against the plans institutions will be required to provide a further monthly response detailing remedial action being undertaken.

DISSEMINATION

13. Following previous consultation with the sector, the Council has taken into account suggestions for ways to disseminate the good practice arising from this funding stream including the establishment of a users group and support line which will be operated by the bureau service following their appointment.

SUBMISSION TIMETABLE AND FURTHER INFORMATION

14. The timetable for implementation is as follows:
- a. Submission of Acceptance Statement (Part 1 Annex B) by 2nd March 2007.
 - b. Submission of Installation Plan and note of category B expenditure (Part 2 Annex B) by 31st May 2007
 - c. Both of the above responses should be submitted in hard copy to :-

Mr C.E. Cowburn
Head of Estates
Higher Education Funding Council for Wales
Linden Court
The Orchards
Ilex Close
Llanishen
Cardiff
CF14 5DZ

Any queries arising from this circular should also be directed to Chris Cowburn 029 2068 2247 chris.cowburn@hefcw.ac.uk

Annex A**ENERGY AND WATER TARGETING AND MONITORING
CAPITAL FUNDING 2006-07
ALLOCATIONS**

INSTITUTION	ALLOCATIONS
Cardiff University	1,147,034
University of Glamorgan (Inc Royal Welsh College of Music and Drama)	546,625
University of Wales Swansea	400,669
University of Wales Institute Cardiff	290,234
University of Wales Aberystwyth	338,301
University of Wales Bangor	344,524
University of Wales Newport	208,146
North East Wales Institute	163,755
Swansea Institute of Higher Education	160,711
Trinity College Carmarthen	100,000
University of Wales Lampeter	100,000
Total	3, 800,000

Annex B

Part 1

**PROJECT ACCEPTANCE STATEMENT
ENERGY AND WATER TARGETING AND MONITORING
CAPITAL FUNDING 2006-07**

This statement must be received by HEFCW no later than 2nd March 2007. The form should be signed by the Vice Chancellor/Principal.

Institution	
Responsible Officer	
Funding Allocation	

I certify that:

- a. The Capital allocation provided by HEFCW will be used for the installation of a system of utility sub metering in accordance with the specification previously provided, and associated project management support if required.
- b. The institution will make all reasonable endeavours to complete the installation and commissioning of this work by not later than 11 January 2008.
- c. The institution will supply data generated by these meters to HEFCW's appointed contractor and consents to this data being shared with the Carbon Trust Wales.
- d. Any remaining monies (category B expenditure) will be used for projects that improve energy and water efficiency or reduce carbon emissions from the institutions estate to be completed by 31 July 2008.

To be signed by the Vice –Chancellor / Principal

Signed :Date:

Part 2 Continued

Additional Works to Improve Energy Efficiency or Reduce Carbon Emissions (Category B Expenditure)

Location/Campus	Works proposed	Estimated Cost	Completion Date