

Public Sector Decarbonisation Scheme Guidance

Version 1.0

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1. The Public Sector Decarbonisation Scheme

The Department for Business, Energy and Industrial Strategy (BEIS) has launched the Public Sector Decarbonisation Scheme (referred to in this document as “the Grant Scheme”). The Grant Scheme will be delivered by Salix Finance. The Grant Scheme will allocate £1bn of grant funding which strongly aligns with BEIS’ mission and priorities: fighting coronavirus, backing business, unleashing innovation and tackling climate change. The scheme will encourage green investment aligning with the Government’s Net Zero and clean growth goals.

The Grant Scheme will be available for capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings including central government departments and arm’s length bodies in England.

The Grant Scheme will:

- Deliver stimulus to the energy efficiency and low carbon heat sectors, supporting jobs
- Deliver significant carbon savings in the public sector

The Grant Scheme allows Public Sector Bodies (PSBs) including eligible central government departments and their arm’s length bodies to apply for a grant to finance up to 100% of the costs of capital energy saving projects that meet the scheme criteria (eligible bodies and scheme criteria are defined in section 5 Eligibility Criteria).

Salix welcomes applications to be submitted as soon as the project scope is designed and approved by the eligible body.

The Grant Scheme will be supported by the Public Sector Low Carbon Skills Fund. This fund (see Section 3) is available to fund all eligible organisations which need support to develop applications, or deliver projects which secure funding from the Grant Scheme. This fund means that no eligible body is prevented from putting forward a project through lack of project development resources.

Please note this Grant Scheme has different criteria and requirements to the existing [Salix Energy Efficiency Loan Scheme](#). If you’re not sure which to apply for, please get in touch for advice.

2. Support and advice

The Salix website has an area dedicated to the Grant Scheme which is found [here](#). Please refer to this webpage for the most up to date information regarding key dates.

Salix has vast experience from supporting the public sector to apply for over 18,000 energy efficiency and low carbon projects over the past 16 years. Salix have specialised programme teams for different areas of the public sector, as well as an in-house Technical Team.

We are happy to speak with you about a potential project prior to application, so please do get in touch to discuss your ideas.

All Grant Scheme enquiries should be sent by email to grants@salixfinance.co.uk. Salix aim to reply to all emails within 24 hours.

3. The Public Sector Low Carbon Skills Fund

In addition to the support provided by Salix for completing the Grant Scheme application, there is also the Public Sector Low Carbon Skills Fund (referred to as the “Low Carbon Skills Fund”), which will provide grants to help all eligible public sector bodies to engage specialist and expert advice to identify and develop

energy efficiency and low carbon heat upgrade projects for non-domestic buildings and then prepare robust and effective applications to the Grant Scheme.

There is also funding available (subject to an application process) for eligible organisations to secure support needed to deliver their project, and to either put in place or improve their Heat Decarbonisation Plan (more information on this Plan can be found in Section 5.2). If you wish to access these two additional funding opportunities through the Low Carbon Skills Fund, please indicate what funding you wish to access on the Grant Scheme Application Form. Salix will work with you to develop an application for this additional support.

More information about how to apply, and timescales, can be found on the dedicated Salix webpage [here](#). Any questions or enquiries for the Low Carbon Skills Fund can be sent to PSLCSF@salixfinance.co.uk.

4. Key dates for submitting applications

The £1 billion Public Sector Decarbonisation Scheme is time limited. There are important dates for all eligible bodies to be aware of in order to meet the deadlines for submitting applications. Applications will only be considered subject to available funds.

Applications are open to all eligible organisations from **Wednesday 30 September 2020**.

The closing date for applications is dependent on the type of eligible organisation that you are.

Public sector bodies which will require funding to be transferred between Government Departments at Supplementary Estimates must submit their applications no later than **Monday 9 November 2020**. (This date is driven by the need to ensure funds can transfer from BEIS to the relevant government department on time.)

For all other eligible organisations, the closing date for the submission of applications is **Monday 11 January 2021**.

All other eligible bodies that wish to have their project assessed before the end of 2020, must submit their application by Friday 11 December 2020.

Waiting for the results of an application for funding can be a challenge and therefore because we recognise that applicants want to know as soon as possible if funding has been agreed, the following timetable explains how the assessment of applications will be completed:

Applications submitted by:	Applications assessed by:
Monday 12 October 2020	Friday 30 October 2020
Monday 26 October 2020	Friday 13 November 2020
Monday 9 November 2020	Friday 27 November 2020
Monday 23 November 2020	Friday 11 December 2020
Monday 11 January 2021	Friday 29 January 2021

Salix will assess applications and award funding on a rolling basis. Salix expects to inform applicants and award funding to successful Applicants within 3 weeks of their Application being submitted. This will be dependent on all required information being submitted at the time of application.

Projects should aim to be completed by 31 March 2021 if possible.

Projects that cannot be completed by 31 March 2021 should be completed by 30 September 2021.

Salix will prioritise assessing and approving funding for projects that have an early completion date. Project delivery must then align with this completion date to remain compliant.

Public Sector Decarbonisation Scheme – Application Guidance Notes | September 2020

5. Eligibility criteria

5.1 Who can apply?

Those who are eligible to apply for the Grant Scheme and are referred to in this document as the “the Eligible Body” or the “Applicant”:

- Central government departments and their arm’s length bodies (set out in Public Bodies¹ as published by the Cabinet Office)
For central government departments where their roles are reserved (i.e. not devolved to Scottish or Welsh Governments or the Northern Ireland Executive), funding may be used for estates located anywhere within the UK;
- Emergency services;
- Institutions of further and higher education;
- Local authorities;
- Maintained schools within the state education system, including academies, Multi-Academy Trusts and free schools;
- Nursery schools maintained by a local authority;
- NHS Trusts and Foundation Trusts;
- Non-departmental public bodies.²

A joint application can be made for more than one eligible public sector body. In this case, a lead Applicant should be agreed, who will submit the application on behalf of the group. All measures within a group application can be entered onto a single Application Form.

Any energy savings resulting from projects funded by this Grant Scheme should benefit the eligible body. Eligible technologies that do not have direct financial or carbon savings are exempt from this requirement.

An example of an ineligible project would be an outsourced estate management contract in which the outsourced supplier pays the energy bills and would benefit from any savings achieved from the project. However, if the energy bill was to pass through an Applicant under the contract, and the Applicant benefitted from the energy savings, then the project would be eligible.

Exclusions: Public Corporations are not eligible. Registered charities are also not eligible, unless they are also non-departmental public bodies as defined by the Cabinet Office. Private sector organisations are not eligible for any funding through the scheme. Social housing is not eligible to apply for the Grant Scheme. For information regarding the £50m Social Housing Decarbonisation Fund Demonstrator, see [here](#).

5.2 Project criteria

The purpose of this Grant Scheme is to help make eligible buildings more energy efficient and install low carbon heating measures, for example insulation, glazing, heating controls, and heat pumps.

Eligible technologies are split into 4 different categories, which are explained further in this section. A full list of eligible technologies and the 4 categories can be found in Appendix 1 of this guidance and on the Grant Application Form.

Eligible bodies can apply for up to 100% grant funding for projects which meet the compliance criteria below:

- The projects are taking place in buildings for which the Applicant pays the energy bills and will benefit from any resulting savings. Eligible bodies which do not own the building but have a long-term lease arrangement can apply, provided the contract allows for any savings to be passed to the eligible body.

¹ <https://www.gov.uk/government/collections/public-bodies-information-for-departments>

² Non-departmental public bodies must be receiving the majority of their funding from public funds

- The cost to save a tonne of carbon (CO₂e) over the lifetime of the project must be no more than £500³, which is automatically calculated by the Support Tool in the Grant Application Form. Please note that projects within Category 3 are exempt from this criterion.
- The Grant Scheme is primarily for capital works, however external consultancy and management fees may be included. Existing employee costs or any costs previously incurred may not be included. Further enabling costs not eligible for the Grant Scheme may be eligible for the Low Carbon Skills Fund where they are related to support to deliver the project.
- Reasonable enabling and ancillary works may be included in the Application, provided they are directly linked to the core technologies being installed, and these will be reviewed for value for money.

Applications must be for projects that fit into 1 or more of the below 4 categories:

Category Definitions	
Category 1	Technologies that directly contribute to the heat decarbonisation of a building by installation of a low carbon heating technology. For example, heat pumps and connections to low carbon heat networks.
Category 2	Technologies that do not directly contribute to the heat decarbonisation of a building but reduce overall energy demand and so will support future heat decarbonisation. For example, insulation, glazing, ventilation.*
Category 3	Technologies that do not reduce carbon emissions but enable future heat decarbonisation projects to take place – these technologies are exempt from the requirement to meet the £500/tCO ₂ lifetime criteria. For example, metering, electrical infrastructure, battery storage.*
Category 4	Technologies that are only permitted if: (a) they are used to replace coal-fuelled heating systems or oil-fuelled heating systems, AND (b) if, in Salix’s reasonable opinion, it has been demonstrated that it is not viable for a low carbon heating system to be installed within the building as a replacement for the coal-fuelled heating or oil-fuelled heating system. For example, gas-fired CHP and gas boiler replacement projects would fit into this Category provided they meet the above conditions.

*Projects that fall into Category 2 and Category 3 must meet either one of criteria A, B or C as outlined below. Supporting commentary and evidence is needed to demonstrate how each Category 2 and 3 project meets any one of the criteria.

Criterion A: Category 2 and 3 measures are combined with measures in Category 1.

Criterion B: Category 2 and 3 measures are for buildings that already use low carbon heating for all their heating requirements.

Criterion C: A written commitment is made to future heat decarbonisation for the buildings in which measures are installed, which includes all of the following:

³ Carbon savings are automatically calculated by the Application Form, based on the methodology in the BEIS Supplementary Guidance to Treasury’s Green Book. <https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>

- (i) A commitment to produce and submit to Salix a Heat Decarbonisation Plan by 30 September 2021.
- (ii) An explanation within the Heat Decarbonisation Plan setting out how the building(s') fossil fuel heating systems will be replaced by low carbon heating when the fossil fuel system(s) reaches the end of their natural lifetime. It is important to consider what will happen when your current heating plant has reached the end of its life and suitable upgrades have not been made to your building to manage this. The type or types of low carbon heating systems, and the likely timescale for this, must be identified. A template for this Heat Decarbonisation Plan is provided if there is not an existing document, and this can be used to help create this plan if support is needed.
- (iii) The Heat Decarbonisation Plan must include details of how it has been approved by their public body, how this plan is going to be implemented, and that there is a commitment to apply for and utilise funding where available to deliver the Heat Decarbonisation Plan.

The Heat Decarbonisation Plan will enable public bodies to plan their approach to decarbonisation and their contribution to meeting the 2050 net zero target.

Exclusions: Street lighting is not eligible for this Grant Scheme, but can still apply for the [Salix Energy Efficiency Loan Scheme](#). Boiler upgrades without certain conditions explained in Category 4 below are also not eligible for the Grant Scheme, but can apply for the [Salix Energy Efficiency Loan Scheme](#).

5.3 Additionality criteria

Projects are also required to meet the criteria of being "additional". The criteria that are used to assess whether a project is "additional" are listed below:

- The measures concerned are not required to be installed by law (including building or health and safety legislation);
Note: For measures that go above and beyond what is required by law, grant funding can be sought for the increased cost, for example, in a new build project.
- The measures are not being installed with a view to commercial gain (other than the reduction of costs through increased energy efficiency);
- Installation of the measures concerned have not begun;
- Funding for the project has not been agreed via another source;
- In Salix's reasonable opinion, the project would not take place without the grant.

5.4 Minimum and maximum grant value

There is no minimum or maximum grant value and all applications will be reviewed on a case by case basis.

6. Responsibilities and competence

Salix assumes that the applicant and/or the partner(s) they are working with are competent and fully responsible for the projects to be funded. This may include but is by no means limited to:

- Project identification & development;
- Establishment of firm costs and calculated estimated savings;
- Reasonable project sequencing and due care to ensure no double counting of savings when considering multiple projects on the same site;
- Selection of suitable supplier(s) following the applicant's procurement procedure;
- Project delivery including project management;
- Reporting on project progress;
- Post project completion activities including any verification of savings.

The public sector Applicant is responsible for ensuring that all contractors involved in the provision of services in relation to the proposed project(s) hold and maintain appropriate professional indemnity insurance to cover all the services to be carried out and that copies of the relevant certificates are obtained.

Public sector Applicants must also ensure that all professional consultants and/or contractors provide invoices, receipted invoices and completion certificates (where appropriate) in relation to the services carried out on the project(s) as they may be required for audit of the project(s).

Applicants will be required to give to any consultant/contractor or private sector companies involved with the grant application or delivery of the project, a Contact and Consent Form. This form is completed by the contractor and sent to a secure email address at BEIS. It is the contractor's responsibility to complete the form but is the Applicant's responsibility to make sure the contractor has the form and encourages the contractor to complete this. The purpose of this is for BEIS or a third party to undertake evaluation of the scheme in future and ensure GDPR compliance with management of required details. If these details are not available on application, these will be requested prior to a Grant Offer Letter being issued, as detailed in Section 8.2. As a project develops into the different delivery stages, new contractors working on the scheme, must be given this form by the Applicant. This is an important requirement of the scheme.

7. The online application process

An online application must be submitted by the eligible body directly, although private organisations can support the preparation of the Application Form if required.

If you have already developed one/multiple project(s), or are in the development process, we recommend that you begin the application. If you would like to apply, but you require assistance to develop a project we recommend you visit our [Low Carbon Skills Fund webpage](#) or contact PSLCSF@salixfinance.co.uk.

7.1 Registration

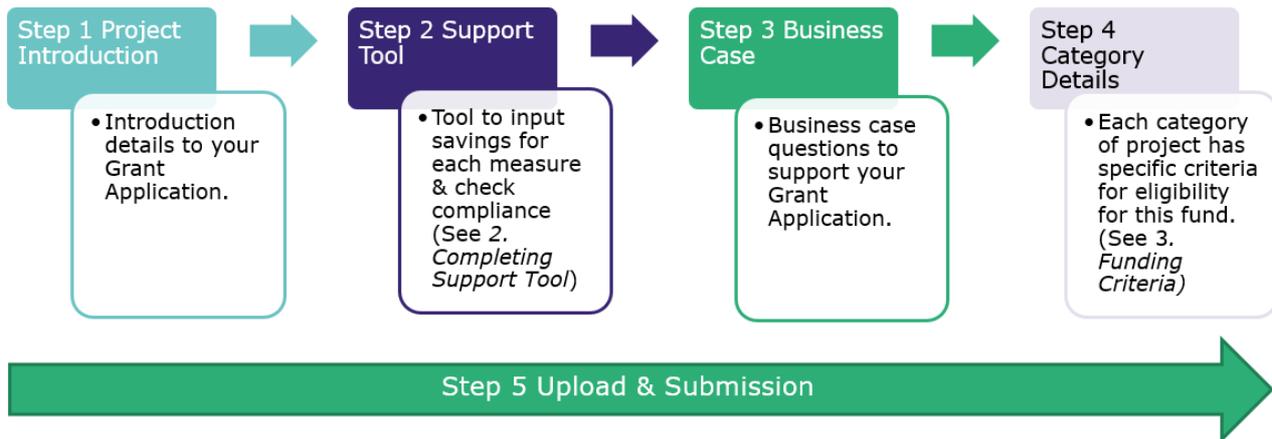
- Visit the Grant Scheme webpage at: www.salixfinance.co.uk/PSDS
- If you are a new client, register here: <https://www.salixfinance.co.uk/user/register>
- If you are an existing client, please log in here: <https://www.salixfinance.co.uk/user/login>

7.2 Completing the Grant Application Form

Applicants are required to download and complete the Grant Application Form, available from the Salix website [here](#).

The Grant Application Form is an Excel based form which includes project description, cost breakdown, expected carbon savings, and details on how the proposal meets the scheme criteria.

Below is a flow chart of the Grant Application Form, and there is additional guidance in the Form itself.



There is a list of all the technologies eligible for the Grant Scheme in the Appendix of this document and in the Grant Application Form. If you intend to include in your application technologies that do not appear on the list, please discuss with Salix prior to submitting your application.

The Grant Application Form includes a Support Tool which automatically calculates the carbon savings and compliance. If the Support Tool shows that the project is not compliant, please still do get in touch with a member of Salix on grants@salixfinance.co.uk to discuss your project.

A single application can be made to incorporate more than one project or category. These can be detailed on the Grant Application Form. The Support Tool in the Application Form will combine the costs and savings from all measures (excluding Category 3), and the Grant funding amount will be offered against the combined measures.

If the Applicant cannot reclaim VAT, this should be included as part of both the project cost and fuel costs. If VAT can be reclaimed, it should be excluded from the calculations.

7.3 Submitting the online application in the Grant Scheme Application Portal

When you're ready to submit the online application, visit our [Grant Scheme webpage](#) and click the link "Salix Grant Application".

This will take Applicants to the **Grant Scheme Application Portal**.

The Application Portal includes a progress bar showing completion of the steps. At any point you can save your application and continue later.

The Application Portal asks for contact details of the eligible body, a Main Contact and an Authorising Official at the eligible body.

The Application Portal will also ask Applicants to upload their completed Grant Application Form and any supporting information.

Supporting information provides further detail and backs up assumptions used in the Grant Application Form. This can include:

- Supporting calculations (such as energy saving models) which explain the kilowatt hour savings figures provided
- Evidence of costs
- Project delivery plan (Gantt chart or similar)
- Technology specifications (e.g. Product brochure)
- Risk register
- Building condition or site surveys
- Heat loss calculations

Once applicants are satisfied that all sections of the Application Portal are complete, click "Submit".

7.4 Application authorisation

Upon submission, an automatic email will be sent to the named Authorising Official at the eligible body, or lead Applicant for a group application. This email will request authorisation for Salix to begin assessing the application and **requires a response via email** by the Authorising Official before Salix can proceed.

Please ensure the Authorising Official is available to respond to this email so that your application is not delayed.

8. Assessment and award of funding

8.1 Assessment process

Applications will be assessed by our in-house technical team as well as external technical consultants, which provides added independent assurance that the project is deliverable, and any savings are reasonably achievable. The level of detail provided on the Grant Application Form and the quality of supporting information uploaded will speed up the technical check process.

All applications will have technical assessments and due diligence checks in line with the size and scope of their project.

Projects will be scored on the 3 key areas below:

1. **Technical case** which will cover areas including the technical feasibility, future resilience, energy/carbon savings calculations and energy monitoring plan;
2. **Financial case** which will cover areas including breakdown of project costs, operating and maintenance costs, evidence of firm pricing and any financial savings (where applicable);
3. **Project governance** which will cover areas including project risks and mitigations, project implementation/schedule, previous experience, procurement and deliverability within the grant funding time window.

If there are any questions or further information required then the Applicant will be contacted to request this. It will not be possible to progress the application further until requested information is provided and agreed by Salix.

The assessed Grant Application Form will be shared with the Applicant. This includes feedback for useful learning points.

In the event that an application does not fully meet the criteria to be 100% funded by this grant scheme, Salix will discuss with the applicant what other funding options are available.

Subject to the volume of applications, Salix aims to assess and award funding within the timeframes outlined in section 4. It is essential that applicants understand these timeframes, as applications submitted after a scheduled date will not be assessed until the next assessment period. Given the much shorter timeframes that are available for government departments, it is essential the dates are adhered to.

8.2 Issuing the Grant Offer Letter

Following successful assessment, confirmation of the grant funding will be sent to the successful Applicants in writing from Salix by way of a Grant Offer Letter over email. A copy of this letter must be signed by the public body's authorising official and returned to Salix within ten working days.

As mentioned above, funding will be awarded on a rolling basis, typically within 3 weeks of receipt of any fully completed application, depending on the completeness of information provided for assessment.

If an application is not developed enough to be awarded a Grant Offer Letter, Salix may issue a Reservation of Funding Letter which details remaining milestones that are required and the relevant timescales, such as procurement or detailed design. This ensures that funding has been secured, provided the required milestones are met as expected. Following completion of the required milestones, a Grant Offer Letter can be issued.

As explained in Section 6, all successful applicants must approach any consultant/contractor/private company who works on the project and request that they complete the Contact and Consent Form and send to the email address specified on the form. These details will be given to the applicant with the Grant Offer Letter. During the course of the delivery of the project, the applicant is required to request all those working on the project to complete a Contact and Consent Form and return them to the email address provided on the form.

If Salix considers that an application does not meet the scheme criteria, Salix will get in contact with the Applicant to discuss the project.

Following award of funding, please note that public sector bodies which will require funding to be transferred between government departments at Supplementary Estimates will need to liaise directly with the central government department that funds them for all matters in respect of transfer of funds and payments.

9. Delivery of the project

9.1 Progress updates to Salix

Within the contents of the Grant Offer Letter, Applicants are provided with further detail regarding delivery requirements and audit requirements.

All successful Applicants are required to provide Salix with monthly updates on achievement of key milestones during the delivery of the project, and to raise any delays or significant changes to cost/scope/staff. Applicants will be required to provide a short, written update on their project at regular monthly intervals.

In the event of any projected overspend by the successful Applicant in its delivery of the Project outside the sums set out in the Project Programme within the Grant Offer Letter, the amount of such overspend shall be met by the Recipient from its own funds. It is essential that all successful applicants inform Salix immediately if there are any significant changes to the costs of the project.

Salix has no authority to provide additional payment to public sector bodies which will require funding to be transferred between government departments at Supplementary Estimates after funding has been provided to them.

When a project is on a projected overspend track, Salix will arrange to discuss how this situation is being risk managed. That discussion will include alternative funding sources to meet the projected additional costs. Salix will also discuss if the project needs to make adjustments to the project programme which reduce the scope of the project. This would be to ensure that the remaining grant is sufficient to meet the remaining costs required for the delivery of the project. Salix is not authorised to agree additional funding if that funding will result in the project exceeding the £500/tCOeLT limit.

Should any part of the Grant remain unspent for the purposes on which it was given to the applicant, at the end of the Grant Period, or should any part of the Grant be provided for items of Eligible Expenditure which subsequently cost less than forecasted in the Project Programme, the Recipient shall ensure that any unspent monies are returned to Salix immediately.

9.2 Payment of the grant

Successful Applicants will be issued with a Grant Offer Letter following project assessment. In that document, Applicants are asked to outline the Grant Start Date and Grant End Date. Please note that payments are only made directly to eligible bodies.

The Grant will be available on the Grant Start Date and is available to be requested until the Grant End Date. The Grant will be provided in instalments in the amounts and at the times set out in the Project Programme, subject to various conditions including the provision of Evidence of Need, and Salix receiving a completed payment request at least 5 days in advance of the requested payment, signed by the Authorising Official. Full conditions will be set out in the Terms and Conditions accompanying the Grant Offer Letter.

Where a lead Applicant has submitted a joint application for a group of eligible public bodies, payments can be made to individual eligible bodies following the same process as outlined in the paragraph above.

Central government departments

Public sector bodies which will require funding to be transferred between government departments at Supplementary Estimates will receive their funding via the Supplementary Estimate process, rather than as a payment directly from Salix.

9.3 Monitoring and Reporting

For monitoring purposes, all Applicants are required to provide monthly updates to Salix on project delivery and in accordance with the milestones outlined in the Grant Application Form. Applicants will also be required to provide monitoring data for 3 years post-installation to inform whether measures achieved the expected outcomes. BEIS will be conducting an evaluation of this scheme, therefore all applicants must expect to provide relevant data to the evaluation team after all projects have completed.

10. Audit

Salix will take reasonable steps to monitor projects and eligible bodies' use of funds.

The eligible body is responsible for ensuring that, under audit, they would be able to demonstrate value for money and that they have followed their organisation's procurement guidelines and VAT policy. The eligible body is also responsible for ensuring that all contractors involved in the provision of services in relation to the proposed project(s) hold and maintain appropriate professional indemnity insurance cover to cover all the services to be carried out and that the eligible body obtain copies of the relevant certificates. The eligible body must also ensure that all professional consultants and/or contractors provide invoices, receipted invoices and completion certificates (where appropriate) in relation to the services carried out on the project(s), as these may be required for audit of the project(s).

All Recipients are obliged to maintain all invoices, receipts, accounts and other relevant documents relating to the project and the expenditure of the Grant for a period of at least six years following the Grant End Date. Salix has the right to review, at Salix's request, the Recipient's accounts and records that relate to the Project and the expenditure of the Grant and reserve the right to take copies of such accounts and records.

Under the terms of the Salix Grant Offer Letter, a selection of eligible bodies will be requested to assist Salix with a short audit of recently completed projects which is confirmed in writing. This audit will either be through an onsite visit and/or by requesting certain papers which support the work in progress.

The audit will focus on ensuring that the project has gone ahead as documented including that the eligible body has complied with their internal policies and procedures. Salix expect the above-mentioned types of documentation to form part of the eligible body's internal project file.

Frequently asked questions

General

Q: If grant funding isn't available for 100% of the project costs, can this be combined with other sources of funding?

A: Yes, other sources of funding (such as ERDF, PWLB, capital etc) can be used as long as they are not double-funding the exact same parts of the project. Other sources of funding and value should be stated in the Salix grant application. If ERDF funding is used as part funding, it will be important not to double-claim any outcomes such as carbon savings.

Q: Where a project is underway or we have recently completed a project, can we still apply for a grant?

A: This scheme is designed to enable new projects. Those projects already started or completed are not eligible as they do not meet the additionality criteria. However if a project is currently underway and that project can be expanded with additional scope, an application for grant funding for that expansion can be made.

Q: Should VAT be included within the grant application?

A: If the Applicant cannot reclaim VAT, the disallowable element should be included as part of the project cost to be shown on the Grant Application Form. If VAT can be reclaimed, it should be excluded from the calculations, as the VAT paid to your suppliers can be reclaimed from HMRC.

Q: What is the maximum amount a public sector body can apply for?

A: There is no maximum application limit, although Salix may need to review very large applications to ensure deliverability and completion within the agreed timeframe, and a reasonable spread of funding allocation.

Q: Can I apply to the Grant Scheme for a project that will also utilise the renewable heat incentive (RHI)?

A: No. Ofgem rules on claiming RHI state that organisations looking to utilise RHI must repay other Public Grants beforehand. Therefore, an organisation would not be able to claim the RHI in conjunction with The Public Sector Decarbonisation Scheme.

Q: Do we have to go through a tender process before submitting our application?

A: Public bodies should follow their internal procurement guidance. It is not required to have completed procurement before submitting an application, however it is required that cost estimates have been sought. Tender can be completed after application if necessary. To confirm award of funding it may be necessary to complete the tender process to finalise the scope and cost of the application. In such cases, Salix can issue a Reservation of Funding letter until milestones such as tender have been completed.

Q: I am only authorised to go out to tender once I know that funding has been approved, can I still apply?

A: Yes, in such circumstances Salix can issue a Reservation of Funding letter which secures the funding, then once procurement is complete, Salix will issue a Grant Offer Letter which is the final approval allowing the project to start on site.

Q: We provide accommodation for our students; can we carry out energy efficiency projects in these areas?

A: This will depend on who benefits from the energy saving projects. If the students gain from lower rents or energy charges, then these projects are not eligible. If the organisation benefits and it is not passed to the students, then the projects are eligible. However, if you are a Specialist Further Education College where the accommodation is seen as part of the learning process, this would be eligible.

Technology, Energy saving calculations and Criteria

Q: Can the Grant Scheme be used to fund upgraded specifications on new builds?

A: Yes, where projects are enhancing new-build projects beyond regulation standards or planning consent, they can be included in applications.

Q: Can we add new technologies that aren't currently on the list for the grant funding?

A: Where an applicant is considering a technology which is not on the technology list, we recommend that you contact Salix and we will consider any technology on a case-by-case basis. Please note, cases for new technologies must be raised to Salix by the public body interested only.

Q: How do I calculate energy savings?

A: The [Knowledge Share Area](#) on the Salix Website holds a number of calculation tools and good practice documents that can be used to estimate energy savings for energy efficiency projects. The [Carbon Trust energy efficiency guides](#) and the [Carbon Trust guidance on benchmarking](#) are resources which may be useful in helping you estimate savings covering technologies funded by Salix.

Q: How do I calculate current energy use if a building is not metered?

A: A first principle calculation which incorporates typical benchmarks for the type of building in question can be used to determine energy consumption. Alternatively, if energy bills are available these can be apportioned on a square metre basis.

A: Refer to [Carbon Trust guidance on benchmarking](#) which provides useful details to assist.

Q: Is there any other documentation I can read about energy saving and heat decarbonisation measures?

A: We would also refer you to the Carbon Trust energy efficiency guides and the Energy Services and Technology Association (ESTA) website.

Payment

Q: Why is the final payment only being paid out at the end of the project?

A: Good governance of public money requires Salix to be diligent in its use and to ensure it is spent for the purposes given. The final Grant payment is provided on completion and a Completion Certificate being issued by the applicant. Drawdown of funding will be outlined in the agreed Project Programme on commitment of the funding. Interim payments can be made prior to completion where needed.

Project completion and delays

Q: What if we complete earlier than the date we specified in the Application Form?

A: You can submit your completion certificate at any time and will receive final payment once all documentation has been authorised.

Q: What if the project becomes delayed beyond the completion date specified in the Application Form?

A: As part of the application, contingency should be built into the timescales. Should there be further unforeseen delays beyond this for all or parts of the project, please contact Salix at the earliest indication to advise. Good project management skills are required to keep projects on track and part of the assessment process is to ensure these skills are available.

Working with the private sector

Q: Can a private sector company submit an online application on behalf of an eligible body?

A: No, all applications must be submitted by a Main Contact at the eligible body. However, a private sector company can help you prepare your Application Form and supporting documents. The authorising official

on the application form must be from the PSB. The named authorising official will receive an automated email on submission of the online application, requesting their approval for Salix to assess the application.

Further FAQs that are published after the launch can be found here: www.salixfinance.co.uk/PSDS

Appendix 1 – List of eligible technologies and relevant category

Project Type	Work Type
Category 1 - Technologies that directly contribute to the heat decarbonisation of a building by installation of low carbon heating.	
Heating	Air Source Heat Pump (air to water)
	Ground Source Heat Pump
	Water Source Heat Pump
	Connect to existing district heating
	Heating - electric heating
Category 2 - Technologies that do not directly contribute to the heat decarbonisation of a building but reduce overall energy demand and so will support future heat decarbonisation. Additional Criteria must be met (see section 5.2 Project Criteria).	
Building management systems	BEMS - bureau remotely managed
	BEMS - not remotely managed
	BEMS - remotely managed
Compressor	Compressed Air: air compressor upgrade
Computers & IT solutions	CRT to LED monitors
	Energy Efficient File Storage Replacement
	Energy Efficient Server Replacement
	Evaporative cooling for ICT
	Free Cooling for ICT
	Hot aisle/cold aisle containment
	LED monitors instead of LCD (cost difference)
	Multi Functional Devices
	Network PC power management

	Thin client
	Uninterruptible Power Supplies
	Virtualisation
Cooling	Cooling - control system
	Cooling - plant replacement/upgrade
	Energy Efficient Chillers
	Free cooling
	Replacement of air conditioning with evaporative cooling
Energy from waste	Anaerobic digestion
	Incineration
Hand Dryers	Hand Dryers - replacement to more efficient type
Heating	Heat recovery
	Heating - discrete controls
	Heating - distribution pipework improvements
	Heating - TRVs
	Heating - zone control valves
	Replace steam calorifier with plate heat exchanger
	Steam trap replacements
	Thermal Stores
Hot water	Flow restrictors
	Hot Water - chlorine dioxide dosing and biocide treatment
	Hot Water - distribution improvements
	Hot Water - Efficient taps

	Hot Water - point of use heaters
Industrial kitchen equipment	Energy efficient combi-oven
	Energy efficient convection-oven
	Steriliser to dishwasher replacement
Insulation - building fabric	Cavity wall insulation
	Double glazing with metal or plastic frames
	Dry wall lining
	Loft insulation
	Floor Insulation
	Roof insulation
	Secondary glazing
Insulation - draught proofing	Insulation - draught proofing
Insulation - other	Air Curtains - ambient
	Air Curtains - heated
	Automatic speed doors
	Automatic/revolving doors
	Draught Lobby (external)
	Draught Lobby (internal)
	Radiator reflective foil (external walls)
Insulation - pipework	Heating pipework insulation (external)
	Heating pipework insulation (internal)
Lab Upgrades	Diode pumped solid state lasers
	Energy Efficient Drying Cabinets

	Energy Efficient Freezers (-25°C)
	Energy Efficient Freezers (-86°C)
	Energy Efficient Fume Cupboards
	Energy Efficient Growth Cabinets
	Energy Efficient X-Ray Generator
	Fume Cupboards - Auto Sash Closing + PIR
	Fume Cupboards - VAV Controls + Inverter Drives
	Heat Recovery on Extract System
LED lighting	LED - new fitting
	LED - same fitting
Lighting controls	Lighting - discrete controls
	Lighting control system centralised
Motor controls	Fixed speed motor controls
	Motors - flat belt drives
	Variable speed drives
Motor replacement	Motors - high efficiency
Office equipment	Office equipment improvements for non-ICT
Renewable energy	Small Hydropower
	Solar PV
	Solar Thermal
Time switches	Time switches
Transformers	Low loss
	Low loss (cost difference)

	Low loss+voltage management
	Low loss+voltage management (cost difference)
	Transformer tapping change
Ventilation	Fans - air handling unit
	Fans - high efficiency
	Phase change material
	Ultrasonic Humidifiers
	Ventilation - distribution
	Ventilation - presence controls
Category 3 - Technologies that do not reduce carbon emissions but enable future heat decarbonisation projects to take place – these technologies are exempt from the requirement to meet the £500/tCO ₂ lifetime criteria. Additional Criteria must be met (see section 5.2 Project Criteria).	
Battery Storage	Battery in combination with renewable
	Standalone Batteries
	Upgrade uninterruptible power supply
Electrical Infrastructure	Capacity Improvements
	Electrical Distribution
	Incoming Electricity Provision
Metering	Flow Meters
	Heat Meters
	Metering Other
	Metering Software
Category 4 - Technologies that are only permitted if: (a) they are used to replace coal-fuelled heating systems or oil-fuelled heating systems, AND (b) if, in Salix’s reasonable opinion, it has been demonstrated that a low carbon	

heating system is not viable as a replacement for the coal-fuelled or oil-fuelled heating system.	
Boilers	Boilers - control systems
	Boilers - replacement combination
	Boilers - replacement condensing
	Boilers - replacement modular
	Boilers - retrofit economiser
Combined heat & power	CHP Private Wire Connection
	Gas Turbine
	Gas Engine CHP
Heating	Oil to Gas – boiler fuel switching