

(DECC) Extra support to cut public sector carbon footprint

Hospitals, leisure centres, local authorities – and even central government departments – will be able to save money and reduce their carbon emissions by taking up new energy efficiency loans. The Government, in partnership with Salix Finance and the Carbon Trust will provide £51.5 million in interest free loans to help public sector organisations take advantage of energy efficiency technology.

Minister for Energy and Climate Change, Joan Ruddock said: “We estimate this fund could help public sector bodies save around £14 million per year in fuel bills. Following the announcement of our ambitious carbon budgets, all public sector organisations should lead by example by pioneering ways to reduce carbon emissions. I hope that schools, hospitals, and fire stations will look into projects they can undertake, and use this funding opportunity.”

Announced by the Chancellor in the Budget, this money is an addition to £30m million announced last year for the scheme in 2008-20012 and will be available through Salix Finance. Loans will be available for around 80 different energy efficiency technologies, including building insulation, boiler and lighting upgrades, improved cooling systems and IT energy efficiency improvements.

This support will play an important part in the build up to the Carbon Reduction Commitment (CRC), which begins in April 2010. The CRC is a mandatory scheme which targets carbon dioxide emissions from large public and private sector organisations, which use more than 6,000MWh of electricity per year. It will provide incentives for these organisations to record and reduce their energy use, and improve energy efficiency, saving an estimated 4 million tonnes of CO2 a year by 2020.

Chief Executive Tom Delay said, “The Carbon Trust has helped over 2,000 UK public sector organisations identify savings of £500 million in energy costs and carbon emissions of over 4.5 million tonnes since 2001.

“Many organisations have already taken bold action on climate change and we hope their example inspires many more in the public sector to follow suit. Thanks to new funding from the Government they now have the financial means to do so.”

CEO of Salix Finance, Alastair Keir said: “Salix is very pleased to be managing this programme. Salix is currently working with 128 public sector bodies who are already saving over £3.5m a year in energy spend. This new loan funding will enable us to significantly increase the support we can provide to public sector bodies to reduce their energy spend and their CO2 emissions. It will not only enable other public sector bodies to benefit but also allow our current clients to undertake larger projects and achieve even greater savings.”

Notes to Editors

1. The Scheme will provide loans to pay for the installation of a wide range of energy efficiency measures in public buildings. All public sector organisations are eligible to apply. All loans will be repaid in 4 years with 8 equal repayments made by direct debit. The repayments can be covered from the energy savings achieved by the projects.
2. Salix Finance is an independent, publicly funded company, set up in 2004 to accelerate public sector investment in energy efficiency technologies through ‘invest to save’ schemes. Salix has public funding from the Carbon Trust and is working across the public sector with local authorities, NHS foundation trusts, higher and further education institutions and central Government. It is a not for profit company limited by guarantee. You can find out more about the Salix scheme here <http://www.salixfinance.co.uk/loans.html>
3. The Carbon Trust is an independent company set up in 2001 by Government in response to the threat of climate change, to accelerate the move to a low carbon economy by working with organisations to reduce carbon emissions and develop commercial low carbon technologies.
4. Carbon Reduction Commitment – Public sector organisations that consume at least 6,000MWh of electricity through half hourly meters during the 2008 calendar year, or equivalent to an annual electricity bill in the region of £500k, and have at least one settled half-hourly meter, will qualify for the CRC. All central government departments will be part of the CRC and many other public sector bodies will also be covered. The scheme will begin in April 2010, starting with a three year introductory phase. Organisations will have to report their carbon emissions to the Environment Agency and purchase allowances for every tonne of carbon they produce. The first allowances will go on sale in 2011 and all the revenue from the sale of allowances will be recycled back to participants six months after Government’s allowance sale, with a bonus/penalty element based on emissions performance and their relative position in the scheme’s performance league table.

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