

# Phase 2 of Scotland's Public Sector Heat Decarbonisation Fund



**Scottish Government**  
Riaghaltas na h-Alba



# Welcome

The Salix Finance team on the webinar today:

- Heather Jones – Assistant Director of Programmes
- Daniel Lenton – Scotland Programme Manager
- Christian Smaditch – Energy and Carbon Programme Manager
- Chris Cain – Programme Coordinator
- Nadim El Bakri – Senior Energy and Carbon Analyst
- Brandon Dillon – Client Support Officer
- Milly Facer – Energy and Carbon Technical Analysts

# Agenda

- Introduction to Salix Finance
- What's new for Phase 2 ?
- Eligibility criteria
- Application and assessment
- Application form
- Q&A

# Salix & Scotland

Supporting energy efficiency and heat decarbonisation in public sector buildings across the UK since 2004 and specifically in Scotland Since 2006.

Our schemes:

- Scotland's Public Sector Heat Decarbonisation Fund
- Scotland's Energy Efficiency Loan Scheme
- Recycling Funds



# Purpose & Policy context

Heat in Buildings  
Strategy

2.5% of Scotland's  
emissions

23,000 public sector  
buildings

By 2045

salix

# What's new for Phase 2?

- Compressed timeline
- Removal of concept applications
- 65% minimum score needed across all key assessment areas
- New terms same goals

# Eligibility criteria – section 3

- Eligible organisations & buildings
- Eligible technologies
- Applicant contribution
- Eligible costs

# Eligible organisations and buildings – section 3.1 and 3.2

## Eligible organisations

- Arms-Length External Organisations (ALEOs)
- Local Authorities Including Schools
- Universities

Must be located within Scotland

## Eligible buildings

- Existing non-domestic buildings
- Applicant benefits from savings
- Long term leases (case-by-case)



# Eligible technologies – Section 3.3

## Eligible technologies

- Clean heating systems solutions
- Building Energy Management Systems
- Cooling
- Energy from Waste (excluding incineration)
- Heating
- Hot Water
- Insulation
- Motors & Controls
- Renewable Energy
- Swimming pool covers
- Transformers
- Ventilation

## Ineligible technologies

- Lighting Controls
- LED Lighting
- New polluting systems
- Biomass systems

# Eligible costs – section 3.4

## Eligible costs

Capital costs

Between the grant start date to the grant end date (31st March 2026)

£2.5 million maximum grant value

20% Applicant contribution

## Ineligible costs

- Existing employee wages
- Designs
- Any spend incurred prior to the grant award
- Legislative planning requirements
- Contingency
- Direct maintenance for whole or components of, polluting system
- DNO costs

# Strategic Approach – Section 4.1

On going strategy  
Business need  
Future plan

# Energy and carbon technical guiding principles

# Project types – Section 4.2

Fabric first only

Fabric first +  
clean heating  
system

# Whole building & fabric first approach - Section 4.2.2

1. Identify all systems consuming energy

2. Identify all areas of energy wastage

3. Identify energy efficient investments

6. Assess marginal costs and direct carbon savings

5. Clean heating system and energy efficient measure together

4. Select the most appropriate technology

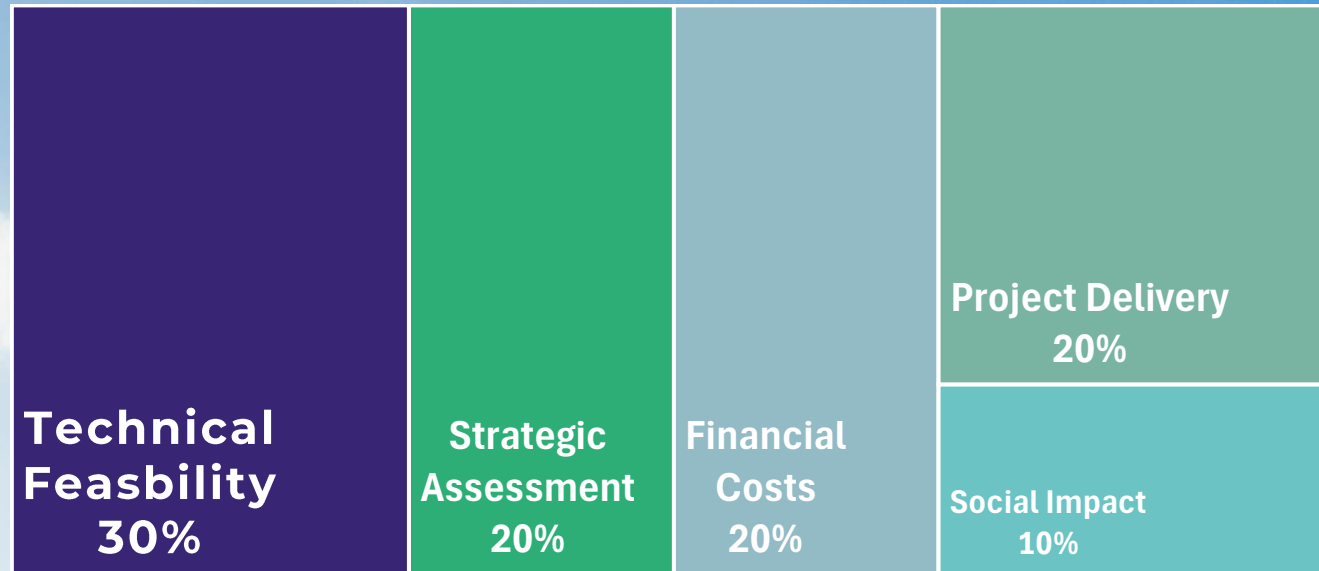
# How we assess your application – Section 4.3

## The Carbon Cost Ratio

£450 tCO<sub>2</sub>eLT

$\geq \frac{(\text{£}) \text{ Full capital cost of project} - (\text{£}) \text{ Client minimum contribution}}{\text{Total direct carbon emissions saved over the lifetime of the project (tCO}_2\text{eLT)}}$

# Assessment process



0. Response is inadequate.
1. Response is generally poor.
2. Response is relevant and acceptable.
3. Response is relevant and good.
4. Response is completely relevant and excellent overall.

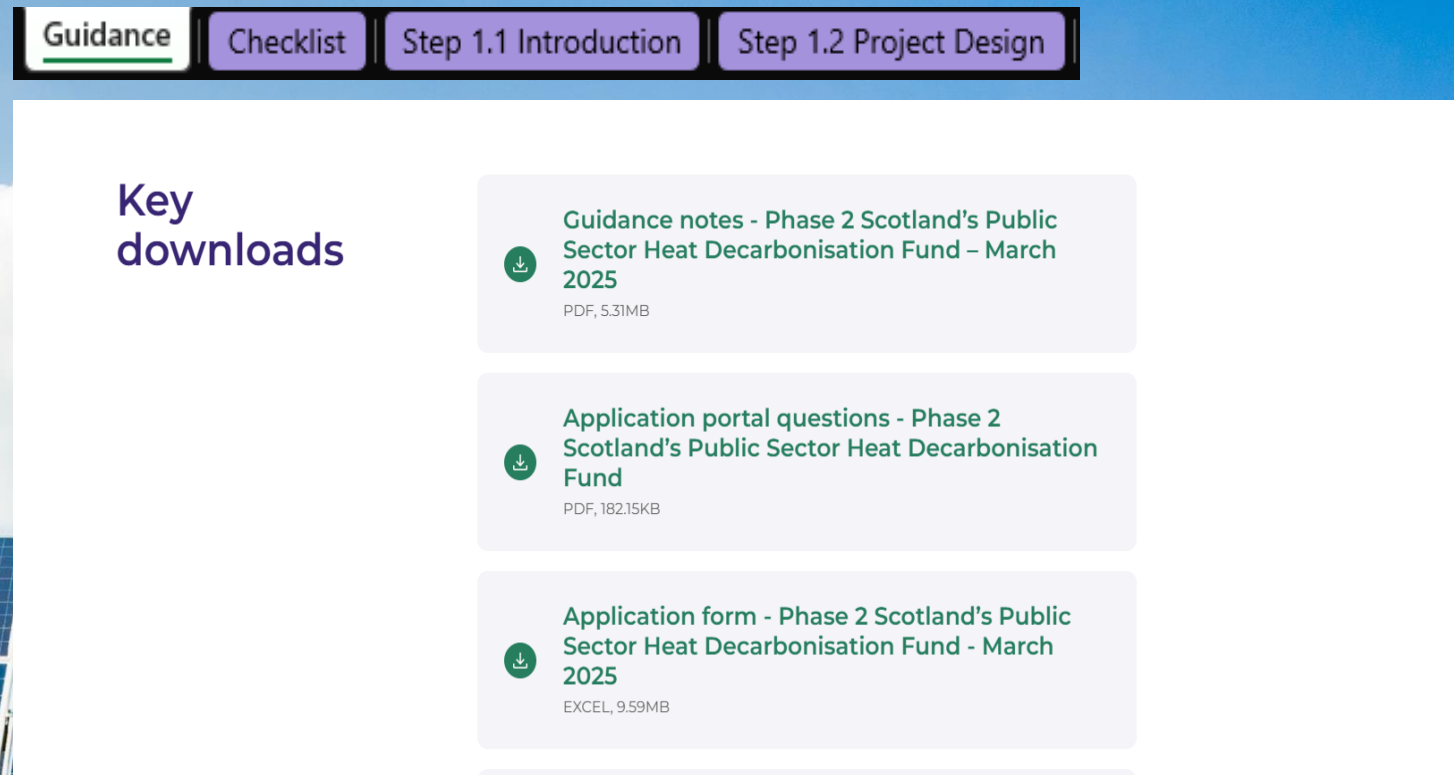


# The application form

**The Guidance Tab** - Located within the application form. Ensure all required fields are completed throughout the application form on each tab.

**Key downloads area** – Found on the Salix website, contains:

- Phase 2 Application Form
- Phase 2 Guidance Notes
- Phase 2 Portal Questions
- Additional Phase 2 Resources



The screenshot displays the application form interface. At the top, there is a navigation bar with four tabs: 'Guidance' (highlighted with a green underline), 'Checklist', 'Step 1.1 Introduction', and 'Step 1.2 Project Design'. Below the navigation bar is a white box titled 'Key downloads'. This box contains three download cards, each with a green download icon, a title, and a file size:

- Guidance notes - Phase 2 Scotland's Public Sector Heat Decarbonisation Fund – March 2025**  
PDF, 5.31MB
- Application portal questions - Phase 2 Scotland's Public Sector Heat Decarbonisation Fund**  
PDF, 182.15KB
- Application form - Phase 2 Scotland's Public Sector Heat Decarbonisation Fund - March 2025**  
EXCEL, 9.59MB

# Essential documents

- Application form
- Counter fraud authorisation
- Energy saving calculations
- Energy Performance Certificates (EPCs)
- Feasibility study
- Heat Loss Survey and evidence of impact on building heat loss
- Project programme
- Risk register

- **Authorising Official confirmation**
- **Energy bills**
- **Project costs**
- **Spending profile**
- **Data sheets**
- **Letter of intent to local DNO**

# Timeline

Tuesday 29 April

Portal opens

Tuesday 27 May

Portal closes

June - July

Assessment period

August

Grant offers issued

# How to apply

- Create a Salix profile before portal opening
- Ensure guidance is fully understood
- Familiarise yourself with the portal questions
- Apply using the Salix Application Portal

# Resources available

Frequently Asked Questions

Applicant journey

Guidance notes

Guidance tab on application form

Risk register tool

# Thanks for listening

Queries can be directed to the email below:

[ScotlandGrants@salixfinance.co.uk](mailto:ScotlandGrants@salixfinance.co.uk)

Or subscribe to our mailing list

[www.salixfinance.co.uk](http://www.salixfinance.co.uk)

