



Public Sector Decarbonisation Scheme Guidance: Payment request evidence

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Introduction

Public Sector Decarbonisation Scheme (PSDS) grant funding can only be drawn down on an evidence of need basis and must be used for works related to measures within the approved project scope, as set out in the original application form or any subsequently approved change request.

What is eligible expenditure?

Eligible expenditure is defined as the expenditure incurred by the grant recipient for the purpose of delivering the project in accordance with the project programme, grant application and grant agreement, and which complies with all eligibility requirements. The only costs that will be regarded as eligible expenditure are those specific items of expenditure set out in your project programme. Eligible expenditure only covers costs where you have received the equivalent value in works or goods from the supplier or contractor e.g. the works have already taken place or equipment orders have been placed.

Your PSDS grant is for the capital project, and only capital expenditure can be claimed against the grant. Enabling works and associated project costs such as surveys, design fees, quantity surveying fees, project management fees, site set up fees and other reasonable costs may be included. Please see the salary costs section of this document for further information on project management fees.

What evidence should we provide for a successful payment request?

To enable assessment of your payment request, you must provide sufficiently detailed invoices and if necessary, supporting evidence in the form of a breakdown of works or valuation for each invoice.

You must evidence each payment request with either:

- An invoice where a breakdown of works is directly itemised and specified within the invoice, or
- An invoice and accompanying supporting documentation where the breakdown of works is itemised and the supporting documentation can be clearly linked to the invoice

To ensure good stewardship of public money and to meet audit requirements, your relationship manager will carefully review each payment request to ensure costs being claimed for are valid.

It is your responsibility to ensure that all evidence provided contains a satisfactory level of detail to submit a payment request. If the level of detail provided is not sufficient, your relationship manager will reach out to you to request further information. If you cannot provide satisfactory supporting evidence prior to the



payment deadline, then the payment request will be rejected and need to be re-forecast for a future payment period.

Breakdowns or valuations must be formal documentation issued by the contractor or third party as supporting evidence for a claim. This documentation should clearly outline the technologies, associated works, or services being claimed. It should include key details such as the site, make and model, capacity of the technology, number of units, unit cost and total cost. We **cannot** accept this information via an email explanation.

What types of evidence can we submit?

For every payment request, our preferred evidence to demonstrate expenditure incurred is **invoices**. Evidence submitted must clearly demonstrate the need e.g. that the costs have been incurred by you as the public sector body.

Where limited detail is provided in an invoice, you can provide further detail in supporting documentation such as:

- Application for payment (where this lists the works),
- Valuation breakdowns

Other evidence may be accepted on a case-by-case basis and should be discussed with Salix relationship manager **prior** to payment request submission. Any form of supporting evidence must be able to be clearly linked to the invoice.

Do you have examples of evidence that will not be accepted?

We have built experience of different types of evidence that may be submitted as supporting evidence for payment claims. The following forms of evidence have been confirmed to be insufficient and in no circumstance will be accepted as part of a payment request:

- Letter of intent
- Statement of fact
- Written letters from contractors to support invoices

Please note that this list is not exhaustive and we reserve the right to query all evidence submitted.

What level of detail is required?

To claim a PSDS payment from us, you must provide supporting information to evidence your payment request (in most cases this should be invoices) with the following detail:

- Addressed to you as the public sector body grant recipient
- Dated within the grant scheme start and end date
- Reference the PSDS scheme and/or your PSDS project's submission ID
- The exact site or building where the works took place, with costs broken down by site where more than one site's costs are included in the invoice



- The evidence clearly states the exact works which have taken place broken down by technology

The only exception to this is for costs which are not technology specific, such as design costs, staff costs, project management costs or surveys

- The evidence clearly states the cost of each measure broken down by line
- Where costs relating to preliminaries exceed 10% of the in-year grant value and are not itemised or broken down, supporting information detailing the costs is provided
- The evidence clearly states the site where the works have taken place
- Each of the sites listed on the evidence match your approved Project Form
- The works are associated with measures included in your Project Form
- The evidence is for works which match the progress reported in your most recent monthly monitoring report
- The evidence is for eligible expenditure according to the scheme criteria
- All evidence should be submitted as separate documents in PDF format. Breakdowns and valuations may be accepted in Excel format to support the invoices, but these must be clearly from your contractor or consultant and may be queried for more detail
- Detailed description of the exact works linked to a specific measure in the application/project form
e.g. installation fees for 125Kwp solar PV, orders placed for 2x 12kw Mitsubishi air source heat pumps
- For orders placed, the technology, manufacturer and number of units should be specified

e.g. supply of 2x 11.2kW Mitsubishi air source heat pumps

Examples of suitable invoices and supporting evidence can be found at the end of this document.

You are expected to share these requirements with your consultants and contractors from the start of your project or before your first payment request to ensure evidence is correctly detailed for your first claim and all future payment requests.

Please note:

- If any of the above isn't clear on an invoice, you must provide accompanying supporting information which details the above information in a separate document.
- In the case that information and evidence is provided, your payment claim may be rejected. Your Salix relationship manager will inform you of this and discuss feedback and next steps.



A meeting with your finance department can be arranged if necessary to explain the requirements in more detail.

Can we claim salary costs?

Project management and salary costs can be claimed if;

- The cost is capitalised by you as the public sector body to the project being funded by the grant in your accounting system. For example, the costs are included as part of the value of the technology being installed
- You can provide evidence of how you have treated the costs in your accounting system

If the cost has been treated as expenditure in the year i.e. revenue expenditure and not as part of the long-term value of the asset being installed, then you cannot claim this from your grant.

To support any claim for salary fees you must provide:

1. Written confirmation from your chief financial officer, director of finance or authorising official that salary fees have been capitalised against the project, including an explanation of how these are accounted for
2. Copies of the timesheets for all the hours that are being claimed, demonstrating they are related to your PSDS project
3. Evidence of transfer of funds internally

Other internal costs could also be considered eligible expenditure if the costs can be proven to be capitalised to the project:

- Internal planning costs
- Other departmental costs
- Internal contractors

Please note this list is not exhaustive so please speak to your relationship manager if you have an internal cost you would like to claim.

In such cases, we will request the following as additional evidence:

- Evidence of transfer of funds
- Copies of timesheets (if relevant)
- Written confirmation from your authorising official that the works are capitalised against the PSDS project only

Further guidance

Separate guidance documents are available on our website to support you in submitting payment requests for costs including equipment orders, Distribution Network Operator upgrades and retention.

Examples:

A. Invoice:

An invoice can be submitted on its own if it clearly describes the type of works and associated costs linked to your PSDS project.

Invoice Number

<123 Street Address, City,
Region, Post code>

<Website, Email Address>

<Phone Number>

INVOICE

LOGO

Company details invoicing grant recipient
(contractor/sub-contractor/consultant/supplier...)

BILL TO

<Contact Name>

<Client Company Name>

<Address>

<Phone, Email>

SHIP TO

<Name / Dept>

<Client Company Name>

<Address>

<Phone>

Addressed to Public Sector Body Grant Recipient

Invoice number

Invoice No: #INV00001

Invoice date within grant start and grant end date

Invoice Date: 01/11/2023

Due Date: 01/12/2023

	DESCRIPTION	QTY	UNIT PRICE	TOTAL
School A:	Reference to site. Works should be attributed to relevant site			
	Heat Pump	Pipework and emitter surveys	1	10,000.00
Design Works	Solar PV	Planning application Solar PV	1	4,000.00
		Roof Structural Survey	1	1,000.00
Orders Placed	ASHP	10.2kW Mitsubishi	2	8,000.00
School B:				
Installation	ASHP	6th stage payment for pipework and electrical installations	1	9,500.00
All works above in association with (Grant Recipient)'s PSDS3(x) (Submission ID) Scheme				Mention of PSDS Scheme and Submission ID#
				-
				-
				-
				-
				-
SUBTOTAL				32,500.00
DISCOUNT				0.00
SUBTOTAL LESS DISCOUNT				32,500.00
TAX RATE				20.00%
TOTAL TAX				6,500.00
SHIPPING/HANDLING				0.00
Balance Due				£ 39,000.00

Terms & Instructions

<Add payment instructions here, e.g: bank, paypal...>

<Add terms here, e.g: warranty, returns policy...>



B. Invoice with supporting cost breakdown

Invoicer Name

<123 Street Address, City,
Region, Post code>

<Website, Email Address>

<Phone Number>

INVOICE



BILL TO

<Contact Name>

<Client Company Name>

<Address>

<Phone, Email>

SHIP TO

<Name / Dept>

<Client Company Name>

<Address>

<Phone>

Invoice No: #INV00001

Invoice Date: 01/11/2023

Due Date: 01/12/2023

[illegible]

This invoice alone would not be accepted as it does not meet the criteria

	SUBTOTAL	21,000.00
	DISCOUNT	0.00
SUBTOTAL LESS DISCOUNT		21,000.00
	TAX RATE	20.00%
	TOTAL TAX	4,200.00
SHIPPING/HANDLING		0.00

Balance Due £ 25,200.00

Terms & Instructions

<Add payment instructions here, e.g: bank, paypal...>

<Add terms here, e.g: warranty, returns policy...>

