

HEFCE/Salix Press Release

HEFCE and Salix launch fund to reduce greenhouse gases

Higher education institutions (HEIs) in England will benefit from a new fund to provide repayable grants for projects that reduce greenhouse gas emissions. This fund will be a partnership between HEFCE and Salix Finance Ltd (Salix) with both parties committing significant funds. HEFCE and Salix expect that there will be a combined total of around £30-40 million to distribute over the three years from 2008.

The UK Government has set a goal to cut carbon dioxide emissions in the UK by at least 60 per cent by 2050. Projects funded under the new scheme will reduce emissions of greenhouse gases, including carbon dioxide, from both existing and new buildings, and enable HEIs to save money in the long term and to benefit from carbon trading (Note 3). Projects might include: better energy management, on-site renewable energy generation, waste management, and sustainable construction and refurbishment.

Annual energy costs for the English higher education sector are currently around £250 million resulting in carbon dioxide emissions of around 1.6 million tonnes (Note 4). As the sector grows, these figures will also grow, unless action is taken.

Professor David Eastwood, Chief Executive of HEFCE, said: "Higher education has a major role to play in reducing greenhouse gas emissions and much progress has already been made by the sector. We are delighted to be working with Salix in helping to develop new energy efficiency projects and innovation in managing greenhouse gas emissions."

Peter Mallaburn, Chief Executive of Salix, said: "We see this as yet another example of where Salix can assist the public sector in having an impact in meeting energy efficiency targets. By improving their environmental performance and energy efficiency, universities will also enhance their reputation amongst both current and prospective students."

The proposals for the fund, outlined in HEFCE's consultation on the fund (Note 5.), have two strands. An **institutional small projects fund** will provide HEIs with money to set up their own ring-fenced fund for proven energy efficiency projects. A **transformational fund** will be available for HEIs to tackle larger, innovative projects which will transform

their approach to managing energy consumption and reducing emissions. These projects may cost several million pounds per HEI and are expected to act as beacons of good practice to demonstrate what can be achieved in this area.

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Notes

1. Salix Finance is an independent, publicly funded company, set up in 2004, to accelerate public sector investment in energy efficiency technologies through invest-to-save schemes. Salix has public funding from the Carbon Trust and is working across the public sector with local authorities, NHS Foundation Trusts, higher and further education institutions and central Government. See www.salixfinance.co.uk for further information.
2. The Higher Education Funding Council for England (HEFCE) distributes public money for teaching, research and related activities. In 2008-09 HEFCE will distribute over £7 billion to universities and colleges in England. See www.hefce.ac.uk for further information.
3. Some higher education institutions are required to participate in the EU Emissions Trading Scheme (carbon trading). Participants are able to trade allowances and this ensures that the overall emissions reductions are achieved in the most cost effective way. See: www.defra.gov.uk/ENVIRONMENT/climatechange/trading/
4. From Estates Management Statistics, see: www.opdems.ac.uk
5. The HEFCE consultation document will be published on Monday 28 January and will be available at <http://www.hefce.ac.uk/pubs/consult/>.