

Public Sector Decarbonisation Scheme PSDS – Partial Completion Guidance

Purpose

The partial completion guidance is to be used when PSDS projects are unable to complete their agreed scope. This would be due to either completing partial but carbon compliant projects or by incurring permitted costs that makes the project non-compliant against the schemes carbon criteria due to late cancellations. For grant recipients whose projects are funded under Section 31 of the Local Government Act, there is separate guidance available.

Please note: Separate guidance is available for the following:

- Standard Completion Process – for grant recipients who have completed their project to the agreed scope by 31 March 2022
- Delayed Completion Process - where grant recipients are unable to complete their project to the agreed scope by 31 March 2022

The purpose of this guidance is to set out the steps to be followed by the grant recipient during the completion process, and to enable Salix Finance to make the final payment. All PSDS projects are to be completed by 31 March 2022 and final payment submission received by 15 April 2022.

Retention Payments. The only exception where the final grant payment may cover payments that will be made after 31 March 2022 is retention payments. These are payments held back to ensure that the works undertaken by the contractor have been completed to the desired standard and/or to fix issues that arise after the project has been completed, including snagging. To be eligible for retention payments, grant recipients must provide evidence in the form of contractual documents and/or invoices that clearly show the amount of the retention payment and under what conditions it will be paid. Retention payments will be made as part of the final payment on completion.

Please note that for retention payments, you need to speak to your Salix Finance relationship manager and agree these before you commit to them. Salix Finance will ask to see the evidence to support your final payment before agreeing to any plans for these. Clients should provide firm evidence of both before their final payment is issued.

Commissioning. As a client you may find that you have completed all the project works by 31 March 2022, but for reasons outside the projects' control, e.g., you may be awaiting DNO works to complete or there are other works at the site that prevent the system being switched on and tested. If this is the case, please speak to your Salix Finance relationship manager.

What is a Partial Completion?

Grant recipients who are unable to complete their projects may have incurred permitted spend on elements of the project before the decision to stop the project was taken. There may also be projects that only partially complete, due to the late materialisation of an issue which prevents them from completing all their works by 31 March 2022. This may include projects where late cancellation of part of the project makes them non-compliant with the cost-per-carbon-ton criterion of the grant.

We recognise that grant recipients will have spent the money in good faith, unaware at the time of the spend that the project would be abandoned or only partially complete. However, it

is imperative that Salix Finance correctly account for all expenditure, manage the fraud risks and ensure the decisions taken to spend money are in line with the objectives of the PSDS. To achieve this the grant recipient must be able to provide evidence to satisfy the following statements:

- Was the spend committed to in good faith by the grant recipient, in the expectation at the time, that their project would deliver in line with the grant requirements?
 - Evidenced through project plan at the time of the spend, and/or
 - Contract with supplier showing that spend aligned with the project plan at the time and grant requirements
- Did the decision to commit to the spend take reasonable account of the risks and issues that could affect completion in line with the grant requirements?
 - Project risk register at the time showing that, after planned mitigating actions were considered, the risks were manageable
- Was the spend by the grant recipient in line with grant rules?
 - Evidenced through contractor invoices and proof of payment by the grant recipient

Further guidance on permitted spend can be found [here](#).

Key principles

The grant end date will be no later than 31 March 2022. The grant can only be used for project activities completing on or before the grant end date and the invoices submitted by contractors are dated within this grant period. For invoices dated after the grant end date, the description needs to explicitly state the works completed before the grant end date.

Required documents for completion

1. Partial Completion & Confirmation of Final Value Letter (CCVL)
2. Evidence to support the closure of all outstanding conditions from the Grant Offer Letter (GOL) and Grant Amendment Letter (GAL)
3. Revised support tool to finalise the projects that have completed, their costs and expected carbon savings on completion. Please clearly reference any permitted spend on a separate line of the support tool where possible.
4. Completion certificate(s) from the contractor(s). In the case of delayed commissioning or delayed completion process, contractor completion certificate will be gathered as part of the post-completion monitoring process.
5. Photographic evidence of installed kit
 - a) Where several units have been installed, we will accept a sample
 - b) For those technologies that are not clear to photograph (e.g. loft or cavity wall insulation or pipework) we can accept in-progress photographs
6. Invoices*
7. Statement of expenditure (SoE) – Costs should itemise the value and proportion of the retention costs against the total project value.
8. Schedule 3 project programme with finalised payment profile
9. Schedule 5 payment request
10. Contractor name webform (sent by your SRM)
11. Buildings & Technologies Data (sent by your SRM)

***Invoices- These should either be dated on or before 31 March 2022 or, if dated after, clearly specify in the itemised breakdown on the invoice itself that the works were completed over a period within the grant end date.**

We have suggestions for how the completion process can be undertaken in three steps.

- 1) Preparing for completion – steps that can be taken prior to 31 March 2022
 - a. Complete the Buildings & Technologies Data

- b. Complete the weblink with names and addresses of all contractors supporting the PSDS project
 - c. Resolve outstanding conditions
 - If there is an instance where certain conditions are no longer applicable because they are linked to a measure that has been cancelled, please discuss with your SRM
- 2) Initiating the completion process – 31 March (or earlier) to 8 April 2022
- a. Submit the final monthly monitoring report, confirming project status as completed, by 7th April 2022
 - b. Submit final revised support tool if there have been changes to costs and savings.
 - We would request the support tool is submitted by 1 April for the technical team to complete assessment. This typically takes two weeks.
 - c. Submit the Completion & Confirmation of Final Value Letter (CCVL)
 - Ensure the final value matches the support tool
 - Enter the value of PSDS funded works only, not alternative contribution
 - d. Contractor completion certificate
 - e. Photographic evidence of completed works
- 3) Final payment submission – by 14 April 2022
- a. Invoices
 - b. Statement of expenditure
 - c. Schedule 3 with final payment profile (list all previous payments made accurately, not rounded)
 - d. Schedule 5 payment request

Once the above steps have been completed and Salix Finance have carried out the necessary steps to review and make the final payment, you should receive remittance advice from Salix Finance along with the Post Completion Letter. This letter details the process for post completion monitoring of your project. For more information on this process, please contact your relationship manager.