

Salix Finance

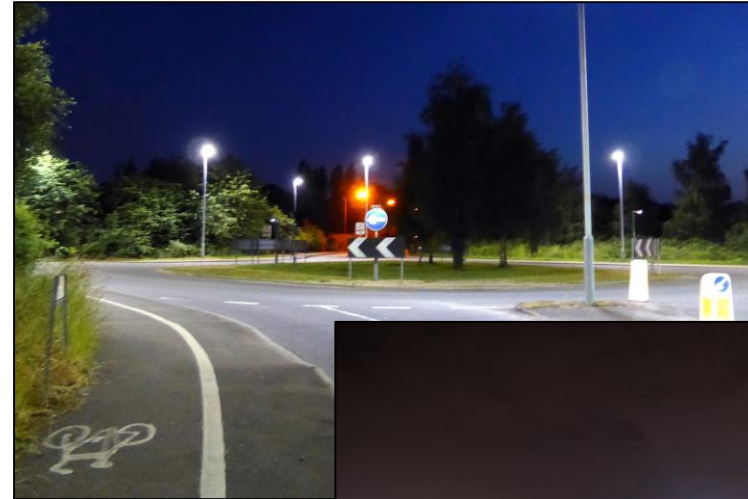
Financing local energy efficiency projects

Monday 4th March 2019

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Today's Aims

- ✓ Introduction
- ✓ Drivers for energy efficiency
- ✓ Salix and local councils
- ✓ Knowledge sharing
- ✓ Salix Loans
- ✓ Summary



SALIX

SOLVING ENERGY EFFICIENCY FINANCE IN THE PUBLIC SECTOR

Who We Are

- ✓ Worked in partnership with the Public Sector for 15 years
- ✓ Our Mission is to reduce Public Sector carbon emissions through interest free investments
- ✓ Funded by Government
- ✓ National spread across England, Wales, Scotland and N. Ireland
- ✓ Wealth of knowledge and case study material to support public sector organisations



Department for
Business, Energy
& Industrial Strategy



Department
for Education



The Scottish
Government
Riaghaltas na h-Alba

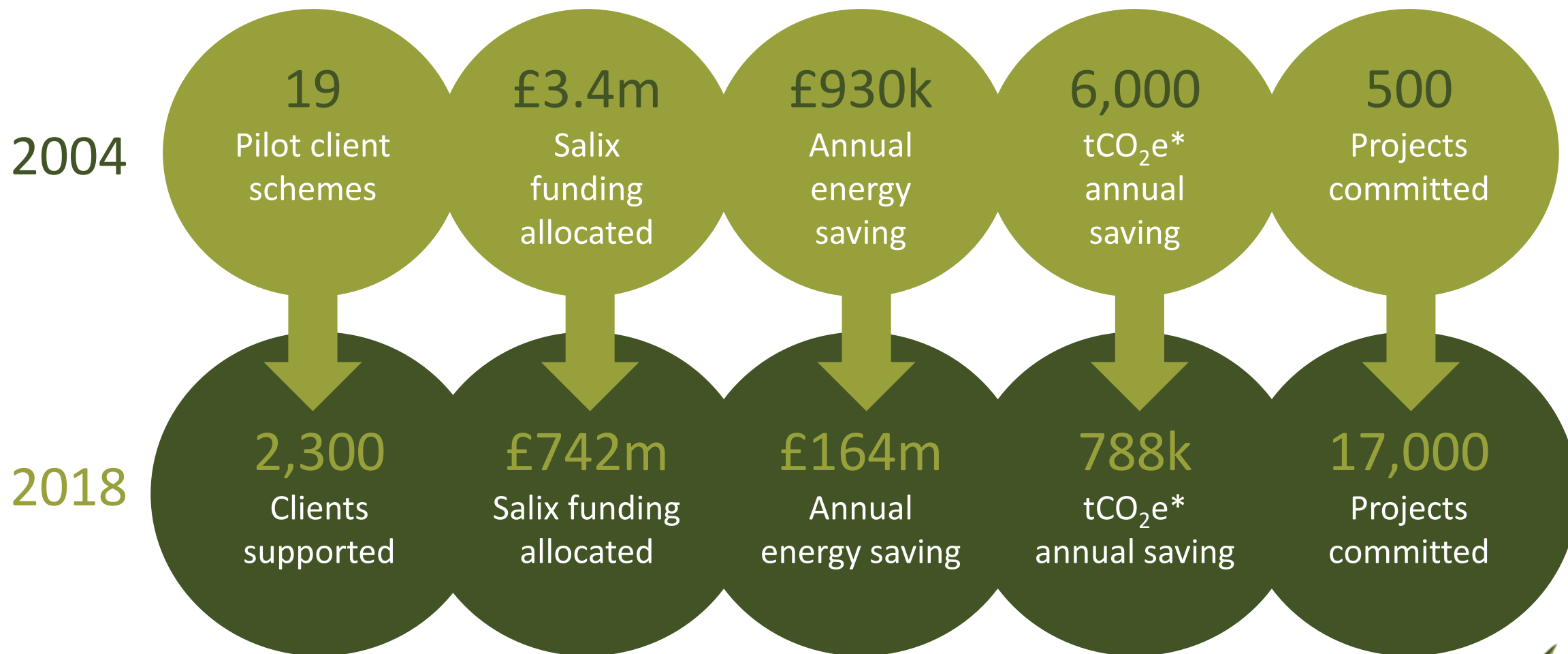


Llywodraeth Cymru
Welsh Government



SOLVING ENERGY EFFICIENCY FINANCE IN THE PUBLIC SECTOR

Making a difference 2004 to 2019



Data accurate as of September 2018

*calculated using emissions factors published by government for carbon foot printing purposes



Drivers for investment in energy/carbon saving

- ✓ UK carbon reduction targets
- ✓ 80% by 2050 on 1990 levels

UK Government Drivers

- ✓ Public sector budgets under pressure
- ✓ Cost of maintaining services
- ✓ Scrutiny of services to provide value for money
- ✓ Fuel Prices
- ✓ Technology improvements
- ✓ Reduced cost of LED lanterns

Economic & Technological Drivers

Act Local

- ✓ Action within local communities is key to achieving both national and global targets
- ✓ Implementing effective Carbon Management Plans
- ✓ Reducing carbon emissions locally
- ✓ **Common goal:** energy efficiency not only reduces carbon, but also saves money

Working with Local Councils

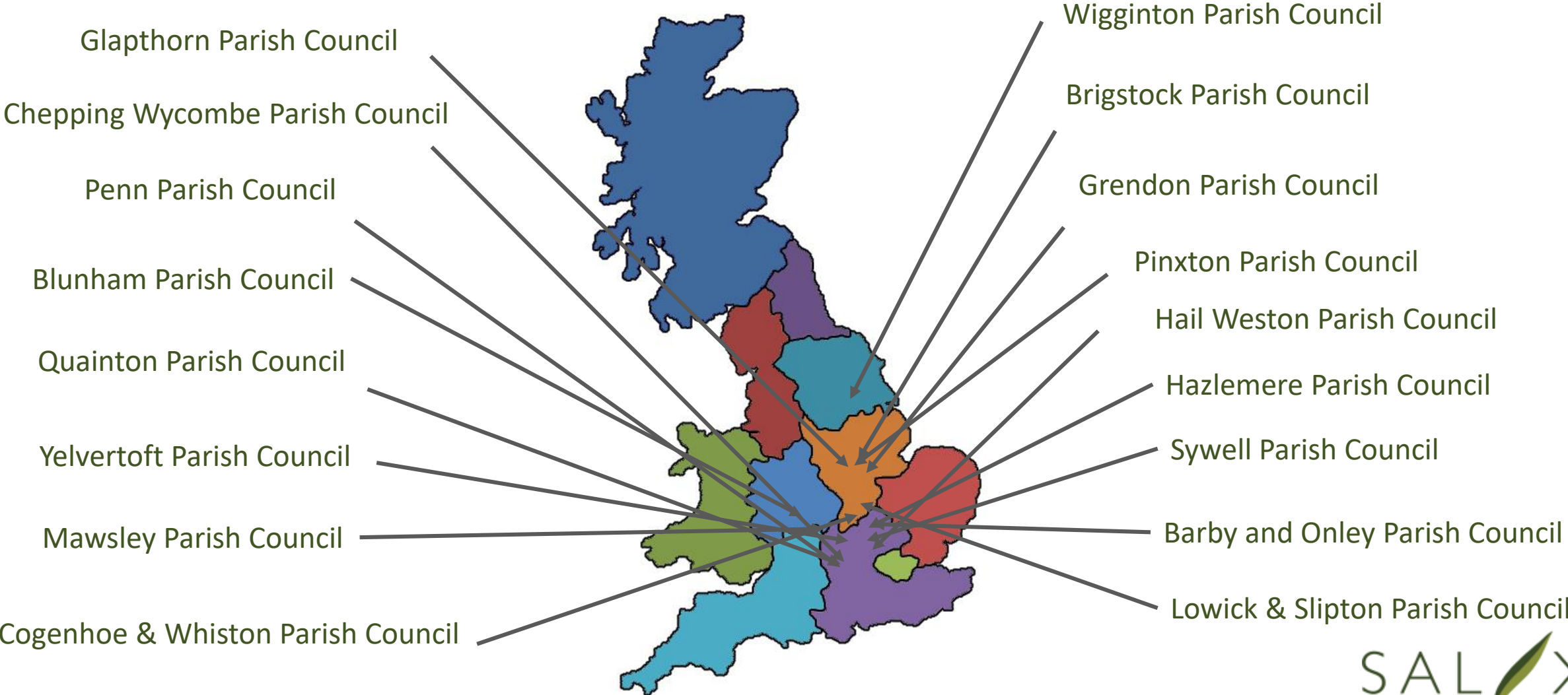


Salix support for local councils

- ✓ Salix funding for Parish Councils comes from the Department for Business Energy and Industrial Strategy.
- ✓ Salix can support over 100 different energy efficiency technologies types including boilers, LED and lighting upgrades, insulation etc.
- ✓ The England programme has a compliance criteria of less than £172 per tonne of CO₂ over the lifetime of the project.
- ✓ Local council's projects commonly involve upgrading street lighting, footpath lights and public buildings such as village halls.



Salix's local impact





NUMBER OF
SALIX CLIENTS

17



TOTAL SALIX LOAN
VALUE

£230,816



ANNUAL £ SAVINGS

£46,825



ESTIMATED ANNUAL
tCO₂e

**162.35
tonnes**



LIFETIME £ SAVINGS

£932,576

*Calculated using emissions factors published by government for carbon footprinting

Figures shown are up until September 2018

Parish Councils – technologies funded

Street lighting

- ✓ 15 projects
- ✓ Converting to LED
- ✓ Average value £14k



Buildings projects

- ✓ 2 project (lighting at community centre & building fabric improvements)
- ✓ Value £9k & £3k



Grendon Parish Council

Project overview

Grendon Parish Council in Northamptonshire applied to Salix for an interest-free loan to part finance the replacement of the council's street lighting stock.

- ✓ Grendon had the aim of modernising the council's street lighting lanterns to light emitting diodes (LED), which would reduce the council's energy consumption and greenhouse gas emissions.
- ✓ The council used an interest-free loan of £4,800 to part finance a £9,500 programme to upgrade 34 street lights with energy efficient LED lanterns.
- ✓ Grendon now benefits from a 9,431 kWh reduction in its annual electricity usage, saving the council £970 and 4.24 tonnes of CO₂ e* per annum.



"I would urge any other parish councils who are looking into financing the upgrading of street lighting to certainly consider Salix Finance as a source of appropriate funding."

Ian Denton, Chairman of Grendon Parish Council

Hazlemere Parish Council

Project overview

Hazlemere Parish Council located in Buckinghamshire, has finished the first of 2 phases of their street lighting upgrade project utilising a £24,400 interest free loan from Salix, representing 29% of the total value.

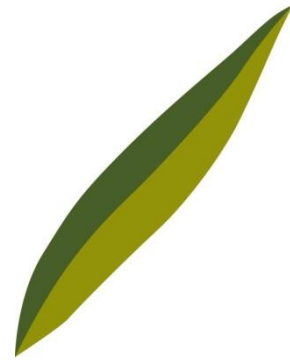
- ✓ To date they have upgraded 240 35W SON lanterns to 16W LEDs. As a result the parish has reduced their electricity consumption by 72% from 57,185kWh down to 15,770kWh.
- ✓ This is expected to save £4,881 from their annual electricity bill. The new lanterns were positioned on the existing post tops and side entry columns.
- ✓ Lifetime £ savings £97,621
- ✓ Project payback 5 years



“Councillors appreciate the cost savings made to their energy bill, with only 50% of the project being completed so far. Residents have commented that they like the new bright lights.”

Councillor David Thompson

Salix loans: The nuts and bolts



Salix's Business Model

- ✓ Salix funding is used to install energy efficient technologies
- ✓ Loans pay for themselves from energy savings
 - ✓ 100% Interest free loans (SEELS)
- ✓ Loan criteria:
 - ✓ Loans are repaid within a 5 year period
 - ✓ The cost of CO₂ must be less than £172 per tonne over project lifetime

The Salix Application Process

1. Apply online www.salixfinance.co.uk/loans

2. Salix's Technical Assessment

3. Funds Reserved

4. Funds Committed

5. Project starts and payments available

Project delivery

- ✦ Projects typically have 9-12 months to complete from commitment of funding
- ✦ Public sector client and contractor updates Salix at key project milestones
- ✦ Notify Salix of any delays in delivery at the earliest possible stage

Once project completes:

- ✦ Public sector client submit the Completion Certificate (template online) to Salix

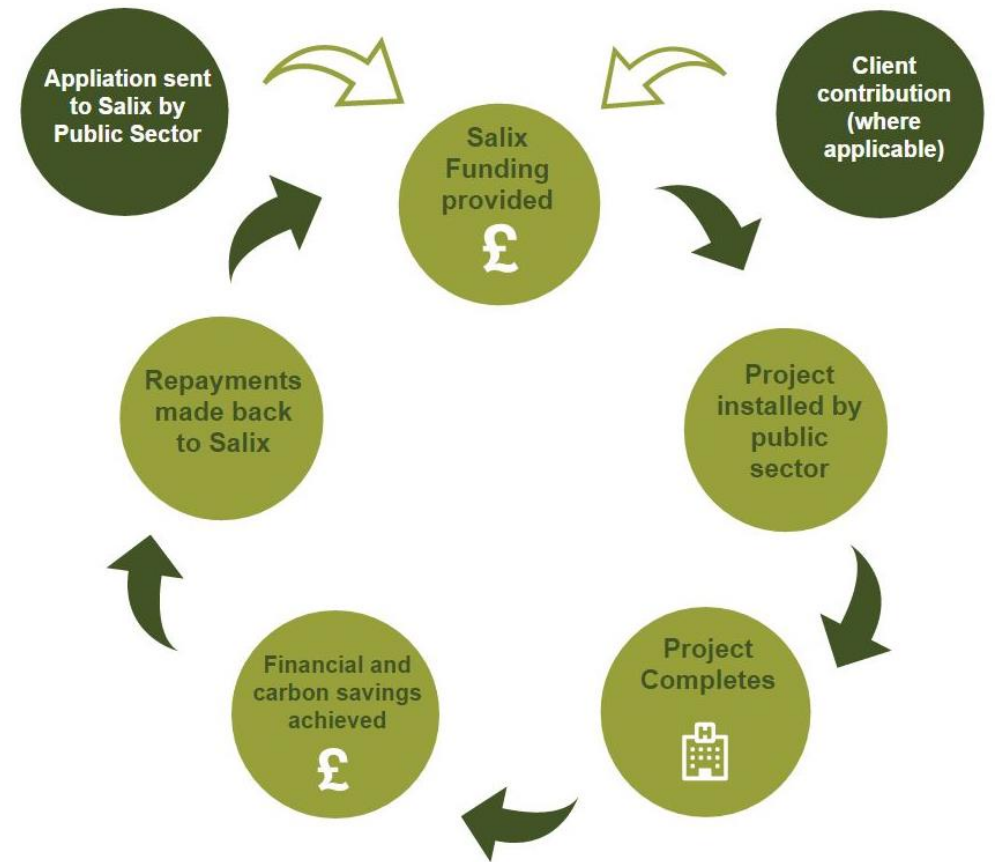
A managed process from initial client interest to delivery



- ✓ Dedicated Salix contact for support
- ✓ Meetings and workshop opportunities
- ✓ Access to online knowledge sharing area
- ✓ Technical support available at pipeline and application stages
- ✓ Support during delivery and completion
- ✓ Opportunities for case studies, articles and adverts in magazines

Repayment of loan

- ✓ Loan repayments only begin after the project completes to allow the Public Sector Organisation to accrue savings
- ✓ Repayment dates are confirmed on project completion
- ✓ Repayments are made by direct debit, twice a year over 5 years



Local council borrowing

- ✓ Applications can be made prior to obtaining approval, with Salix reserving funding whilst approval is granted.
- ✓ Prior to parish councils borrowing a sum of money, approval must be granted by the Secretary of State by way of the Ministry of Housing, Communities and Local Government (MHCLG)
- ✓ This is achieved by:
 - ✓ *Obtaining and completing an application form with the local County Association affiliated to the National Association of Local Councils (NALC)*
 - ✓ *Once completed the form is checked by the local County Association and providing no obvious errors are found, it is sent to MHCLG.*
 - ✓ *The Secretary of State's decision is sent directly to the Clerk of the Parish, with a copy also sent to the Chair of the council and the local County Association.*

Any Questions?

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