

An Introduction to Salix Finance

Dioceses of the North of England

Salix Schools Team

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Department for
Business, Energy
& Industrial Strategy



Education & Skills
Funding Agency



Department
for Education



SOLVING ENERGY EFFICIENCY FINANCE IN THE PUBLIC SECTOR

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Today's Presentation

- ✓ Salix Finance – Who we are
- ✓ Our work in the North of England

The Condition Improvement Fund (CIF)

- ✓ CIF, the ESFA and Salix
- ✓ CIF Application
- ✓ CIF payment and Repayment

The Salix Energy Efficiency Fund (SEEF)

- ✓ Salix and SEEF
- ✓ SEEF Application
- ✓ SEEF payment and Repayment

- ✓ CIF and SEEF – How to choose
- ✓ Energy Saving Tool and Supporting Information

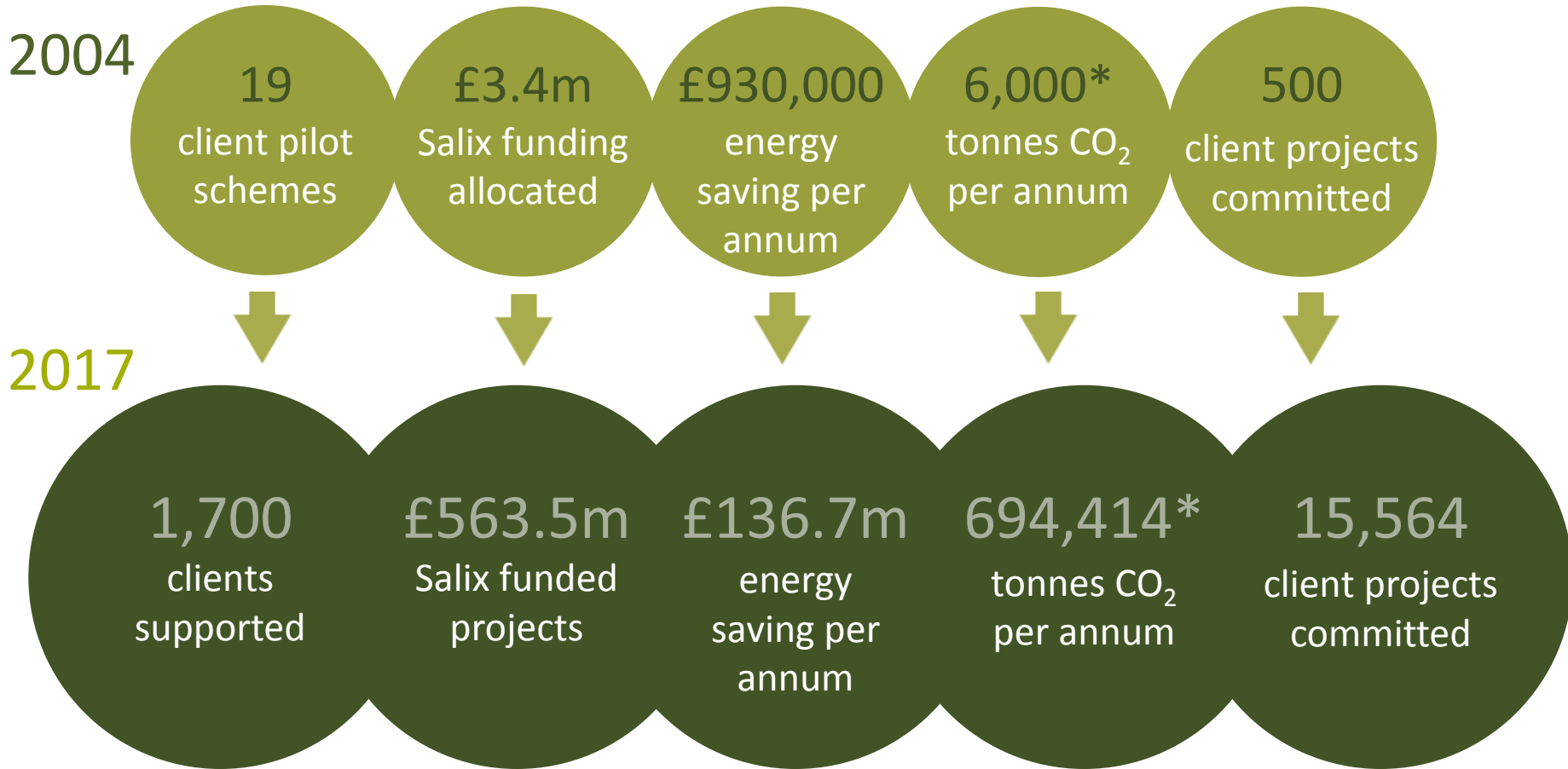


Who we are

- ✦ Making a difference since 2004.
- ✦ Independent, publicly funded, not-for-profit company.
- ✦ 100% interest-free capital finance for improving energy efficiency in the public sector.
- ✦ Over 130 technologies funded.
- ✦ Driving down energy costs.



National Impact



* calculated using emissions factors published by government for carbon footprinting



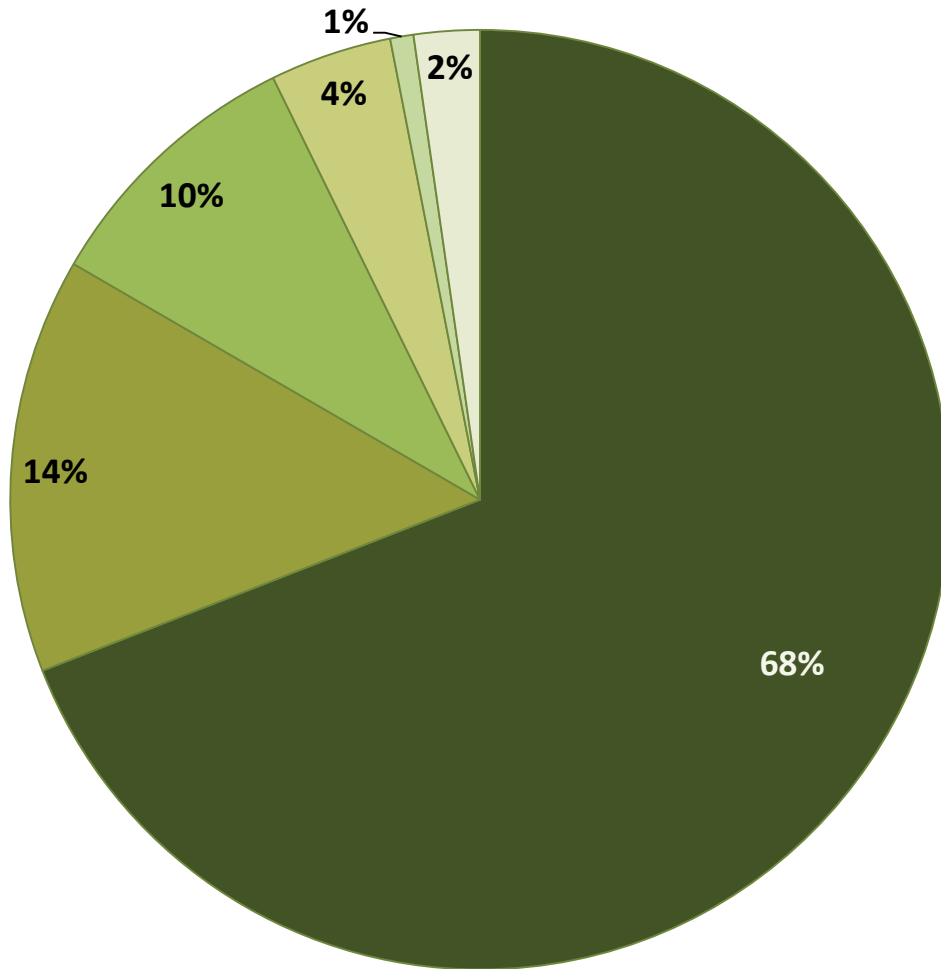
Example Technologies Which Make Savings

- ✔ Converting T12/T8 to LED lighting improves light output and reduces energy usage.
- ✔ Heating controls help ensure energy isn't being wasted.
- ✔ Insulating walls, roofs and pipework reduces heat loss.



Technologies Funded in Schools

Value of School Applications Funded: April 2014-March 2017



Top Technologies:

- LED lighting
- Combined measures
- Lighting upgrades
- Boiler replacement
- Building management systems
- Other

Benefits to your School/Academy

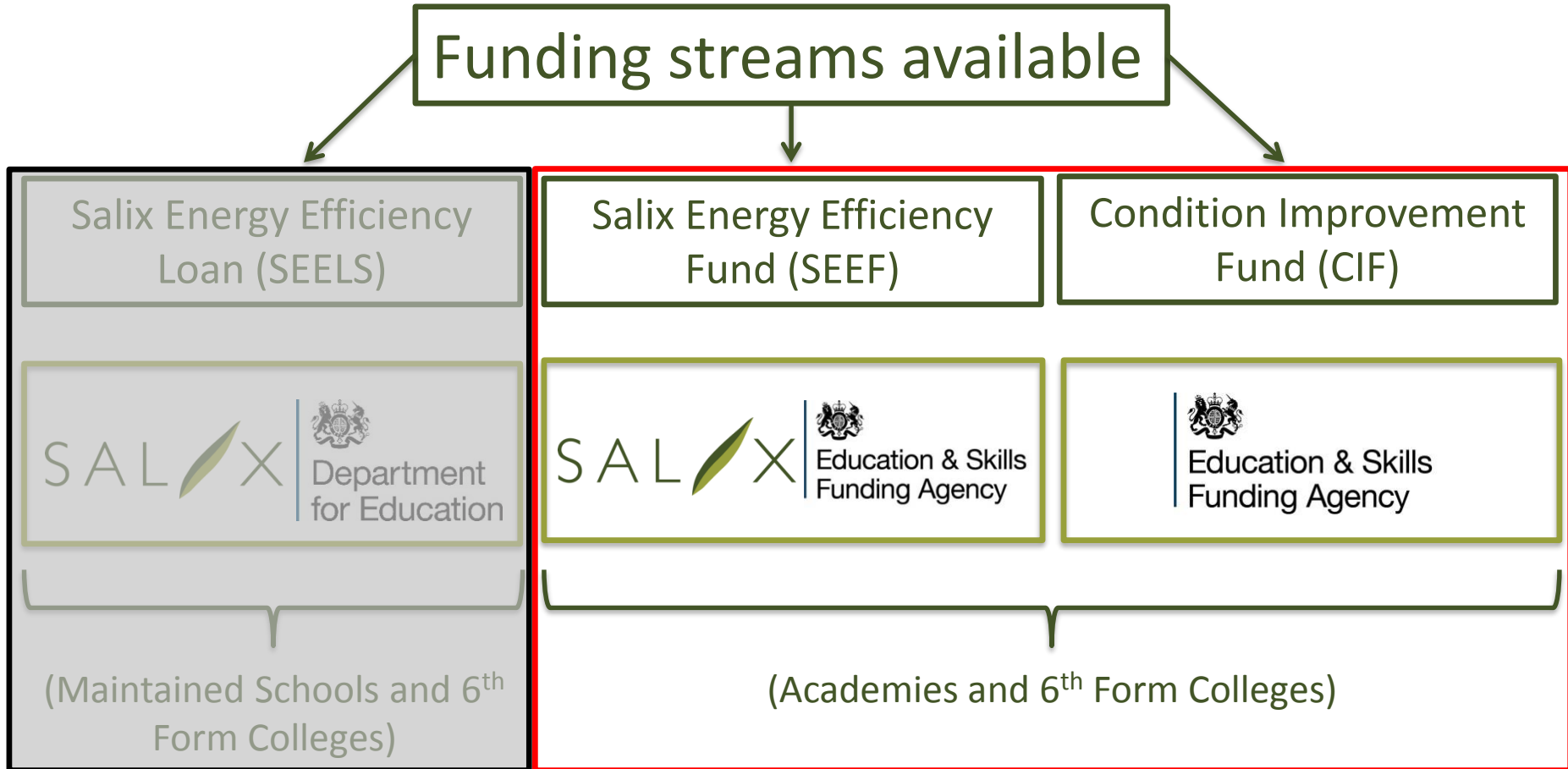
- ✓ Improved learning environment
- ✓ Reduction in energy costs
- ✓ Local action on carbon emissions
- ✓ Educating our future generation

Schools Benchmarks

A measure of best practice for primary and secondary maintained schools

Phase of Education	'Best practice' energy spend per pupil	'Typical' National energy spend per pupil	Average energy spend per pupil–North of England	Average National reduction
Primary	£39	£51	£70	16%
Secondary	£60	£75	£93	24%

Funding Streams



The Condition Improvement Fund (CIF)



Condition Improvement Fund (CIF)

- ✓ CIF has been running for 3 years, replacing the Academies Capital Maintenance Fund (ACMF).
- ✓ Funding available for sixth form colleges, academies (small MATs) and free schools.
- ✓ Covers all types of condition, maintenance and expansion projects.

Salix and CIF

- ✓ Academies can access Salix funding through CIF.
 - ✓ Academies cannot belong to a larger multi-academy trust.
- ✓ Salix are involved in assessing CIF bids that have energy saving elements to them.
- ✓ Including a Salix loan in your CIF bid will help increase the value-for-money score as outlined in the CIF criteria.

The ESFA and CIF

- ✓ **Deadline once each funding year**
- ✓ **Compliance criteria:**
 - ✓ High priority
 - ✓ 1 year project timescale (2 years for larger projects)
 - ✓ Primary: £20,000 - £4,000,000
 - ✓ Secondary: £50,000 - £4,000,000
 - ✓ Assessment criteria: 70% project need, 15% project planning, 15% value for money
- ✓ **No capital outlay for schools**

Salix CIF Funding Application

The application process:

- ✦ Via the ESFA portal.
- ✦ Ensure the evidence you submit is proportionate to the scale of the project.
- ✦ If applying for a Salix loan complete the energy saving tool.
- ✦ Submit any supporting information detailing evidence of savings.

Payment and Repayment of CIF Funding

Payment:

- ✦ Payments are staged throughout the build depending on the size of the project.
- ✦ Upload completion certificate to the EFA portal.
- ✦ Retention paid on completion of the project.

Repayment

- ✦ Repayments only start once the project has completed.
- ✦ Repayment of the CIF loan via deduction in your GAG payments.
- ✦ Repayment twice a year every March and September.

The Salix Energy Efficiency Fund (SEEF)



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Salix Energy Efficiency Fund (SEEF)

- ✓ **New for 2017/18**
- ✓ Set up in line with CIF for projects that have enough annual energy savings to pay back the project cost.
- ✓ Funded by the ESFA through interest-free Salix loans
- ✓ Available for all academies including large MATs, sixth form colleges and free schools.

Salix and the SEEF Programme

- ✓ **Accepts energy efficiency projects, and applications from all MATs**
- ✓ **Funding available yearly**
- ✓ **Compliance criteria:**
 - ✓ Minimum loan value of £8,000.
 - ✓ **8 year** payback (can be part funded through capital contribution).
 - ✓ Cost no more than £200 per tonne CO₂*
 - ✓ 9 months to complete.
- ✓ **No capital outlay for schools**

*Calculated using emissions factors published by government for carbon footprinting

Salix SEEF Loan Application

The application will include:

- ✦ Cannot apply for SEEF and CIF funding for the same project.
- ✦ Completed application form.
- ✦ Energy Saving Tool.
- ✦ Salix Business Case (for applications over £100,000).
- ✦ Supporting information e.g. lighting survey.
- ✦ Submitted **directly to Salix via email:**
schoolsapplication@salixfinance.co.uk

Payment and Repayment of SEEF Loan

Payment:

- ✓ Academy emails completion certificate to Salix.
- ✓ Payment on completion of the project.
- ✓ Can have 1 interim (if required) and discussed individually with successful SEEF bids.

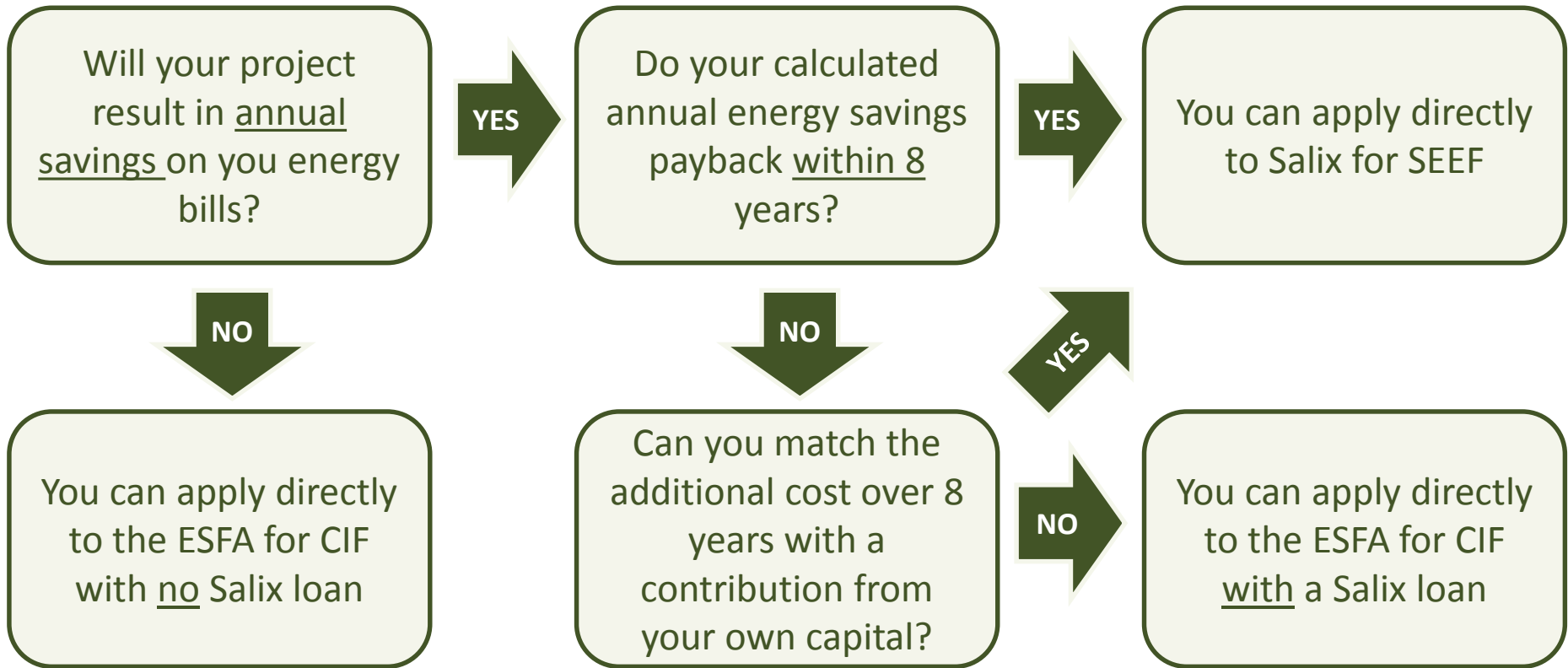
Repayment

- ✓ Repayments only start once the project has completed.
- ✓ Repayment of the SEEF loan via deduction in your General Annual Grant (GAG) payments.
- ✓ Repayment twice a year every March and September.



CIF and SEEF

How to choose



Example CIF and SEEF Projects

Example 1:

£60,000 lighting project will achieve £7,500pa energy savings. Over 8 years these savings will payback the investment.

Apply for
SEEF

Example 2:

£25,000 loft and pipework insulation project will achieve £2,700pa energy savings. Over 8 years £21,600 will be saved and the additional £3,400 is made via a contribution by the academy.

Apply for
SEEF

Example 3:

£240,000 boiler replacement and pipework upgrades will achieve savings of £16,000pa. Over 8 years this will save £128,000 and the additional £122,000 cannot be provided by the academy.

Apply for
CIF

The Energy Saving Tool

Input

- ✦ Pre and post energy usage
- ✦ Total cost
- ✦ Project and work type
- ✦ Energy price

Automatically calculates

- ✦ Payback
- ✦ Energy savings
- ✦ Cost savings
- ✦ CO₂ savings

The Supporting Information

To support the energy savings entered in the Energy Saving Tool the following supporting information should be included in an application:

- ✦ Energy saving calculations.
- ✦ Technical specification of the new technology.
- ✦ An explanation of any key assumptions that are used within energy saving calculations.
- ✦ Any other supporting information that may help to evidence how project-related figures and savings have been estimated.

What can you do?

- ✦ Assess your energy usage
- ✦ Identify potential energy savings
- ✦ Install technologies
- ✦ Start saving

www.salixfinance.co.uk

Please contact the Schools Team for further information

E-mail: schoolsapplication@salixfinance.co.uk

Phone: 0203 102 6903

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