



Salix Energy Efficiency Fund

Guidance for Academies and Sixth Form Colleges in England

This guidance is intended to give academies, academy sixth form colleges, Multi-Academy Trusts (MATs), consultants, contractors and suppliers guidance on the Salix Energy Efficiency Fund (SEEF) project criteria. As well as outlining the application, payment and repayment processes.

For the purpose of this document, the term 'applicant' refers to any eligible academy, academy sixth form college, or MAT applying for the SEEF.

Salix Finance and the Department for Education

Salix is a non-departmental public body that provides interest free loans to the public sector enabling them to invest in energy efficiency technologies. Since 2012 Salix has worked alongside the Department for Education (DfE), supporting the delivery of invest to save projects in maintained schools and sixth form colleges. In 2015, in partnership with the DfE the first round of the SEEF was launched.

The SEEF was set up to support the delivery of energy efficiency projects in academies, who were previously unable to access Salix funding, enabling applicants to lower energy bills and reduce carbon emissions.

Salix's role in the SEEF is to manage the client journey; provide guidance to applicants, receive applications, assess technical viability, monitor delivery and manage the completion process. The loan payment and repayments are implemented and managed by the DfE.

SEEF Project Criteria

- The maximum loan value is £200,000, applications can be part funded if they exceed this value.
- The minimum loan value is £8,000.
- The loan value must not exceed an 8 year payback. Projects exceeding this payback can be part funded.
- Projects must cost no more than £222 per tonne/CO₂e.
- To score maximum marks there will need to be an affordable contribution from other sources.
- No aspect of a project included in a SEEF application can be applied for as part of CIF or other Salix schemes, in the same financial year of applications.
- Each applicant may submit one application, which can consist of multiple projects. Multi-Academy Trusts can submit one application for each academy within the trust.

The loan repayment period and the £ per tonne/CO₂e is automatically calculated in the application form, which can be found [here](#).

Timescales for 2020/21

Applications open: Applications open on Tuesday 20th October 2020

Submission Deadline: The deadline for submissions is 23:59 on Monday 11th January 2021

Notification: Applicants will be notified of the outcome in March 2021

Project Completion: Projects have until the end of December 2021 to complete

Application Process

Separate applications must be submitted for each individual academy.

Salix assumes that the applicant and/or the partner(s) they are working with are competent and fully responsible for the projects to be funded.

The application form for the latest round of SEEF can be found [here](#).

1. Application Form

Fill in all relevant fields, providing contact details for a main contact and an authorising official at the academy/MAT. The main contact will be responsible for day-to-day project management, the authorising official will have the authority to sign off the loan.

2. Fill in the Project Details tab and Compliance tool

Please complete each section with enough details in order to aid Salix with the technical assessment of the project. **If a project is over £100,000, please also fill in the Business Case tab.**

3. Supporting Documents

Energy savings calculations (in excel format), the technical specifications of the product being installed, and any other information that is relevant to the project must be submitted with the application form e.g. detail on lighting operational hours, quotes and costing. Without this information Salix will be unable to assess the application.

If supporting information has not been provided, Salix will reach out to the main contact to request further information.

4. Review the application

The academy should review the application and complete the checklist on the final page of the application form. The application form can be completed by the applicant or consultant/contractor, but **it must be the applicant who completes the checklist on the final page of the application form.**

5. Submit the application

Applications will only be accepted if submitted by the academy or multi-academy trust – applications cannot be accepted and processed if submitted by the consultant/contractor.

Application forms and supporting documentation are submitted to SEEF@salixfinance.co.uk

Funding allocation

Once Salix have received the application form and all the supporting information the technical assessment will take place. If there are any queries, Salix will contact the main contact and consultant/contractor. Please respond to any technical queries as soon as possible.

If funding is oversubscribed Salix will rank bids with similar technologies against each other in accordance with deliverability, payback and lifetime cost of carbon and level of contribution from other sources. Applications may also be ranked in line with the supplementary guidance to the Governments Green Book: valuation of energy use and greenhouse gas emissions for appraisal.

Applicants will be notified in March 2021 if they have been successful or not for SEEF funding.

If an application is unsuccessful there is no appeals process.

Successful applicants will be sent a commitment letter in March 2021 outlining the conditions of the fund.

This letter may also contain additional conditions specified by the DfE that the applicant needs to meet before starting the project.

Project delivery

Once the signed commitment letter has been received, funding has been allocated and projects can start onsite.

Clients may request a single interim payment of up to 50% of the loan value if needed. Interim payments must be used to support project delivery, e.g. for ordering equipment. In order to receive an interim payment a client must submit an [interim payment request form](#).

Projects should be completed by December 2021. If there are any delays to the project Salix should be notified straight away.

Changes in cost or scope

If the project has changed in cost, Salix should be notified as soon as possible, so the project can be reassessed. At this stage Salix will require a revised application form and supporting calculations.

Our technical team will review these documents to ensure the project still ranks competitively enough to have received funding initially. If it does not, the applicant will be required to make a client contribution or a project adjustment to restore the project to its original tranche.

Cost changes need to be submitted to Salix before the 10th of every month and Salix aim to let the applicant know by the 20th (of the same month) if this has been approved or not.

If there has been a significant change in cost, Salix will need to seek further approval from the DfE, although Salix still aim to get back to the applicant by the 20th (of the same month). Therefore, Salix encourage cost changes to be reported as soon as the applicant is aware.

Requesting a payment – completion or interim

The DfE make payments on the 20th of each month to the applicant and Salix notify the DfE of the payment that need to be made one month in advance. Therefore, in order to receive a payment in any given month, the applicant needs to submit a completion/interim certificate to Salix the month prior, before the 20th. Salix will then issue the applicant with a loan summary, which needs to be signed and returned by the authorising official before the 25th of that same month.

For example, to receive a payment on September 20th, the interim/completion certificate needs to be returned by the 20th August and subsequent loan summary needs to be signed by the 25th August.

If Salix do not have all the right documentation by the 26th the payment will need to be included in the following month's payment run. (October 20th, as per the example above)

The DfE make payments will be made directly to the applicant as an increase in their Capital Allowance received.

Please note if there has been a change in scope or cost, revised documentation will need to be submitted to Salix by the 10th, the month before the applicant wishes to draw down the funds.

Completion

Once a project is fully complete Salix require the applicant to submit a [completion certificate](#). As per the section above, in order to receive payment the following month the completion certificate needs to be submitted before the 20th.

If there has been a cost change or change in scope, as per the section above, this also needs to be taken into consideration when submitting completion documents.

The applicant will need to provide evidence of costs to Salix (purchase order/invoice) for any payment within 30 days of the payment being made.

Repayments

Once the project is complete repayments are collected every 6 months in March and September.

Repayments are collected via a reduction in the General Annual Grant (GAG) payment received by the Applicant for that given month.

The repayment period is determined by rounding the project technical payback period up to the nearest whole year. The minimum repayment period is 5 years and the maximum is 8 years. Projects with a payback below 5 years will have their repayments rounded up to 5 years, allowing time for savings to be made.

The repayment schedule is finalised upon project completion.

Responsibilities and Competence

Salix assumes that the applicant and/or the partner(s) they are working with are competent and fully responsible for the projects to be funded. This may include but is by no means limited to:

- Project identification & development.
- Establishment of firm costs and calculated estimated savings.
- Reasonable project sequencing and due care to ensure no double counting of savings when considering multiple projects on the same site.
- Selection of suitable supplier(s) following the applicant's individual procurement procedure.
- Project delivery including project management.
- Post project completion activities including any verification of savings.

The applicant is responsible for ensuring that all contractors involved in the provision of services in relation to the proposed project(s) hold and maintain appropriate professional indemnity insurance cover to cover all the services to be carried out and that copies of the relevant certificates are obtained. The applicant must also ensure that all professional consultants and/or contractors provide invoices, receipted invoices and completion certificates (where appropriate) for services carried out in relation to the project(s) as may be required for audit of the project(s).