

Energy Saving Scotland

# Small Business Loans

Helping Scottish businesses reduce their energy costs



## Who are we?

The Energy Saving Scotland – small business loans scheme provides loans from £1,000 to £100,000 at 0% fixed interest rate to help businesses install measures that reduce energy consumption or to install renewable energy technologies. The scheme is funded by the Scottish Government and aims to support businesses that are looking to replace old and inefficient technology.



## Who can apply?

The scheme is aimed at Scottish businesses that fall within the EC definition of Small and Medium-sized Enterprise (SME), private sector landlords, not-for-profit organisations and charities.

However, businesses operating in the fisheries sector do not qualify.

## What are the benefits?

- No set up charges.
- An immediate and ongoing reduction in energy costs.
- Significant savings compared to other forms of finance.
- Investment can be set against capital allowances.
- Some technologies are eligible for Enhanced Capital Allowances; for more information visit [eca.gov.uk](http://eca.gov.uk).

## Additional advice and support

What is appropriate for each business will vary, and support and advice is available from the business advisers based in your local Energy Saving Scotland advice centre.

The business advisers can help businesses maximise efficiency by providing a free energy review as well as assisting with small business loans applications.

Call **0800 512 012** and ask for a business adviser.



Take out an interest-free loan of £1,000 to £100,000

Save some money

Install building insulation

## What measures can be installed?

A range of measures that reduce energy consumption and/or renewable energy technology installations are eligible for funding.

In the past, this loan scheme has supported the installation of:

- Improved lighting and controls.
- Compressed air fittings.
- Boiler/heating controls.
- Heat recovery.
- High efficiency electric motors.
- Building and pipe work insulation.
- Biomass systems.
- Ground source heat pumps.
- High efficiency heating.
- New plant/machinery.

Renewable technologies that are eligible include:

- Solar photovoltaic.
- Hydro-electric.
- Wind.
- Solar water heating.
- Solar space heating.
- Wood fuel heating systems (boilers and room heaters/stoves).
- Heat pumps (ground, air and water source).
- Biomass heating systems.

The list is not exhaustive and other energy saving or renewable technologies may be considered. However please be aware that any electricity-generating renewable system, which the energy review suggests will result in the site becoming a net exporter of electricity over the course of a year, is not eligible for a loan.

## What are the criteria?

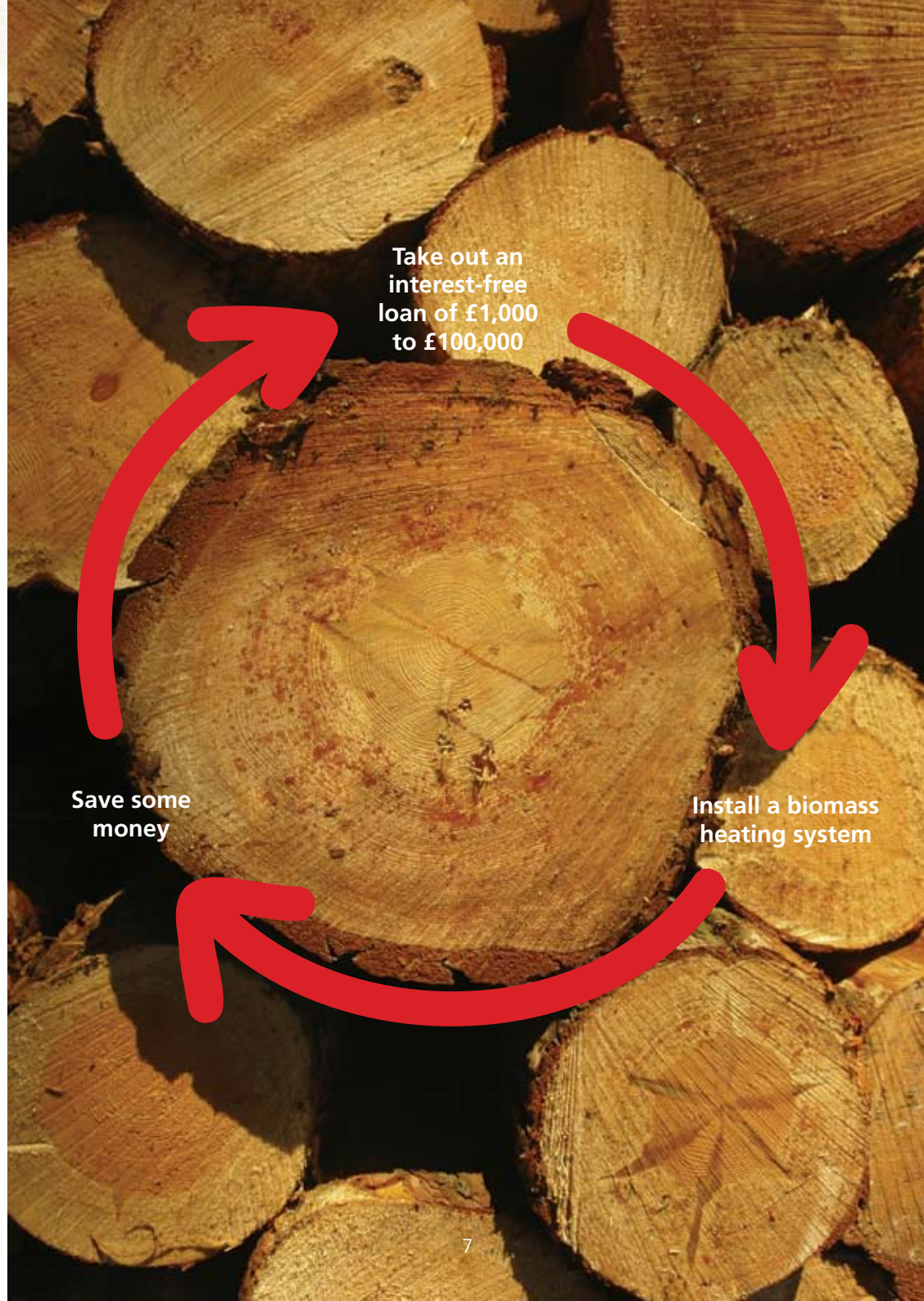
In order to qualify, your business must:

- Be based in Scotland.
- Have been trading for at least 12 months.
- Have fewer than 250 employees.
- Have a turnover not exceeding €50 million (approximately £40 million) and/or a balance sheet total not exceeding €43 million (approximately £35 million).<sup>1</sup>
- Have no controlling interest more than 25 per cent by a non-SME.
- Have had an energy review carried out by an approved energy consultant.
- Be applying for a loan of between £1,000 and £100,000.

- Use the loan for measures that reduce energy consumption and/or to install renewable energy technologies.
- Agree that repayments will be made within 4 years for energy efficiency only measures and within 8 years for renewable installations.
- Have a satisfactory credit score.
- Be eligible for funding within the context of EC State Aid rules.

If a charity or not-for-profit organisation, your memorandum and articles must allow you to borrow money.

<sup>1</sup> Calculated in accordance with European Commission Recommendation 2003/361/EC



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Save some money

Install a biomass heating system

## Case studies

Since its inception this loan scheme has helped over 200 SMEs in Scotland increase their profitability and reduce their environmental impact. Here are some examples of how clients have taken advantage of the scheme.

### Ardmel Group

The Ardmel Group is located on Southfield Industrial Estate in Glenrothes. Ardmel manufactures bespoke garment manufacturing machines and waterproof seam sealing tape, as well as specialist outdoor clothing.

Ardmel successfully secured a loan to upgrade their existing compressor with a new energy efficient version. They also redirected waste heat from the new compressor into the factory in order to reduce the consumption of gas-fired energy, and finally, they reconfigured and repaired leaking valves on current pressure air lines.

This enabled them to reduce the heating requirements of the warehouse. Using a variable speed compressor and waste heat recovery from the new compressor will bring energy savings throughout the year and may allow for the gas fired heating being shut down during the summer months.

The implementation of these measures, has not only achieved cost savings of over £5,000 per annum, but also reduced the company's CO<sub>2</sub> emissions by around 37 tonnes per annum.



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### Gemini Corrosion Services

Gemini Corrosion Services are specialists in protecting steel against corrosion, and carry out such services as surface preparation, coating applications and thermal spraying.

Business Environment Partnership assisted Gemini with a review of waste minimisation, energy and water conservation opportunities at the company's Stonehaven site. An energy audit identified that the company could potentially make large savings by updating their compressed air distribution network. Gemini received financial assistance to replace their existing inefficient compressed air system with a new more efficient version.

The implementation of the new compressed air system has allowed Gemini to reduce their CO<sub>2</sub> emissions by around 65 tonnes per annum, reduce their energy consumption by 150,000 KWh per annum, and finally to make cost savings of around £9,000 per annum.

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### Harveys Ltd

Harveys Ltd are located in Loanhead and specialise in the printing and manufacture of stationary including a range of products such as book covers, folders, information packs and packaging. Harveys have made two successful loan applications to assist the installation of a new heating system and roller doors.

The company installed a new heating system in both the factory and the office areas. Installing suspended gas fired air heaters in the factory area has increased the efficiency of the factory heating, saving the company more than £4,300 per annum and reducing CO<sub>2</sub> emissions by 52.3 tonnes

The efficiency of the new heating system had the potential to be improved further. Installing fully automatic high speed roller doors reduced the period that the doors were open and hence reduced heat loss from the building. Installing high efficiency roller shutter doors has saved 14.9 tonnes CO<sub>2</sub> and £1,490 per annum.

Harveys have made significant financial and environmental savings which will give them a competitive advantage.

### Nether Abbey Hotel

The Nether Abbey Hotel is located in North Berwick and comprises a bar, restaurant and 15 bedrooms. The hotel has undergone major refurbishment in the bar, restaurant and bedroom areas.

With rising energy costs, the owner was aware that reducing energy consumption could make a major contribution to competitiveness, profitability and the economic sustainability of the hotel. As a result, he decided to replace the existing boiler, heating system and hot water cylinder with more efficient models. Having made a successful loan application, the Nether Abbey Hotel were able to install new and more efficient equipment.

The implementation of these measures, has not only achieved cost savings of over £7,500 per annum, but it has also reduced the company's CO<sub>2</sub> emissions by around 37 tonnes per annum.

With rising energy costs, the owner was aware that reducing energy consumption could make a major contribution to competitiveness, profitability and the economic sustainability of the hotel.

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## Case studies continued

### Tayblast Services

Tayblast Services Ltd has been operating for 20 years, supplying protective coating systems to cover the needs of a range of industries including structural and oil related applications, both on and off-shore. The company has its main site near Montrose and an additional painting hall in Dundee where they prepare and coat large structures.

An energy audit undertaken by the Business Environment Partnership identified that the company could realise potential cost savings by modifying the use of their existing compressor suite. As a result of the audit they decided to replace their existing main compressor with a more efficient model.

They successfully secured a loan for the purchase of a new compressor which was installed at the beginning of 2007. This will result in annual savings of over £18,000 in running costs for the new compressor and reduction in the company's CO<sub>2</sub> emissions by approximately 88 tonnes per annum.



The Scottish Government, through the Energy Saving Trust, funds locally based business advisers to help businesses maximise resource efficiency by:

- Offering support and advice.
- Identifying grants and funding.
- Signposting to available services.

These business advisers also assist businesses with Energy Saving Scotland – small business loans applications.

Contact your **Energy Saving Scotland** advice centre on **0800 512 012**.

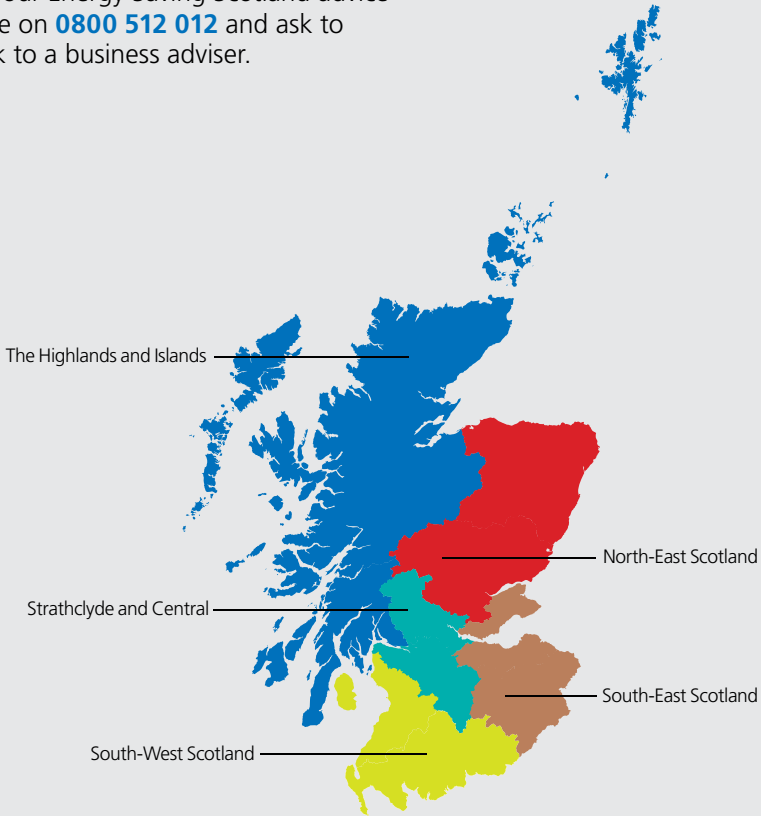
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## What to do next

Call your Energy Saving Scotland advice centre on **0800 512 012** and ask to speak to a business adviser.



Energy Saving Trust, 3rd Floor, Ocean Point 1, 94 Ocean Drive, Edinburgh EH6 6JH  
Tel 0131 555 7900, [energysavingtrust.org.uk](http://energysavingtrust.org.uk)

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