



Phase 4

Public Sector Decarbonisation Scheme

April - June 2025

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● Today's webinar



- Welcome pack
- Your relationship manager
- Monthly monitoring reports and meetings
- Forecasting
- Payment requests and invoicing requirements
- Conditions
- Change requests
- Minimum recipient contribution
- Application form
- Key actions to takeaway
- Further resources



Phase 4 Public Sector Decarbonisation Scheme

Information pack: single year project delivery guidance

April 2025



Introduction

Congratulations on your successful Phase 4 Public Sector Decarbonisation Scheme (PSDS) application!

The purpose of this document is to provide a summary of the terms of the Public Sector Decarbonisation Scheme grant award and your responsibilities as the grant recipient.

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Your Salix relationship manager

- Your relationship manager is your first point of contact
- Monthly meetings:
 - Update on project status and potential risks to delivery
 - Supporting you with PSDS responsibilities
- Consultants welcome – but the public sector body must be present



What is the PSDS 4 monthly monitoring report (MMR)?

- An Excel report tailored to each PSDS project:
 - Overview of the project status, including risks
 - Forecast for next month's payment request
 - Tracks other PSDS responsibilities
- Due 15th of each month, covering progress made in the previous month
- MMRs required until the project is fully complete
- Multi-year projects with no grant funding allocated in year 1 report quarterly, starting June 13th





What is the monthly monitoring report used for?



- Keeps Salix up to date on your project's progress – the MMR is the primary tool to track delivery and communicate key updates
- Captures forecasted spend so we can draw down funds from DESNZ accurately
- Highlights risks, issues, and any anticipated underspend, helping us support your project early
- Tracks delivery milestones, scope change requests, and progress with conditions. Your updates help us identify common challenges and share learning across projects
- We also report MMR insights to DESNZ to measure the success of Phase 4 PSDS



Forecasting

- Forecast tab maps when you will submit payment requests
- Critical mechanism for determining how much we need to draw down from DESNZ to make your payments
- The MMR deadline (15th of each month) 'locks in' the forecast for a corresponding payment request, to be submitted 5-6 weeks later
- Corresponding payment requests must match the forecast
- Forecast your cashflow as best suits you
- Your grant funding **cannot be increased or moved between years**





MMR demo

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The payment process overview

- Payment requests are typically submitted 5-6 weeks after the forecast submission
- Claims which aren't forecasted cannot be paid
- Payment of grant funding will be on an evidence of need basis

	FY 25/26
	Period 4
Last day to forecast to Salix:	15/05/2025
Last day to submit payment request:	23/06/2025
To receive payment from Salix on:	16/07/2025



Payment request documents

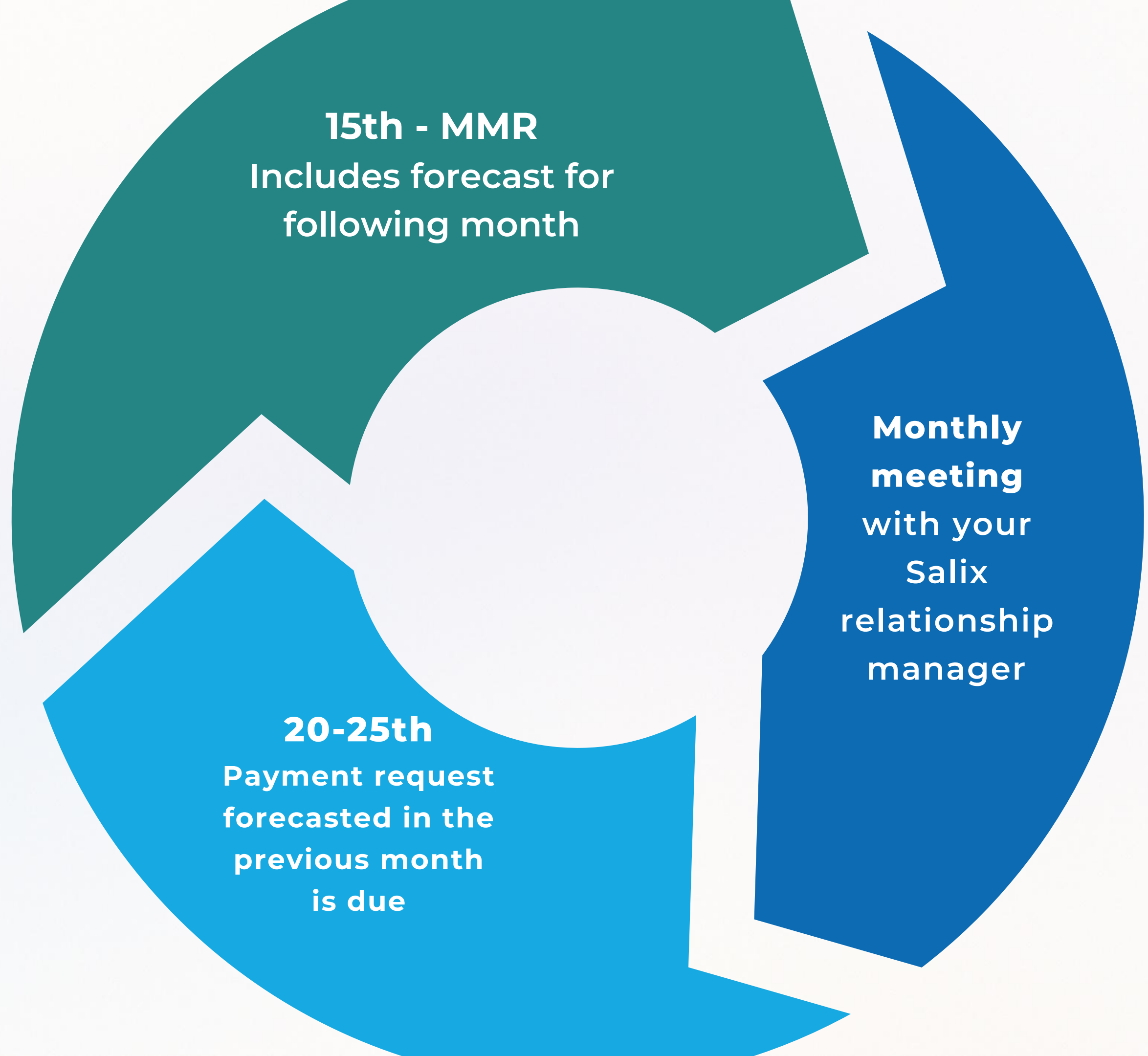
For each payment request we will need:

- Statement of expenditure – **both** Excel & signed PDF
- Invoices listed on the statement of expenditure. Must contain:
 - Reference to PSDS & submission ID (e.g. *PSDS Phase 3c 55000*)
 - Site of works
 - Exact works and capital costs itemised
- Breakdown of works - where the description on the invoice does not explicitly state the works being invoiced for, supporting evidence can be provided. Guidance is available [here](#)
- Schedule 5 payment request form – signed PDF





Phase 4 PSDS monthly cycle



Conditions

- Resolving conditions helps us verify that your project remains eligible.
- Your Grant Offer Letter and MMR list all the specific conditions for your project

Associated milestone	Single year 25/26	Planning year or multi year completing 26/27	Double planning year or multi year 27/28
Project approval	2 June 2025	2 June 2025	2 June 2025
Detailed designs complete	1 October 2025	1 May 2026	1 October 2026
Orders placed	1 December 2025	1 July 2026	1 December 2026
Completed on site/ Final commissioning	2 February 2026	1 February 2027	1 February 2028





- Any significant changes must be assessed by Salix as a change request – for example:
 - Adding or removing a site
 - Changing the low carbon heating technology including the make and model
 - Changing the size of the low carbon heating system
 - Adding **new** building fabric improvements or energy efficiency measures
 - Removing building fabric improvement or energy efficiency measures that save **direct** carbon
 - Increasing or reducing the scope of existing building fabric improvements and energy efficiency measures that save **direct** carbon

Change requests

- Due to the targeted allocation of phase 4 funding, we will not be able to approve changes that would significantly increase the grant carbon cost – a 10% tolerance will be allowed
- Change requests will be processed within 20 working days, subject to all required information being provided



Minimum contribution

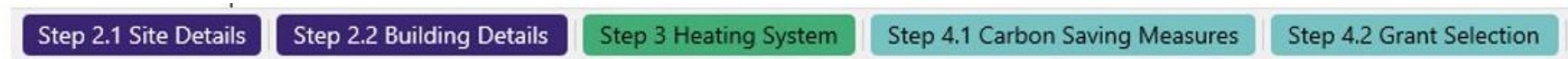
- Your **minimum** recipient contribution is the higher between:
 - 12% of total project costs, **or**
 - the like-for-like costs (a quote for new fossil fuel heating equipment)



Technology Type	Project Value Split (£)	Like-for-like Replacement Costs (£)	Minimum Recipient Contribution as % of project value	Total Project Value (£)	Minimum Recipient Contribution (£)
Energy Efficiency	£0	N/A	12%	£160,617	£34,994
Low Carbon Heating	£160,617	£34,994			

Application form - keep it updated

- PSDS compliancy and eligible grant value are tied to the actual project, not the initial proposal.
- The application form checks for this, so:
 - Consider it a 'live project form'
 - Keep a record of the latest version approved by Salix
 - Keep all sites, technologies and costs updated (Tabs *Step 2.1*, *Step 2.2*, *Step 3*, *Step 4.1* & *Step 4.2*)



- A final updated project form is required for Salix assessment to verify your eligible grant value before your final payment can be made





Delivery advice

- Communicate early with Salix any potential risks to delivery
- Review our [governance guidance](#) to ensure you've established a clear escalation pathway
- Engage early with your Distribution Network Operator (DNO)
- Ensure contractors are informed of invoicing and evidence requirements
- Use the available [procurement resources](#)
- Fraud risk assessment

Working with your DNO

Heat pumps require energy from the National Grid to run – this is done via substations owned and managed by distribution network operators (DNOs)

Tips for working with your DNO on a PSDS project:

- Engage early
- Book onto a surgery
- Keep your RM updated
- Claim back your DNO costs
- Attend Salix's DNO webinars



Key actions to take away

- Please read the information pack - let your relationship manager know if you have any questions
- Review your conditions of funding to be resolved and their due dates. Please also make your consultant / contractor aware of these
- Add a reminder to your calendar that MMRs are due by the 15th of each month.
- Review our invoicing requirements and set up a call with your consultant and contractors to make them aware – [guidance here](#)





Further resources

- Project delivery: support and guidance page [on our website](#). This includes links to specific pages covering the below key topics:
 - Conditions of funding
 - Monitoring reports
 - Change requests
 - Completing your project
- Payments and forecasting [webpage](#)
 - This includes downloads for guidance on topics including breakdown of works, DNO costs, retention costs and vesting certificates



EVENTS

Decarbonisation Dialogue

- 17 July 2025 – and future dates to be confirmed
- It is an online event hosted by Salix
- You can sign up [here](#)

Please look out for future events, including process-specific and distribution network operator webinar. You can subscribe for the latest news from Salix [here](#).



Q & A

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Thank you

Your Salix relationship manager is your best point of contact – they will be on hand to support with any queries you may have throughout the delivery of your Public Sector Decarbonisation Scheme project