

Salix Finance in Practice – LED Lighting in Sefton’s Schools

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Salix Finance - Overview

Salix Finance

- 100% interest free loan – repaid via direct debit or if Academy through a reduction in their General Annual Grant Payment (GAG)
- Funded by Department for Education
- Must Meet Criteria
- Sefton must sign off the loan for non Academies

Salix Finance - Overview

- £50 million allocated to over 1,250 schools in England;
- Common works and Paybacks:

- **Lighting** 1-3 years
- Cavity Wall Insulation 3-5 years
- Loft insulation 3-5 years
- Boiler Controls 3-7 years
- Boiler Replacement 7 years upwards



- Ave Sefton School Spend per year:

	Primary	Secondary	Special
Electricity	£14,900	£58,700	£24,500
Gas	£7,300	£21,700	£16,100

Sefton Proposal

- Payback period of 1-7 years;
- Payments by Direct Debit or if Academy through a reduction in their General Annual Grant Payment (GAG);
- Academisation - loan transferred.

Sefton Applications

- Decided to look at LED lighting due to potential payback
- Initial walk around of potential sites Spring/Summer 2018
- Procurement exercise October 2018 to facilitate bids
- 3 x Academy Bids: Nov 2018 – 1x successful – informed end March 2019 - install Summer 2019
- 2 x Primary School bids: May 2019 (awaiting outcome) with a view to install in Summer 2019.

Lighting



6ft T8 Lighting = High energy saving potential



2ft T5 Lighting = low energy saving potential

Sites with more T8 fittings will yield a better payback period



Led Lights



Sefton Applications

Academy Salix:

- Open once a year
- Short window to apply
- Highly oversubscribed!
- Very Competitive!
- Online Application
- 4 month wait for outcome



Maintained Schools Salix:

- Open all year if funds available – apply at any time
- Online Application
- Approx. 2 week turnaround

Sefton Applications

- Proposed projects: 3-7 year payback following official procurement exercise.
- Have to be mindful of:
 - Electricity contract prices and expected prices
 - Hours lights are used for
 - Energy used pre and post project
 - Some projects have required an additional contribution from the school to fit payback requirements.

Working with Schools

- Support on Salix work provided as part of “Eco-Savers Programme”
- What we do:
 - Initial assessment of a project for Salix
 - Procurement
 - Application write up and submission
 - Administration
 - Liaison with the Contactor
 - For maintained schools: loan facilitation

Working with Schools

What schools want:

- Support for the whole process
- Ideally at no cost
- High savings for budget purposes



Large Academy Example

- Secured circa £75,000 of funding
- Replacing over 1,000 fittings on site
- 4 year payback

Predicted Savings:

Fuel type	Annual Pre-project kWh	Annual Post-project kWh	Energy Cost (p/kWh)	Annual kWh saving	Annual tCO ₂ e savings	Annual Energy Cost savings
Electricity	338,153	158,384	13.00	179,769	55.23	£23,370

Specifications

- Compliance with Regulations e.g. British Standards, CIBSE, Building Regs, WEEE etc
- Lighting Design Requirements such as CE mark, Minimum light levels, Building Regulations, CIBSE guidance etc
- Products of a similar performance quality and expected lifetime to the following makes:
 - Luminaires: Dextra, Thorlux, Thorn, or similar

Specifications

- A 5 year warranty on LED Luminaires comprising of a minimum labour and parts for the first 3 years and free of charge components only for the final 2 years.
- A minimum of a 1 year warranty on emergency luminaire batteries to be allowed for.
- All redundant items/equipment to be removed from site.

Speak to your Building experts!



Things to consider

- Payback can be impacted by additional costs – e.g. asbestos, wiring issues, making good
- Get buy in from Finance, Children's Services and Property & Buildings if possible
- If supporting an Academy be prepared for a long approval process for funding
- If tendering prior to gaining funding make it clear work may not go ahead
- Contract prices changing mid way through evaluation/application process

Thank you, Any Questions?

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