

Public Sector Decarbonisation Scheme Guidance: Delayed project completion

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Introduction

The purpose of this document is to provide guidance on what is required if your project will not complete by the grant end date stated in your Grant Offer Letter.

This guidance will set out the steps to be followed at two key stages: the end of the financial year (grant end date) and on practical completion of your project.

Please note: Separate guidance is available for projects following the *standard completion process* i.e. where all works will be commissioned and operational by the grant end date.

What is a delayed completion?

Projects are defined as delayed completions when they will not reach practical completion (i.e. all works are commissioned and operational) by the grant end date and the grant recipient has committed to fund any remaining works required to complete the project beyond the grant end date. This includes projects where the works are completed on site but the DNO connection and/or commissioning are still to take place.

Key principles

Where project completion is delayed, an extension to the practical completion date may be approved on a case-by-case basis. Please note, Public Sector Decarbonisation Scheme funding can only be used for project activities completing within the grant period.

Funding for project activities taking place after the grant end date will need to be covered by your public sector body from alternative sources in order to complete the project to the agreed scope.

As the Public Sector Decarbonisation Scheme will account for, and report on, all the carbon savings from the project, you will be bound by the terms and conditions of the grant until full practical completion and commissioning of the project is achieved. This will include submission of quarterly monitoring reports as per the Schedule 4 of your Grant Offer Letter.

What should we do if our project is delayed?

Please notify your relationship manager as soon as possible if there is an issue affecting your original project programme or a risk that the project will be delayed beyond the grant end date.

To review and approve an extension to the practical completion date, we will require a letter signed by your authorising official, providing written confirmation of:

- the measures affected by the delay
- the reasons for the delay
- the expected completion date (when all measures in the project scope will be fully commissioned and operational)

- that any spend required to complete the project to the agreed scope after the grant end date will be covered by the public sector body using alternative funding sources.

Salix requires that 10% of the total grant value is withheld until the final payment. This retention ensures that the project complies with scheme requirements and that the final eligible grant value is verified upon completion.

Please note, before final payment can be released and any extension to your practical completion date considered, all conditions outlined in your Grant Offer Letter must be fully resolved. This is necessary to provide assurance of the project compliancy and verify the final eligible grant value. This includes an updated application form/project form with all costs and energy savings figures updated. Projects that have not reached a reasonable milestone with finalised detailed designs and firm project cost estimates are unlikely to be approved to follow the delayed completion process, given the outstanding uncertainty of the final project scope and compliancy with the scheme criteria.

Subject to review, a Grant Amendment Letter will be issued confirming Salix approval of the revised practical completion date and outlining the ongoing monitoring requirements along with any additional conditions.

Claiming your final grant payment

For any projects following the delayed completion process, all of the below documents must be provided in order to claim your final payment at the grant end date:

1. **Evidence to support the closure of all outstanding conditions** from the Grant Offer Letter or Grant Amendment Letter (see 'Addressing grant conditions' section below)
2. **A letter signed by your authorising official** confirming the revised expected completion date, the reasons for the delay and that the works will be completed to the agreed scope using alternative funding sources
3. **An updated application form/project form** with accurate data for the project costs, energy savings calculations and buildings details, to confirm the expected carbon savings on completion and verify your final eligible grant value
4. **Invoices*** to evidence eligible Public Sector Decarbonisation Scheme spend
5. **A signed schedule 5** payment request
6. **A final statement of expenditure:** this should cover all the costs included as part of the final grant payment request and your minimum recipient contribution to date. Any retention or commissioning costs being claimed should also be itemised on the final statement of expenditure.

Where available:

7. **Invoices to evidence your minimum recipient contribution** to the project costs for the final scope of works (equivalent to the costs of replacing the existing fossil fuel system with a like-for-like system or 12% of the total project costs, whichever is higher). Please refer to 'Step 4 Support Tool' in your application form/project form or contact your Salix relationship manager to confirm the amount required to be evidenced. For further guidance on like-for-like costs please see the specific guidance sheet available to download from our website.
8. **Practical completion certificates**, where available

9. **Photographic evidence** of installation of measures completed to date, where available

***Invoices**

- These should either be dated on or before 31 March or, if dated after, clearly specify in the itemised breakdown on the invoice itself that the works were completed within the grant period
- Other types of evidence may be accepted on a case-by-case basis

The only exceptions where the final grant payment may cover costs incurred after the grant end date relate to retention payments. Detailed guidance documents on how retention can be claimed from your Public Sector Decarbonisation Scheme grant are available on the ['Forecasting and requesting grant payments'](#) page on our website.

Please note that retention costs can only be claimed in your final payment and this will be followed up by Salix in post-completion monitoring to confirm any retention has been paid to third parties.

Addressing grant conditions

Specific grant conditions relating to your project are outlined in Schedule 2 of your Grant Offer Letter. If you have received a Grant Amendment Letter following a change request, please also ensure any additional conditions listed in this letter have been addressed. Resolving these conditions ensures that Salix have completed all due diligence checks to confirm that the project meets the scheme criteria. These must be submitted for review and resolved to verify the final total eligible grant value before final payment can be made.

We advise submitting this information as early as possible so that these checks can be completed before they are able to impact on final payment. Please note we require a minimum of 20 working days to process documents prior to submitting a payment claim as this allows time for queries to be raised and responded to.

Resolving all conditions, including providing your latest updated application/project form, is a requirement even if your project is delayed beyond the grant end date, to provide assurance of the eligible grant value prior to final payment and mitigate the risk of funding reclaim.

To ensure the efficient assessment of conditions and timely processing, the information provided to clear your project's conditions must be final and meet the required standards. It is crucial that you provide accurate and complete data to facilitate a swift assessment by our technical team or external assessors. Any information that does not meet the specified standards will be rejected, posing a risk to your final grant payment. Late submission of overdue conditions risks us being unable to assess these in time, putting your final payment at risk. For projects with grant end date 31 March 2026, if overdue conditions relating to the pre-final commissioning milestones remain outstanding by 30 January 2026 there is a risk we will not have time to assess and, if required, query the evidence provided. Therefore, putting your final payment at risk. Please contact your relationship manager if you have any issues with submitting your conditions.

Project closure requirements

Once your project has fully completed and commissioned, you are expected to provide the below documents within five working days in order to close the project:

1. **A final monitoring report**, confirming the practical completion date and with the status of all measures listed in 'Step 1 Measure Progress' marked as 'commissioned and operational'
2. **A final updated application form/project form** with accurate data for the final project costs, energy savings calculations and building details, to confirm the expected carbon savings on completion and verify the final eligible grant value
3. **A final statement of expenditure** with all three steps completed
4. **Invoices to evidence payment of your minimum recipient contribution** for the final scope of works. This is the equivalent of 12% of the total project costs or the cost of replacing the existing fossil fuel heating system with a like-for-like system – whichever is higher. Please refer to 'Step 4 Support Tool' in your application/project form or contact your Salix relationship manager to confirm the amount required to be evidenced
5. **Boiler decommissioning certificates**
6. **Commissioning certificates** for each Public Sector Decarbonisation Scheme funded measure (or warranty certificates, operation & maintenance manuals)
7. **Practical completion certificates**
8. **Photographic evidence** of installation and completion of key measures (sufficient photographs of the installed kit – including close ups of serial numbers/name plates where possible and images that indicate the location of installed measures)

Final project closure and post completion annual reporting

Once the above steps have been completed and we have completed our review of the information provided, you will receive a letter confirming project closure.

This letter details the process for annual carbon reporting of your project, which is required for three years to assess whether the Public Sector Decarbonisation Scheme funded measures are achieving the expected outcomes. You must also report when you have made any retention payments to your contractor, if applicable. We will ask you to confirm who will be responsible for providing the annual carbon report and retention evidence, so that we can contact them when the information is due to be submitted.

For more information on this process, please check our website or contact your Salix relationship manager.

Further guidance

Detailed guidance on the below completion requirements is available on our [website](#).

- Boiler decommissioning certificates
- Commissioning certificates
- Practical completion certificates
- Photographic evidence
- [Requesting final 2025-26 payment from Salix](#)