SAL/X
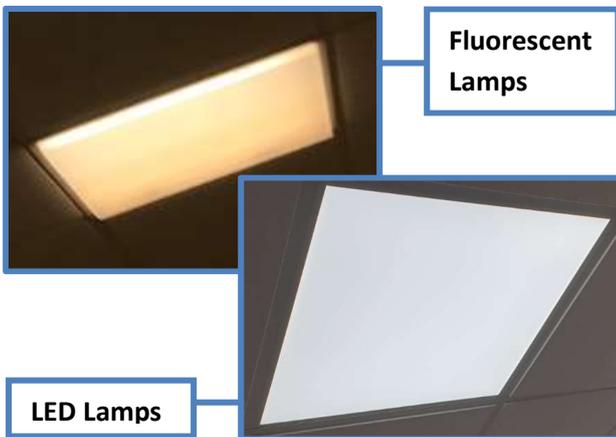SOLVING ENERGY EFFICIENCY FINANCE IN THE PUBLIC SECTOR

orbis

Ashdown Primary Infants School LED Lighting Case Study

- Fluorescent lamps replaced with energy efficient LED lamps, improved controls and emergency lighting across the school estate
- The school took out an ESCC Interest Free Salix Loan for £24k & ESCC paid £33k
- 25,785 kWh & 12 tonnes CO_2 savings p.a.
- 8 year project payback for the school.

- Year on Year cost saving of £2,642.
- Installed by CDS Electrical an ESCC specialist contractor
- Surveys, technical checks & project management delivered by the ESCC Energy & Maintenance Teams

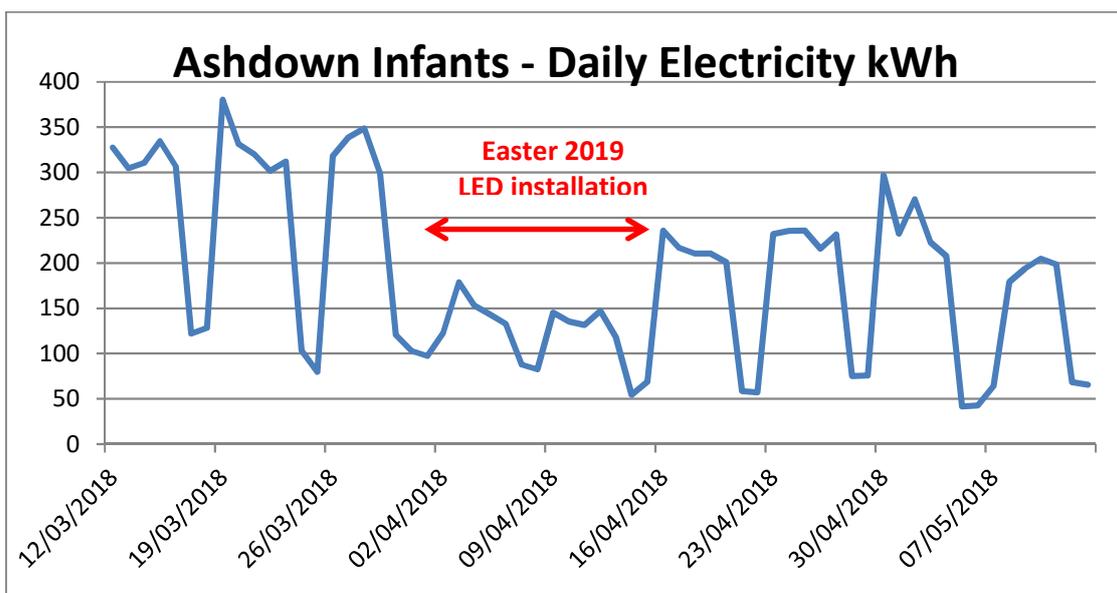## New LED Panels

Fluorescent Lamps

LED Lamps

School Feedback

"The support that the Energy Team gave to underpin my argument to the Governors to make the investment in a Salix loan to upgrade our lights to LED was so helpful."

"The process was so easy as the Energy Team handle all the organisation of the installation, all I was required to do was attend site meetings and ensure that access was available during fitting. In the first year our school has seen a 24% saving on our electricity use, which far exceeds the annual cost of the Salix loan."

Lorna Isted, SBM at Ashdown Primary School. September 2019.

Analysis of kWh electricity use pre and post LED installation showed 24% reduction.

Ashdown Infants - Daily Electricity kWh

Easter 2019 LED installation

What is Salix and How Does it Work?

ESCC has access to a Salix Loan Recycling Fund. Salix is a central government fund set up to reduce carbon emissions. Our £1million fund has a 50% contribution from East Sussex County Council and 50% from Salix.

The Salix Loan Fund offers **an interest free loan which is repaid through the energy savings made by your project**. This means no upfront costs, provided that the project has a payback of less than ten years. There is a 10% management fee which is applied to the technical costs. This 10% is used to cover the costs of energy surveys and administration of the fund and to support future energy efficiency projects. The management fee is added to the interest fee loan (or can be paid as a one off fee if preferred).

As part of the lighting programme East Sussex Energy & Maintenance teams provide a comprehensive support package to schools including arranging initial surveys, technical appraisal and the funding offer package and project managing the works through to completion.

- **No capital costs upfront** ESCC pays initial invoice and you repay via energy savings.
- **Instead of spending your money on energy bills** you use it to repay the loan.
- **After the payback period, you benefit from all of the savings**
  - freeing up valuable funds to spend on other projects at the school.
- Your school **benefits from cost savings from year 1**
  - you only pay 80% of the saving as a loan repayment you keep 20% of the savings

As a rule of thumb a Salix Loan can be used to fund projects with a payback of 10 years or less. However, it is possible to match fund from your own budget or other funds to bring the capital costs covered by the loan down, so that a 10 year payback can be achieved.

What type of projects has the ESCC Salix Loan Recycling Fund been used on so far?

To date Salix has funded 187 projects, worth **£3 million**. These projects have generated total annual **savings of £770,000 per year**.

How Does it Work In Practice?

In practical terms, should you apply for a Salix Loan and proceed with your project, then once the works are completed any invoice comes into East Sussex County Council and is paid off in total here from the Salix Loan Fund. You then repay that amount plus the management fee over the term of the loan. Repayments are made once a year on 15th July each year until the loan amount has been repaid. If the school changes to Academy status during the term of the loan, the loan can easily be transferred to the new organisation or repaid in full at the time of conversion, depending on the school's preference.

Further information

For more information please contact Janette Ackroyd and Paul Hardman, Energy Efficiency Officers energyconservation@eastsussex.gov.uk or Tel: 01273 336168 http://www.salixfinance.co.uk/recycling-fund