



Salix Energy Efficiency Fund (SEEF)

Guidance for Academies and Sixth Form Colleges in England

This guidance is intended to give academies, sixth form colleges, Multi-Academy Trusts (MAT), consultants, contractors and suppliers guidance on the SEEF project criteria, the application process and repayment process.

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

Salix background and the Department for Education (DfE)

Salix is a not-for-profit organisation funded by the government, providing interest free loans to encourage the public sector to improve their energy efficiency. The loans are repaid from the estimated savings on energy bills making it a cost neutral approach. These repayments are then recycled to fund further projects within the public sector providing good value for money.

Salix, in partnership with the Department for Education (DfE), works to reduce energy usage in academies, sixth form colleges, free school and MATs across England. Salix has been funding energy efficiency projects in schools since its establishment in 2004.

Salix's partnership with the DfE extended to the academy sector in 2013/14 and since then Salix has supported numerous rounds of academy funding including the Academies Capital Maintenance Fund and the Condition Improvement and since 2015, the SEEF.

The SEEF was set up to help with the installation of energy efficient technologies, enabling Applicants to lower energy bills and create a more comfortable learning environment.

Salix's role in SEEF is to manage the application process; provide guidance to Applicants, receive applications and assess the technical viability of projects. The loan payment and repayments are implemented and managed by the DfE.

SEEF Project Criteria

- Projects must cost no more than £222 for every tonne of carbon saved over the lifetime of the project.
- The loan value must be repaid within an eight-year period. Projects exceeding this payback can be part funded

Both the above are calculated automatically in the Application Form which is released when the round opens.

- No aspect of the project applied for in SEEF can be/ have been applied for as part of a CIF bid in the same financial year of applications.

Starting the project

Successful applicants will be sent a commitment letter in March outlining that they have been successful. This letter may contain conditions that the Academy needs to meet before starting the project. Once all conditions have been met and the commitment letter has been signed and returned to Salix the academy can start the project. The project must be completed by December of the financial year after the application was made.

Payments and Repayments

Once the project is complete, the Applicant is asked to submit a completion certificate to Salix detailing the final costs of the project. Salix then issues the Applicant with a loan summary detailing the loan value and repayment dates between the applicant and the DfE.

The SEEF loan is held by the DfE and all payments and repayments are managed by the DfE. Payments will be made by the DfE through their normal monthly settlement / funding process, which takes place on or near to the 20th of each month. In order for an academy to receive payment in a given month, it needs to submit signed documentation to Salix the month prior. For example, to receive payment from the DfE in September, paperwork will need to be submitted to Salix prior to 21st August.

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. Payments will be made directly to the Applicant as an increase in their Capital Allowance received from the DfE.

Payment of Salix loans are generally made on completion of relevant projects, but clients may request Salix to make a single interim payment of up to 50% of the loan value in addition to the final completion payment, where this helps with the profile of payments being made to the contractors carrying out the projects. The process for this is the same as above except the Applicant submits an interim request certificate in place of a completion certificate.

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.

An example of how the repayments are set up is outlined below:
St John's Academy applied for an interest-free loan of **£85,000** to replace the LED lighting throughout their site. This project is expected to lead to an annual saving on their electricity bill of **£10,800**. This project will have a technical payback of 7.87 years, this value is rounded up so the loan will be repaid in **8 years**. When the project is completed in September 2020 St John's Academy submit their completion certificate to Salix. Salix issue a Loan Summary showing that the first repayment will be collected in March 2021 for the value of **£5,312.50**. Once the Applicant has reviewed and signed the Loan Summary Salix report this to the DfE so the DfE can make payment in the Applicants Capital Allowance. The repayments will be deducted from the Applicant's GAG payment every 6 months (in March and September) until the loan is repaid. In this case it would be **16 equal instalments over 8 years**.

Requesting a payment

The DfE make payments to successful applicants in their Capital Allowance typically once the project is complete. To set up payments for any given month, Salix must notify the DfE one month in advance. Salix recommends that any requests for payment are made to Salix by the 20th of the month before the

applicant would like to receive payment. Salix will then put together a loan summary that will need signing by the applicant before Salix can notify the DfE. Payments are made by the DfE in the following month's allocated Capital Allowance.

Application Process for the SEEF

Please note that application documents for the next round of SEEF will not be released until the next round is opened. To give you an idea of the process it is outlined below what Applicants are typically required to complete. All the below steps are completed within one excel file:

Step 1. Application Form – Complete details of the academy and contact details. You will be required to assign a main contact, who will be responsible for keeping Salix up to date on the project and an authorising official will have the authority to sign off on the funding and project. The authorising official should be someone at the Applicant organisation who can approve loans.

Step 2. Fill in the Project Details tab(s) – Make sure that you complete each section with enough detail in order to aid Salix with the technical assessment of the project. If you are applying for multiple projects, please use additional tabs.

Step 3. Fill in the Business Case - For applications where the loan requested is over £100,000, please complete the Business Case.

Step 4. Review the Application- The academy should review the application summary and use the information check table to ensure all relevant information has been included.

Supporting Documents – Please provide any savings calculations (in excel format), e.g. detail on lighting operational hours (if relevant), quotes and costing and product specifications. Please ensure that this supporting information is attached to the same email as the application document and sent to SEEF@Salixfinance.co.uk.

Supporting information is important in helping Salix assess applications. If relevant information has not been provided Salix will contact the main contact to request relevant information. If you are not able to provide this information by the end of the application window, then Salix may not be able to complete their assessment of the application.

Step 5. Submit the application - The application can be completed by the Applicant or consultant/contractor, but **it must be the Applicant who competes the checklist on the final page of the application form and emails the application directly to Salix along with the supporting information.** If it is not, then the project will not be assessed and will be classed as unsuccessful. Please Note – Applications cannot be accepted and processed if submitted by anyone other than the Applicant- an academy, sixth form college, free school or MAT.

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 you with invoices, receipted invoices and completion certificates (where appropriate) in relation to the services carried out on the project(s), as you may be required for audit of the project(s).

Frequently Asked Questions

Q. What is the maximum technical payback my project can have to apply for the SEEF?

A. The technical payback for a project can exceed 8-years however the repayment profile must be 8 years or less. Please note, applications exceeding the 8-year payback have historically not been successful with funding.

Q. How do I calculate the maximum value to apply for?

A. Please input your energy saving figures into the ECM in the application form to calculate the maximum loan value you can apply for. If you're unsure please speak to the Salix team.

Q. What if I need to pay contractors during the installation?

A. An interim payment of up to 50% of the total value can be requested.

Q. How can I request a payment?

A. Please email your dedicated Salix contact to request a payment. Please note that you need to submit a request for payment one month prior to being paid. E.g. If you could like to receive payment in the November Capital Allowance please request a payment by the 21st of the month before, October. This is to allow time for documents to be drawn up by Salix and then signed by the applicant before the last week of the month. In the last week of the month all payment requests are submitted to the DfE. The DfE then make these payments in the next Capital Allowance.

Q. Is there a maximum value that can be applied for?

A. Individual applications cannot exceed £150,000 in value. For any applications over £100,000 please complete Step 3 within the application form, the Salix Business Case.

Q. When do repayments start and when will I see the repayment schedule?

A. When a successful Applicant requires their first payment, either an interim or on completion of the project, they request this by submitting an Interim Certificate or Completion Certificate. Salix will then issue a Loan Summary detailing the value to be paid to the Applicant as well as all loan repayment dates and values. Once this is signed Salix will notify the DfE who arrange for payments to be made. Payments are made directly to the Applicant as an increase in their Capital Allowance received from the DfE. Repayments typically start 6 months after project completion and are made via a reduction in the GAG payment for March and September of each year for the period of the loan.

Q. Who is eligible for the SEEF?

A. All individual academies and academy sixth-form colleges, including those within MATs and free schools are eligible to apply for the SEEF.

Q. Is there a completion deadline for the SEEF?

A. Successful applications will be announced by the end of March. These successful projects are then required to complete their project by December of the financial year after their application was made. Upon completion Salix must be notified that the project is fully completed.

Q. What happens if there is delay in implementing a project agreed for funding

A. If your project incurs delays or you are aware that it will be delayed you are required to notify Salix as soon as you become aware of this.

Q. We are using a consultant to help us develop and manage the installation of our project, can their management fees be included in the total cost?

A. Reasonable project management or survey fees can be included in the application. Please include any management costs in the '*Total Loan Value*' of the project when inputting the project on the ECM. Please note: the loan requested must remain within the Salix compliancy criteria.

Q. Please could you explain more about client contribution?

Applicants can apply to up to 100% SEEF funding for a project. Applicants providing a contribution towards the project (whether their own capital, or funding from other sources) will be ranked more favorably in line with the criteria.

Q. Do Salix have recommended suppliers and contractors?

Salix do not recommend suppliers and contractors as it is funded by government. It is up to applicants to select a supplier and contractor through their normal procurement processes.

Q. Is there anywhere I can read about energy efficiency projects and how others have managed them?

On Salix's website there is a knowledge sharing area which contains Case Studies from a number of clients as well as Project Knowledge Slides which have more technical detail.

Q. What happens if the cost of our project changes?

If during the delivery of your SEEF project you become aware that costs will change, you are required to notify Salix as soon as this information becomes known to you. While it is possible that Salix can accommodate some small changes in cost, this is not guaranteed. For all changes in cost and scope Salix's technical team will need to re-evaluate the project before deciding if the change can be accommodated.

Q. Are there any other funds that are available?

There is also the Condition Improvement Fund (CIF) issued by the DfE which most Applicants can apply for if the project includes the need to improve the condition of your buildings.

Q. I have further questions about SEEF, who should I ask?

Please make full use of Salix support by emailing SEEF@salixfinance.co.uk with your question and contact details.