

Delivering decarbonisation in a dynamic world

Our three-year
business strategy
2025-26 to 2027-28



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1. Salix today

Glasgow Museums Resource Centre

Backed by over £1.5 million in funding, Glasgow Museums Resource Centre is preserving the past while protecting the planet through major decarbonisation and energy upgrades.

Chief executive's foreword

As we close out our 2024/25 business plan and look to the next three years, we embrace a period of transformation and opportunity.

Our mission to combat climate change has never been more urgent, and we must accelerate our actions and impact with strategic focus and climate leadership. This is a pivotal moment to make a meaningful difference in a world which is changing quickly.

We remain committed to the work that we do. Over our lifetime, we have provided over £4.7 billion in grant and loan funding to support more than 20,000 energy efficiency and decarbonisation projects in public buildings.

Over the past 20 years, our projects have contributed to an annual carbon reduction of 1.2 million tonnes of eCO₂ each year. For context, the UK's total eCO₂ emissions are 371 million tonnes per year. These projects have generated approximately £300 million of energy savings per year for the public sector.

Since 2023, we have supported energy efficiency upgrades to 14,500 homes through the Social Housing Decarbonisation Fund, and to more than 5,900 homes through the Home Upgrade Grant.

2024 was the first year to surpass the 1.5 degrees Celsius global warming threshold - a critical wake-up call. It reinforces our purpose as a business and underscores the importance of our work in reducing harmful greenhouse gas emissions across the UK.

Recent climate events have demonstrated the escalating risks. Last winter's severe weather conditions, snow, ice and subsequent flooding in areas such as Leicestershire, left families grappling with devastation, some for a second time. Meanwhile, across the Atlantic, catastrophic wildfires in California have resulted in tragic loss of life and widespread destruction.

Climate change remains a dominant global issue in 2025 and we must show leadership. Our focus will be on strengthening delivery, maximising our impact and refining our strategic priorities to ensure long-term resilience and sustainability. By staying proactive and committed, we can drive real progress in the fight against climate change. We have built our strategic plan in a fast-changing environment.

“

Climate change is real. It is today's challenge. We must reduce the carbon we emit and we must act with urgency.



Kevin Holland

As a government body, we face a dynamic funding perspective. Spending Review 2 is underway but not yet concluded. We are also operating in the first year of a new Parliament. Machinery of government changes may impact the pathways for the delivery of decarbonisation schemes, including more devolution across England.

Last year, we played a key role in evaluating how the wide range of government decarbonisation schemes can best meet their intended impact. With our expertise in delivery excellence and assurance processes, we are well placed to support this.

Given the urgency of the climate crisis and the scale of public funding required to address it, we remain singularly focused on effective operational delivery.

While external factors may influence our future direction or structure, we have developed a plan that ensures policy decisions are implemented and government funding is used effectively to achieve decarbonisation goals.

Delivering our core purpose is at the heart of our strategic plan, while also building our skills, expertise and agility to support future government decisions.

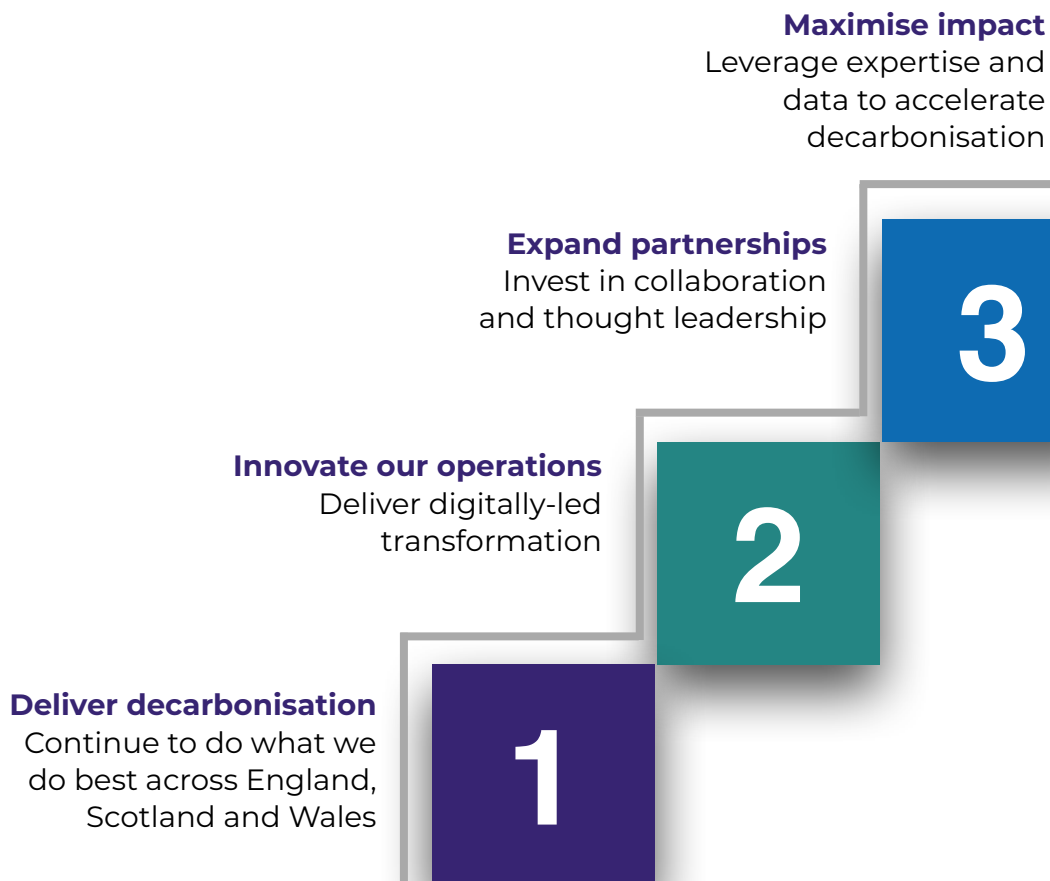
Our ambition is to add significantly to the 25 million tonnes of eCO₂ saved by the projects and schemes we've supported over the course of our first two decades.



Kevin Holland
Chief executive



Our strategy in summary 2025 to 2028



A solar install on the roof of a Home Upgrade Grant (HUG), Phase 2 property in rural North Yorkshire

About us

We're on a mission to help save the planet.

That's why we enable and inspire organisations in the public and private sectors to achieve their ambitious net zero targets and create better places to live, work and visit. We're passionate about our work and proud to support all our clients.

We deliver government funding schemes to support councils, schools, housing associations, hospitals and universities boost their energy efficiency, reduce their impact on the environment, save money and remove households from fuel poverty.

Our primary role is to deliver decarbonisation projects and schemes for multiple clients across the UK. A summary of our schemes is shown below on page eight.

We work with the UK government and the devolved administrations in Scotland and Wales. As well as managing the funding schemes, we provide professional advice, expertise and support to grant recipients throughout all stages of their projects.

We also offer insight, intelligence and influence by sharing knowledge and lessons learnt from project delivery to help improve future schemes and to shape policy development.

Our values

Our values are more than just words. They define the way we interact with our employees, clients, partners and government organisations. They guide us in our day-to-day work and decisions.

Seamless delivery. We are customer-focused, showing commitment to the people we help. We focus on outcomes to ensure we are providing value for money. We are open and transparent in our dealings with all.

Environmental champion. We are passionate experts in what we do. Our mission is to help save the planet, and we are determined to make a difference. We lead by example, helping and supporting each other, and clients, to reduce carbon.

Respect for everyone. Inclusivity is at the heart of life at Salix. We respect people's individual differences and collaborate with others to enhance the service we provide. We act with integrity in everything we do.

Visionary transformation. We encourage bravery and creative thinking, always seeking to improve through innovation. We are curious and share knowledge and celebrate success while striving for continuous improvement.

Engaged as one. We work together so we can be agile and respond to the needs of government and people who we support.

Our programmes and schemes

Public sector schemes in England

	2021	2022	2023	2024	2025	2026	2027	2028	eCO2	Value
PSDS 1	→	→							140kt	£1bn
PSDS 2	→	→							13kt	£75m
PSDS 3a		→	→	→	→				94kt	£613m
PSDS 3b			→	→	→				83kt	£595m
PSDS 3c					→	→			103kt	£611m
PSDS 4						→	→	→	TBC	£1.1bn
SEELS	→	→	→	→	→				471kt	£643m
Eng RF	→	→	→	→	→				258kt	£226m
LCSF	→	→	→	→	→				n/a	£79m

PSDS: Public Sector Decarbonisation Scheme (phases 1 to 4) / SEELS: England Sector Energy Efficiency Loan Scheme / Eng RF: English Recycling Fund / LCSF: Low Carbon Skills Fund / eCO2: carbon savings achieved

Public sector schemes in Scotland and Wales

	2021	2022	2023	2024	2025	2026	2027	2028	eCO2	Value
Scotland SEELS	→	→	→	→	→	→	→	→	16kt*	£33m*
PSHDF 1					→				2kt	£17m
PSHDF 2						→			TBC	
Wales Funding Programme	→	→	→	→	→	→	→	→	45kt*	£110m*
WRF	→	→	→	→	→	→	→	→	11kt*	£11m*
Digarbon					→	→	→	→	2kt*	£29m*
SRF	→	→	→	→	→	→	→	→	33kt	£52m

SEELS: Scottish Sector Energy Efficiency Loan Scheme / PSHDF: Scotland's Public Sector Heat Decarbonisation Fund / WRF: Wales Recycling Fund / SRF: Scotland Recycling Fund / eCO2: carbon savings achieved / *figures as at 31 march 2025

Housing programme in England

	2021	2022	2023	2024	2025	2026	2027	2028	Value
SHDF		→	→	→	→	→			£1.6bn*
HUG			→	→	→				£630m*

SHDF: Social Housing Decarbonisation Scheme / HUG: Home Upgrade Grant / *funding amount at launch of the project

Our people are the power behind where we are today

We are nothing without our people. Our team is deeply passionate about creating a sustainable future through impactful carbon reduction projects.

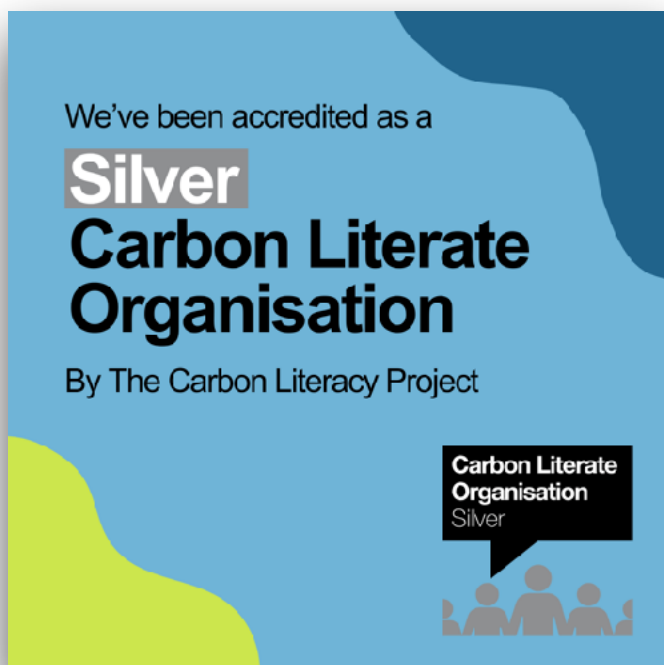
With a diverse range of expertise, our people bring together a unique combination of technical and relationship management skills, strategic thinking and experience of supporting the delivery of large-scale decarbonisation projects.

Every member of our team is dedicated to reducing carbon emissions and is genuinely enthusiastic about the opportunity to contribute to a greener, more sustainable world.

This passion fuels our collaborative approach, ensuring that our work is undertaken with innovation, dedication and a shared sense of purpose to enable clients to have the best possible chance of delivering successful carbon reduction projects.

We're proud to say that we've been accredited as a silver Carbon Literate Organisation by The Carbon Literacy Project.

The award recognises our commitment to equip everyone who works for us with the knowledge and skills to actively reduce their carbon emissions and to contribute to a net zero future.





2. Our three year strategy 2026 to 2028

Parrs Wood High School, Manchester

Parrs Wood is lighting the way to a greener future, with student-led action and a £236k investment powering carbon-cutting upgrades, including solar, across the school campus.

Our vision

Our vision is to be the most trusted and expert delivery partner, empowering and driving the public sector and social housing transition to net zero by 2030.

As the three-year strategic plan progresses, we will remain agile and adapt our plans as we go.

External factors affecting our business

We are facing a very dynamic external environment, with the main external factors affecting our strategy below:

English devolution

The UK government is advancing its plan to transfer policy decisions and funding streams from central to regional authorities in England. Initiatives are already underway in the West Midlands and Greater Manchester combined authorities. Additional agreements in progress with five further combined authorities will also be in place over the three-year plan horizon. The impact is that funding allocations will be decentralised, changing our client base and potentially altering the value of funds managed directly through Salix.

Government policy priorities and funding

The incoming government of summer 2024 has introduced structural changes, including the establishment of Great British Energy (GBE). The 2025 Spending Review 2 is expected to be challenging, potentially leading to shifts in funding levels and ongoing support for grant programmes in buildings and housing.

Market competition for grant management delivery

Within the buildings and industries sector, multiple organisations offer grant management services, increasing competition and fragmenting pathways. This could influence our project pipeline and the evolving role of grant management providers.

Technology trends

These range from the potential of Artificial Intelligence to internal digital systems and emerging technologies that support the scoping and delivery of retrofit schemes. This will impact the necessity to enhance our technological capabilities for us to remain efficient, effective and future-ready.

Consumer confidence

Public awareness, trust and financial capacity to take action will shape engagement with climate initiatives. This will impact the demand for targeted strategies to boost confidence, affordability and the adoption of sustainable solutions.

Our three-year strategy solicited stakeholder perspectives in a changing environment

The world is changing and as an organisation we have the opportunity to build on our successes to date and create a strategy for the next three years.

Our stakeholders are important to us. To build our strategy, we consulted widely with a range of stakeholders, from DESNZ as key partner, to other public sector and peer organisations.

Through this work we have considered and assessed different strategic options and identified a specific, yet agile, direction given the changing environment.

Our strategic analysis highlights that we should be 'fighting fit for the challenge', establish a clear, compelling, offer and significantly increase our engagement and profile with the market and clients.

- ▶ Ensure we maximise the impact and value for money from existing schemes for public benefit.
- ▶ Expand our service offering – for example loans, convening multiple parties or complementary services (capability building and/or strategic planning).
- ▶ Establish broader strategic partnerships and increase engagement and influence in the net zero community.
- ▶ Maximise our presence and impact across the wider public and finance sectors and with private asset owners.
- ▶ Define our optimum operating area in terms of governance and achievable delivery challenges.

Our three-year strategy focuses on core delivery and building agility for the future

We recognise the uncertainty of the evolving landscape scenario of devolution and we are committed to focus on four key elements of readiness for our organisation:

Deliver decarbonisation

We are dedicated to delivering our commitments for housing and public buildings schemes across England, Scotland and Wales. As a trusted partner, we will continue to manage taxpayer funds well, providing assurance and clear financial reporting. We will support our clients in responding to market challenges and new requirements as they arise.

Innovate our operations

We will be ready for a range of future scenarios by building on our strengths and increasing our capability and capacity, especially around digital delivery. We will embrace our culture of purpose and agility so that our team is inspired and ready to redeploy resources and expertise to maximise our impact.

Expand partnerships

We aim to build on our trusted and effective partnership with the Department of Energy Security and Net Zero (DESNZ) to actively develop new collaborative partnerships, delivering thought leadership and market development. We are committed to supporting local and newly combined authorities in their journey toward achieving net zero.

Maximise impact

We will maximise our impact towards decarbonisation of UK buildings by providing high quality, experienced-based perspectives and leveraging our unique market position, data and evidence to inform policies, practice and delivery of carbon savings. This approach will position us for long-term success, ensuring we remain competitive, agile, and well-equipped to support our clients in a rapidly evolving landscape.

Our vision is to be the most trusted and expert delivery partner, empowering and driving the public sector and social housing transition to net zero by 2030.

A photograph of two workers in high-visibility vests installing solar panels on a roof. The worker in the center is kneeling and pointing at a panel, while the worker on the left is holding a cable. The background shows a residential area with houses and a cloudy sky. The entire image has a blue tint.

3. Our one year business plan 2025 to 2026

Amlwch Leisure Centre, Isle of Anglesey

Thanks to £5.4 million in funding, Amlwch Leisure Centre is diving into a low-carbon future with solar and air source heat pumps as part of Anglesey council's ambitious Re:fit journey.

Our one-year business plan 2025-26

We have submitted a draft business plan for 2025-26 which provides continuity from our 2024-25 plan and a strong platform for our three year strategic roadmap.

Our ambitions remain subject to budget confirmation; we execute delivery from day one.

We will adapt the business plan in accordance with confirmation of our final budget and objectives, and any additional requirements coming out of Spending Review 2.

Our goals and objectives 2025-26

We have proposed a 2025-26 budget to DESNZ our sponsoring department, to enable us to deliver year one of the business plan. The budget is based on the following delivery assumptions for 2025-26:

Public sector decarbonisation

- ▶ Ongoing support and management of over 500 projects already underway from PSDS phases one to three.
- ▶ Launching around 200 new projects worth over £570m in PSDS Phase 4, with potential for further iterations, up to another £550m.
- ▶ Ongoing audit and assurance work and spreading best practice.
- ▶ Supporting the development of devolved public sector funding schemes for combined authorities.

Housing schemes

- ▶ Delivery of remaining Social Housing Decarbonisation Fund projects and supporting the closure of the Home Upgrade Grant.
- ▶ Implement audit and assurance on our own schemes and on housing schemes run by other agencies.

Central and other

- ▶ Support DESNZ with the delivery of new schemes potentially included in the future Warm Homes Plan.
- ▶ Support partners with new delivery models appropriate for English devolution.

Our draft financial budget 2025-26

We have submitted a delivery budget for 2025-26 to provide continuity from our 2024-25 plan at a lower cost and creates a strong platform for the three-year strategic plan.

The plan remains subject to budget confirmation. Activities will kick-off from 1 April 2025. We will adapt the delivery plan in accordance with final budget and objective confirmations.

Draft budget 2025-26	Public sector	Housing	Central and other	Total
	£m	£m	£m	£m
People	8.3	6.4	0.4	15.2
Technical support	2.0	6.9	0.0	9.0
Other costs	1.8	2.6	0.7	5.1
Total	12.2	16.0	1.1	29.2

4. Case studies

Manchester Aquatic Centre

With a £2.3 million boost, Manchester Aquatic Centre is turning up the heat on sustainability by installing air source heat pumps to cut its carbon and energy use.

Examples of our projects and schemes

We have supported the installation of multiple technologies, reducing carbon emissions across the public sector and social housing. They include:

Harnessing hydro in Scotland



The Hydro Ness project, led by The Highland Council, has become a symbol of sustainability and community pride in

Inverness. Installed on the River Ness, this innovative hydro scheme generates over 500,000 kWh of renewable energy annually, powering Inverness Leisure Centre and reducing emissions by the equivalent of driving 385,000 miles in an average car. The project was supported by a £980,000+ loan from the Scotland Recycling Fund.

Powering solar in Wales



Aberystwyth University is leading the way in sustainability with a £2.9 million solar array project, reinforcing its commitment to a net-zero estate by 2030-31. The university has been proactive in environmental initiatives, earning it the title of the world's first plastic-free university in 2018. Its new solar array is part of a broader strategy, including LED lighting upgrades, energy management systems and pipework insulation.

Sourcing air heat in Berkshire



Berkshire College of Agriculture took a huge step towards sustainability with a £247,000 heat decarbonisation

project, to help it achieve net zero by 2030. Located on a 450-acre estate, the college has replaced outdated kerosene boilers with air source heat pumps and upgraded its energy management systems to improve efficiency and reduce emissions. It expects to save more than 600 tonnes of carbon over the 20 year lifespan of its new heaters.

Warming homes in west London



RHP Group, working with the London Borough of Richmond upon Thames, is delivering a major retrofit programme in Barnes to improve the energy efficiency of 191 homes. Supported by £2.62 million of Social Housing Decarbonisation Fund, Wave 2.2, it has enhanced housing quality and reduced energy costs for residents. Families will benefit from a range of efficiency measures including insulation, double glazing and solar panels.

Conclusion: delivering decarbonisation in a dynamic world

Over the last twenty years, we have built strong experience and expertise in decarbonisation scheme delivery.

As an organisation, we are confident in our carbon reduction impact into the future. Our scope may change as government decarbonisation plans evolve. Our expertise and experience remain central to meet the UK's carbon targets.

As global dynamics create a turbulent environment in 2025 and the urgent need for decarbonisation accelerates, our focus must be on both relentless delivery and organisational agility.

We need to make a strong impact on the path to net zero.

This journey is one we will take together with our partners and the wider community, collaborating to enhance our collective capabilities and drive the greatest impact.

We are here to help!



Produced by the communications team

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