**Phase 4 Public Sector Low Carbon Skills Fund (LCSF)**

**Heat Decarbonisation Plan Quality Assurance Factsheet**

# Introduction

Phase 4 LCSF requires grant recipients to Quality Assure their heat decarbonisation plan(s) (HDP), to ensure a robust and useful plan to take the next step on their decarbonisation journey.

HDPs which meet the scheme criteria and contain information as outlined in the [*HDP Guidance*](https://www.salixfinance.co.uk/sites/default/files/2023-03/Heat%20Decarbonisation%20Plan%20Guidance%20Phase%204%20LCSF.pdf)are more likely to include relevant and important information that can be used to support the next steps to applying for capital funding, including through the Public Sector Decarbonisation Scheme.

# Purpose

The Quality Assurance (QA) process is an opportunity for the recipients to take ownership of their HDP, once submitted by their appointed contractor(s), and feel confident with the outcomes proposed in the plan and its suitability for the organisation. The QA will be carried out by the grant recipient and confirmed in the Completion Statement (*Appendix 1*), sent to them to be completed alongside or after the submission of their final HDP to Salix.

In the QA process, the grant recipient is self-certifying their level of understanding of the quality, purpose and benefit of the HDP for their organisation. Therefore, we have also introduced a scoring methodology in the QA process to support the recipient in carrying this out.

# Quality Assurance

The HDP Guidance outlines the key components that we expect to find in all HDPs.

These components underpin your QA checks. To make the process as easy as possible for both grant recipients and Salix Finance, please complete this checklist in the completion statement that you will receive after the submission of your HDP to Salix Finance.

**Quality Assurance checklist**

The Quality Assurance is based on the following components, which is stated in the HDP guidance:

1. **Executive Summary:** Is there an Executive Summary to contain existing energy and heating technologies; existing annual carbon emissions; proposed technologies and systems; energy efficiency and carbon savings to be achieved; cost of implementing technologies and systems.
2. **Introduction, policy and context:** Does the HDP explain the full policy and context, and the organisation’s plan to achieve net zero carbon? Does the plan describe the buildings and its characteristics; state the current annual energy consumption and costs; state your current annual carbon emissions; any works that have taken place to decarbonise the buildings?
3. **Current energy and heating technologies:** Does the HDP include information about the existing energy and heating and hot water systems, their age and condition and how they are controlled? Does the HDP summarise any previous upgrades that have taken place?
4. **Determining the whole solution:** Does the HDP determine the whole solution? Does the HDP set out low carbon heating opportunities; does the plan consider district heat networks and electricity loading capacity?
5. **Estimating costs and budgets:** Does the HDP outline the financial resources that will be required?
6. **Delivery plan:** Does the HDP have an outline project plan to implement proposed heat decarbonisation measures within the buildings?
7. **Resources:** Does the HDP outline the current resources available and what may be required in future to implement the plan, including human resources? How will the programme be driven within the organisation?
8. **Supporting information:** Does the HDP include supporting information such as DEC’s, energy and maintenance costs, age of buildings and target emission savings?
9. **Key challenges:** Does the plan include the key challenges such as listed buildings, conservation areas, planning issues, electricity supply factors and resources?
10. **Approval of HDP:** How has the plan been approved according to the governance process defined in your application for funding prior to submission?

# Quality Assurance Scorecard

All grant recipients are obliged to inform Salix Finance of the final mark provided by the client led QA process on the Completion Statement (see *Appendix 1*).

Salix Finance advises recipients should be achieving a quality score of 70% in their self-assessments. If a self-assessment falls below this threshold, recipients should primarily seek to address any quality issues with their contractor before discussing with Salix Finance. If it’s decided the plan(s) are suitable but have scored less than 70% then the reasoning for approval must be clearly stated on the Completion Statement.

When conducting a quality assurance self-assessment, reviewer(s) are asked to score each component on a scale of 0-4, using the criteria listed below. The scoring is to guide the recipient and reviewer(s) to enable a good understanding of the HDP and its benefits for the organisation.

Score Criteria

1. No mention within the plan
2. Feature is mentioned but no detail or explanation
3. Feature is mentioned with a small level of detail or explanation
4. Feature is mentioned with some detail explanation
5. Fully detailed and explained within plan, and includes clear next steps where applicable

Each criterion is scored individually using the range 0 - 4 and the scores totalled to provide a percentage score.

The maximum score is 40 (100%), with a score of 28 (70%) deemed to meet sufficient quality standards.

For some of the components, the expectation is that there is some level of detail or explanation as a minimum. For this reason, the minimum scoring criteria per component has been outlined in Table 1.

*Table 1: Minimum scoring for each component of your HDP*

|  |  |
| --- | --- |
| **Component**  | **Minimum scoring criteria**  |
| **Executive summary**  | 3  |
| **Introduction, policy and context**  | 3  |
| **Current energy and heating technologies**  | 2  |
| **Determining the whole solution**  | 3  |
| **Estimating costs and budgets**  | 1  |
| **Delivery plan**  | 3  |
| **Resources**  | 1  |
| **Supporting information**  | 2  |
| **Key challenges**  | 2  |
| **Approval of HDP**  | 2  |

**What if I have concerns with the quality of my HDP(s)?**

Where, according to grant recipient, quality assurance scoring of the HDP has not achieved at least 70% OR the minimum score for a component isn’t met (as set out in Table 1), the expectation is that the grant recipient will work with their contractor to improve and resubmit the plan within a reasonable timescale. The timescale will be set by the recipient and will need to be in advance of any scheduled approval of the HDP by an authorising person or committee, and before the final approved HDP is submitted to Salix Finance by the grant end date of 28 March 2024.

Salix Finance recommends that the time required for contractors to submit HDP, the recipient scoring them and resubmission, if needed, is built into the programme to take place before HDP approval date.

Any additional work to improve the plan and score is not expected to cost the grant recipient more than the contract value, as it should be a requirement for the contractor to produce a good standard of HDP, nor should these works extend beyond 28 March 2024.

If there is a situation where a component is not relevant and has therefore not been covered by the HDP, this will need to be reasonably explained in the Completion Statement (see Appendix 1).

If the grant recipient does not seek to address areas of quality in their plan, or provide a reasonable explanation in the Completion Statement, Salix Finance may contact you to discuss your HDP. In the grant [*terms and conditions*](https://www.salixfinance.co.uk/sites/default/files/2023-03/Phase%204%20LCSF%20Terms%20%20Conditions.v4.%20Final.%20March%2023.pdf)[,](https://www.salixfinance.co.uk/sites/default/files/Phase%203%20LCSF%20Grant%20Offer%20Letter_Terms%20%26%20Conditions.pdf) Clause 17.1.3 states that Salix Finance may in its discretion reduce, withhold or suspend payment of the LCSF grant if *‘17.1.3 the Recipient is fulfilling or seeking to fulfil the LCSF Grant Purpose in a manner that is not in accordance with the LCSF Grant Quality Assurance, as outlined in the published Quality Assurance Factsheet and linked in the Heat Decarbonisation Plan guidance or standalone detailed designs resources, as described in the LCSF Grant Application (Schedule 7), specifically the elements to be included within the final plan, which are to surpass the minimum standard pass mark on quality checks to be made by the recipient’s organisation;*.

Appendix 1: Completion Statement

**Phase 4 Public Sector Low Carbon Skills Fund: Completion Statement**

**Organisation Name:**

**Project Title:**

**Submission ID:**

**Grant value awarded:**

**Funding Option:**

**Purpose of the Completion Statement**

This statement has been provided at project completion stage and enables your organisation to confirm final details as part of the grant completion and payment process. Final payments will be made after grant recipients have completed and returned the Completion Statement.

The Completion Statement should be completed and signed by the designated Authorising Official.

1. **I confirm the final project cost for producing the heat decarbonisation plan(s) and/or standalone detailed design(s) is:**

£…………………………
*Note: Salix will pay for costs incurred up to the value of the grant award as evidenced by invoices submitted. Your claim should exclude any contribution made by your organisation towards the cost of the project. If you cannot reclaim VAT from HMRC and this value was included in your grant award, then please state the final value of LCSF funding required including VAT.*

1. **I have produced and submitted the following number of heat decarbonisation plan(s) (only applicable to funding options 1 and 3):**

 ……………………………

If more than one, please detail the names and the buildings they cover along with the quality assurance score in Appendix 1, page 3. If more than five, we expect a minimum of five to be detailed and scored.

1. **I have produced and submitted the following evidence for the standalone detailed design(s) (only applicable to funding options 2 and 3):**
2. **The submitted plans and/or standalone detailed designs cover the following number of building(s):**

…………………………

1. **I confirm that our plans and/or standalone detailed designs only include buildings listed in our application and Supplementary Building Information Tool or as otherwise approved.**

Yes [ ]  No [ ]  *If no, please contact your Relationship Manager to discuss*

1. **I confirm that the submitted plan(s) (if applicable) include the follow contents:**

You are asked to confirm whether your heat decarbonisation plan(s) submitted to Salix has the following contents in order to aid analysis of the findings and inform future policy development. This simple assessment checklist is based on [HDP Guidance](https://www.salixfinance.co.uk/sites/default/files/2023-03/Heat%20Decarbonisation%20Plan%20Guidance%20Phase%204%20LCSF.pdf) on Salix’s website.

* Executive Summary [ ]
* Introduction, Policy and Context [ ]
* Current energy and heating technologies [ ]
* Determining the whole solution [ ]
* Estimating costs and budgets [ ]
* Delivery plan [ ]
* Resources [ ]
* Supporting information [ ]
* Key challenges [ ]
* Approval of HDP ​​​☐

If any elements are absent, please explain your rationale:

1. **I confirm that I have carried out Quality Assurance scoring on the Heat Decarbonisation Plan(s) (if applicable) and the plan(s) have achieved a score of:**

………………%

If more than one plan has been scored and submitted, please detail the name of each plan and the buildings it covers along with the quality assurance score in Appendix 1, page 3. If more than five, we expect a minimum of five to be detailed and scored.

 If the score is below 70% please explain your rationale for approving the final HDP(s):

1. **I confirm that the plan(s) and/or detailed designs submitted have been approved by my organisation:**

On (date): …………………………………….

By (name and job title or decision-making committee):

……………………………………………………………………

 **If not – how and when will they be approved by your organisation?**

On (date): …………………………………….

By (name and job title or decision-making committee):

……………………………………………………………………

As the designated Authorising Official, I confirm that the above information is accurate. I confirm that our Heat Decarbonisation Plan(s) and/or standalone detailed design(s) has been completed within the agreed timescale and that the final costs of the project remain compliant with the terms of the Grant Offer Letter.

**Authorising Official Name:** …………………………………….

**Authorising Official Title:** …………………………………….

**Authorising Official Signature:** …………………………………….

**Date:**  …………………………………….

**For and on behalf of** ……………………………………..

**Appendix 1**

**If your organisation has produced and submitted more than one Heat Decarbonisation Plan, please detail the title of each plan and the buildings it covers as well as its quality assurance score** *(if >5 HDPs have been submitted, we expect a minimum of 5 to be scored)***:**

|  |  |  |
| --- | --- | --- |
| **HDP title** | **Buildings covered** | **Quality assurance score** |
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