



SALIX

Working with the Public Sector
to Reduce Carbon Emissions

Salix is an independent company funded by Government

The need for action

Escalating energy prices and the urgency now attached to tackling climate change have increased the need to scale up the implementation of energy saving measures and technologies. Within the public sector rising energy costs can potentially divert funding away from frontline services threatening to erode the provision of better health, education, security and support for the community at large.

Equally as important, the public sector is a significant source of greenhouse gases in its own right and, crucially, can play a strong leadership role through the goods, services and facilities that it buys. However, the lack of funding to support capital investment is often a barrier to implementing technologies that will improve efficiencies and reduce emissions.

Salix is an independent, publicly funded company that works with the public sector to reduce carbon emissions through investment in energy efficiency measures and technologies. It is an integral part of the UK Climate Change Programme and was established to help public sector organisations reduce energy costs and carbon emissions and show leadership in tackling climate change.

Following a successful pilot scheme, involving 19 Local Authorities, by the summer of 2006 Salix had supported 450 projects with grants totalling £1.2 million and had leveraged another £1.6 million of matched funding. Salix has been awarded a further £20 million for “invest to save” projects. We are now extending the range and scale of our operations by increasing the number of Local Authorities that we currently work with, as well as opening the scheme to a larger number of qualifying public sector bodies. These include higher education, NHS Foundation Trust Hospitals, government departments, agencies and many others.

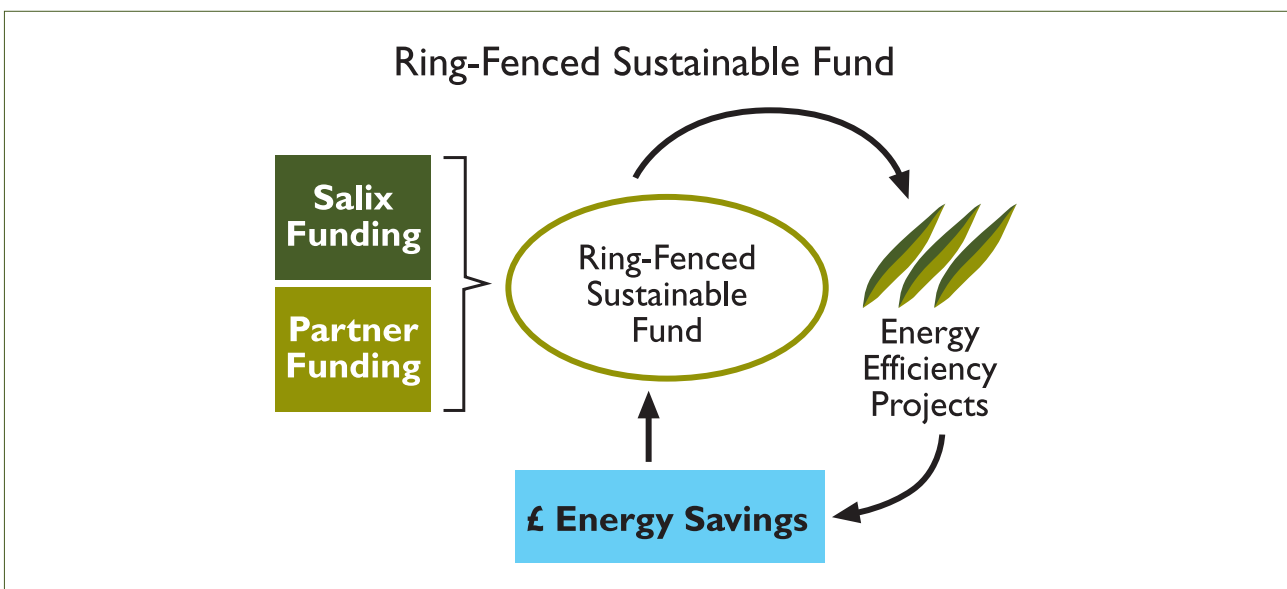
By combining grant funding and our expertise, Salix provides organisations with an opportunity to improve energy efficiency, reduce energy costs and demonstrate leadership in tackling climate change.

A proven sustainable model

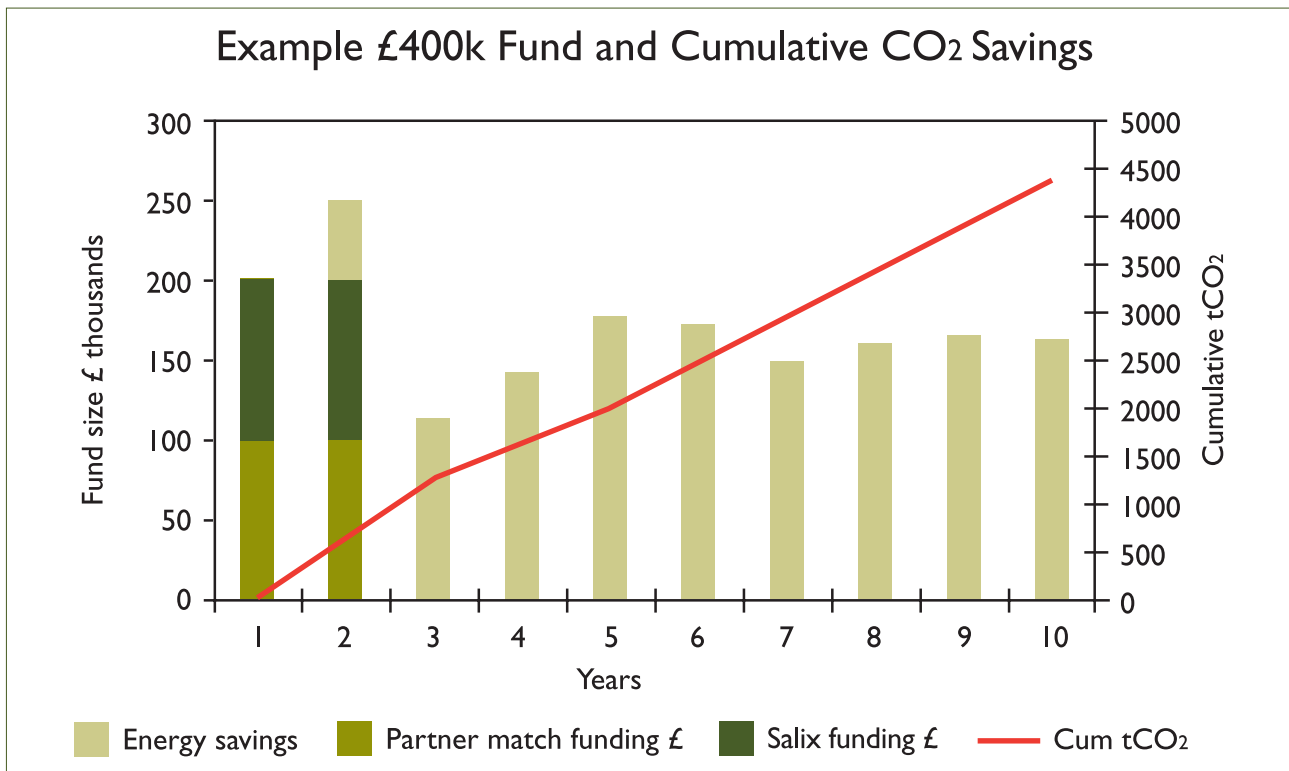
Typically Salix provides a grant of £200,000 which needs to be matched by the partner organisation and is fed into a ring-fenced fund, managed by the partner, to be spent on proven energy saving and renewables projects.

Financial savings gained from the energy efficiency measures are returned to the fund until the original project investment is repaid. The recycled money can then be used for further investment while the organisation continues to benefit from the energy and CO₂ savings.

Salix works with its partners to identify projects that are set to have the most long-term impact. Providing at least 25% of the sustainable fund continues to be spent on appropriate measures each year, we will not ask you for our original investment to be returned.



The ring-fenced funding model enables our partners to reap early benefits from energy savings, whilst making a substantial contribution to tackling climate change for the benefit of future generations. Accumulated savings sustain the fund for potential future investment in low carbon technologies and sustainable energy.



What Salix looks for in a partner

Salix is prepared to support all qualifying public sector organisations. In return, we have a few conditions – after all we are looking after public money - and we apply rigorous checks to ensure they are met and continue to be met. The main ones are:

- **Carbon** – projects must deliver carbon reductions quickly and consistently and normally pay back in 5 years.
- **Commitment** – we require each organisation to match our funding (50% is the usual sum) and to sign a contract with us at Board level or equivalent.
- **Calibre** – the organisation must provide a team with the right skills, dedication and resources to help manage the loan fund and deliver on its commitments.

Working with us brings significant benefits

- **Financial** – we can help you save money and thereby protect frontline services while making your capital budget go twice as far.
- **Improve your resource efficiency** – energy efficiency is good for the planet and demonstrates good management practice while meeting regulatory requirements.
- **Improve your reputation** – with climate change rising up the political and the public's agenda, capital projects show real commitment on the ground.

Helping you further

Salix doesn't simply offer finance. We provide access to highly skilled energy and technology experts and we also work closely with the Carbon Trust's public sector Carbon Management Programme. We support your progress through training and monitoring tools. We also facilitate group meetings, provide PR opportunities and support the sharing of ideas and best practice across the community.

Case Study South Tyneside Council



South Tyneside Council

South Tyneside: 'Best Performing Fund 2005 - 2006'

Fund Size: £280,000

Results: £41,000 saved annually in electricity alone, with cumulative CO₂ savings of 545 tonnes

South Tyneside was keen to be one of the first authorities to be involved with Salix, demonstrating their commitment and leadership to reduce carbon emissions, increase efficiency and reduce costs. The Local Authority has a well-developed environmental strategy that encompasses biodiversity, recycling, waste as well as carbon. They have been working toward embedding managing their carbon in all decision-making processes; and as a result senior management has achieved a sea change in thinking across the council - councillors, staff and contractors.

Andrew Atkinson, Project Manager, reinforces this point: *"the mechanical and heating engineers, as well as the surveyors that work with us, are also thinking in a lateral way; instead of just looking at a problem in isolation, they are looking at it more holistically. This change in thinking has enabled us to work far more efficiently and gain better results. Salix has become the oil in the wheel for other initiatives; for example, we have been able to link the maintenance programme strategy with specific Salix projects which is a much more logical way to work."*

At Temple Park Leisure Centre, South Tyneside has changed lighting and operation controls, installed pipe insulation, variable speed drives and new pool covers; they anticipate a reduction in energy of 30%.

"I am delighted that this scheme has been so successful and hope other local authorities will follow suit. Recycling the financial savings generated from the energy efficiency measures back in to the fund means that we will be able to further improve our performance in future years."

Irene Lucas
Chief Executive, South Tyneside Council

"Our success so far comes from the dedicated efforts of our partners; we now have the opportunity to make a larger impact by rolling out the model of a sustainable fund to a larger group both within the Local Authority arena as well as the wider public sector. The public sector will demonstrate true leadership in tackling climate change."

Teresa Graham, OBE
Chair, Salix

"Climate change is real, and the public sector has a unique opportunity to cut its carbon footprint and, crucially, to set an example for others to follow. Salix funding supports projects that clearly demonstrate your commitment and free up resources for frontline services."

Dr. Peter Mallaburn
Chief Executive, Salix Finance



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