

# 100% INTEREST FREE CAPITAL FINANCE LOANS

## An Introduction to CIF, SEEF & Salix Finance

Webinar content 15/11/2016

# Webinar Content

- ✓ Who Salix are and what we do
- ✓ History of Academy funding with Salix
- ✓ Salix and the Condition Improvement Fund (CIF)
- ✓ Salix Energy Efficiency Fund (SEEF)
- ✓ Energy saving tool and supporting information
- ✓ SEEF or CIF?
- ✓ Deadlines
- ✓ Repayments
- ✓ FAQ and Q&A

# Salix: Who We Are and What We Do

- ✓ Established in 2004.
- ✓ Independent, publicly funded, not-for-profit company.
- ✓ 100% interest-free capital finance for the public sector.
- ✓ Supporting local authorities, educational establishments and NHS trusts.
- ✓ We fund 120+ energy efficiency technologies.

# Academies Funded in Partnership with EFA and DfE



\*Calculated using emissions factors published by Government for carbon foot printing

# 2017- 18 Condition Improvement Fund (CIF)

- ✓ CIF has been running for two years and replaced the previous Academies Capital Maintenance Fund (ACMF).
- ✓ CIF is available for Sixth Form Colleges, Academies in small MATs and Free schools that have been open for more than one year.
- ✓ Covers all types of condition, maintenance and expansion projects.
- ✓ Projects are weighed against 3 criteria; project need 70%, project planning 15% and value for money 15%.
- ✓ Applications go to the EFA via the CIF online portal.

# Salix and CIF

- ✓ Academies can access Salix funding through CIF.
- ✓ Salix are involved in assessing CIF bids that have energy saving elements to them.
- ✓ Salix are able to fund **up to an 8 year payback** based on the annual energy savings related to the project.
- ✓ Minimum loan value of £8,000 e.g. projects with over £1,000 annual energy savings.
- ✓ Including a Salix loan in your CIF bid will help increase the value for money score as outlined in the CIF criteria.

# Salix and CIF

To apply:

- ✓ School applies via the EFA portal.
- ✓ Ensure the evidence you submit is proportionate to the scale of the project.
- ✓ Use a username that can be used by other members of staff if required.
- ✓ If applying for a Salix loan complete the energy saving tool.
- ✓ Submit any supporting information detailing evidence of savings.

# Salix Energy Efficiency Fund (SEEF)

- ✓ **New** for 2017-18.
- ✓ SEEF has been set up in line with CIF for projects that have enough annual energy savings to pay back the project cost.
- ✓ Funded by the EFA through interest-free Salix loans.
- ✓ Available for all academies including large MATs, sixth form colleges and Free Schools open for more than one year.
- ✓ Must be an energy efficient project and pay for itself through energy savings within 8 years.
- ✓ Projects can be part funded through a capital contribution if they don't meet the 8 year payback **but not by another loan or grant.**



# Salix Energy Efficiency Fund (SEEF)

- ✓ Projects have 9 months to complete (Dec 2017).
- ✓ You can apply for 1 SEEF bid in addition to your 2 CIF bids for those eligible for CIF.
- ✓ You cannot apply for CIF and SEEF for the same project.
- ✓ MATs must apply for each academy separately in case the fund is highly oversubscribed then applications will be prioritised.
- ✓ You can apply for multiple energy efficiency projects per academy and combine the energy savings of these works within your application.

# Salix Energy Efficiency Fund (SEEF)

To apply please provide:

- ✓ Completed application form.
- ✓ Energy Saving Tool.
- ✓ Salix Business Case filled in for applications over £100,000.
- ✓ Provide supporting information showing how the savings have been derived.
- ✓ Applications submitted **directly to Salix via email:**  
[schoolsapplication@salixfinance.co.uk](mailto:schoolsapplication@salixfinance.co.uk)

# Energy Saving Tool

#	Description of Project	Cost of Individual Measure	Energy type	Energy price (p/kWh)	Project Type	Technology - Work Type	Annual kWhrs Pre-Project	Annual kWhrs Post-Project	
ECM 1									
Please enter the basis for your calculated energy savings for this project								ECM 1 total savings:	

## *Input*

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

## *Automatically calculates*

- ✦ Payback.
- ✦ Energy savings.
- ✦ Cost savings.
- ✦ CO<sub>2</sub> savings.

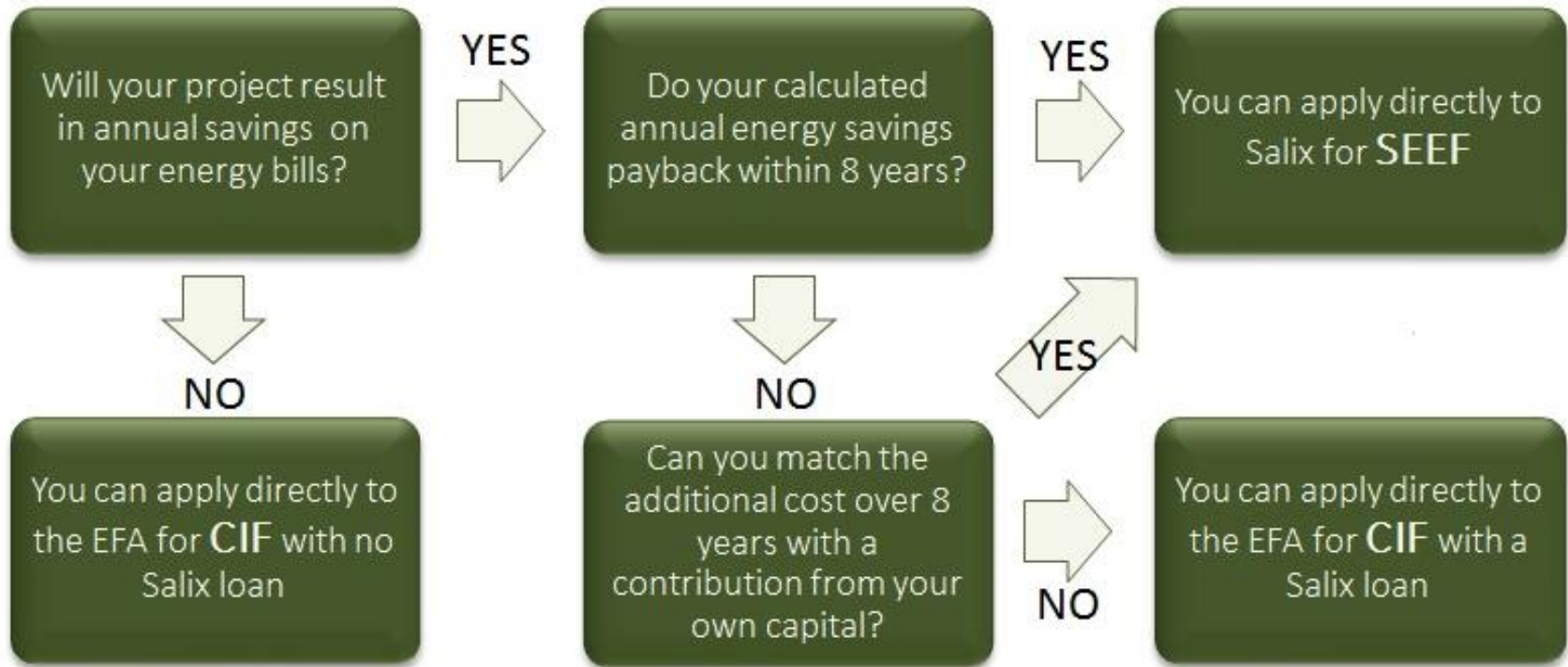
# Example Energy Saving Tool

Enter Individual Project Details						
#	Description of Project	Cost of Individual Measure	Energy type	Energy price (p/kWh)	Project Type	Technology - Work Type
ECM 1	Lighting upgrade of 10 classrooms and corridors from T8 to LED. Covers 261 lights including new fittings	£55,000	Electricity	10.00	LED lighting	T12/T8 to LED including new fitting

Annual kWhrs Pre-Project	Annual kWhrs Post-Project	Annual kWh savings	% kWh savings	Financial Savings	tCO <sub>2</sub> pa	Data Entry Check
55,000	18,000	37,000	67%	£3,700	16.62	OK

Total Cost of Measures	Potential Salix Loan Value*	Percentage Salix Funding	Total Financial Saving	Total tCO <sub>2</sub> pa
£55,000	£29,600	54%	£3,700	16.62

# How to Choose SEEF or CIF?



# How to Choose SEEF or CIF?

## Example 1:

£60,000 lighting project will achieve £7,500 annual energy savings. Over 8 years these savings will pay back the initial investment.

Apply for SEEF

## Example 2:

£25,000 loft and pipework insulation project will achieve £2,700 annual 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 £16,000 annual savings. Over 8 years this will save £128,000 and the additional £122,000 cannot be provided by the academy.

Apply for CIF

# 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.

# Boiler Replacements with Fuel Switch

## Important points to consider when estimating energy savings

- ✓ How much energy is consumed annually by the existing boilers (baseline consumption)?
- ✓ What is this consumption based on (meter readings, calculated values)?
- ✓ Is there any weather correction required to this consumption data?
- ✓ How does the efficiency of the existing boilers compare to the proposed versions?
- ✓ What are these efficiencies based on? (maintenance records etc.)
- ✓ How does the energy price for the existing fuel type compare to the proposed fuel type?
- ✓ Has the above been evidenced on the application in a calculation?



# Boiler Replacement with Fuel Switch – Energy Saving Tool

*In this example an applicant is replacing 80% efficient boilers with 90% efficient condensing versions. Fuels are being switched from oil to gas.*

**1.** Each **ECM** on the **Energy Saving Tool** has **two rows** to help facilitate the **entry of a fuel switch project**.

**1**

#	Energy type	Energy price (p/kWh)	Project Type	Technology - Work Type	Annual kWhrs Pre-Project	Annual kWhrs Post-Project	Annual kWh savings	% kWh savings
ECM 1	<b>2</b> Gas oil	5.00	Boilers	Boilers - replacement condensing	546,630	-	546,630	100%
	<b>3</b> Gas	2.50	Boilers	Boilers - replacement condensing	-	491,967	491,967	10%

**2.** The **first line** is used to enter the **energy consumption and fuel type details** for the **existing boilers**.

**3.** The **second line** is used to enter the **energy consumption and fuel type details** for the **proposed boilers**.

# Heating System Upgrades

## Important points to consider when estimating energy savings

- ✓ Which technologies are to be replaced?
- ✓ What is the baseline energy consumption consumed by these technologies?
- ✓ How can savings be estimated against each measure e.g.
  - ✓ **Insulation** – heat loss/infiltration calculation
  - ✓ **Boilers** – efficiency change in boilers
  - ✓ **Controls** – how do these go above and beyond what is already in place in terms of functionality and how has this been used to estimate a saving?
- ✓ If more than one measure is saving on the same baseline consumption, does the baseline need to be phased across measures?
- ✓ Have any assumptions that have been used in estimating an energy saving been clearly explained?
- ✓ Has the above been evidenced on the application in a calculation?



# Heating System Upgrades – Energy Saving Tool

*In this example an applicant is replacing a boilers system and installing a new boiler control system.*

**1.** Two separate projects are entered under **two separate ECMs** in the **Energy Saving Tool**.

#	Project Type	Technology - Work Type	Annual kWhrs Pre-Project	Annual kWhrs Post-Project	Annual kWh savings	% kWh savings
ECM 1	Boilers	Boilers - replacement condensing	546,630	491,967	54,663	10%
ECM 2	Boilers	Boilers - control systems	491,967	467,369	24,598	5%

**2.** The **pre-kWh** consumption for the **boiler controls** is taken as the **post-kWh consumption** from the **boilers**, as the controls will be saving on the gas consumption from the new boilers. This is known as **phasing**.

# Lighting Projects

## Important points to consider when estimating energy savings

- ✓ What type of fittings or lamps are currently installed?
- ✓ What are the associated quantities and ratings?
- ✓ How will the above change with the proposed specification of lighting?
- ✓ Will the new specification of lighting provide adequate lighting levels?
- ✓ How long are lights typically operational for during a year?
- ✓ Are there any differences between operational hours in different areas and rooms?
- ✓ If included, how will lighting controls affect the operational hours of the lighting and what type of functionality will this offer?
- ✓ Has the above been evidenced on the application in a calculation?

# Lighting Projects

## Example of a lighting survey calculation

Project Cost                      £7,080.48                      Total Annual Operating Hours                      2520  
 Electricity price (per kWh)                      0.104

Existing	Consumption - Watts - (incl. Ballast)	Qty	Replacement	Consumption - Watts - (incl. Ballast)	Savings		Total	Annual kWh Savings	Annual Savings
					Watts	%			
Single 5ft	71	6	LED Tube	24	47	66%	282	710.64	£73.91
Single 6ft	84	10	LED Tube	30	54	64%	540	1360.80	£141.52
2D (28W) standard	36	3	LED 9W 2D	10	27	74%	79.5	200.34	£20.84
2D (28W) emergency	36	1	LED 9W 2D Emergency	10	27	74%	26.5	66.78	£6.95
					0				
8 inch downlighter	84	105	LED Downlighter	12	72	86%	7560	19051.20	£1,981.32
56W SON	60	11	LED SON Replacement	20	40	67%	440	1108.80	£115.32
Custom proposal			As specified						

**Total Annual Saving                      £2,339.85**

# Roof and Window Replacements

## Important points to consider when estimating energy savings

- ✓ What is the area covered by these building elements?
- ✓ Are there any gaps through which heat is being lost through infiltration?
- ✓ How is the heating controlled in the areas where the replacements are to take place?
- ✓ If the works incorporate insulation, have you considered how the improvement in thermal performance will affect heat loss?
- ✓ Have you considered referring to industry standard guides on how to estimate savings?
- ✓ Have any assumptions that have been used in estimating an energy saving been clearly explained and evidenced?

# Developing Energy Saving Calculations

- ✓ If you are an academy who is working with a consultant on your application, the consultant may be able to assist you in producing energy saving calculations for your CIF and SEEF bids.
- ✓ If you are an academy who is working independently on an application for CIF or SEEF and require some further guidance on how to develop energy savings calculation, please contact Salix Finance.

# 2017-18 Deadlines

## CIF – EFA Online Portal

- ✓ Registration deadline: 5pm 30<sup>th</sup> November 2016
- ✓ Submission deadline: **12noon 9<sup>th</sup> December 2016**
- ✓ Majority of projects are expected to complete by 31 March 2018

## SEEF – [schoolsapplication@salixfinance.co.uk](mailto:schoolsapplication@salixfinance.co.uk)

- ✓ Submission deadline: **3pm 13th January 2017**
- ✓ Projects have to be completed by December 2017
- ✓ Successful applicants notified in March/April 2017



# Payment and Repayment of SEEF

## 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.

# Payment and Repayment CIF

## Payment

- ✓ Payments are staged throughout the build depending on the size of the project.
- ✓ Upload completion certificate to 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.

# Frequently Asked Questions

## How many bids can we have?

- ✓ Academies can have two CIF bids and one SEEF bid. If you are in a large MAT you can have one SEEF bid per academy and must apply separately for each academy.

## Is there a maximum for how much we can apply for in SEEF?

- ✓ There is no maximum loan value but it will be dependent on what the annual energy savings are.

## Can we apply for more than one project in SEEF?

- ✓ For SEEF you can take a holistic approach to improving your energy efficiency and apply for multiple projects within one bid.

## Can we include project management fees or enabling costs in SEEF?

- ✓ Yes you can provided it remains within the payback criteria of 8 years.

# Frequently Asked Questions

## Is there unlimited funding for SEEF?

- ✓ No, if we are oversubscribed, we will prioritise by value for money. This will be measured by assessing how much it costs the project to save a tonne of carbon dioxide over the lifetime of the project.

## Can we apply to SEEF for solar PV?

- ✓ SEEF's primary focus is for projects that will reduce energy waste therefore priority will be given to projects that improve energy efficiency and not energy generation project types.

## We are currently a maintained School but will be converting into an academy soon, what can we apply for?

- ✓ You can apply for 2 CIF bids if you have a signed academy order as of 1<sup>st</sup> September 2016 and you will be an academy by March the 31<sup>st</sup> 2017. As you are currently a maintained school you can apply for Salix's maintained school funding but not for SEEF.

# Frequently Asked Questions

## **Do Salix have an approved or guidance list of manufacturers and are there any guidelines on warrantee?**

- ✓ Salix are supplier neutral so we cannot recommend any manufactures or advise on warrantee. We advise that academies follow their own procurement guidelines and use the council's contractors framework.

## **Do you have expectations of the number of surveys or quotes?**

- ✓ Not on number of surveys, but we need sufficient information to support the energy savings being quoted. We recommend the academies follow their own procurement process - this is often to obtain three quotes during the tendering process.

## **For SEEF loans can an extension on the 9month completion deadline be granted?**

- ✓ No, all projects must be completed by December.

# Thank you



Please contact the Schools Team for further information

**E-mail:** [schoolsapplication@salixfinance.co.uk](mailto:schoolsapplication@salixfinance.co.uk)

**Phone:** 0203 102 6903

Guidance for the CIF 2017-18 [www.gov.uk/condition-improvement-fund](http://www.gov.uk/condition-improvement-fund)

Salix website: [salixfinance.co.uk/loans/CIF](http://salixfinance.co.uk/loans/CIF) or [salixfinance.co.uk/loans/SEEF](http://salixfinance.co.uk/loans/SEEF)