

Phase 2 of Scotland's Public Sector Heat Decarbonisation Fund



Scottish Government
Riaghaltas na h-Alba



Agenda

- Meet the team
- Welcome pack
- Your relationship manager
- Monthly monitoring reports
- Forecasting
- Payment requests
- Conditions
- Change requests
- Application form
- Key actions to takeaway

Meet the team

Scotland Delivery team:

- Meabh Poultney – Programme Coordinator
- Brandon Dillon – Programme Coordinator
- Hamzah Qayyoom – Project Management Degree Apprentice

Energy and Carbon Team:

- Jack Howlett – Energy and Carbon Programme Manager
- Anjali Ghedia – Senior Energy and Carbon Analyst



Introduction

Congratulations on your successful Phase 2 Scotland's Public Sector Heat Decarbonisation Fund application.

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

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1. Key points to be aware of

- Your grant award cannot be increased in any circumstances. If your total project cost increases over the course of project delivery, your recipient contribution must increase to deliver the project.
- The grant period for your project is from the grant start date stated in your Grant Offer Letter (the date your Grant Offer Letter was signed and returned to Salix) to the grant end date of 31 March 2026. The grant period cannot be

Your Salix relationship manager

First point of contact

Monthly meetings

Public sector body must be present



What is a monthly monitoring report (MMR)?

- An Excel report customised to each SPSHDF Phase 2 project
- Keeps Salix up to date on your project's progress – the MMR is the primary tool to track delivery and communicate key updates
- Highlights risks, issues, and any anticipated underspend, helping us support your project early
- Due 15th of each month, covering progress made in the previous month
- MMRs are required until the project is fully complete

Forecasting

- Forecast tab maps when you will submit payment requests
- Critical mechanism for determining how much we need to draw down from Scottish Government to make your payments
- The MMR deadline (15th of each month) confirms the forecast for a corresponding payment request, to be submitted 5-6 weeks later
- Forecast your cashflow as best suits you

Period	Reporting on	MMR & Forecast submission deadline	Claim submission deadline	Funds received by
Period 8	1-Aug-25 to 31-Aug-25	15-Sep-25	22-Oct-25	19-Nov-25
Period 9	1-Sep-25 to 30-Sep-25	15-Oct-25	21-Nov-25	17-Dec-25
Period 10	1-Oct-25 to 31-Oct-25	14-Nov-25	06-Jan-26	28-Jan-26
Period 11	1-Nov-25 to 30-Nov-25	15-Dec-25	22-Jan-26	18-Feb-26
Period 12	1-Dec-25 to 31-Dec-25	15-Jan-26	20-Feb-26	18-Mar-26
Financial year 2025-2026 - accruals 1	1-Jan-26 to 31-Jan-26	13-Feb-26	TBC	TBC
Financial year 2025-2026 - accruals 2	1-Feb-26 to 28-Feb-26	13-Mar-26	TBC	TBC

MMR (Guidance & Step 1)

Scotland's Public Sector Heat Decarbonisation Fund (SPSHDF) Phase 2: Monthly Monitoring Report - Guidance



Please read this guidance carefully before completing the Monthly Monitoring Report



Step 1: Measure Progress

Building	Building Name	Description of Work	Postcode	Total Project Cost (£)	Energy Savings Lifetime Saving (kWhs)	Technology	Status



MMR (Step 2: Report)

Step 2: Project Report

Conditions

Organisation name:	
Submission ID:	
Grant value Awarded:	
Date Provided to Salix:	
Reporting period:	
Original expected completion date:	
Name of person completing monitoring report:	
Position in the organisation:	

1. Project Status

Please provide an update on the status of the project, including whether this is on track for completion by the Grant End Date (i.e. 31st March 2026) and the current delivery stage of the project.

Overall status – i.e. compared to the Grant End Date	On track	(Please enter this and all other dates in the following format: DD/MM/YYYY)
Current expected practical completion date		
Comments – where current date differs from original expected completion date		
Total internal project spend to date		
Key updates in period What has changed since your last Monthly Monitoring Report? Have any measures moved from one milestone to the next? Have any of your key risks reduced? Have you taken any steps to reduce the key risks? Are you confident that the full project will complete?		
Focus for next period		

MMR (Step 2.5: Conditions)

Step 2.5: Conditions of funding



Include progress updates on any conditions within GOL that have been satisfied. Please note how you are progressing in satisfying these conditions and any issues in meeting the deadlines agreed. If you have provided information to satisfy a condition, please include the date this was sent in the comments field. If the below cells are red they require updating.

Condition	☒ Original expected discharge date	☒ Milestone Associated	☒ Date expected to be provided to Salix	☒ Condition Status	☒ Progress in satisfying condition/ comment

MMR (Step 3: Forecasting)

Step 3: Project Programme Forecast

Organisation Name:	0	Grant allocation:	£0.00
Project Reference:	0	Has the Forecast changed since your previous report?	Yes
Date completing forecast:		Year to date actual:	£0.00 #DIV/0!
Name of person completing forecast:		Remaining forecasted grant:	#DIV/0!
Position in the organisation:		Funding still to forecast:	£0.00 #DIV/0!
		Current expected practical completion date:	

The table below needs to be populated with the forecasted payment requests you expect to submit to Salix. The table shows the final date to forecast a payment request to Salix each month and the final date when you must submit the corresponding payment request and supporting evidence to secure payment. Forecasts must be completed by the 'Last day to Forecast to Salix' date in order to guarantee payment and the subsequent payment request should match the forecast.

Please only forecast a payment in a period if you will be able to submit evidence of need, such as invoices, for the payment by the 'Last day to submit payment request' date. There is no requirement to add a forecast in each month and inaccurate forecasting may impact our ability to make payments to you.

The total forecast should add up to your Salix grant allocation unless you have an underspend which you have notified Salix of.

	FY 24/25 Accruals	FY 25/26 Period 1	FY 25/26 Period 2	FY 25/26 Period 3	FY 25/26 Period 4	FY 25/26 Period 5	FY 25/26 Period 6	FY 25/26 Period 7	FY 25/26 Period 8	FY 25/26 Period 9	FY 25/26 Period 10	FY 25/26 Period 11	FY 25/26 Period 12	FY 25/26 Accruals	FY 25/26 Accruals		
Forecast vs Claimed vs Actual:	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
Last day to forecast to Salix:	10/03/2025	14/02/2025	14/03/2025	15/04/2025	15/05/2025	13/06/2025	15/07/2025	15/08/2025	15/09/2025	15/10/2025	14/11/2025	15/12/2025	15/01/2026	TBC	TBC		
Last day to submit payment request:	17/04/2025	21/03/2025	23/04/2025	22/05/2025	23/06/2025	23/07/2025	22/08/2025	22/09/2025	22/10/2025	21/11/2025	06/01/2026	22/01/2026	20/02/2026	TBC	TBC	Total	payments made per
To receive payment from Salix on:	28/05/2025	16/04/2025	21/05/2025	18/06/2025	16/07/2025	20/08/2025	17/09/2025	15/10/2025	19/11/2025	17/12/2025	28/01/2026	18/02/2026	18/03/2026	TBC	TBC		
Project approval																£0.00	£0.00
Designs complete																£0.00	£0.00
Out to tender																£0.00	£0.00
Tenders complete																£0.00	£0.00
Orders placed																£0.00	£0.00
Works in progress on site																£0.00	£0.00
Completed on site																£0.00	£0.00
Final commissioning																£0.00	£0.00
Total	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00		
% of total grant																0%	
	ON FORECAST	£0.00												ON FORECAST			

Payment process overview

- Payment requests are submitted 5-6 weeks after the forecast submission
- Claims which aren't forecasted cannot be paid
- Grant funding must be claimed from Salix by 31 March 2026, so all invoices would need to be dated before 31 March 2026
- Payment of grant funding is on an evidence of need basis

	FY 25/26
	Period 10
Last day to forecast to Salix:	14/11/2025
Last day to submit payment request:	06/01/2026
To receive payment from Salix on:	28/01/2026

For each payment request you will need:

- Statement of expenditure – Excel
- Invoices listed on the statement of expenditure, must contain:
 - Reference to Phase 2 Scotland's Public Sector head Decarbonisation Fund & submission ID
 - Site of works
 - Exact works & capital costs itemised
- Breakdown of works – where the description on the invoice does not explicitly state the works being invoiced for.
- Signed Schedule 5 payment request form
- Proof of Payment

www.salixfinance.co.uk

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- www.salixfinance.co.uk

For each payment request you will need:

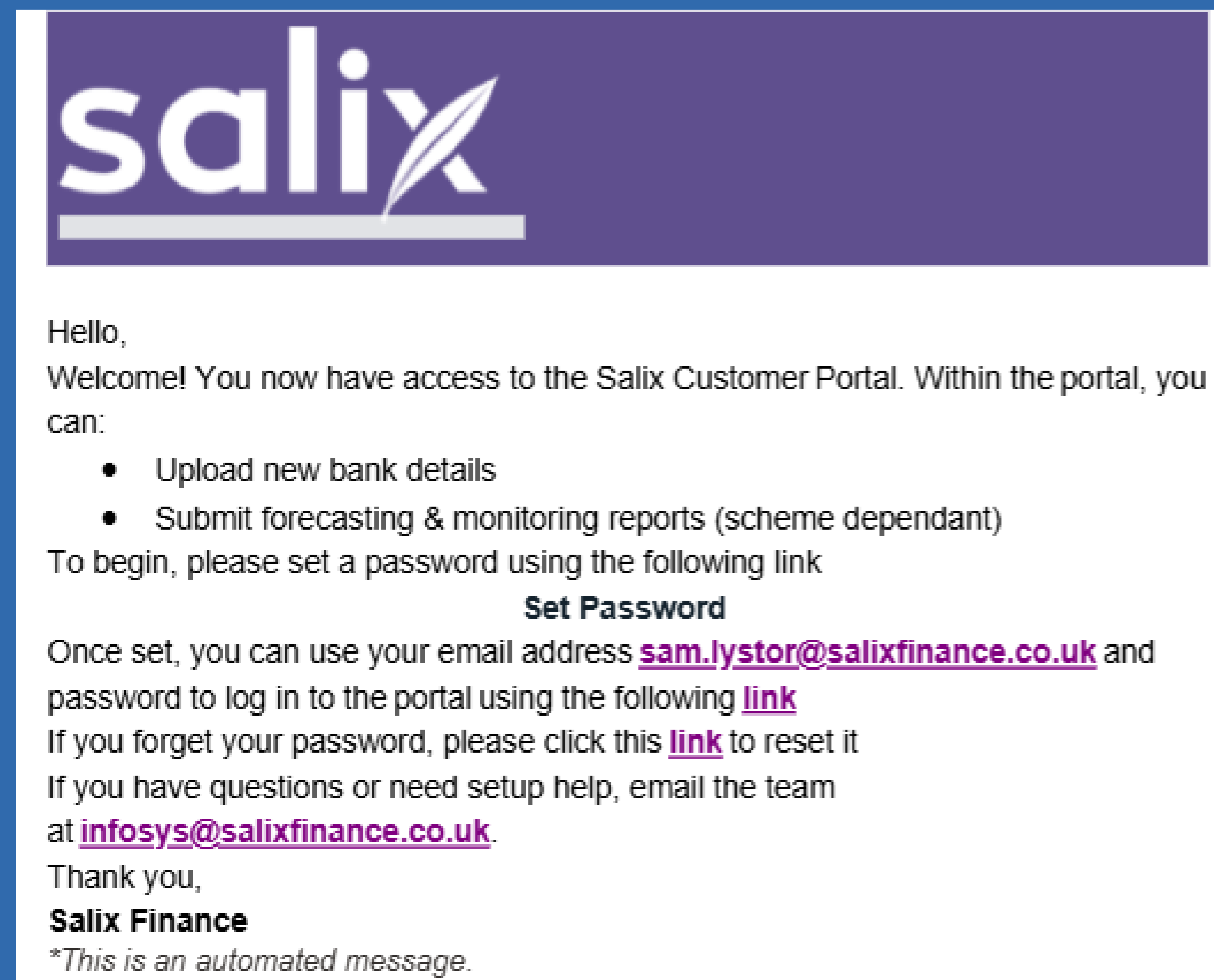
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Submitting bank details

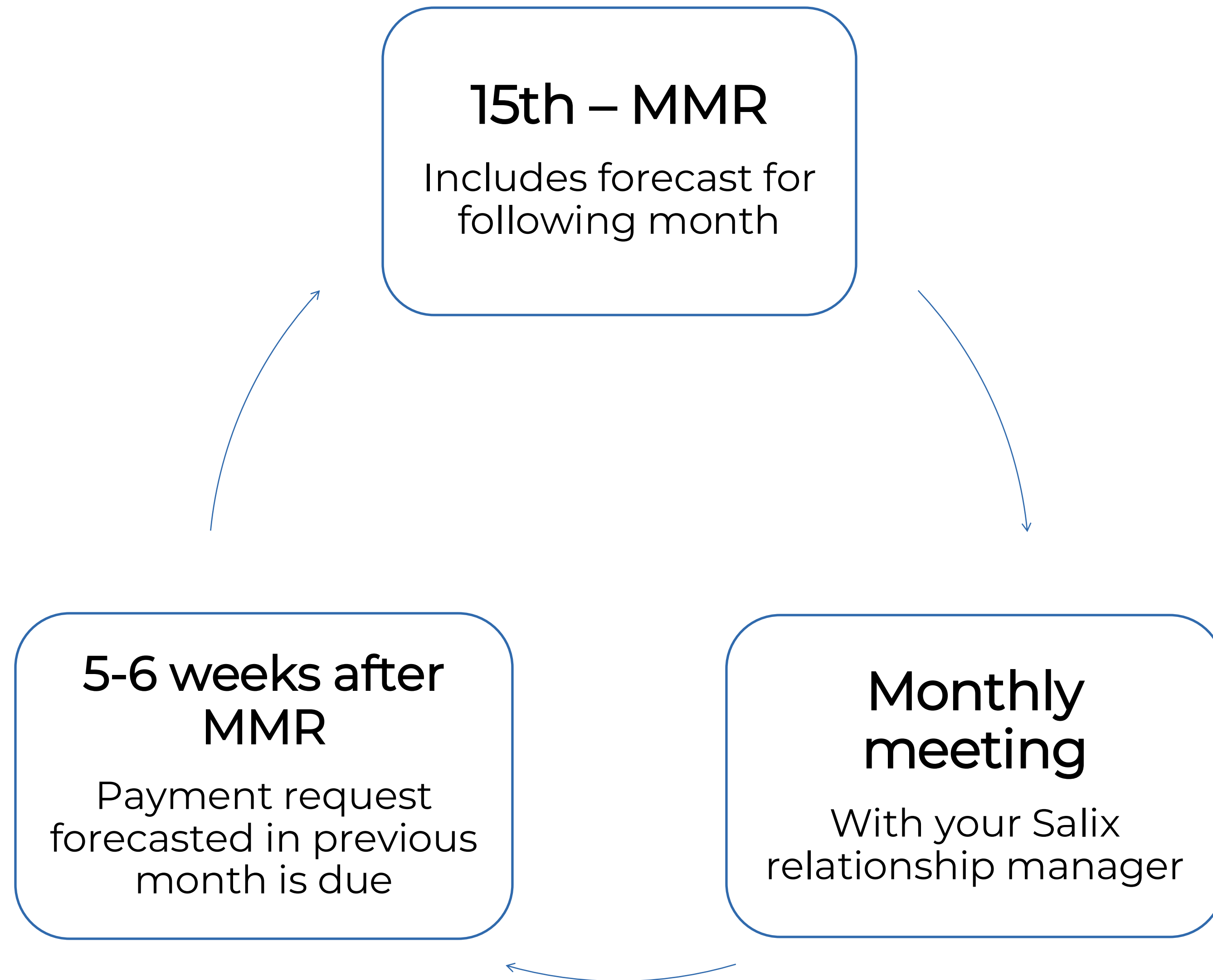
Bank details will need to be completed via NetSuite:

- The main contact will receive an email notification detailing how to access the portal. This will last 72 hours, please ensure this is completed promptly.



- Once logged in, the scheme can be selected (SPSHDF2), address and bank details.
- Evidence to support the bank details can be uploaded using the 'submit files' button.
- This will be validated with Creditsafe once submitted, which takes 15 seconds.
- If validation fails, an error message will be shown to give you the chance to correct this.

SPSHDF monthly cycle

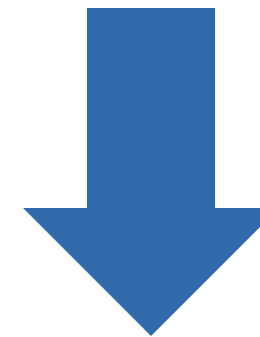


Conditions

- Conditions are set to ensure essential information, not provided at initial assessment, is provided throughout delivery of the project
- Your Grant Offer Letter and MMR list all the specific conditions for your project

Associated milestone	Expected discharge date
Project approval	01/10/2025
Detailed designs complete	12/11/2025
Orders placed (Out to tender, tenders complete & works in progress on site)	10/12/2025
Completed on site (Final commissioning)	11/02/2026

- The **minimum** client contribution is **20%** of total project costs
- The applicant contribution total value must be evidenced in the applicant's final payment statement of expenditure



Carbon Cost Ratio £/tCO ₂ e LT (Reference Point)	Minimum Client Contribution as a Proportion of Total Project Costs	Minimum Client Contribution
£450	20%	£761,652

Minimum contribution

Change requests

- Any significant changes to your project must be submitted as a change request
- Change requests will be processed within 20 working days, subject to all required information being provided
- The deadline for submitting a change request will be **Friday 5th December 2025**
- For this phase of SPSHDF, we will allow a **10%** increase of the original GOL Carbon Cost Ratio

Type of change
Site replacement or removal
Changing the clean heating system technology
Changing the size/make/model of the clean heating system
Adding new building fabric improvements or energy efficiency measures
Removing building fabric improvements or energy efficiency measures
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

Supporting evidence required	Site change		Changes to the clean heating system			Changes to energy efficiency measures saving direct carbon (e.g. insulation, BMS)		Changes to energy efficiency measures saving indirect carbon (e.g. PV, LEDs)	
	Site replacement	Site removal	Changing type (e.g. GSHP → ASHP)	Changing size	Changing make or model	Substituting measures	Removing /changing scope of measures	Substituting measures	Removing /changing scope of measures
Change request form	✓	✓	✓	✓	See below	✓	✓	✓	
Updated application form	✓	✓	✓	✓	✓	✓	✓	✓	✓
Energy savings calculations	✓		✓	✓	Required if Salix determines the changes sufficiently substantial	✓	✓	✓	
Updated project programme	✓		✓	✓		✓	✓	✓	
Updated risk register	✓		✓	✓		✓	✓	✓	
Updated cost evidence	✓		✓	✓		✓	✓	✓	
Data sheets	✓		✓	✓		✓		✓	
Updated peak heat loss calculations	✓					✓	✓		
Updated schematics	✓		✓						
Feasibility study (including options appraisal)	✓		✓			✓		✓	
Polluting heating system reaching reasonable service age evidence	✓								
Energy consumption data (EPC's, bills, meter readings)	✓								

Application form

- Your approved application form contains all the information that has been assessed in accordance with the eligibility criteria for SPSHDF
- Therefore, it is important your application form is up to date:
 - Ensure your copy is a 'live' form copy with any updates sent to Salix
 - Keep a record of the latest version approved by Salix
 - Ensure all sites, technologies, costs and energy savings are updated (Step 2.1, Step 2.2, Step 3 & Step 4)

 Step 2.1 Site Details

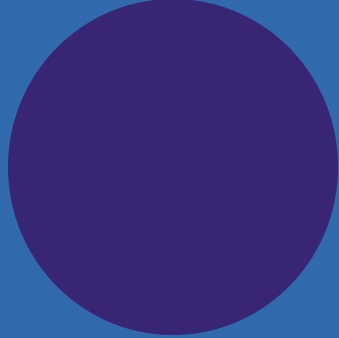
 Step 2.2 Building Details

 Step 3 Heating System

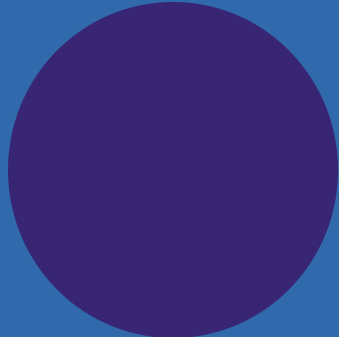
 Step 4 Support Tool

All projects will need to submit a final application form as part of their final condition prior to the final grant payment. This must contain final costs and energy savings.

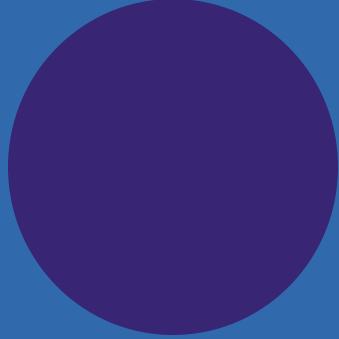
Key actions to take away



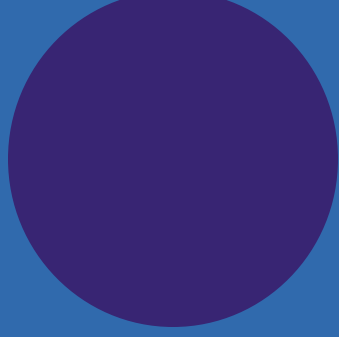
Please read the information pack – let your RM know if you have any questions



Review your conditions of funding outlined on your GOL. Ensure you and your consultant / contractor are aware of the date they are due



Review our invoicing requirements and set up a call with your consultant and contractors to make them aware - [guidance here](#)



Add a reminder to your calendar that MMRs are due by the 15th of each month – make sure you have booked a monthly meeting with RM

Further resources

- Phase 2 SPSHDF page [on our website](#) includes links to specific pages covering the below key topics:
 - Change requests
 - Conditions of funding
 - MMR & forecasting
 - Payment process
- Other pages and key downloads for grant recipients:
 - Breakdown of works
 - Commissioning & Retention costs guidance
 - Completing you project page
 - Frequently asked questions



Thanks for listening

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 Phase 2 Scotland's Public Sector Heat Decarbonisation fund project.