

Business plan

2024-2025

About us

Salix was incorporated in England and Wales in 2004 and is a company limited by guarantee.

We are wholly owned by the government and operate as a Non-Departmental Public Body under the sponsorship of the Department for Energy Security and Net Zero.

Our principal base is in Manchester with a second office in London.

We have been delivering public sector funding schemes on behalf of the UK government since 2004. The first schemes we delivered were interest-free loans, which gave financial support to boost energy efficiency across the public sector. Since then, we have grown to offer a wide range of schemes which are supported by our expertise and experience.

In 2020, we launched the first phase of the Public Sector Decarbonisation Scheme (PSDS) which provided £1 billion of grant funding for carbon reduction projects and supported the creation of jobs during the pandemic under the Low Carbon Skills Fund (LCSF).

Both schemes have been enormously successful and we are now delivering further phases of both schemes.

In 2023, the UK government appointed us as the delivery agent for the Social Housing Decarbonisation Fund and Home Upgrade Grant schemes. These projects will deliver warm and comfortable energy efficient homes over the years ahead, lifting more households out of fuel poverty.

We are passionate about the work we do because we're helping to achieve net zero and delivering homes and buildings across England, Scotland and Wales that are great places in which to live and work.

We celebrated 20 years in business in March 2024 and will use our two decades of experience and learning to ensure each scheme is successful and that we are best placed to provide expert support to our clients.



Our ambitions for the future

Our mission is to enable and inspire organisations to achieve net zero and create better places to live and work.

We do this by:

- being an expert partner of choice for the public and private sectors
- taking a right-first-time approach, constantly seeking excellence and improvement
- carefully administering taxpayer funds to ensure value for money and successful project delivery
- providing insight, intelligence and influence by sharing knowledge and learning from one scheme to improve the next
- having motivated and engaged people who are passionate about saving the planet

Our long-term ambition is to become the expert partner of choice across the public and private sectors, trusted to deliver decarbonisation projects across the UK because of our knowledge, skills and expertise.

The actions set out in this plan will help us fulfil this ambition.



Our people

Without our people, we wouldn't be where we are today.

We have a dedicated and talented team helping our clients, partners and funders to create positive change by delivering decarbonisation across the public and private sectors. This is alongside our outstanding reputation for efficiency and excellent customer service.

Every colleague is committed and passionate about supporting public sector organisations across England, Scotland and Wales by building trusted and long-lasting relationships.

With increasing ambition from government in relation to our work, we plan to increase staff numbers from 189 to 249 over the year ahead.

Our recruitment is focussed on our main office in Manchester and we have set ourselves challenging objectives in relation to the time taken from advert to hire to enable us to recruit for new roles and fill vacancies as quickly as possible.

At the same time, we remain focused on the development of

our existing talented team of people to bolster retention and to ensure that we are an inclusive employer.

To ensure we build talent within the company, we will recruit eight apprentices by the end of September 2024, expanding our talent pool in IT and business solutions, procurement, project management and corporate sustainability and responsibility.

As well as providing future talent, the apprenticeships are an opportunity to support our drive for socioeconomic diversity. This is why we have set our apprentice salaries at the actual minimum wage to encourage a broad range of applicants.

We also wish to offer roles to people from technical as well as academic backgrounds by allowing for BTEC and T Levels as qualifying requirements in addition to A Levels.

We are proud to have a diverse workforce through which we have grown, resulting in a thriving workplace that provides a fair working culture.



Our programmes and schemes

The Public Sector Decarbonisation Scheme (PSDS) (£2.425 billion)

Purpose: to provide grants for public sector bodies in England to fund heat decarbonisation and energy efficiency measures.

Impact: Since launch, 935 projects have been awarded and 446 projects closed. Funding will support the transition to low carbon heating in public sector buildings and support the UK government's aim of reducing carbon emissions from public sector buildings by 75% by 2037.

Ambition: to continue delivering successful projects through all phases of these schemes and launching new waves.



Mid and South Essex NHS Foundation Trust, a PSDS beneficiary.

Low Carbon Skills Fund (LCSF)

Purpose: grants enabling organisations to think strategically and develop heat decarbonisation plans and detailed project proposals in preparation for capital decarbonisation work.

Impact: phases one to three have funded 433 organisations and generated over 2,500 heat decarbonisation plans helping recipients plan more strategically to achieve their net zero targets.

Ambition: to continue delivering successful projects through all phases of this important scheme and to launch new schemes in the future.

Social Housing Decarbonisation Fund (SHDF) (£860 million)

Purpose: SHDF is designed to upgrade social housing stock currently below EPC Band C to that standard. It will support the installation of energy performance measures in social homes in England.

Impact: SHDF supports social housing tenants, who will benefit from homes that are

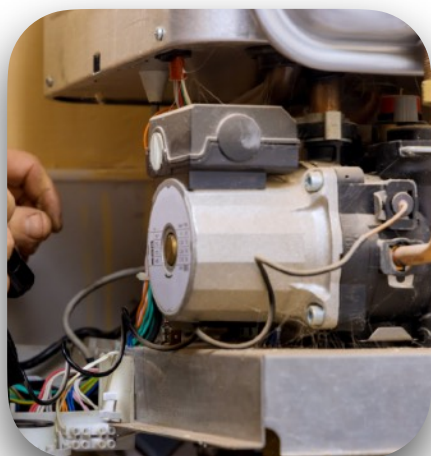
warmer and cheaper to heat, saving money on their fuel bills, as well as cutting carbon emissions.

Ambition: SHDF will deliver these new housing projects effectively and efficiently and provide a template for delivering future waves.

Home Upgrade Grant (HUG) (£630 million)

Purpose: HUG is designed to improve as many off-grid homes below EPC rating C through the installation of energy efficiency measures and low carbon upgrades via local authorities in England.

Impact: the measures will help lift people out of fuel poverty, develop the green economy and improve the comfort and wellbeing of residents off-grid while supporting the transition to a zero-carbon future.



HUG enables the replacement of oil fired boilers with energy efficient systems.

Ambition: to deliver these new housing projects effectively and efficiently and deliver more waves in the future.



Industrial air source heat pumps.

Wales Low Carbon Heat Grant Pilot

Purpose: to support the installation of low carbon heating solutions, such as heat pumps, for public sector organisations in Wales.

Impact: it has tackled the harder to decarbonise measures by providing grant funding to local authorities. Salix administered funding to 11 projects and monitored project delivery through 2022/23.

Ambition: to grow our support to public sector organisations across Wales to deliver decarbonisation projects.

Loans and Recycling Funds

Purpose: invest-to-save funding to facilitate energy

efficiency improvements that result in financial and carbon savings across England, Scotland and Wales.

Impact: since launch, loans have been issued to more than 20,000 energy efficiency



The Hydroneess scheme benefited from the Scottish Recycling Fund.

projects and enabled £203 million worth of energy efficiency projects to be delivered through the fund.

Ambition: to grow our support to the public sector in England, Scotland and Wales.

Scotland's Public Sector Heat Decarbonisation Scheme

Purpose: capital funding to carry out projects to decarbonise heating systems

and improve the energy performance of buildings.

Impact: through the installation of zero direct emissions heating systems and whole building retrofit, the scheme has helped the Scottish public sector to decarbonise their estates by 2038.

Ambition: to leverage strong historical relationships, influencing and supporting public sector organisations across Scotland.

Scottish Funding Council (SFC)

Purpose: low-interest loans provided by the SFC, for investment in measures to reduce the carbon footprint of universities in Scotland.

Impact: 11 out of the 17 Scottish universities have accessed funding to carry out both significant infrastructure projects and smaller energy efficiency upgrades.

Ambition: to continue to build relationships with universities across Scotland and the Scottish Funding Council so that we can deliver further projects in the future.

Our objectives

We have three key objectives for the period 2024-2025.

We will improve the delivery of our schemes in a relentless pursuit of excellence by:

- listening to our client experiences and identifying ways to make things better
- improving how we report our delivery to ensure that we are adding value
- ensuring our people are motivated and understand the key role they play
- working in an agile fashion, welcoming new schemes and new ways of working

We will improve our ways of working to strengthen our custodianship of public funds by:

- establishing a central programme office to manage projects and ensure delivery of our objectives
- ensuring alignment with the public sector across all aspects of the business
- strengthening our governance by building an

appropriate organisational culture

- building the capabilities of our people through enhanced training and implementation of a strong employee value proposition

We will share our insights and learnings with all stakeholders by:

- building a strong intelligent client function that will share insights based on our experience and expertise
- increasing our external reach through the delivery of thought leadership based on what we learn from project delivery
- developing partnerships with relevant stakeholders to drive better performance across the sector and government
- building our national reach and ensuring greater practice-sharing between our teams and across our centres of excellence in Manchester and London



Measuring our progress against our objectives

We will monitor progress against this plan rigorously.

We will provide regular updates to our board to enable it to support achievement of goals and challenge where progress is not being made.

Key performance indicator

Being an expert partner of choice for the public and private sectors

Using our skills, knowledge and expertise to review, assess, adapt and improve ways of working to better meet the needs of the delivery partner, grant recipients and the Department for Energy Security and Net Zero.

Successfully launch Low Carbon Skills Fund phase 5, Public Sector Decarbonisation Scheme phase 4, Wave 3 of the Social Housing Decarbonisation Fund, the Local Authority Retrofit Scheme, the Welsh Financial Transaction Programme and the second phase of Scotland's Public Sector Heat Decarbonisation Fund.

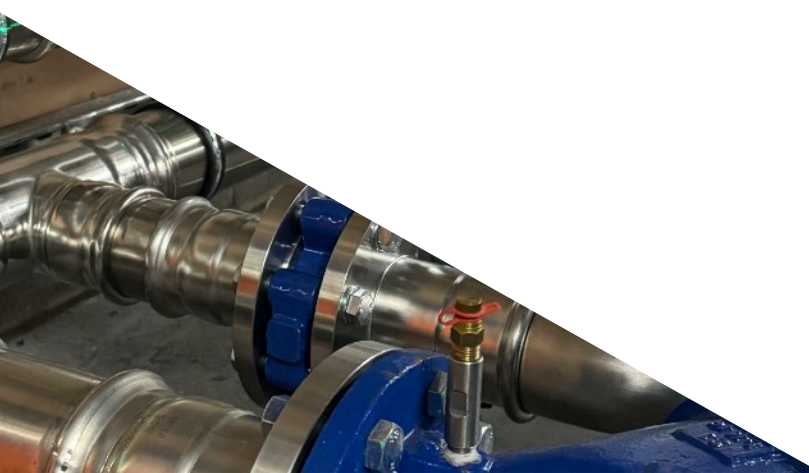
Taking a right-first-time approach consistently seeking excellence and improvement

Enhance the utility of the CRM in supporting scheme delivery through the automation of key processes.

Provide guidance, support, and training to all grant recipients by the end of Q1 2024/25, to ensure documentation provided when making a grant claim supports the amount being claimed to enable timely payment and ensure value for money.

Introduce a culture of continuous learning, ensuring opportunities for lessons learned are sought and quality management principles adopted.

Introduce standard ways of working for the implementation of projects across the business.



Carefully administrating taxpayer funds to ensure value for money and successful project delivery

Support all grant and loan recipients to the highest standard including paying requests within 21 business days of a satisfactorily evidenced grant claim being received.

Set an appropriate culture that ensures all colleagues understand the value of managing public money and importance of relevant policies.

Complete an annual review of grant and loan schemes to ensure financial due diligence, including fraud, is effectively managed through scheme delivery.

Providing insight, intelligence and influence by sharing knowledge and learning from one scheme to improve the next

Hold online learning engagement events to support grant applicants and recipients of new grant money and also hold an online learning engagement event for unsuccessful grant applicants.

Leverage speaker opportunities at relevant industry/sector events to share knowledge and insight and to raise the company profile.

Deliver seven in-person knowledge sharing events (England: 4, Scotland: 1 and Wales: 2).

Publish a monthly technical update newsletter to share latest developments in the decarbonisation and net zero sector, and on a monthly basis, hold:

- a webinar focused on a specific theme or general update for the benefit of clients and/or grant recipients
- a Learning Community online engagement event for housing programme grant recipients

Having motivated and engaged people who are passionate about saving the planet

Equip all teams with the skills they need to be successful in their roles and for the company to demonstrate ongoing continuous professional development for staff.

Seek to be an employer of choice by improving our recruitment process.

Implement the Places for Growth Agenda.



Financial plans

Our indicative budget for 2024/25, which includes amounts to cover our own costs, and the costs of the delivery partner contracted to deliver the two housing schemes, is £34.5 million.

This is a 15 per cent increase on our 2023-24 budget of £29.9 million.

The main driver for the increase is ensuring we have the capacity to manage the additional work we are delivering on behalf of government and strengthening our organisational governance.

Our total operational expenditure depends on the schemes we launch and deliver during the year and any additional work we plan to do, for example enhancements to our technology platforms.

Along with all other public bodies, we are committed to working more efficiently and driving down costs.

We have benchmarked our cost base and will be working to reduce expenditure associated with our non-client facing activities.





Produced by the communications team

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