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FINANCIAL ANALYSIS REVIEW

Interreg
North Sea Region
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European Regional Development Fund

EUROPEAN UNION

A review of the finance that is available to schools in the North Sea Region to fund energy saving/efficiency programmes.

November 2021

FINANCIAL ANALYSIS REVIEW

This document collates and presents the various kinds of financing and support that is available to schools within the North Sea Region that are considering implementing energy efficiency programmes. It also details both the financial and non- financial barriers that are faced by schools in Belgium, Denmark, Germany, the Netherlands and UK that prevent them from delivering energy efficiency improvements and generating energy from renewable sources for their schools.

Financing for schools to reduce their energy costs through the installation of energy efficiency technologies is divided into two distinct categories: (a) where repayment is not required, for example, grants and government subsidies; and (b) loans where the funding is repaid over a set period of time.

Additional support comprises services that are not financial in character, but nevertheless can provide a school with the help and support they require to deliver energy saving and carbon reduction pogrammes. For example, a calculator for a roof's suitability for solar PV panels and a database of approved energy auditors act as excellent resources.

For a number of partner countries, finance and building improvements fall under the remit of the local authority/municipality. In these instances individual schools are generally unable to access finance or commence energy efficiency programmes without the approve of the local authority or municipality.

The document also contains information regarding the finance that is directly available to local authorities and municipalities that can help a school to realise energy savings. Accessing public sector support is seen as one of the major catalysts for accelerating the uptake of school energy programmes across the North Sea Region.

Did you know?

That leaving a single computer monitor on 24 hours a day will cost around €30 a year in energy costs.

Carbon Trust

Part 1 Belgium (Flanders)

SUBSIDIES AVAILABLE IN BELGIUM

AGION:

AGION can subsidise, with a grant, of up to 70% of the cost of a project for a primary school and 60% for a secondary school, boarding school, adult education centre or student guidance centre. However, AGION subsidies or loans are not available to GO! schools, which are funded through their own stream.

Projects may be completely new constructions or renovations (the latter are limited to premises with a maximum gross area of 30 m^2). To secure the subsidy, applicants must be a legal body, provide proof that they own the property (or can demonstrate 'enjoyment' of the property for at least 30 years), justify the need for the works and comply the standards of the programme.

The project must be enacted by an approved contractor in accordance with public procurement legislation and meet applicable energy performance standards.

Every project must exceed €8,500 (excluding VAT and expenses). Any figure below that threshold is seen by the funding body as maintenance and will not finance that work. Essentially, AGION will not allow applications for retrospective work.

A comprehensive list of permitted and prohibited works can be found on the AGION website here.

GO! Schools

GO! schools (Flemish state schools) can apply for grants that focus on the following categories: limited heating place renovation; thorough heating place renovation; insulating roofs or floors; insulating walls and replacing joinery; major energy renovation (this is a pilot project); and energy saving measures for building improvement projects. The procedure for securing a grant is outlined on the following link here.

Eco Schools

Schools located in the city of Antwerp can choose to become EcoSchools, where they are able to work on a number of themes that relate to sustainability and the environment. Themes include: nature, waste and sustainable materials, energy, mobility and sustainable food and water.

Participating schools are able to select two themes to focus on for a minimum period of two years. When they sign up, a school then selects whether they would like to take part as (i) EcoMini, where the school will receive a biannual sum of €200; or (ii) EcoMaxi, which provides a larger sum of €500 on the same biannual basis.

Registrants for the EcoMaxi scheme are also eligible to submit an application for a further €7,500 for a project aligned with the programme's themes.

Six are awarded annually, with 50% of the subsidy awarded at the initiation of the project, and the remaining 50% awarded at completion with the submission of a final report.

Property Tax Discount

Certain buildings are entitled to a discount on their property tax (korting onroerende voorheffing) if they fall below a threshold of E-level (the annual primary energy consumption of a building divided by the reference consumption of relevantly similar buildings). The lower the E-level, the more energy efficient a building is.

Buildings are eligible for a tax reduction if they either (i) a new build/construction; or (ii) the building has undergone a major energy renovation. Information relating to how the decision is made regarding the level of discount available can be found on the following link here.

FLUVIUS

Fluvius provides grants that support works that are designed to increase energy efficiency and sustainability in buildings. They are available to cover: attic insulation; exterior wall insulation; high efficiency glazing; floor or basement insulation; solar water heaters; heat pumps; and relighting (i.e. replacing existing lighting with new LEDs).

With the exception of insulation, all of the works must be delivered by a contractor in order to secure the grant. The contractor must sign a document confirming the installation and affirming their liability and responsibility for the quality of the works.

Green Power Certificates

Green Power Certificates (Groenestroomcertificaten) are awarded to electricity producers in Flanders for the production of energy from renewable sources. The certificates have a value and can be sold to a distribution system operator or an electricity supplier.

The number of certificates an installation is eligible for is calculated by multiplying the net energy produced by renewables by its allocated banding factor. Banding factors are determined by dividing the unprofitable element of energy production (i.e. how much euro per MWh is required to enable the profitable operation of an installation) by the banding divider (July 2019 this figure was €97). The renewable sources for which green energy certificates may be claimed are: biogas, biomass, wind, and solar PV.

Combined Heat & Power Certificates

A Combined Heat & Power Certificate (Warmte-krachtcertificaten) shows that a CHP installation has achieved a certain relative primary energy saving compared to the separate generation of electricity and gas i.e. that which would have been used without the CHP installation. The calculation is somewhat complicated in practice.

The certificates are issued monthly. For every 1,000 kWh of heat and power saved, 1 combined heat and power certificate is issued, multiplied by the applicable banding factor. Banding factors are determined by the date of the CPH installation or substantial changes to an existing CPH installation and the project category (administered by the Flemish Energy Agency).

Each Combined Heat & Power Certificate has a value, and can be sold to energy suppliers or the grid manager. They can be obtained together with a Green Power Certificate.

LOANS AVAILABLE IN BELGIUM

AGION Loan:

As stated previously, AGION can subsidise, with a grant, of up to 70% of the cost of a project for a primary school and 60% for a secondary school. However, the Flemish Government also offer a little bit more for schools that would like to fund the outstanding amount that is not covered by the subsidy.

Schools are able to take out a loan that is guaranteed by FSMA for the amount that is not eligible for the subsidy. A condition of the payment is that the loans must be contracted with a financial institution recognised by the Flemish Government. The duration of the loan may not exceed 20 years, excluding the recording period (the period in which only the interest is paid on the borrowed amount, not the actual loan itself).

Additionally, AGION has a Climate Loan that helps schools with their energy saving projects such as solar panels, solar water heater, heat pump, CHP plant, insulation etc.

Schools can apply for a maximum loan of €500,000 (excl. VAT). The sum of the loan is interest free (subject to approval of the budget check) and can be withdrawn after the installation of energy saving measures. The duration of the loan must not exceed 15 years with an agreed monthly reimbursement plan in place.

GO! Solar Panel Loan

GO! offer an interest free loan, payable over 15 years, for the installation of solar panels on GO! schools. The loan is paid off with the savings made on the electricity bill and is repaid annually in January via equal installments. The maximum amount that can be borrowed per-project is €135,000, and the loan can be supplemented with the school's own finances.

Energy Loan

Energielening is a loan which, can provide up to €15,000 per individual school, with just a 1% interest rate that is payable over a10 year period. However, the opportunity to apply for this loan terminates at the end of 2019.

The loan supports a variety of renovations and installations, which are all listed on the funders website here. For all works, with the exception of loft insulation, a contractor must be used to in order to guarantee the quality of the improvements.

BARRIERS TO ENERGY PROJECTS

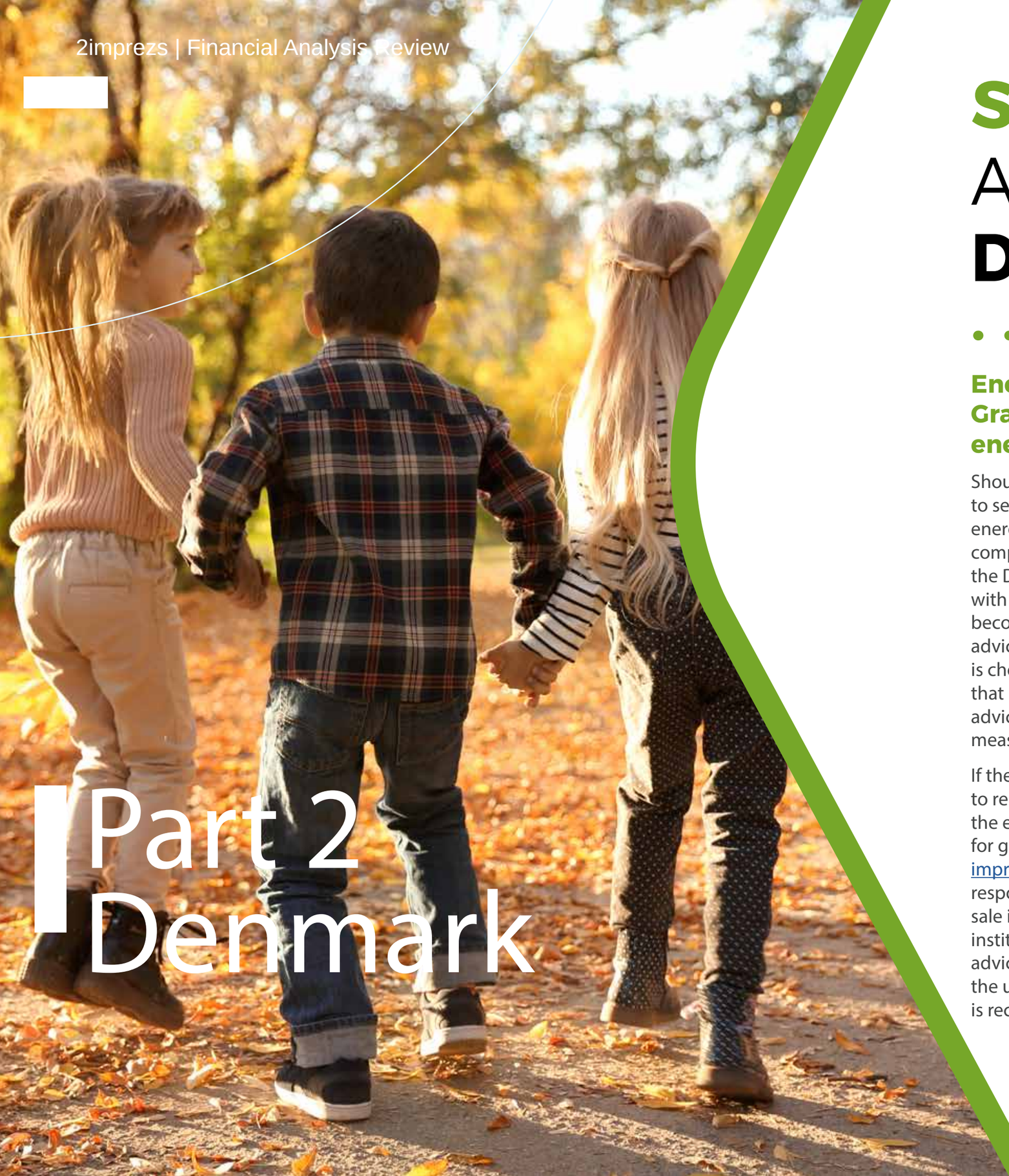
The following barriers to delivering energy efficiency and renewable energy projects across Flemish schools have been identified and are summarised briefly below:

Financial Barriers

1. **Length of Approval Process**
   The approval process for funding is very long, which often means that any proposed works are considerably delayed and this puts schools off from delivering the project.
2. **Small School Budgets**
   Schools focus their financial resources on education as opposed to energy projects and lack the finance to fund even the smallest energy efficiency projects.
3. **Complexity Securing Finance**
   Preparing and submitting an application to secure finance is timely and complicated, with procedures needing to be simplified to increase school uptake.
4. **Responsibility for Energy Bills**
   Schools are often not responsible to pay the energy bills, so there is little incentive for the school to invest the time/resources needed to undertake energy efficiency programmes.

Non-Financial Barriers

1. **Not the Decision-Makers**
   Even when a school would like to undertake an energy project the decision can lie with other organisations i.e. local authorities that prioritise other projects ahead of energy saving.
2. **Lack of Technical Knowledge**
   Schools generally lack the technical knowledge and the time to engage on energy projects - their priority is on teaching and educating their pupils.
3. **Lack of Understanding**
   There is a perceived lack of understanding around certain types of technologies, which creates another barrier to persuade schools to install new technology to help them reduce their energy consumption and cut carbon.



Part 2 Denmark

SUBSIDIES AVAILABLE IN DENMARK

Energy Saving Grants (Tilskud til energibesparelser):

Should a public institution elect to sell the right to report on its energy savings to an energy company (which, in turn, provides the Danish Energy Agency with the data), that institution becomes eligible for energy advice or grants. If the former is chosen, the energy company that reports on the data can offer advice concerning energy saving measures.

If the latter is chosen, the right to report the savings is sold to the energy company in return for grants for an efficiency improvement project. The responsibility of negotiating this sale is the responsibility of the institution seeking to receive advice or grants. Consequently, the use of an independent adviser is recommended.

LOANS AVAILABLE IN **DENMARK**

Green Loans (KommuneKredit Groenne Laan):

KommuneKredit offers loans to municipalities for a variety of projects. Should a project relate to investment in measures pertaining to the environment or sustainability, then it may be eligible for a Green Loan.

Green Loans can be taken under one of three of KommuneKredit's loan types: KKvariabel, KKcibor, and KKfast. KKvariabal is variable rate loan, KKcibor a variable rate loan with CIBOR (Copenhagen Interbank Offered Rate) functioning as the reference rate, and KKfast a fixed rate loan.

The project must contribute to a reduction of CO2 and/or reduce energy consumption, and must not utilise fossil fuels. Loans approved as Green Loans can be financed with Green Bonds.

BARRIERS TO **ENERGY** PROJECTS

The following barriers to delivering energy efficiency and renewable energy projects across Danish schools have been identified and are summarised briefly below:

Financial Barriers

1

Responsibility for Energy Bills

Responsibility for energy bills are handled by the municipality rather than the schools, which reduces the incentives for schools to undertake energy efficiency programmes

2

Lack of Incentives for Schools

There are no financial incentives for a school to take action to reduce their energy consumption - saving energy in a school does not result in financial savings for that school.

3

Municipality Responsibility

Direct improvements to school buildings are the responsibility if the municipality, schools have little power to enact energy saving measures themselves as a result.

Non-Financial Barriers

1

No Clear Roles for Teachers

Teachers consider the role of making energy savings the responsibility of facilities and others that are responsible for the condition of the school building.

2

Lack of Time/Resources

A teachers role is to educate their pupils, which takes up a lot of their time and can make them reluctant to take on more tasks, this can make them hesitant to energy projects.

3

Technical Knowledge

This proves a major barrier for schools, in most instances staff will not have the technical knowledge/understanding to make informed decisions about energy projects.

4

No Clear Pathways

Securing funding to deliver an energy project is hard work, which is made harder when there are no clear pathways for schools to identify where they can secure this funding from.

Part 3 Germany

SUBSIDIES AVAILABLE IN GERMANY

APEE (Anreizprogramm Energieeffizienz):

The Anreizprogramm Energieeffizienz (APEE) is a subsidy available to applicants who have applied for a MAP subsidised loan. To receive an APEE subsidy the applicant must either: (i) replace at least one inefficient heating plant with a modern biomass plant or heat pump; or (ii) modernise an existing heating system by integrating a heating-assisted solar thermal system.

The entire heating system must be optimised in accordance with the recommendations of the programme: an inventory and analysis of the actual performance of the heating system must be undertaken; hydraulic balancing must be performed; and demonstrable measures to improve the efficiency of the entire heating system must be noted e.g. heating curve optimisation, adjustment of flow temperature and pump performance and the use of individual room controllers.

APEE pays 20% of the total amount given to the recipient of the MAP subsidised loan, with a further €600 granted for enacting all necessary measures to improve energy efficiency in the heating installation.

BAFA

From solar thermal energy, heat pumps or biomass systems to local heating networks: With the Federal Promotion for Efficient Buildings - Individual Measures (BEG EM), the Federal Ministry of Economics and Technology (BMWi) supports heat generation using renewable energies in municipalities. Conversion pays off! You can choose between a KfW promotional loan with attractive repayment subsidies or direct investment subsidies via the Federal Office of Economics and Export Control (BAFA).

Did you know?

That making good use of daylight in a classroom can result in a reduction of lighting costs of up to 19%.

Carbon Trust

Energy Saving Grants:

Should a public institution elect to sell the right to report on its energy savings to an energy company (which, in turn, provides the Danish Energy Agency with the data), that institution becomes eligible for energy advice or grants. If the former is chosen, the energy company that reports on the data can offer advice concerning energy saving measures. If the latter is chosen, the right to report the savings is sold to the energy company in return for grants for an efficiency improvement project. The responsibility of negotiating this sale is the responsibility of the institution seeking to receive advice or grants. Consequently, the use of an independent adviser is recommended.

LOANS AVAILABLE IN GERMANY

KfW Loans:

KfW is a bank that offers loans at the municipal level for the funding of renovations and new constructions. Of primary interest to schools looking to receive support from their municipality is the loan 'IKK – Energy Efficient Construction and Renovation (IKK – Energieeffizient Bauen und Sanieren)'

Up to €25,000,000 can be borrowed per project for the construction, purchase or renovation of non-residential buildings. Repayment subsidies are available, and correspond to the type of building constructed or renovated and the degree of efficiency improvements achieved.

Market Incentive Programme (Marktanreiz programm (MAP):

This subsidised loan operates at the municipal or local authority level, and applies to: (i) the new construction of renewable heating or cooling systems with an output greater than 100 kW; and (ii) the expansion of heating networks and heat storage facilities, so long as they are fed by renewable energies.

Additionally, it can be used for the construction of biogas pipes for untreated biogas. The term of the loan can be set variably up to 20 years and up to €10,000,000 is available.

The subsidisation of a loan corresponds to the type of installation constructed: for solar collector systems, a minimum of 30% of eligible costs do not need to be repaid; for heat pumps and biomass plants, the subsidy is up to €50,000 per plant (can be up to €100,000 for innovative plants).

Additional subsidies are available for municipalities expanding heating grids, as long as certain amount of heat is generated from renewable sources through MAP.

BARRIERS TO ENERGY PROJECTS

The following barriers to delivering energy efficiency and renewable energy projects across German schools have been identified and are summarised briefly below:

Financial Barriers

1 Responsibility for Energy Bills

Responsibility for energy bills are handled by the municipality rather than the schools, which reduces the incentives for schools to undertake energy efficiency programmes

2 Lack of Incentives for Schools

There are no financial incentives for a school to take action to reduce their energy consumption - saving energy in a school does not result in financial savings for that school.

3 Municipality Responsibility

Direct improvements to school buildings are the responsibility if the municipality, schools have little power to enact energy saving measures themselves as a result.

Non-Financial Barriers

1 No Clear Roles for Teachers

Teachers consider the role of making energy savings the responsibility of facilities and others that are responsible for the condition of the school building.

2 Lack of Time/Resources

A teachers role is to educate their pupils, which takes up a lot of their time and can make them reluctant to take on more tasks, this can make them hesitant to energy projects.

3 Technical Knowledge

This proves a major barrier for schools, in most instances staff will not have the technical knowledge/understanding to make informed decisions about energy projects.

4 No Clear Pathways

Securing funding to deliver an energy project is hard work, which is made harder when there are no clear pathways for schools to identify where they can secure this funding from.

Part 4 Netherlands

SUBSIDIES AVAILABLE IN THE NETHERLANDS

STIMULATING SUSTAINABLE ENERGY (SDE+)

Schools are able to apply for the SDE+ subsidy. In order to make an application a school must possess a large-scale consumer connection (greater than 3x 80 ampere) and have a capacity of ≥15 kWp.

If eligible, the school receives an annual allowance for the difference between the cost price of green and grey energy. This has the consequence of making green energy more attractive for organisations that purchase energy at a low price.

LOANS AVAILABLE IN THE NETHERLANDS

Green Funds

Green Funds are loans offered at a lower interest rate for projects that have a positive impact on the environment or nature. The loans are provided by banks who are recognised by the government as a 'green' institution, which include: ABN AMRO; BNP Paribas; ING; Rabo; and Triodos (for a full list of financial institutions on the Netherlands offering Green Funds please view the following link).

In order to receive a Green Fund loan, the applicant requires a Green Declaration. This is performed as part of the application process for the loan, and the bank solicits a Green Declaration on behalf of the applicant from the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland), who assess the proposed project on behalf of the Minister of Infrastructure and Water Management in light of the previously linked project categories. If successful, the Declaration will be issued to the bank and project manager. It is valid for 10 years.

The method of calculation for the decreased interest rate is detailed on the following link here.

Rabo Impact Loan

Rabo Impact Loans are available to schools looking to implement sustainability measures. In practical terms, for educational institutions, the works to be implemented must comply with the Environmental Management Act, Energy Label C or B and/or Fresh Schools Class C or B.

Further, the schools must hold the Excellent or Healthy School status. The amount that can be borrowed is between €100,000 and €7,500,000.

Loans are offered with an interest discount of up to 0.85%.

Regional Energy Funds

A Regional Energy Fund is a revolving fund initiative set up and partly financed by a regional government. The funds are to support regional projects and companies that contribute to the transition to better energy practices.

Regional Energy Funds are led by fund managers who are clean technology financing and investment specialists, and most provinces and some municipalities have access to one. Funds are provided as loans or venture capital delivered as equity.

Though the different funds are all aimed towards the same objective, they each possess different mandates and methodologies to work towards the goal. Thus, the eligibility criteria and terms of the financing available depend upon the province or municipality in which the fund operates.

The website (https://www.refs.nu/) has links to all the available funds' individual websites, with each detailing the financing available.

Regular Bank Financing

Dutch schools are able to seek regular commercial loans. These loans are not specifically aimed at educational institutions, and are not specifically aimed at implementing improvements to energy efficiency or sustainability.

Consequently, they are not obligated to offer lower interest rates or any other favourable terms for the borrower.

However, the school does maintain discretion in their allocation of the borrowed amount, and there is no lower limit on what amount they may request. This can lead it to being an attractive option for cheap and low cost works.

School Heroes

School Heroes (Schoolhelden) offer to replace lighting within schools with LED alternatives. The programme retains ownership of the lamps and provides maintenance and replacements as needed.

In return, the school pays a monthly subscription, with terms set at 5, 10 and 15 years. After the conclusion of the term, the subscription can be cancelled with a notice period of 3 months. The programme cites average annual savings, post-subscription, of €2,500 a year.

Sustainable School Fund Loan

This applies to monumental schools (monumentale school) - a building with the status of a municipal, provincial, or national monument that, after the investment, is used for primary or secondary education. The loan is intended to fund sustainability measures, with interest set at 5% lower than the market rate with a minimum of 1.5% interest, and is repayable over a maximum period of 20 years.

To initiate the loan, a certified consultant will offer advice on energy efficiency measures and finance. Then, the consultant, working with the team that will enact the works, calculates the costs required to implement the sustainability measures. The Restoration Fund, as the granter of the loan, then determine the eligible costs. Subject to a positive credit check, the Fund will then contact the monumental school with a quote and financing conditions. Interest on the loan is fixed for ten years; after that, the Fund will only guarantee an interest rate 5% lower than market average.

Treasury Banking

Treasury banking is intended for institutions that perform a legal or public task and receive funds from central government. Schools may borrow for investment in housing/ classroom facilities.

Typically, investment in school infrastructure is the responsibility of the municipality the school is under, but if the school has decentralised, they may elect to take out a loan with the treasury. However, should a primary or secondary school apply for a multi-year loan for a building project, the municipality is required to act as a guarantor.

Loans range between 1-32 years and the interest on a loan can be fixed two years prior to its start date. Interest is tied to the effective yield of government bonds and subject to a 0.10% surcharge.

BARRIERS TO ENERGY PROJECTS

The following barriers to delivering energy efficiency and renewable energy projects across Dutch schools have been identified and are summarised briefly below:

Financial Barriers

1 Complexity of Process

Many loans are available, yet the process is typically complex and requires a good level of financial knowledge. There is a knowledge gap that dissuades schools from taking loans.

2 Responsibility for Energy Bills

Schools are not responsible to pay the energy bills, so there is little incentive for the school to invest the time/resources needed to undertake energy efficiency programmes.

3 Ownership of Buildings

Ownership of the school building limits a school's ability to seek and apply funding for their school - they require the approval of the building owner to undertake the works.

Non-Financial Barriers

1 Lack of Time/Resources

Time constraints on staff and a lack of resources prevent schools from actively pursuing funding for energy efficiency projects. Individuals also lack the experience to deliver the projects.

2 Misconception of Funding

There is a general misconception that amongst schools that the only available funding is for solar PV projects, which means they miss out on larger energy saving programmes.

3 Lack of Knowledge

There is a lack of knowledge regarding technologies and how to obtain the maximum performance for the technologies that can create disinterest in the topic as a whole.

Part 5 United Kingdom

SUBSIDIES AVAILABLE IN THE UNITED KINGDOM

School Funds:

Most schools have discretion over their budget and seek to create surpluses each year to build a reserve. This can often be deployed to fund savings opportunities if the opportunity is right. If the school is an academy, this is particularly true because they are given a capital sum each year for maintenance, replacement of equipment, and building investment.

Local authorities have a budget each year provided by the Department of Education for maintenance, replacement of equipment and building investment that is allocated to supporting schools. However, this funding is not available to academies or academy trusts who receive their funding directly from central government.

Condition Improvement Fund

The Condition Improvement Fund is a loan available to academies and sixth-forms, with interest set equivalent to that available for local authorities to invest in school infrastructure. The core priority of the loan is to support condition projects, with the focus of the fund being the preservation of the safety and good condition of academy and sixth-form college buildings.

This includes issues with poor building condition, building compliance, energy efficiency and health and safety, although priority funding is used to address compliance and health and safety issues for schools.

The minimum project threshold for primary and special schools is £20,000, with secondary and sixth-form colleges minimum threshold set at £50,000. The maximum threshold for both is £4,000,000.

LOANS AVAILABLE IN THE UNITED KINGDOM

Urgent Capital Support

For academies and trusts eligible for Condition Improvement Fund bidding but in significant, immediate need for assistance, Urgent Capital Support is available.

Applications will need to provide evidence that: the issue in need of remediation poses a significant health and safety risk in relation to the building condition; that the condition issue has resulted in or represents an imminent threat to school closure, or that risks imminent closure of a significant part of the school building which would prevent delivery of the curriculum; and that the urgent works cannot be funded by the trusts independently or through a CIF loan.

Works considered eligible for funding include structural issues, urgent health and safety or insurance compliance issues, asbestos issues and boiler and pipework failure, though this is not exhaustive.

National Lottery Funding

Schools are able to make an application of up to £10,000 through the National Lottery Awards for All England funding programme. The funding can be used to cover the costs of equipment, one-offf-events, staff costs, training costs and small capital projects. The success rate for schools making applications has been relatively high in comparison to other funding programmes.

In July 2019, a £100 million Climate Action Fund was set up by the National Lottery to engage with communities and inspire action on climate, there are opportunities for schools to deliver energy projects through that funding.

Furthermore, there is a large number of foundations that offer grants to schools to help them tackle environmental issues, including carbon reduction. These include the Ernest Cook Trust, Esmée Fairbairn Foundation and the Calouste Gulbenkian Foundation.

SALIX Finance

Salix offers interest-free funding to the public sector in order to improve energy efficiency, reduce carbon emissions and lower energy bills. In respect of schools, funding opportunities are determined by whether the school is a maintained school or an academy. Maintained schools can access two streams: the Salix Energy Efficiency Loan Scheme (SEELS); and the Switching to Low Energy (SLE) pilot scheme. SEELS is for projects which are solely focused on energy efficiency upgrades. It offers an interest-free loan that is repaid using the predicted energy savings of the project.

SLE involves the surveying of a school in order to demonstrate how to reduce energy spend per pupil. This includes suggestions on behavioural changes, technologies that could be installed to reduce energy usage and carbon emissions, and the presentation of a financial model that shows how the costs of carrying out the energy efficiency measures can be met with different funding sources.

Both SEELS and SLE have identical funding criteria: projects must pay for themselves within 8 years through their predicted annual energy savings; and that the project must not exceed a maximum cost of £200 per tonne of carbon dioxide saved. Failure to meet the 8-year payback timeframe but having funding available from another source entitles the school to apply for partial SEELS or SLE funding.

Academy schools can also access two streams, though applications are only opened once a year. The streams are: the Salix Energy Efficiency Fund (SEEF); and the Condition Improvement Fund (CIF). SEEF is solely for energy efficiency projects. CIF is an annual bidding round run by the Department of Education, and if the proposed building improvement works will lead to energy savings, the applicant may also apply for a Salix loan

Salix Finance Continued

SEEF offers an interest free loan repaid to the Department of Education based upon the predicted energy savings. It is subject to the following funding criteria: each applicant may submit only one application.

Multi-academy trusts may submit one application per academy; the maximum loan that can be requested is £150,000, though SEEF applications can be part funded if they exceed this; applications in excess of GBP 100,000 require a Business Case form to be filed; exceed the minimum loan value of £8,000; the loan value must be repaid within an 8-year period (projects can be partly funded if this is not possible); and projects must not cost more than £200 for every tonne of carbon saved.

CIF funding with a supplementary Salix loan is more complex to apply for, as the purpose of CIF funding is to address poor building condition and allocation responsibility lies with the Department of Education; the applicant guidance notes state that applications seeking primarily energy saving measures are unlikely to be successful.

Did you know?

That actions taken as a result of good energy metering & monitoring can save between 5-10% of a site's energy usage

Carbon Trust

BARRIERS TO ENERGY PROJECTS

The following barriers to delivering energy efficiency and renewable energy projects across English schools have been identified and are summarised briefly below:

Financial Barriers

1 Academy Schools

Lots of schools have converted to Academy status, which means they are independent from local authorities. They therefore have little support to deliver energy saving programmes.

2 Small Capital Budgets

The vast majority of schools have small capital budgets that are already stretched. Schools will direct that budget at educational priorities as opposed to energy saving projects.

3 Lack of Financial Understanding

A lack of financial understanding around how a school accounts for its energy spend or deploys capital expenditure can result in a school losing trust very quickly with the providers of new technology or finance.

4 Payback from Year One

Schools want to realise a payback on their balance sheet from year one of the energy project, as opposed to waiting five years to see financial results.

Non-Financial Barriers

1 Lack of Technical Knowledge

Often the technical knowledge is held by the facilities manager, who do not have knowledge on finance. While the School Head understands finance but not the technical side - this creates additional layers of difficulty for projects.

2 No Access to Loan Finance

Schools in the UK cannot take loan finance, except where provided by Salix Finance. Often a school does not understand they are able to take a loan from this source of finance.

3 Other Priorities

Schools are under enormous pressure to deliver targets in the national curriculum and do not have time or the resources to dedicate to energy projects and their own work.

2imprezs | Financial Analysis Review

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North Sea Region
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European Regional Development Fund

EUROPEAN UNION