

# Salix

A session for Midlands Net Zero Hub

11<sup>th</sup> November 2024

The Salix logo is positioned in the bottom right corner of the slide. It features the word "salix" in a white, lowercase, sans-serif font. To the right of the text is a stylized white leaf icon with three main veins and a curved shape at the tip. The logo is overlaid on a photograph of solar panels in a field under a bright sun.



# The Salix team today...

**Zoe** client support officer, local authorities team

**Evelyn** programme coordinator, higher and further education team

**Beth** client support officer, allocations team

**Jack** senior energy and carbon analyst

**Jordan** energy and carbon analyst



£3.3 billion  
of funding

for

22,000  
projects

salix



## Public Sector Decarbonisation Scheme

- Open for applications

## Low Carbon Skills Fund

## Digarbon

## The Wales Funding Program

## Social Housing Decarbonisation Fund

## Scotland's Public Sector Heat Decarbonisation Fund



# Public Sector Low Carbon Skills Fund (LCSF)





# LCSF

Grants for public sector organisations to develop a heat decarbonisation plan (HDP)

and/or

detailed designs



# Phase 5 Low Carbon Skills Fund activities

1. Development of a heat decarbonisation strategy
2. Desktop assessment
3. Building audit

} Buildings with heating systems of any age

4. Feasibility study
5. Specialist site survey
6. Detailed design
7. Investment grade audits

} Serviced by at least one end-of-life heating system



# What is a heat decarbonisation plan?

- Describes an organisation's current energy use and carbon emissions

- Proposals for energy efficiency measures and low carbon heating technology

- Costs of proposals and a plan to deliver the works

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## Contents

### Executive Summary

A summary of existing and proposed building fabric, heating systems, energy use, carbon and costs.

Page 05

### 1.0 Introduction

Introduction to the heat decarbonisation plan and the national and local policy context.

Page 06

### 2.0 School context

School information, context, governance, and the local environmental and climate risks.

Page 14

### 3.0 Existing buildings and services systems

This section documents the existing condition of the school building fabric and services.

Page 19

### 4.0 Existing thermal performance

The existing thermal performance and the basis of its assumptions are explained in this section.

Page 42

### 5.0 Whole building solution

This heat decarbonisation plan with the whole building approach is determined in this section.

Page 49

### 6.0 Delivery plan

How the heat decarbonisation plan will be delivered in the short, medium and long term is discussed here.

Page 68

### 7.0 Cost estimates

The cost estimates to deliver the heat decarbonisation plan are included in this section.

Page 76

### 8.0 Resources

The resources required to deliver this heat decarbonisation plan are shared in this section.

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### 9.0 Key challenges

The key challenges and the risks involved in delivering the heat decarbonisation plan are outlined here.

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### 10.0 Supporting info

All supporting information developed to deliver the plan are included in this section.

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### 11.0 Glossary

A glossary of all terms and abbreviations used is included in this section.

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The logo for Salix Finance, featuring the word "salix" in a bold, green, lowercase sans-serif font. To the right of the text is a stylized green leaf icon.



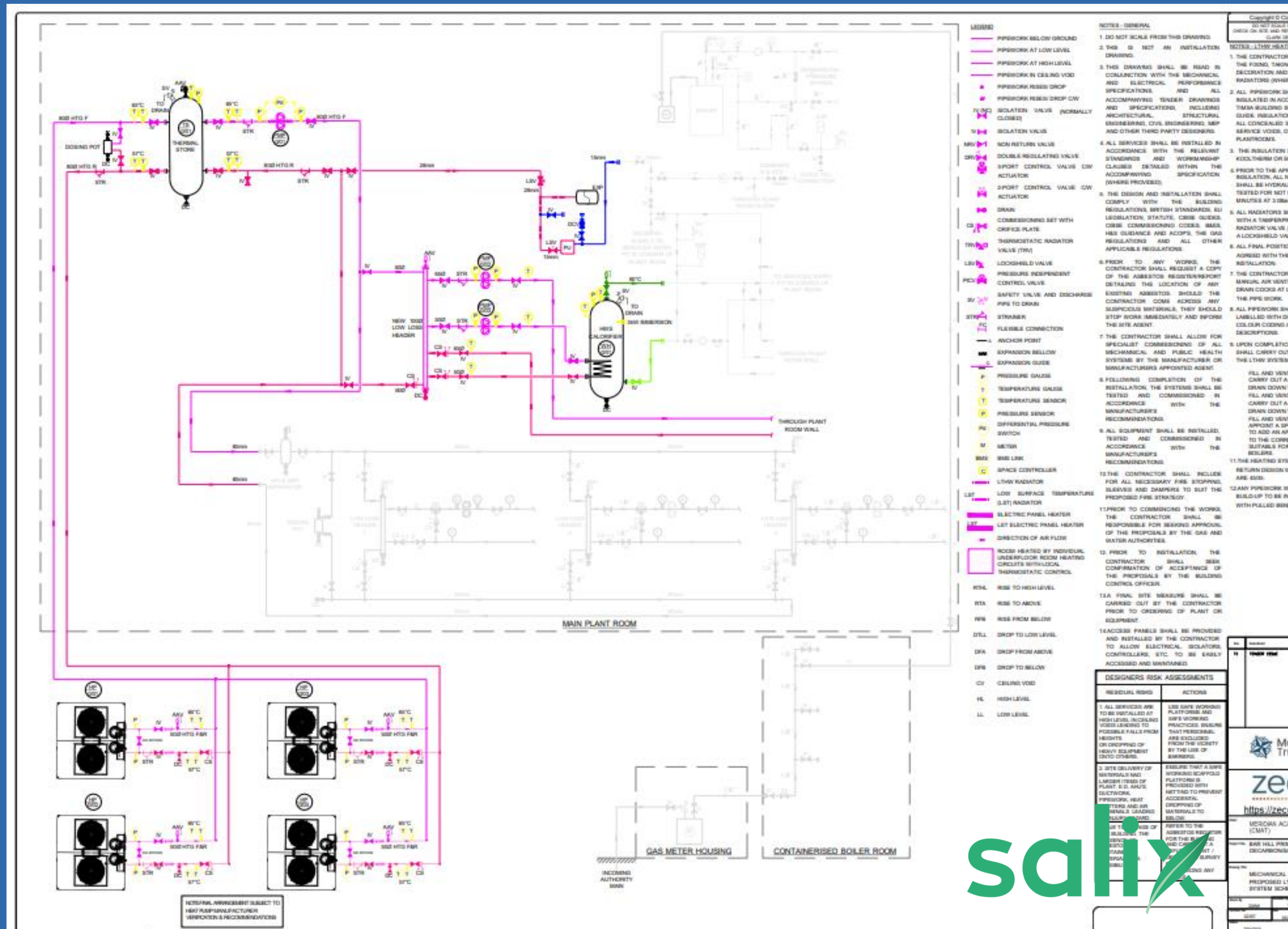
# What are detailed designs?

Completed after a HDP written, including feasibility studies

Design specification and drawings of low carbon technologies suggested in HDP

Size, make, model and flow temperatures

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# Case Study

LCSF Phase 4  
funding – Develop  
a heat  
decarbonisation  
Plan and detailed  
designs.

Undertaking PSDS  
3c

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**RAFT**  
Retrofit Action  
for Tomorrow

**Heat Decarbonisation Plan**

**Dalmain Primary School**  
Grove Close | London | SE23

December



# Timeline of an organisation's heat decarbonisation journey

## Creation of a HDP

- Plans how an organisation can decarbonise their estate
- This can be funded through the LCSF scheme

## Designs for the proposals in the HDP

- These designs can be for low carbon technologies and/or energy efficiency measures
- Can be funded through LCSF or PSDS

## Capital works

- The installation of heat pumps, solar PV, double glazing etc.
- Grant funding available through PSDS





# Public Sector Decarbonisation Scheme

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# Grants for public sector organisations to install heat decarbonisation and energy efficiency measures



# Key eligibility criteria

- Applicants must use a **fossil-fuel heating system** nearing the **end of its useful life**
- Must propose low carbon heating for all buildings
- Applicants must contribute at least 12% of the cost for a like-for-like replacement of the fossil fuel heating plant
- Whole building approach
- Projects must be additional



# Delivery of the project

## Monthly reporting

- Each grant recipient is assigned a dedicated Salix relationship manager for assistance and project support.
- Regular contact will be maintained through monthly meetings and monitoring reports.



# Progress updates to Salix:

- Planning Consents
- Internal governance and approval processes
- Key milestones and risks
- Supply chain management including lead times
- Payment forecast
- Conditions evidence
- Distribution Network Operator (DNO) engagement



# Common challenges

Timescales

Supply chain issues

Cost increases

Approvals

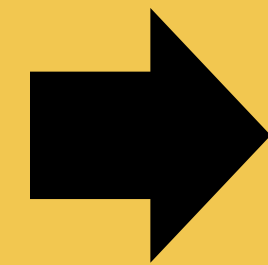
DNO upgrades



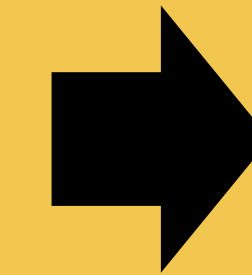
# Case study: Priory Federation of Academies Trust

£14,400

Low Carbon Skills  
Fund for energy  
audits



Identified  
additional options  
to reduce energy  
demands

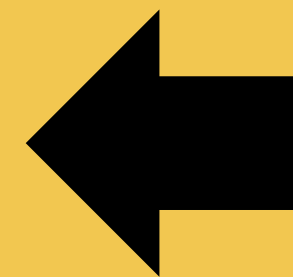


£1,700,422

Public Sector  
Decarbonisation  
Funding



Monitoring the data and  
outcomes from the  
projects to influence  
future works



Installation of 12 air  
source heat pumps,  
plus accompanying  
energy efficiency  
measures



# Case study: St Peter's school

- Installation of a ground source heat pump, as well as insulation for the building
- £670,000 from PSDS. Additional funds from The Diocese of Chichester and the School Trust



Group, from left, Bishop of Lewes Will Hazlewood, Gary Dimmock, and Sir Jeremy Quin, MP and headteacher Giles Kolter.



# What's new for Phase 4 PSDS?

## Higher Education eligibility

The definition of a public sector organisation has changed to align with up-to-date legislation. In the Procurement Act 2023, a 'public authority' means an organisation that is:

- **a)** wholly or mainly funded by public funds; *or*
- **b)** subject to public authority oversight;
- **and**
- **c)** does not operate on a commercial basis.

Evidence will be required to prove that an organisation meets the definition of a public authority.



# What's new for Phase 4 PSDS?

## Devolved Authorities eligibility

The West Midlands Combined Authority (WMCA) and the Greater Manchester Combined Authority (GMCA) are expected to receive an allocation of funding for decarbonisation as part of Government's commitment to pilot trailblazer devolution deals. As a result, some public sector organisations will be ineligible to apply for Phase 4 funding.

Organisations within the Greater Manchester Combined Authority and West Midlands Combined Authority areas, that are **eligible to apply** for Phase 4 of the Public Sector Decarbonisation Scheme are:

- Central Government departments and their arm's length bodies
- Acute and cancer NHS trusts and foundation trusts
- Higher education institutions – these must satisfy the eligibility requirements related to the Procurement Act 2023.



# What's new for Phase 4 PSDS?

- No longer first-come first-served - moved to a targeted allocation approach.
- Funding will now be split across 3 years, offering funding from 2025/26 to 2027/28.
- A new queueing system on the portal – don't apply at the last minute.
- Subsidy control changes.
- Swimming pool covers are now eligible.

The application portal will close at 2pm on Monday 25th November.

Please ensure to read the guidance notes and attend our informative webinars.

[www.salixfinance.co.uk](http://www.salixfinance.co.uk)

**Phase4PSDSGrants@salixfinance.co.uk**





Tue | 12 November



## Phase 4 Public Sector Decarbonisation Scheme webinar

Wed | 27 November



## The decarbonisation dialogue: an informal knowledge-sharing event



# Thanks for listening

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Developing and  
applying for a  
Public Sector  
Decarbonisation  
Scheme project



# PSDS 3c allocation

- 209 public sector organisations have been awarded grants for 244 projects
  - Total grant funding of £ 611,256,128.
- In the Midlands, grant funding was distributed across:
  - East Midlands - £ 27,450,447
  - West Midlands - £ 83,924,060



# What makes a good application?



A developed project design that is technically feasible and bespoke



Comprehensive and detailed responses across all sections, with evidence-based justifications



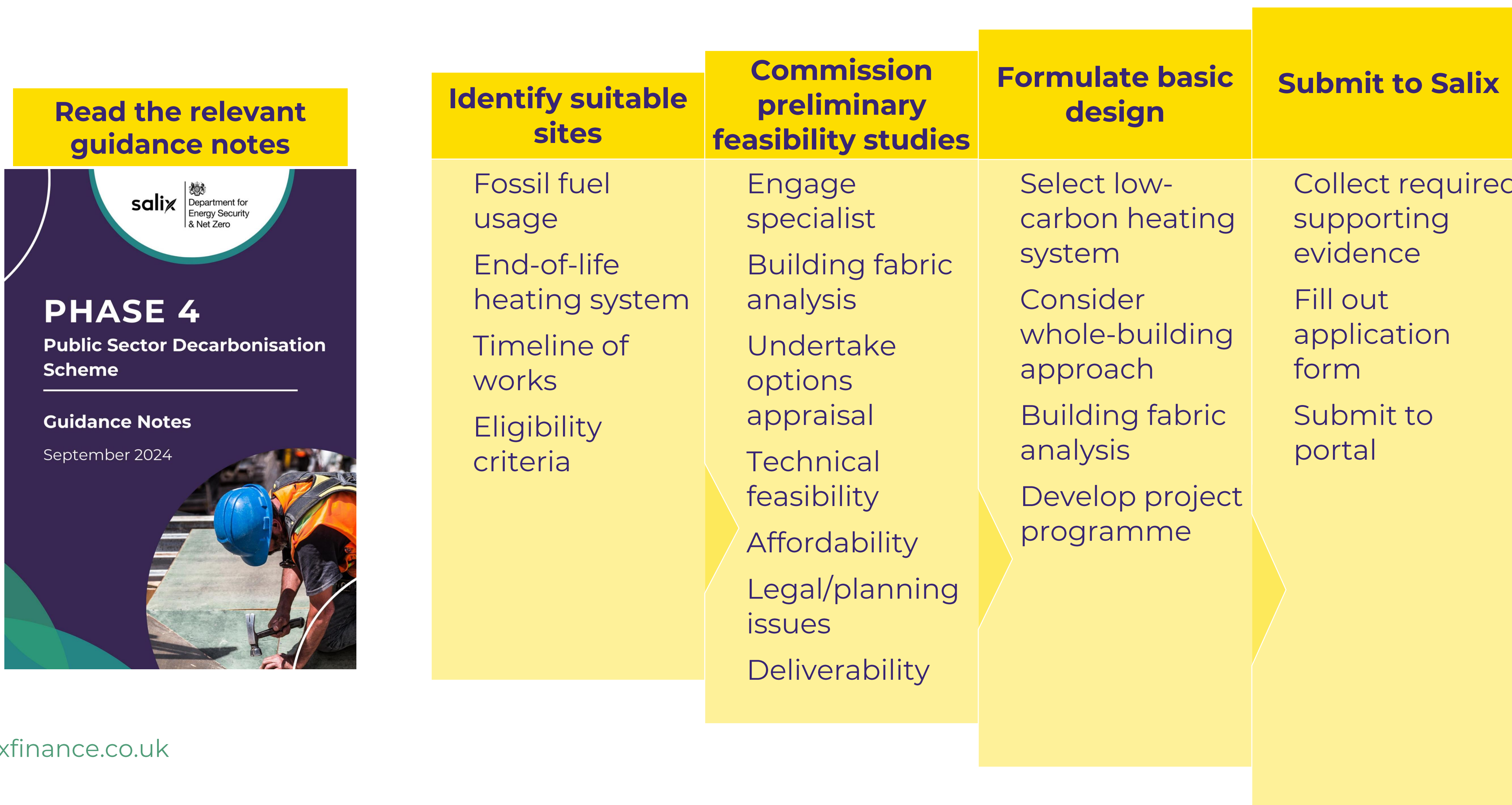
Realistic long-term carbon savings with detailed energy saving calculations



Cost effectiveness - the project should deliver good value for money



# Stages of application



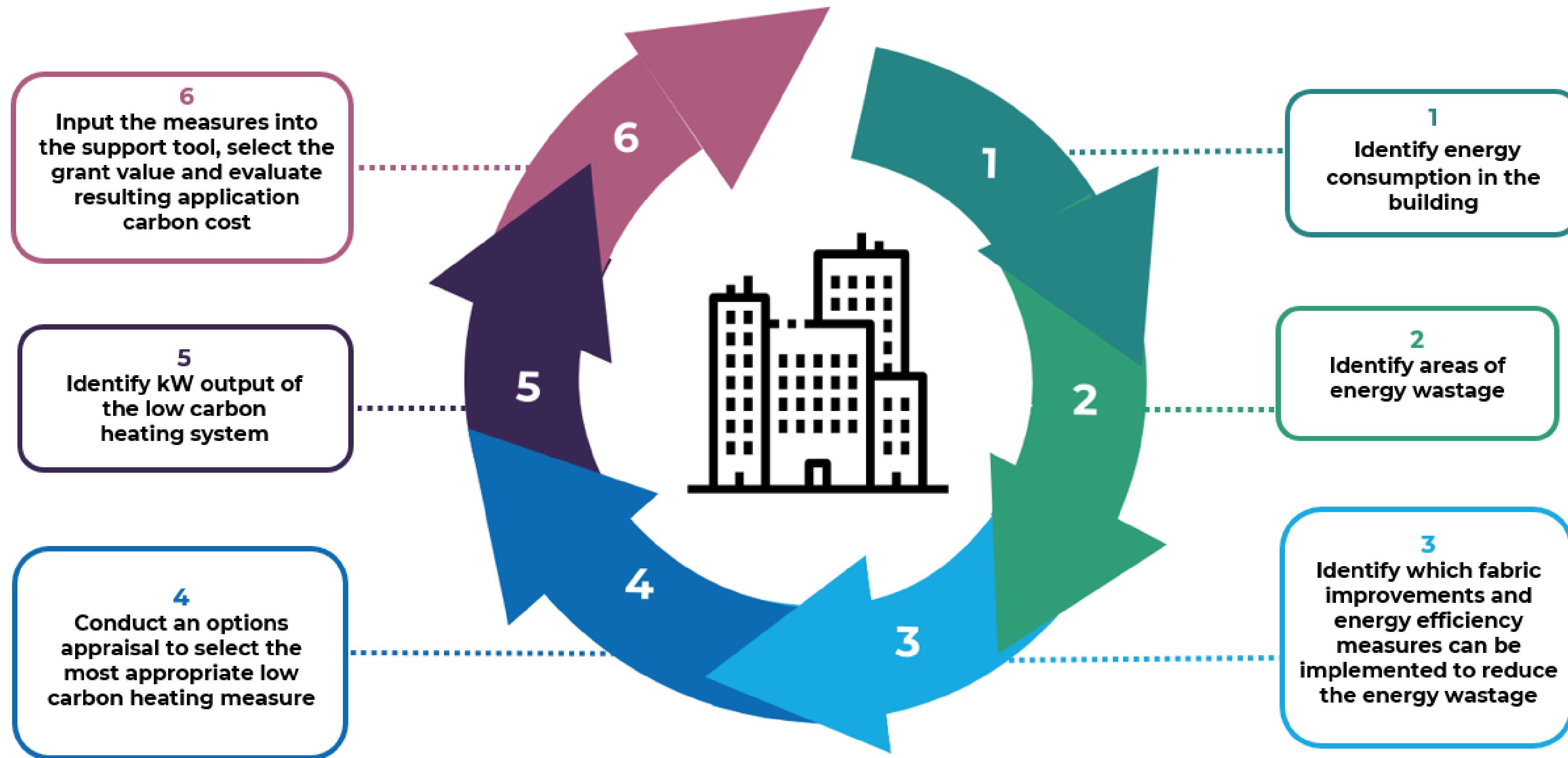


# Expectations for a PSDS application

Feasibility Study	Options Appraisal
<p>Comprehensive overview of the building(s)</p> <p>Allows applicants to decide whether to proceed, modify the project, or abandon it altogether</p> <p>How possible the project is</p>	<p>Evaluates various technologies</p> <p>Considers technical, financial, practical feasibility</p> <p>Allows applicants to decide which will be most suitable (both cost effective and will produce good carbon savings)</p>



# Whole building approach





# Supporting documents

Application form

End-of-life evidence of the current fossil fuel heating plant

Building energy consumption data

Project programme

Salix risk register



# Application form

- Downloadable from the Salix website
- Excel document, calculates savings itself
- Changes for Phase 4
  - Step 4 split into 4.1 and 4.2
  - Carbon Cost Curve
  - More building level data
  - Heat network questions

Do **not** paste data into cells, or **always** paste 'as values', ensuring you are not pasting source formatting. Where the cells are formatted with dropdown lists, please use the dropdown. Please avoid using special characters.

**Step 1.1: Project Introduction**

**Section 1. Introduction**

Project title:

Official organisation name:

Submission date:

Design status:

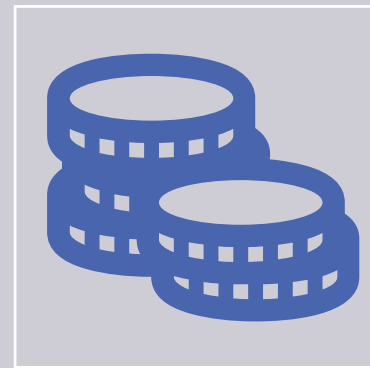
Procurement status:

Name of consultant organisation	<input type="text"/>	<input type="text"/>	<input type="text"/>
Company registration number	<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of contractor organisation	<input type="text"/>	<input type="text"/>	<input type="text"/>
Company registration number	<input type="text"/>	<input type="text"/>	<input type="text"/>
Trade body membership	<input type="text"/>	<input type="text"/>	<input type="text"/>

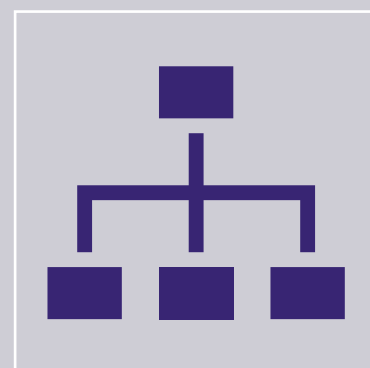




# Targeted Allocation



Greater focus delivering 'value for money' whilst saving the most direct carbon as possible



Phase 4 introduced a semi-competitive allocation process, no longer 'first come, first served'



# Carbon cost

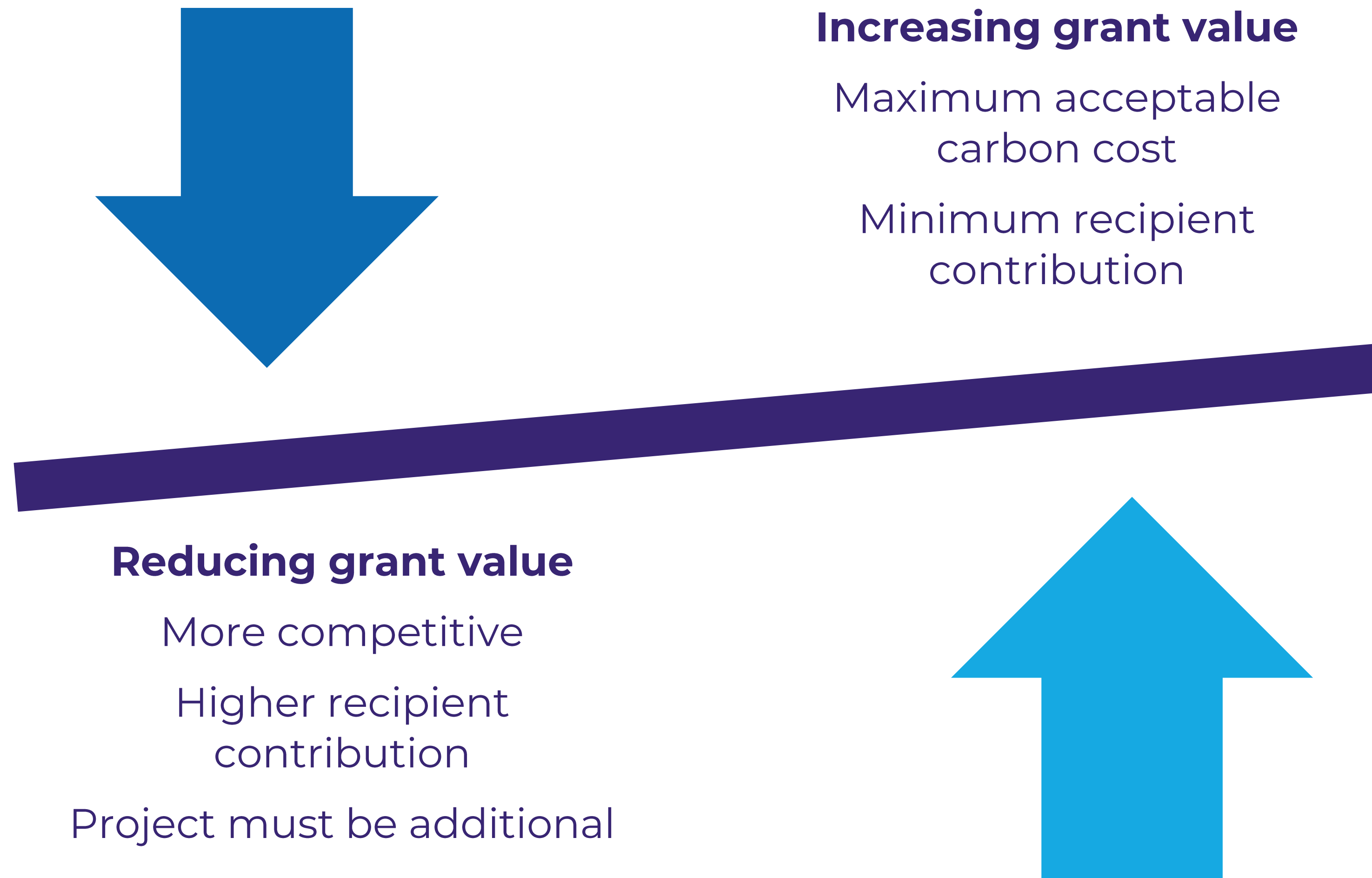
- An application's grant carbon cost is a key factor in determining its ranking.

$$\text{Grant carbon cost (}\text{£/tCO}_2\text{e LT)} = \frac{\text{Grant value requested (}\text{£)}}{\text{Direct carbon saved by grant funded measures over the lifetime (tCO}_2\text{e LT)}}$$

- Applicants are encouraged to balance competitiveness with affordability.



# Balancing affordability & competitiveness





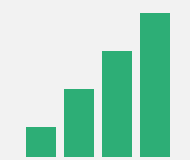
# Sector soft caps



Aligns the distribution of funding to the emissions produced by that portion of the public sector.



Divided by 'education', 'health' and 'other'.



The caps aim to award each sector no less than 30% and no more than 35% of the budget available.



Sector caps are 'soft' in that they can be relaxed if it becomes infeasible to maintain them.



# Common technologies used within Phase 3 projects

- Low carbon heating
  - Heat Pumps (Air/Ground/Water source)
  - Heat Networks/District heating
  - Hot water: electric point of use heaters
  - Solar thermal
  - Biomass
  - Electric boilers/heaters
- Energy efficiency measures
  - Insulation-building fabric, draught proofing, pipework etc.
  - LED Lighting
  - Solar PV
  - Battery storage
  - Ventilation measures – fans
  - Building Energy Management Systems (BEMS)



# Technical delivery of your project



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# Change requests

A 'change' is defined as any significant alteration in the scope of the project.

This includes:

- Adding or removing a site to the scope of PSDS works
- Any changes to the low-carbon heating system
- Adding any additional energy efficiency measures which were not previously in the agreed scope.



# What constitutes a change request?

Type of Change		Change Request?
Adding or removing a site		✓
Changing the low carbon heating system technology		✓
Changing the size of the low carbon heating system		✓
Adding <b>new</b> building fabric improvements or energy efficiency measures		✓
Removing building fabric improvements or energy efficiency measures	Measures that save <b>direct</b> carbon (i.e. fossil fuels) e.g. insulation, BMS	✗
	Measures that save <b>indirect</b> carbon* (i.e. electricity) e.g. PV, LEDs	✓
Increasing or reducing the scope of <b>existing</b> energy efficiency measures	Measures that save <b>direct</b> carbon (i.e. fossil fuels) e.g. insulation, BMS	✗
	Measures that save <b>indirect</b> carbon* (i.e. electricity) e.g. PV, LEDs	✓

\* An updated application form should still be submitted for some changes despite not requiring a CR assessment





# Conditions

All projects will have conditions that need to be resolved by the project's completion date

- These are unique to each project
- They are set when information is not available yet, or the information provided is insufficient, but can still pass technical assessment
- These are due at various points over the timeline of project delivery, and will be associated with your project milestones



# Post application monitoring



There are various ways to monitor progress:

Keeping track of energy meter readings

Internal annual reporting

Updated DEC comparisons

Energy modelling

Internal carbon calculations and tracking

Energy bill monitoring and cost comparison



# Thanks for listening

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