

Phase 3b of the Public Sector Decarbonisation Scheme



Phase 3b Public Sector Decarbonisation Scheme

Schedule for today

- About Salix and the Public Sector Decarbonisation Scheme (PSDS)
- Introduction to Phase 3b PSDS
 - Purpose & policy context
 - Eligibility & who can apply
 - Scheme criteria & assessment
 - 'Whole building' approach
 - Available funding & timeframes
 - How to apply, issuing a grant offer letter & resources available
- Questions

About Salix

- **Supporting energy efficiency and heat decarbonisation** - public sector buildings across the UK, since 2004
- **Delivered the Salix Energy Efficiency Loans Scheme (SEELS)** in England from 2004-2022
- Became a **Non-Departmental Public Body in 2020** – Owned by the Department of Business, Energy and Industrial Strategy (BEIS)
- Delivering the **Public Sector Decarbonisation Scheme (PSDS)** and **Low Carbon Skills Fund (LCSF)** on behalf of BEIS, providing:
 - Phase 1, 2 and 3a PSDS over £1.5bn of grant funding
 - Phase 1, 2 and 3 LCSF over £49m of grant funding
 - Ongoing bespoke funding schemes in Scotland and Wales



The Public Sector Decarbonisation Scheme (PSDS)

Phase 1

- £1 billion of grant funding to the public sector
 - To support the UK's Economic Recovery from Covid 19 through supporting jobs in the low carbon and energy efficiency sectors

Phase 2

- £75m of grant funding to the public sector

Phase 3

- £1.425 billion of grant funding over the financial years 2022/2023 to 2024/2025
 - To support the aim of reducing emissions from public sector buildings by 75% by 2037, compared to a 2017 baseline

Total estimated carbon savings in Phase 1, 2, & 3a

- 243,000 tonnes 21/22 financial year





Your partner for
a low carbon future

Phase 3b Eligibility, Criteria and Timeline



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Eligible Bodies for Phase 3b

- Central government departments and their arm's length bodies
- Emergency services
- Institutions of further and higher education
- Local authorities
- Schools within the state education system, including maintained schools, academies, Multi-Academy Trusts and free schools
- Nursery schools maintained by a local authority
- NHS Trusts and Foundation Trust



Repeat Criteria from Phase 3a for Phase 3b

- Applicants must have and be using a **fossil-fueled heating system**.
- The heating system in question should be coming to the **end of its useful life**.
- Applicants must include at least **one measure** that **decarbonises part, or all of the heating technologies within a building**.
- The low carbon heating technology solutions should, wherever possible, be complemented with **other measures** that will **reduce** the level of **heat demand**.
- Applicants are encouraged to take a **'whole building' approach**.
- **External consultancy and management fees may be included in the application**. Existing employee costs or any costs previously incurred **cannot be included**.
- Applications will be assessed on a **first come first serve** basis.
- There is no cap on grant funding applied for or application number



'Whole building' approach

Phase 3 encourages applicants to take a 'whole building' approach by installing fabric measures to reduce the overall energy demand. Here's our advice:

- Identify all systems consuming energy in your building.
- Identify all areas of energy wastage.
- Identify where fabric works can reduce the overall energy demand of the building.
Note: only measures which reduce direct carbon emissions will affect the CCT.
- Select the most appropriate low carbon heating measure.
- Make sure to sequence fabric improvements **before** calculating the building's heat demand and sizing your low carbon solution.
- Review how the Carbon Cost Threshold is affected by the 'Whole Building Approach'.

New Criteria for PSDS Phase 3b



- The compulsory **like-for-like contribution** must be a **minimum of 12%** of total project costs.
- Applicants must include a measure to contribute to decarbonise the heating with a **low carbon heating system** in **each building** included in the application.
- To meet the '**whole building**' **approach criteria**, applicants must show that they have done everything possible to **lower flow temperatures** as much as possible for heat pump systems.
- Energy efficiency measures can only be installed where they reduce the heat or electrical demand of the building being heated by the **proposed low carbon heating measure**.
- **Energy efficiency measures** are **capped at 58%** of the total grant value.
- Phase 3b will allocate up to £635m of funding to public sector organisations, to be spent in financial years 2023/24 and 2024/25. This is split by financial year, with up to £402m to be allocated for 2023/24 and up to £233m to be allocated for 2024/25.

Timeline

Application website opens



Technical assessment begins after submission



Queries from technical assessment



Deliverability checks



Grant Offer Letter issued



Application Advice

Ensure guidance is fully understood

Create a Salix profile before portal opening

Have your application ready including all supporting information

Apply when the portal opens

Consider the current levels of inflation

Engage with the DNO early



Resources available

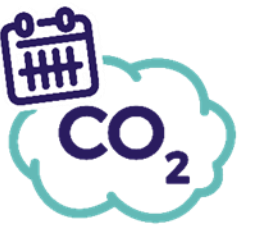
Further information can be found on the Salix website:

- [Frequently Asked Questions](#)
- [Phase 3b Guidance Notes](#)
- [Application Form](#)
- [Terms and Conditions](#)
- [Webinars and Videos](#)



Client queries can be directed to the email below:

Phase3bPSDSgrants@salixfinance.co.uk



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Questions?



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