

PUBLIC SECTOR DECARBONISATION SCHEME GRANT OFFER LETTER

Peter Kane
City of London
Guildhall
PO Box 270
London
EC2P 2EJ

22 February 2021

Dear Peter Kane,

GRANT OFFER LETTER

1. The Secretary of State for Business, Energy and Industrial Strategy (the **Secretary of State**) has made funding available to provide you (the **"Recipient"**) with a grant of £9,445,944 to assist you in carrying out Projects to support City of London energy decarbonisation programme.
2. I am writing to acknowledge receipt of your application for the Grant, a copy of which is attached at Schedule 5, and, on behalf of the Secretary of State, to provide you with an offer of grant funding. Terms defined in this Grant Offer Letter have the same meanings as defined in the attached Memorandum of Understanding.
3. The key details of the Grant are as follows:

Name of Recipient	City of London
Amount of Grant	£9,445,944
Project Name	City of London energy decarbonisation programme
Project ID/Reference Number	CCIT01G16989V02/16989
Low Carbon Skills Fund Grant ID/Reference Number (if applicable)	17750
Description of Project	This project runs across the Barbican arts centre, London Metropolitan archives, Guildhall complex and the Guildhall school of music and drama. Resulting in large parts the City of London's estate

	evolving to use less carbon. Improvements to HVAC systems and controls will be enabled and enhanced through upgrades to electrical infrastructure and metering. Further energy reductions will be provided through lighting upgrades.
Project Start Date	22/02/2021
Grant Payment Date	No later than 31 st March 2021

4. You must appoint a person (the “**Accountable Officer**”) who will be responsible for ensuring that you use the Grant in compliance with the attached Grant Determination Letter and Memorandum of Understanding.
5. The Grant will be paid to you by the Secretary of State in full on the Grant Payment Date, subject to various conditions which are set out in the attached Grant Determination Letter and Memorandum of Understanding.
6. The signature of the Accountable Officer is to be inserted at Schedule 6.
7. In communicating with us, your contact is Kate MacDonald, kate.macdonald@salixfinance.co.uk.
8. The provision of the Grant is subject to the terms and conditions set out in this Grant Offer Letter, the attached Grant Determination Letter, Memorandum of Understanding, and schedules. The Grant is being provided to you in consideration for you agreeing to deliver the Project and agreeing to comply with the terms and conditions set out in this Grant Offer Letter and the attached schedules, Grant Determination Letter, and Memorandum of Understanding.

If you wish to accept the offer of grant funding upon the terms set out in this Grant Offer Letter and the attached schedules, Grant Determination Letter, and Memorandum of Understanding, please countersign this letter within 10 Business Days of the date of this letter and return the original to Salix Finance Ltd. If you fail to countersign and return this letter within 10 Business Days of the date of this letter, the offer of grant funding shall expire.



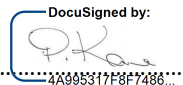
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Katherine Wright, Deputy Director, Public Sector and Local Energy, Department for Business, Energy and Industrial Strategy

Authorised Signatory

For and on behalf of the Secretary of State

We hereby accept the offer of grant funding upon the terms set out in this Grant Offer Letter and the attached schedules.

DocuSigned by:

.....
4A995317F8F7486...

26-Feb-21 | 9:29 AM GMT

.....

Authorised Signatory

Date

For and on behalf of City of London

Schedule 1: Specific Conditions

- Schedule 2 must be completed and returned to Salix Finance by 1st April 2021 including contingency plan.
- Counter fraud document must be signed and returned by 26th February.
- Risk Register - Full risk register to be provided. COVID impact to be included.
- Data Sheets - To be provided once contractor on board and product specifications and manufacturers confirmed.
- Firm Pricing - Quotations for all of the technologies must be provided from the appointed contractor(s) to confirm final pricing for each technology. This should be broken-down into equipment, installation and any other costs.
- Energy Saving Calculations - Any changes to the proposed savings must be communicated once contractor(s) on board and final product selected.
- Updated Application Form post tender must be provided to Salix with any changes.
- Board/councillors approval - Board approval to be obtained and confirm to Salix.

Schedule 2: Delivery Programme

To be completed and returned to Salix Finance by 1st April 2021.

- 1. Name of Project with URN** City of London energy decarbonisation programme CCIT01G16989V02/16989
- 2. Summary Description of Project** This project runs across the Barbican arts centre, London Metropolitan archives, Guildhall complex and the Guildhall school of music and drama. Resulting in large parts the City of London's estate evolving to use less carbon. Improvements to HVAC systems and controls will be enabled and enhanced through upgrades to electrical infrastrucutre and metering. Further energy reductions will be provided through lighting upgrades.
CCIT01G16989V02/16989

- 1. List of Measures and the cost of each Measure**

- 2. Detailed Timetable:**

Steps Taken/To be Taken	Process	Dates	Status e.g. status/Complete	RAG	Estimated Spend Profile
Internal Governance					
Project Approval	Estates/Finance approval				
	Board/Council approval				
Confirmation that any Grant conditions have been satisfied e.g. provision of risk register					
Return Grant Offer Letter					
Status of Project					
Procurement/Tender	Final design/specification				
	Project out to tender				
	Contract awarded				

	Cool off period			
Order	Order placed			
Equipment	Equipment delivered/on site			
Project on Site	Commencement			
	Key milestones			
	Project complete onsite			
	Final commissioning/Completion Certificate			
Project Completion	Submit final invoices			
	Send Completion Certificate to Salix			

3. Key/High Level Risks with mitigation measures

4. Estimated Number of Jobs generated by the project

5. Provide the following details for every building a measure is taking place:

(further lines can be added if necessary)

#	Building name	Building Property Number	Unique Reference	Postcode
1				
2				
3				
4				

Schedule 3: Monitoring Reports

Monitoring reports are to be provided by the 5th of each month to Salix Finance and should contain the following information:

1. Internal governance/project approvals update

Including - progress update on any conditions within GOL that have been satisfied.

1. Status of project

Highlighting comparison to Project Programme outlined in Schedule 2 e.g. project out to tender; updated details of procurement route used or awards made to contractors; order placed; equipment on site; completed on site; final commissioning, payment(s) required etc. Provide an updated Schedule 2 including detailed timetable if there have been any updates or changes.

2. Actual project spend to date (£)

3. Risks impacting on project delivery (changes to risk register only) [these should be reported by exception from month 2 onwards]
e.g. supply chain delays to receiving some equipment

4. Update on jobs being supported – looking for evidence

5. (Applicable for Category 2(c) and 3(c) projects only) Status of Heat Decarbonisation Plan

Highlighting progress made on the development of a Heat Decarbonisation Plan


6. Any other relevant information

Highlighting any changes in Authorising Official and key personnel

In the event that the below scenarios arise, you need to report by exception within 3 business days:

- Changes in cost > 10%
- Changes in scope (technologies)
- Delayed > 3 months
- Project no longer able to proceed, detailing any reasons for the decision

Schedule 4: Specimen Signature

Name of Accountable Officer:	Peter Kane
Position in Organisation:	Chamberlain
Signature:	<div>DocuSigned by:  4A995317F8F7486...</div>

Schedule 5: Grant Application

Public Sector Decarbonisation Scheme 2020/2021

MEMORANDUM OF UNDERSTANDING Between the

**SECRETARY OF STATE FOR BUSINESS, ENERGY &
INDUSTRIAL STRATEGY**

**And
City of London**

This Memorandum of Understanding (**MoU**) governs the relationship between the Secretary of State for Business Energy & Industrial Strategy (the **Secretary of State**), which will provide the Grant, Salix Finance Limited, a company incorporated in England and Wales with company number 05068355 and whose registered office is at 6th Floor, 25 Farringdon Street, London, EC4A 4AB (**Salix**), which will administer the Grant on behalf of the Secretary of State, and the Grant Recipient in connection with the provision of the Public Sector Decarbonisation Scheme (**PSDS**) Grant by the Secretary of State to the Recipient.

This MoU shall apply to and be incorporated into the Grant Offer Letter and should be read in conjunction with the Grant Offer Letter and the Grant Determination Letter. This MoU, the Grant Offer Letter and its schedules shall together constitute the **Agreement**.

This MoU and the Agreement are not intended to be legally binding and no legal obligations or right shall arise between the Secretary of State, Salix, and the Recipient from the provisions of either this MoU or the Agreement. The parties enter into the MoU and the Agreement intending to honour all of their obligations.]

Definitions and interpretation

1.1 In this MoU, the following terms shall have the following meanings:

Accountable Officer: the person appointed by the Recipient, and whose identity is approved by Salix, who is responsible for ensuring that the Recipient uses the Grant in compliance with the Agreement.

Bribery Act: the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation.

Building Contract: the contract to design and/or complete the design of and build the Project.

Business Day: a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business in London.

Change of Control: means the sale of all or substantially all the assets of a party to the Agreement; any merger, consolidation or acquisition of a party to the Agreement with, by or into another corporation, entity or person, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a party to the Agreement in one or more related transactions.

Dangerous Substance: any radioactive emission, noise or natural or artificial substance (whether in the form of a solid, liquid, gas or vapour, including any controlled, special, hazardous, toxic, radioactive or dangerous substance or waste), the generation, transportation, storage, treatment, use or disposal of which (whether alone or in combination with any other substance) gives rise to a risk of causing harm to any living organism or damaging the Environment or public health or welfare.

Data Protection Legislation: all applicable data protection legislation and privacy legislation in force from time to time in the UK including the GDPR; the Data Protection Act 2018; the Privacy and Electronic Communications Directive 2002/58/EC (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426); any other directly applicable European Union regulation relating to privacy; and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of Personal Data and the privacy of electronic communications.

Deleterious Material: any material, equipment, product or kit that is generally accepted, or generally suspected, in the construction industry at the relevant time as:

- (a) posing a threat to the health and safety of any person;
- (b) posing a threat to the structural stability, performance or physical integrity of the Project, or any part or component of the Project;
- (c) reducing, or possibly reducing, the normal life expectancy of the Project or any part or component of the Project; or

- (d) not being in accordance with any relevant British standard, relevant code of practice or good building practice.

Eligible Expenditure: the expenditure incurred, or to be incurred, by the Recipient during the period prior to Practical Completion for the purposes of delivering the Project in accordance with the Project Programme, Grant Application and the Agreement, and which comply in all respects with the eligibility rules set out in Clause 5 of this MoU.

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes insofar as they relate to or apply to the Environment.

Evidence of Need: such evidence requested by Salix which Salix considers, in its absolute discretion, provides it with a sufficient level of assurance to demonstrate that the Grant will be used for Eligible Expenditure.

GDPR: General Data Protection Regulation ((EU) 2016/679).

Governing Body: the governing body of the Recipient including its directors or trustees.

Grant: the sum specified in the Grant Offer Letter, to be paid to the Recipient in accordance with the Agreement.

Grant Application: the application for the Grant, submitted by the Recipient to Salix, which incorporates the Grant Application Support Notes, a copy of which is attached at Schedule 5 to the Grant Offer Letter.

Grant Application Support Notes: any notes or documentation supporting the Recipient's application for the Grant.

Grant Offer Letter: the letter from Salix, on behalf of the Secretary of State, to the Recipient, setting out the basis upon which the Grant will be provided to the Recipient.

Grant Determination Letter: the Department for Business Energy and Industrial Strategy Public Sector Decarbonisation Scheme Grant Determination (2020/2021) Letter issued in accordance with section 31 of the Local Government Act 2003.

Grant Payment Date: the date referred to as the 'Grant Payment Date' in the Grant Offer Letter.

Intellectual Property Rights: all patents, copyrights and design rights (whether registered or not) and all applications for any of the foregoing and all rights of confidence and Know-How however arising for their full term and any renewals and extensions.

Know-How: information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale.

Measures: the individual items of design, construction or other building works which are necessary to achieve Practical Completion, as contained within the Project Programme.

MoU: this Memorandum of Understanding.

Necessary Consents: any planning permission required for the Project, any environmental licences and any other authorisation under any other statute, bye-law or regulation of any competent authority that is reasonably necessary to enable the works on the Project to be lawfully commenced, carried out or completed.

Personal Data: shall have the same meaning as set out in the Data Protection Legislation.

Practical Completion: the date on which the certificate of practical completion (or the equivalent evidence of practical completion of works) of the Project is properly issued in accordance with the

terms of the Building Contract. This date shall be no later than 30 September 2021.

Procurement Regulations: the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011 and the Utilities and Contracts Regulations 2016 together with their amendments, updates and replacements from time to time.

Prohibited Act:

- (a) offering, giving or agreeing to give to any servant of the Crown any gift or consideration of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of the Agreement or any other contract with the Crown; or
 - (ii) showing or not showing favour or disfavour to any person in relation to the Agreement or any other contract with the Crown;
- (b) committing any offence:
 - (i) under the Bribery Act;
 - (ii) under legislation creating offences in respect of fraudulent acts; or
 - (iii) at common law in respect of fraudulent acts in relation to the Agreement or any other contract with the Crown; or
 - (iv) defrauding or attempting to defraud or conspiring to defraud the Crown.

Project: the project or projects operated by the Recipient to assist in the reduction of energy use or the switch to, or enabling works in preparation for, a cleaner heat source, as set out in the Grant Application and as described in the Grant Offer Letter.

Project Start Date: the date upon which works on the Project are to commence, as specified in the Grant Offer Letter.

Project Programme: the detailed timetable for delivery and completion of the Project including a breakdown of the Measures and the cost of such Measures, as set out in Schedule 2 (*Project Programme*) to the Grant Offer Letter.

Public Sector Body: a local authority within the definition in section 33(1) of the Local Government Act 2003.

Recipient: the person named as such in the Grant Offer Letter.

The Secretary of State: the Secretary of State for Business, Energy and Industrial Strategy (and its successors, assigns and transferees).

Specific Conditions: any specific conditions set out at Schedule 1 (*Specific Conditions*) to the Grant Offer Letter.

VAT: value added tax payable by virtue of the Value Added Tax Act 1994 and any similar tax from time to time in addition to it, replacing it or performing a similar fiscal function.

- 1.2 In the event of any inconsistency between the Grant Offer Letter and this MoU, the provisions of the Grant Offer Letter shall prevail. In the event of any inconsistency between this MoU and any Specific Conditions, the provisions of the Specific Conditions shall prevail.
- 1.3 Headings do not affect the interpretation of this MoU.
- 1.4 Any reference to Salix in this MoU includes references to its successors, transferees or assigns.
- 1.5 A reference to a law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.

- 1.6 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.7 A reference to a Clause is a reference to a clause of this MoU.
- 1.8 Unless the context otherwise requires, words in the singular shall include the plural and in the plural include the singular.
- 1.9 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

2 Purpose of Grant

- 2.1 The Recipient shall use the Grant only for the delivery of the Project in accordance with the Project Programme, the Grant Application and the Agreement. The Grant shall not be used for any other purpose without the prior written agreement of Salix.
- 2.2 The Recipient shall not make any significant change to the Project or the Project Programme without Salix's prior written agreement.
- 2.3 The Grant is being provided to the Recipient in consideration for the Recipient agreeing to deliver the Project and agreeing to comply with the Agreement.

3 Payment of the Grant

- 3.1 [Subject to Clause 17 of this MoU, the Secretary of State shall pay an amount not exceeding the Grant to the Recipient in a single amount on the Grant Payment Date, subject to:
 - 3.1.1 the Recipient providing Salix with Evidence of Need;
 - 3.1.2 Salix receiving all documents and information which it may, in its absolute discretion, request from the Recipient;
 - 3.1.3 the Recipient complying with any Specific Conditions; and
 - 3.1.4 the further conditions precedent that on the Grant Payment Date:
 - (a) Salix is satisfied, in its absolute discretion and subject to Clause 3.5 below, that the Grant to be provided is sufficient to meet the costs required for delivery of the Project in accordance with the Project Programme.
 - (b) Salix is satisfied, in its absolute discretion, that the Project has been initiated or will be initiated prior to 1 April 2021
- 3.2 No Grant shall be paid unless and until Salix is satisfied that such payment will be used for Eligible Expenditure.]
- 3.3 In the event of any overspend by the Recipient in its delivery of the Project outside of the sums set out in the Project Programme, the amount of such overspend shall be met by the Recipient from its own funds unless:
 - 3.3.1 the Secretary of State, in its absolute discretion agrees to increase the Grant by an amount equal to the overspend; or
 - 3.3.2 Salix, in its absolute discretion, agrees to adjust the Project Programme and/or reduce the Measures so as to ensure that the remaining Grant is sufficient to meet the remaining costs required for delivery of the Project.
- 3.4 The Grant shall be paid into a bank account in the name of the Recipient, which must be an ordinary UK business bank account. If it is necessary for Salix to request the details of the bank account, these shall be notified to Salix within 3 business days of the Recipient receiving the request..
- 3.5 The Recipient shall not transfer any part of the Grant to bank accounts which are not ordinary business accounts within the clearing bank system, without the prior written consent of the Secretary of State.
- 3.6 The Recipient shall promptly repay to the Secretary of State any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where

Grant monies have been paid in error before all conditions attaching to the Grant have been complied with by the Recipient.

4 Use of the Grant

4.1 The Grant shall be used by the Recipient for the delivery of the Project in accordance with the Project Programme, the Grant Application, the Grant Determination Letter and in accordance with the Agreement. For the avoidance of doubt, the amount of the Grant that the Recipient may spend on any item of Eligible Expenditure listed in the Project Programme shall not exceed the forecasted amounts as listed in the Project Programme (without prior written agreement of Salix).

4.2 The Recipient shall not use the Grant to:

- 4.2.1 make any payment to members of its Governing Body;
- 4.2.2 purchase buildings or land; or
- 4.2.3 pay for any expenditure commitments of the Recipient entered into before the Grant Payment Date,

unless this has been approved in writing by the Secretary of State.

4.3 The Recipient shall not spend any part of the Grant on the delivery of the Project after the date of Practical Completion.

4.4 Should any part of the Grant remain unspent at the date of Practical Completion, or should any part of the Grant be provided for items of Eligible Expenditure which subsequently cost less than forecasted in the Project Programme, the Recipient shall, unless otherwise agreed in writing by the Secretary of State, ensure that any unspent monies are returned to the Secretary of State.

4.5 Where the Recipient enters into a contract with a third party in connection with the Project, the Recipient will remain responsible for paying that third party. Neither the Secretary of State nor Salix has responsibility for paying the invoices of third parties.

4.6 Onward payment of the Grant and the use of sub-contractors shall not relieve the Recipient of any of its obligations under the Agreement.

4.7 Any liabilities arising at the end of the Project and which are not otherwise incorporated within the Project Programme, including but not limited to any redundancy liabilities for staff employed by the Recipient to deliver the Project, must be managed and paid for by the Recipient using other resources of the Recipient and not using the Grant. There will be no additional funding available from the Secretary of State for this purpose.

5 Eligibility Rules

5.1 The Secretary of State will only pay the Grant in respect of Eligible Expenditure incurred by the Recipient to deliver the Project and the Recipient will use the Grant solely for delivery of the Project in accordance with the Project Programme.

5.2 The only costs/payments that will be classified as Eligible Expenditure are those specific items of expenditure set out in the Project Programme.

5.3 Notwithstanding any items of expenditure set out in the Project Programme, the Recipient may not use the Grant to meet any of the following payments:

- 5.3.1 paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
- 5.3.2 using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the Grant;
- 5.3.3 using the Grant to petition for additional funding;
- 5.3.4 expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;

5.3.5 input VAT reclaimable by the Recipient from HMRC;

5.3.6 payments for activities of a political or exclusively religious nature;

5.3.7 contributions in kind;

5.3.8 interest payments or service charge payments for finance leases;

5.3.9 gifts;

5.3.10 entertaining (meaning anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);

5.3.11 statutory fines, criminal fines or penalties, civil penalties, damages or any associated legal costs;

5.3.12 costs incurred in giving evidence to Parliamentary Select Committees;

5.3.13 costs incurred in attending meetings with government ministers or civil servants to discuss the progress of the Project;

5.3.14 costs incurred in responding to public consultations or costs incurred in lobbying other people to respond to any such consultation;

5.3.15 costs incurred in providing independent evidence based advice to local or national government as part of the general policy debate;

5.3.16 payments for works or activities which the Recipient has a statutory duty to undertake, or that are fully funded by other sources;

5.3.17 bad debts to related parties;

5.3.18 payments for unfair dismissal or other compensation;

5.3.19 depreciation, amortisation or impairment of assets owned by the Grant Recipient; and/or

5.3.20 liabilities incurred before the Grant Payment Date unless expressly included in the Project Programme.

6 Accountable Officer

6.1 The Recipient must appoint an Accountable Officer who is responsible for ensuring that the Recipient uses the Grant in compliance with the Agreement.

6.2 The identity of the Accountable Officer must be approved by Salix prior to the commencement of the Project, and the identity of such person shall not change during the period prior to Practical Completion without the prior written consent of Salix.

6.3 The Accountable Officer must:

6.3.1 maintain oversight of the Recipient's use of the Grant and safeguard, control and ensure the efficient, economical and effective management of the Grant;

6.3.2 advise the Recipient on the discharge of the Recipient's responsibilities under the Agreement;

6.3.3 ensure that principles of probity, robust governance, transparency and value for money are maintained at all times in relation to the utilisation of the Grant; and

6.3.4 ensure that conflicts of interest are avoided.

7 Covenants

7.1 In consideration of the Grant being given, the Recipient undertakes to the Secretary of State and to Salix:

7.1.1 not to use the Grant otherwise than in respect of the Project, not to use the Grant to subsidise any economic activity, and in particular not to use the Grant to generate

revenue or capital gain, or to make any of the payments set out in Clause 3.1;

- 7.1.2 that it will respond fully, promptly and truthfully (to the best of its knowledge) to any enquiries that the Secretary of State or Salix (and any party authorised by the Secretary of State) may make about the Project and/or use of the Grant;
- 7.1.3 to ensure that the works on the Project are completed, and the design, construction and development of the Project is undertaken, in a proper and workmanlike manner, using materials of good quality which are fit for their respective purposes, and in accordance with:
 - (a) the Project Programme and Grant Application;
 - (b) the Necessary Consents and all applicable authorisations and laws;
 - (c) the Building Contract and any other contracts and agreements relating to the completion of the Project.
- 7.1.4 that it shall properly and diligently monitor the work on the Project during the period prior to Practical Completion, and for such period after Practical Completion as Salix shall reasonably specify, to ensure that the Grant is being used appropriately and the Project continues to produce, or will in the future produce, the energy savings and CO2 reductions envisaged and agreed with Salix;
- 7.1.5 that it shall keep a full, accurate and proper auditable record of the progress of the Project, including all Eligible Expenditure and other costs incurred in relation to the Project and the present and future effectiveness of the Project in delivering energy savings and CO2 reductions, and shall provide such information, evidence and assistance as is reasonably required, and in such form as specified, by Salix or the Secretary of State including, but not limited to, any information relating to the amount of CO2 savings and cost effectiveness of such savings expected to be attained during and after Practical Completion of the Project.
- 7.1.6 where reasonably specified by Salix or the Secretary of State, it shall ensure that any information or evidence provided under the Agreement is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise;
- 7.1.7 that it shall not create, or permit to subsist any mortgage, charge (whether floating or specific), pledge, lien or other security interest on any of its undertaking, property or assets comprised or utilised in the Project without the prior written consent of Salix;
- 7.1.8 that it will ensure at all times that it has appropriate auditing arrangements in place in relation to the Grant and its use, which shall include, but shall not be limited to, keeping and maintaining full and accurate records and evidence of the use of the Grant, including expenses defrayed, and of any third parties indirectly benefitting from the Grant, in particular contractors, manufacturers and installers of equipment installed as part of the Project;
- 7.1.9 that it will ensure that no Dangerous Substance has been deposited, disposed of, kept, treated, processed, manufactured, used, collected, sorted or produced at any time, or is present in the Environment, in connection with the Project in circumstances that are likely to result in a breach of Environmental Law;
- 7.1.10 that it will ensure that no professional engaged on the Project has specified or used anything in the work on the Project that, at the time of specification or use, was a Deleterious Material;
- 7.1.11 that it will retain the records maintained under Clause 7.1.5 for a period of not less than six years from the date of Practical Completion and shall allow the Secretary of State and Salix access to such records;

7.1.12 that it will provide Salix and, if requested, the Secretary of State with any updated information and documentation relating to the cost of delivering the Project, the expected energy savings and CO2 reduction and any expected or anticipated changes required to the Measures or Project Programme, as soon as it becomes aware of the same;

7.1.13 that all estimates, forecasts and projections provided by the Recipient, or on its behalf, to Salix or the Secretary of State in connection with the Project or the Project Programme have been prepared with due care and skill, are based on information known to it and reasonably expected to be relevant, and are subject only to such assumptions and qualifications as are expressly made;

7.1.14 to cause Practical Completion to occur in accordance with the Project Programme and Grant Application;

7.1.15 that it will comply with any Specific Conditions;

7.1.16 that it will maintain or cause to be maintained in full force and effect adequate insurances in respect of all its assets comprised or utilised in the Project against all risks and contingencies;

7.1.17 that it will ensure that all professional consultants and/or contractors involved in carrying out works on the Project hold and maintain appropriate professional indemnity insurance cover in relation to the services carried out or to be carried out and that the Recipient obtains copies of the relevant certificates.

8 Accounts and records

8.1 The Recipient shall keep accurate and up-to-date accounts and records of the receipt and expenditure of the Grant monies received by it.

8.2 The Recipient shall keep all invoices, receipts and accounts and any other relevant documents relating to the Project and the expenditure of the Grant for a period of at least six years following the date of Practical Completion. Salix and the Secretary of State (and any party authorised by Salix or the Secretary of State) shall have the right to review, at Salix's or the Secretary of State's request, the Recipient's accounts and records that relate to the Project and the expenditure of the Grant and shall have the right to take copies of such accounts and records.

8.3 The Recipient shall ensure that all its sub-contractors retain each record, item of data and document relating to the Project for a period of at least six years from the date of Practical Completion.

8.4 The Recipient shall comply and facilitate the Secretary of State's and Salix's compliance with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself, the Secretary of State, and Salix.

9 Monitoring and reporting

9.1 The Recipient shall closely monitor the delivery and success of the Project throughout the period prior to Practical Completion to ensure that the Agreement is being adhered to.

9.2 The Recipient acknowledges that Salix and the Secretary of State, and any party authorised by Salix or the Secretary of State, may monitor the Project to ensure that the Project fulfils all requirements specified by Salix and/or the Secretary of State, including providing the energy savings and CO2 reductions envisaged and agreed with Salix at the outset of the Project.

9.3 On or before the date falling 5 Business Days after the first day of each calendar month during the period prior to Practical Completion, the Recipient shall provide Salix with a report, signed by the Accountable Officer, containing the information set out in Schedule 3 of the Grant Offer Letter (*Monitoring Reports*) in respect of the previous calendar month, together with copies of all invoices or other evidence of the total costs and expenses incurred in that calendar month.

9.4 Where the Recipient has obtained funding from a third party for its delivery of part of the Project, the Recipient shall include the

amount of such funding in the reports provided pursuant to Clause 9.3 together with details of what that funding has been used for.

- 9.5 Along with its first report provided pursuant to Clause 9.3, the Recipient shall provide Salix with a risk register and insurance review in the format requested by Salix. The Recipient shall address the health and safety of its staff in the risk register.
- 9.6 The Recipient shall on request provide Salix (or any party authorised by Salix) with such further information, explanations and documents as Salix (or such party authorised by Salix) may reasonably require in order for it to establish that the Grant has been used properly in accordance with the Agreement.
- 9.7 The Recipient shall permit any person authorised by Salix or the Secretary of State such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Recipient's fulfilment of the conditions of the Agreement and shall, if so required, provide appropriate oral or written explanations to them.
- 9.8 The Recipient shall, if so requested by Salix or the Secretary of State, permit any person authorised by Salix or the Secretary of State for the purpose to visit the Recipient once every quarter to monitor the delivery of the Project. Where, in its reasonable opinion, Salix or, as applicable, the Secretary of State, considers that additional visits are necessary to monitor the Project, either party shall be entitled to authorise any person to make such visits on its behalf.
- 9.9 The Recipient shall provide Salix with a final report on Practical Completion which shall confirm whether the Project has been successfully and properly completed and which shall contain the information set out in Schedule 3 of the Grant Offer Letter (*Monitoring Reports*).
- 9.10 On each of the first three years following Practical Completion, the Recipient shall provide Salix with a report outlining the effectiveness of the Project in delivering energy savings and CO2 reductions, and containing such other information and evidence as is reasonably requested by Salix in relation to the Project.
- 9.11 The Recipient represents and undertakes (and shall repeat such representations on delivery of the relevant report or information):
- 9.11.1 that the reports and information it gives pursuant to this Clause 9 are accurate;
- 9.11.2 that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and
- 9.11.3 that any data it provided pursuant to the Grant Application may be shared within the powers conferred by legislation with other organisations for the purpose of preventing or detecting crime.

10 Receipt of other funding sources

- 10.1 The Recipient is prohibited from accepting any other public sector or European funding in relation to the Project without first obtaining the prior written consent of Salix or the Secretary of State and the Recipient shall not claim or use any part of the Grant for any purpose other than the delivery of the Project.
- 10.2 The Recipient shall comply with the subsidy control rules applicable in the United Kingdom in relation to the delivery of the Project at the time this Grant Offer Letter is signed.
- 10.3 The Recipient is required to obtain and retain all declarations and information as may be required to enable both the Recipient and the Secretary of State to comply with the relevant subsidy control rules which apply in domestic UK law from 1 January 2021, and to provide copies of such declarations and information to the Secretary of State when required to do so.
- 10.4 The Secretary of State may, if required to do so by any other Governmental body, recover from the Recipient, on demand, any Grant, plus interest, made in contravention of the applicable subsidy control rules.
- 10.5 The Recipient shall, if requested by the Secretary of State or any Governmental body, repay to the Secretary of State or, as

applicable, such Governmental body, any Grant, plus interest, made in contravention of the applicable subsidy control rules.

- 10.6 The Recipient accepts that the Secretary of State may exercise the options referred to in paragraphs 10.4 and 10.5 where the Secretary of State:

- 10.6.1 is required to cease grant funding or to recover all, or any proportion, of the Grant or any other amount by virtue of a decision of a court or any equivalent body as a result of the relevant subsidy control rules which apply in domestic UK law from 1 January 2021; or
- 10.6.2 has reasonable grounds to consider that the payment of the Grant, or the Recipient's use of it, contravenes any requirement of law, in particular (but without limitation) the relevant subsidy control rules which apply in domestic UK law from 1 January 2021.

11 Acknowledgment and publicity

- 11.1 The Recipient shall not publish any material referring to the Project, the Secretary of State or Salix without the prior written agreement of the Secretary of State or Salix. The Recipient shall acknowledge the support of the Secretary of State in any materials that refer to the Project and in any written or spoken public presentations about the Project. Such acknowledgements (where appropriate or as requested by Salix or the Secretary of State) shall include the Secretary of State's name and logo (or any future name or logo adopted by the Secretary of State) using the templates provided by the Secretary of State from time to time.
- 11.2 In using the Secretary of State's name and logo, the Recipient shall comply with all reasonable branding guidelines issued by the Secretary of State from time to time.
- 11.3 The Recipient agrees to participate in and co-operate with promotional activities relating to the Project that may be instigated and/or organised by Salix or the Secretary of State.
- 11.4 Salix or the Secretary of State may acknowledge the Recipient's involvement in the Project as appropriate without prior notice.
- 11.5 The Recipient shall comply with all reasonable requests from the Secretary of State or Salix to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Secretary of State or Salix, as the case may be, in its promotional and fundraising activities relating to the Project.

12 Intellectual Property Rights

- 12.1 The Secretary of State, Salix and the Recipient agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, Know-How and any other Intellectual Property Rights whatsoever owned by either the Secretary of State, Salix or the Recipient before the Grant Payment Date or developed by any party during the period prior to Practical Completion, shall remain the property of that party.
- 12.2 Where the Secretary of State or Salix has provided the Recipient with any of its Intellectual Property Rights for use in connection with the Project (including without limitation its name and logo), the Recipient shall, on termination of the Agreement, cease to use such Intellectual Property Rights immediately and shall either return or destroy such Intellectual Property Rights as requested by Salix or the Secretary of State, as appropriate.

13 Confidentiality

- 13.1 Subject to Clause 14 (Freedom of Information), each party shall during the term of the Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of the Agreement or save as expressly authorised in writing by the other party.
- 13.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:

- 13.2.1 at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of the Agreement by the receiving party;
- 13.2.2 is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or
- 13.2.3 is at any time after the date of the Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

14 Freedom of information

- 14.1 The Recipient acknowledges that the Secretary of State and Salix are subject to the requirements of the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIRs).
- 14.2 The Recipient shall:
 - 14.2.1 provide all necessary assistance and cooperation as reasonably requested by the Secretary of State or Salix, as the case may be, to enable the Secretary of State and/or Salix to comply with their obligations under the FOIA and EIRs;
 - 14.2.2 transfer to Salix all requests for information relating to the Agreement that it receives as soon as practicable and in any event within 2 working days of receipt;
 - 14.2.3 provide Salix with a copy of all information belonging to Salix requested in the request for information which is in its possession or control in the form that Salix requires within 5 working days (or such other period as Salix may reasonably specify) of Salix's request for such information; and
 - 14.2.4 provide the Secretary of State with a copy of all information belonging to the Secretary of State requested in the request for information which is in its possession or control in the form that the Secretary of State requires within 5 working days (or such other period as the Secretary of State may reasonably specify) of the Secretary of State's request for such information; and
 - 14.2.5 not respond directly to a request for information unless authorised in writing to do so by Salix.

- 14.3 The Recipient acknowledges that Salix and the Secretary of State may be required under the FOIA and EIRs to disclose information without consulting or obtaining consent from the Recipient. Salix or the Secretary of State, as applicable, shall take reasonable steps to notify the Recipient of a request for information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in the Agreement) Salix or the Secretary of State, as the case may be, shall be responsible for determining in their absolute discretion whether any information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

15 Data protection

- 15.1 All Parties will comply with all applicable requirements of and all their obligations under the Data Protection Legislation which arise in connection with the Agreement.

16 Procurement of Capital Equipment, Goods and Services

- 16.1 The procurement of all works, equipment, goods and services required to deliver the Project must be carried out in accordance with the Recipient's internal procurement guidelines and financial regulations, and with all applicable laws including the Procurement Regulations. The Secretary of State shall not be liable for the Recipient's failure to comply with its obligations under such guidelines, regulations or laws.

17 Withholding, suspending and repayment of Grant

- 17.1 The Secretary of State's intention is that the Grant will be paid to the Recipient in full. However, without prejudice to the Secretary of State's or Salix's other rights and remedies, the Secretary of State may at their discretion reduce, withhold or suspend payment of all or any part of the Grant and/or require repayment of all or part of the Grant if:
 - 17.1.1 the Recipient has used, or intends to use, all or any part of the Grant for purposes other than those for which the Grant has been awarded;
 - 17.1.2 the delivery of the Project does not start within 6 weeks of the Project Start Date and the Recipient has failed to provide Salix with a reasonable explanation for the delay;
 - 17.1.3 the Secretary of State or Salix, acting reasonably, considers that the Recipient has not made satisfactory progress with the delivery of the Project;
 - 17.1.4 the Recipient is, in the reasonable opinion of the Secretary of State or Salix, delivering the Project in a negligent manner and/or not in accordance with the Project Programme or Grant Application;
 - 17.1.5 the Recipient obtains duplicate funding from a third party for the Project;
 - 17.1.6 the Recipient obtains funding from a third party without prior written consent of the Secretary of State or Salix, such consent not to be unreasonably withheld;
 - 17.1.7 the Recipient provides Salix or the Secretary of State with any materially misleading or inaccurate information and/or any of the information provided in the Grant Application or in any subsequent correspondence is found to be incorrect or incomplete to an extent that the Secretary of State or Salix considers to be significant;
 - 17.1.8 the Recipient commits or committed a Prohibited Act or fails to report a Prohibited Act to the Secretary of State or Salix, whether committed by the Recipient or a third party, as soon as they become aware of it;
 - 17.1.9 any member of the Governing Body, employee or volunteer of the Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of Salix or the Secretary of State, bring or are likely to bring Salix's name or reputation or the Secretary of State's name or reputation into disrepute (and actions include omissions in this context) or (c) transferred, assigned or novated the Grant to a third party or (d) failed to act in accordance with all applicable laws;
 - 17.1.10 the Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
 - 17.1.11 the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
 - 17.1.12 in the sole opinion of Salix or the Secretary of State, the Grant has been used as an unlawful subsidy;
 - 17.1.13 in the sole opinion of Her Majesty's Revenue & Customs, the Recipient engages in tax evasion or aggressive tax avoidance;
 - 17.1.14 in the sole opinion of Salix, there is a financial irregularity within the Recipient which is not rectified within the timescale provided by Salix;

17.1.15 the Recipient undergoes a Change of Control which Salix, acting reasonably, considers:

17.1.16 will be materially detrimental to the completion of the Project and/or;

17.1.17 causes, or would cause, the Recipient to be in breach of the Agreement;

17.1.18 would raise national security concerns; or

17.1.19 the Recipient fails to comply with the Agreement and fails to rectify any such failure within 30 days of receiving written notice detailing the failure; or

17.1.20 Salix gives at least 2 months' notice in writing to the Recipient.

17.2 The Secretary of State may retain or set off any sums owed to it by the Recipient which have fallen due and payable against any sums due to the Recipient under the Agreement or any other agreement pursuant to which the Recipient provides goods or services to the Secretary of State .

17.3 The Recipient shall make any payments due to the Secretary of State without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.

17.4 Should the Recipient be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Project or compliance with the Agreement it will notify Salix as soon as possible so that, if possible, and without creating any legal obligation, Salix will have an opportunity to provide assistance in resolving the problem or to take action to protect Salix, the Secretary of State, and the Grant monies.

18 Anti-discrimination

18.1 The Recipient shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment.

18.2 The Recipient shall take all reasonable steps to secure the observance of Clause 18.1 by all servants, employees or agents of the Recipient and all suppliers and sub-contractors engaged on the Project.

19 Human rights

19.1 The Recipient shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the performance of the Agreement as if the Recipient were a public body (as defined in the Human Rights Act 1998).

19.2 The Recipient shall undertake, or refrain from undertaking, such acts as Salix or the Secretary of State requests so as to enable Salix and the Secretary of State to comply with their obligations under the Human Rights Act 1998.

20 Financial Management and Prevention of Bribery, Corruption, Fraud and Other Irregularity

20.1 The Recipient will at all times comply with all applicable Laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act.

20.2 The Recipient must have a sound administration and audit process, including internal financial controls to safeguard against fraud, theft, money laundering, counter terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. Salix or the Secretary of State may require that the Recipient's internal/external auditors report on the adequacy or otherwise of those processes.

20.3 All cases of fraud, theft or other financial irregularity (whether proven or suspected) relating to the Project and/or use of the Grant must be notified to Salix as soon as they are identified. The Recipient shall explain to Salix what steps are being taken to investigate the fraud, theft or financial irregularity and shall keep Salix informed about the progress of any such investigation. Salix

may however request that the matter is referred to external auditors or other third parties for investigation as required.

20.4 Salix and the Secretary of State will have the right, at their absolute discretion, to insist that the Recipient addresses any actual or suspected fraud, theft or other financial irregularity and/or to suspend future payment of the Grant to the Recipient. Any grounds for suspecting fraud, theft or financial irregularity includes what the Recipient, acting with due care, should have suspected as well as what is actually proven.

20.5 For the purposes of this Clause 20, "financial irregularity" includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purpose other than those stipulated in the Agreement. The Recipient may be required to provide statements and evidence to Salix or the appropriate organisation as part of pursuing sanctions, criminal or civil proceedings.

21 Limitation of liability

21.1 Salix and the Secretary of State accept no liability for any consequences, whether direct or indirect, that may come about from the Recipient running the Project, the use of the Grant or from withdrawal of the Grant. The Recipient shall indemnify and hold harmless Salix and the Secretary of State, and their employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Recipient in relation to the Project, the non-fulfilment of obligations of the Recipient under the Agreement or its obligations to third parties.

22 Warranties

22.1 The Recipient warrants, undertakes and agrees that:

22.1.1 it is a Public Sector Body;

22.1.2 it has all necessary resources and expertise to deliver the Project (assuming due receipt of the Grant);

22.1.3 it has not committed, nor shall it commit, any Prohibited Act;

22.1.4 it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify Salix immediately of any significant departure from such legislation, codes or recommendations;

22.1.5 it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;

22.1.6 it has and shall keep in place adequate procedures for dealing with any conflicts of interest;

22.1.7 it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;

22.1.8 all financial and other information concerning the Recipient which has been disclosed to Salix or the Secretary of State is to the best of its knowledge and belief, true and accurate;

22.1.9 it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant;

22.1.10 it is not aware of anything in its own affairs, which it has not disclosed to Salix, any of Salix's advisers, the Secretary of State, or any of the Secretary of State's advisers, which might reasonably have influenced the decision of the Secretary of State to make the Grant on the terms contained in the Agreement; and

22.1.11 since the date of its last accounts there has been no material change in its financial position or prospects which

would, in the reasonable opinion of Salix, adversely affect the Recipient's ability to deliver the Project in accordance with the Project Programme, the Grant Application and the Agreement.

23 Change of Control

- 23.1 The Recipient shall notify Salix immediately in writing and as soon as the Recipient is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control, provided such notification does not contravene any law.
- 23.2 The Recipient shall ensure that any notification made pursuant to Clause 23.1 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.
- 23.3 Where the Grant has been awarded to a consortium and the Recipient has entered into a collaboration agreement, the notification required under Clause 23.1 shall include any changes to the consortium members as well as the Recipient.
- 23.4 Following notification of a Change of Control, and unless Salix gave prior consent to the Change of Control, Salix shall be entitled to exercise its rights under Clause 17.1.15 by providing the Recipient with notification of its proposed action in writing within three (3) months of:
- 23.4.1 being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or
- 23.4.2 where no notification has been made, the date that Salix becomes aware that a Change of Control is anticipated or is in contemplation or has occurred.

24 Duration

- 24.1 Except where otherwise specified, the terms of the Agreement shall apply from the Grant Payment Date until the anniversary of expiry of Practical Completion or for so long as any Grant monies remain unspent by the Recipient, whichever is longer.
- 24.2 Any obligations under the Agreement that remain unfulfilled following the expiry or termination of the Agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled.

25 Assignment

- 25.1 The Recipient may not, without the prior written consent of the Secretary of State, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or the burden of the Agreement or, except as contemplated as part of the Project, transfer or pay to any other person any part of the Grant.

26 Waiver

- 26.1 No failure or delay by either party to exercise any right or remedy under the Agreement shall be construed as a waiver of any other right or remedy.

27 Notices

- 27.1 All notices and other communications in relation to the Agreement shall be in writing and shall be deemed to have been duly given if personally delivered or mailed (first class postage prepaid) to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing.

28 No partnership or agency

- 28.1 The Agreement shall not create any partnership or joint venture between (1) the Secretary of State or Salix and (2) the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

29 Joint and several liability

- 29.1 Where the Recipient is not a company nor an incorporated entity with a distinct legal personality of its own, the individuals who enter into and sign the Agreement on behalf of the Recipient shall be jointly and severally liable for the Recipient's obligations and liabilities arising under the Agreement.

BEIS PUBLIC SECTOR DECARBONISATION SCHEME GRANT DETERMINATION (2020/2021): No 31/5353.

The Secretary of State for Business, Energy and Industrial Strategy ("the Minister of State"), in exercise of the powers conferred by Section 31 of the Local Government Act 2003, makes the following determination:

Citation

1) This determination may be cited as the BEIS Public Sector Decarbonisation Scheme Grant Determination (2020/2021): No 31/5353.

Purpose of the grant

2) The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them.

Determination

3) The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Grant conditions

4) Pursuant to section 31(4) of the Local Government Act 2003, the Minister of State determines that the grant will be paid subject to the conditions in Annex B.

Treasury consent

5) Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

Signed by authority of the Minister of State for Business, Energy and Industrial Strategy



Katherine Wright

Deputy Director, Public Sector and Local Energy, Department for Business Energy and Industrial Strategy

08 February 2021

ANNEX A

Please note full details of all grants, including Local Authorities and grant amounts will be published on www.gov.uk after all applications have been assessed and all grants have been determined.

ANNEX B

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.

2. The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the Public Sector and Local Division of the Department for Business Energy and Industrial Strategy a declaration, to be received no later than 31 October 2021, in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Public Sector Decarbonisation Scheme Grant Determination (2020/2021): No 31/5353 have been complied with”.

This declaration can be sent to the following email address:
documents.psds@beis.gov.uk.

3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Minister of State may-

- a) reduce, suspend or withhold grant; or
- b) by notification in writing to the authority, require the repayment of the whole or any part of the grant.

4. Any sum notified by the Minister of State under paragraph 3(b) shall immediately become repayable to the Minister.

Draft

Public Sector Decarbonisation Scheme: Application Form - Guidance Notes

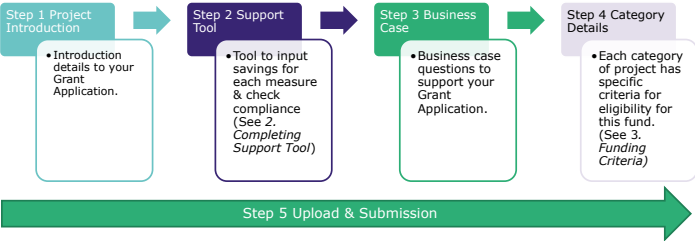
The following section is designed to give some clear guidance on how to fill out the Application Form for the Public Sector Decarbonisation Scheme. Any questions regarding the below please contact grants@salixfinance.co.uk.



Please **Enable Editing** in order for this Tool to fully function. This is a standard requirement when downloading excel files.

- Index:**
- 1. Steps for completing an application
 - 2. Guidance on completing 'Step 2 Support Tool'
 - 3. Completing 'Step 4 Category Details'
 - 4. Low Carbon Skills Fund
 - 5. Strategic Approach
 - 6. Additionality Criteria
 - 7. Mitigating Fraud
 - 8. Carbon Saving Methodology
 - 9. Definitions

1. Steps for completing the Application Form



2. Completing 'Step 2 Support Tool'

Enter project details as shown in the example below.

Start Date	Completion Date	Site Life	Project Description
1/1/2020	1/1/2021	30	Building improvements and energy efficiency works

For Category 1, 2 & 4 (any projects directly saving carbon), enter information for each work type required for the project in the first table. Up to 10 work types may be entered here. Contact technical@salixfinance.co.uk if more measures are to be applied for.

Description of Work	Energy Type	Current kWh/m²	Category	Project Type	Technology - Work Type	Annual kWh/m² Pre-Project	Annual kWh/m² Post-Project	Annual kWh savings	% kWh savings	Project Value
Building Fabric	Gas	2.89	2	Insulation - building fabric	Cavity wall insulation	1000,000	890,000	110,000	8%	£50,000.00

The cells to the right show the calculated values for each work type.

Annual Financial Savings	Payback in Years	ICO _{2e} pa	£/ICO _{2e} LT
£4,200	11.90	27.58	60.43

Missing information for a work type will be flagged up in the 'Data Entry Check' column. The compliance check cannot be completed until all information is entered.

Payback in Years	ICO _{2e} pa	£/ICO _{2e} LT	Data Entry Check
11.90			Check all fields completed correctly
7.14	183.87	86.74	OK

Once all of the required information has been entered correctly, the cells at the top will show the final project figures and whether or not the project is compliant.

	Total Salix Funding Requested	Total Project Value	Payback in Years	Total Financial Savings	Total ICO _{2e} pa	£/ICO _{2e} LT	Compliance
Category 1, 2 & 4	£850,000.00	£850,000	15.69	£54,189	255.83	177.27	Compliant
Category 3	£6,000.00	£6,000					
		Total Project Value		£556,000.00	Total Grant Value	£556,000.00	

If you have a technology that is affecting more than one fuel, please enter each fuel into a separate line in the Compliance Tool.

Description of Work	Energy Type	Fuel Cost £/kWh	Category	Project Type	Technology - Work Type	Annual kWh/m² Pre-Project	Annual kWh/m² Post-Project	Annual kWh savings	% kWh savings	Project Value
1. Boiler to Heat pump	Gas	2.89	1	Heating	Air Source Heat Pump (air to water)	1,000,000	0	1,000,000	100%	£200,000.00
2. Boiler to Heat pump	Electricity	11.00	1	Heating	Air Source Heat Pump (air to water)	0	300,000	- 300,000	0%	£0.00

For Category 3 (enabling works), please provide a detailed description of the project and technology each work type is enabling. Please include the number of the project being enabled, this can be found in the far right column of the support tool table. Up to 10 work types may be entered here.

Description of Work	Project Type	Technology - Work Type	Details of Projects Enabled	Project Number	Project Value	Data Entry Check
Sub-metering	Heating	Flow Meters	Low carbon heating	1	£1,000.00	OK
Battery to support solar array	Battery Storage	Battery in combination with renewable	Solar Array	4	£5,000.00	OK

3. Completing 'Step 4 Category Details'

Completion of 'Step 4 Category Details' will depend on which category your project(s) fall into:



Technology Categories:

Category 1:

Technologies that directly contribute to the heat decarbonisation of a building by installation of low carbon heating.

Category 2:

Technologies that do not directly contribute to the heat decarbonisation of a building but reduce overall energy demand so will support future heat decarbonisation.

Category 3:

Technologies that do not reduce carbon emissions but enable future heat decarbonisation projects to take place - these technologies are exempt from the requirement to meet £500/CO_{2e} lifetime savings.

Category 4:

Technologies that are only permitted if:

- (a) they are used to replace coal-fuelled heating systems or oil-fuelled heating systems, AND
- (b) if, in Salix's reasonable opinion, it has been demonstrated that it is not viable for a low-carbon heating system to be installed within the building as a replacement for the coal or oil-fuelled heating system.

Projects that fall into Category 2 and Category 3 must meet either one of criteria **A**, **B** or **C** as outlined below. Supporting commentary and evidence is needed to demonstrate each Category 2 and 3 project meets any one of the criteria. The criteria are outlined below, including advice on supporting information required.

Category 2 and Category 3 Projects

Criteria A: Category 2 and 3 measures are combined with measures in Category 1:

In this section, provide an overview of how each Category 2 and 3 measure facilitates the implementation of the Category 1 project.

Criteria B: Category 2 and 3 measures are for buildings that already use low-carbon heating for all their heating requirements:

In this section, provide a detailed description of these buildings including their heating systems and requirements.

Criteria C: A written commitment is made to future heat decarbonisation for the buildings in which measures are installed, which includes all of the following:

(i) A commitment to produce and submit to Salix, a Heat Decarbonisation Plan by **30th September 2021**.

(ii) An explanation within the Heat Decarbonisation Plan setting out how the building(s)' fossil fuel heating systems will be replaced by low carbon heating when the fossil fuel system(s) reach the end of their natural lifetime. It is important to consider what will happen when your current heating plant has reached the end of its life and suitable upgrades have not been made to your building to manage this. The type or types of low carbon heating systems, and the likely timescale for this, must be identified. A template for this Heat Decarbonisation Plan is provided if there isn't an existing document, and this can be used to help create this plan if support is needed.

(iii) The Heat Decarbonisation Plan must include details of how it has been approved by their public body, how this plan is going to be implemented, and that there is a commitment to apply for and utilise funding where available to deliver the Heat Decarbonisation Plan. The Heat Decarbonisation Plan will enable public bodies to plan their approach to decarbonisation and their contribution to meeting the 2050 net zero target.

Step 1: Project Introduction



Project Title:	City of London energy decarbonisation project		
Applicant:	City of London Corporation		
Submission date:	11 January 2021		
Will you need further use of the Low Carbon Skills Fund?	Yes	Low Carbon Skills Fund	
Please provide an estimate of how many jobs will be supported by these projects.	378		
Grant value requested (£)	£9,445,943.76		
Is the project dependent on any other funding streams?	No		
If the project is dependent on any other funding stream, please provide details below.			

Please answer yes/no to the following questions, if any require additional commentary please include this in the box provided:

1. Have you or your team worked with Salix before?	Yes
2. Can you confirm your organisation owns the buildings where you wish to undertake these measures?	Yes
3. Can you confirm that your organisation pays the energy bills for these buildings?	Yes
4. Can you confirm that the proposed measures have not yet started?	Yes
5. Upon award of funding, do you have access to frameworks to procure the measures against?	Yes
5a. If no, are you in a position to place orders having gone through a procurement process in line with financial regulations?	N/A
6. Does the project require planning consent?	No
7. Have you secured all necessary internal sign off for this project proposal?	No

If no, please provide detail below

The City of London (CoL) have been developing an Energy Reduction Programme over the last 12-months and internal approval has been granted to develop phase 1 and phase 2 of this programme which constitutes a number of the project proposed in this application. CoL were awarded LCSF funding when has been used to further develop opportunities already identified and build on this with additional projects. In October 2020 CoL approved a new Climate Action Strategy which sets an ambitious target for net zero carbon of our own estate by 2027. Achieving this target is dependent on accelerating our current reduction programme and increasing its scope - and therefore the PSDS Grant Scheme is an ideal opportunity to achieve our already well-established corporate objectives.

Approval of the City of London Corporation’s programme of projects is the responsibility of the Policy and Resources Committee through its Projects Sub- Committee,

8. Does the project include any Private Finance Initiative (PFI) buildings, if yes please provide detail below.	No
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Additional Commentary

We have included some commentary for the basis of the estimated jobs supported figure state above, in the supporting document: Project Cost Breakdown.xls

Please note: all buildings are owned by City of London apart from the London Metropolitan Archives, which is under long lease.

The City of London have been awarded with Salix load funding previously, though it was some year ago. The City of London have recently liaised with Salix in regards to considering an application for the loan scheme, but none have been recently made as yet.

Applicant:	City of London Corporation
Project Phase	Pre-tender
Compliance Criteria:	£500 /tCO ₂ e LT

Step 2: Support Tool

Version 1.5



	Planned Start Date	Planned Completion Date	Site Life	Project Description
	1/4/21	29/9/21	30	Projects to support heat decarbonisation through improvements to HVAC systems and controls, enabled and enhanced through upgrades to electrical infrastrucutre and metering, and further energy reduction provided by lighting upgrades.

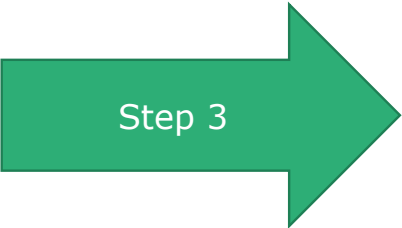
	Total Grant Funding Requested	Total Project Value	Payback in Years	Total Financial Savings	Total tCO ₂ e pa	£/tCO ₂ e LT	Compliance
Category 1,2 & 4	£7,937,900.47	£7,937,900.47	9.03	£879,198	1,542.58	290.25	Check Work Type Details
Category 3	£1,508,043.29	£1,508,043.29	Total Project Value	£9,445,943.76	Total Grant Value	£9,445,943.76	

Category 1,2 and 4 projects																
	Description of Work	Energy Type	Fuel Cost p/kWh	Category	Project Type	Technology - Work Type	Annual kWhrs Pre-Project	Annual kWhrs Post-Project	Annual kWh savings	% kWh savings	Project Value	Annual Financial Savings	Payback in Years	tCO ₂ e pa	£/tCO ₂ e LT	Data Entry Check
1	BAC Damper Upgrades (On-site savings)	Electricity	13.50	2	Ventilation	Ventilation - distribution	864,000	648,000	216,000	25%	£10,278.63	£29,160	0.35	13.83	24.77	OK
2	BAC Damper Upgrades (Citigen chiller savings)	Electricity	18.18	2	Ventilation	Ventilation - distribution	301,191	256,012	45,179	15%	£2,149.88	£8,215	0.26	2.89	24.77	OK
3	BAC Damper Upgrades (Citigen gas savings)	Gas	1.34	2	Ventilation	Ventilation - distribution	12,991,452	11,042,735	1,948,718	15%	£266,313.39	£26,099	10.20	358.31	24.77	OK
4	BAC Damper Upgrades (CHP non-displaced electricity)	Electricity	0.00	2	Ventilation	Ventilation - distribution	0	672,772	- 672,772	0%	£0.00	£0	-	43.07	-	OK
5	BAC&GSMD Insulation Upgrades (Citigen gas savings)	Gas	1.34	2	Insulation - pipework	Heating pipework insulation (internal)	10,080,000	9,629,088	450,912	4%	£84,900.22	£6,039	14.06	82.91	45.51	OK
6	BAC&GSMD Insulation Upgrades (CHP non-displaced electricity)	Electricity	0.00	2	Insulation - pipework	Heating pipework insulation (internal)	0	155,672	- 155,672	0%	£0.00	£0	-	11.47	-	OK
7	BAC EC fan upgrades (on-site savings)	Electricity	13.50	2	Ventilation	Fans - air handling unit	1,450,176	1,160,141	290,035	20%	£297,198.00	£39,155	7.59	20.92	598.28	OK
8	GSMD Milton AHU's control and upgrade (On-site savings)	Electricity	13.50	2	Ventilation	Ventilation - distribution	226,640	179,712	46,928	21%	£266,720.00	£6,335	42.10	3.00	2,959.06	OK
9	BAC&GSMD BMS recommission/ upgrades (On-site savings)	Electricity	13.50	2	Building management systems	BEMS - bureau remotely managed	1,630,080	1,565,529	64,551	4%	£110,873.92	£8,714	12.72	6.96	1,770.77	OK
10	BAC&GSMD BMS BMS recommission/ upgrades (Citigen savings)	Electricity	18.18	2	Building management systems	BEMS - bureau remotely managed	58,032	56,871	1,161	2%	£1,993.53	£211	9.45	0.13	1,770.77	OK
11	BAC&GSMD BMS BMS recommission/ upgrades (CHP non-displaced electricity)	Gas	1.34	2	Building management systems	BEMS - bureau remotely managed	4,547,008	4,366,947	180,062	4%	£527,638.11	£2,412	218.80	33.11	1,770.77	OK
12	BAC&GSMD BMS BMS recommission/ upgrades (CHP non-displaced electricity)	Electricity	0.00	2	Building management systems	BEMS - bureau remotely managed	0	62,164	- 62,164	0%	£0.00	£0	-	6.70	-	OK
13	BAC Pneumatic Valve upgrades/ replacements (On-site savings)	Electricity	13.50	2	Heating	Heating - distribution pipework improvements	823,680	617,760	205,920	25%	£512,943.21	£27,799	18.45	18.24	1,849.88	OK
14	BAC&GSMD Standard Valve upgrades/ replacements (On-site savings)	Electricity	13.50	2	Heating	Heating - distribution pipework improvements	823,680	798,970	24,710	3%	£831.41	£3,336	0.25	2.19	24.99	OK
15	BAC&GSMD Standard Valve upgrades/ replacements (Citigen savings)	Electricity	18.18	2	Heating	Heating - distribution pipework improvements	837,000	778,968	58,032	7%	£1,952.56	£10,552	0.19	5.14	24.99	OK
16	BAC&GSMD Standard Valve upgrades/ replacements (Citigen savings)	Gas	1.34	2	Heating	Heating - distribution pipework improvements	21,840,000	19,871,715	1,968,285	9%	£137,452.72	£26,361	5.21	361.91	24.99	OK
17	BAC&GSMD Standard Valve upgrades/ replacements (CHP non-displaced electricity)	Electricity	0.00	2	Heating	Heating - distribution pipework improvements	0	679,527	- 679,527	0%	£0.00	£0	-	60.20	-	OK
18	Guildhall E. Wing Art Gallery/Amp. AHUs (On-site savings)	Electricity	13.00	2	Ventilation	Fans - high efficiency	2,196,558	852,806	1,343,752	61%	£372,680.00	£174,688	2.13	123.38	211.97	OK
19	Guildhall E. Wing Offices AHUs (On-site savings)	Electricity	13.00	2	Ventilation	Fans - high efficiency	212,162	96,998	115,164	54%	£116,373.00	£14,971	7.77	10.57	772.30	OK
20	Guildhall West Wing AHU (On-site savings)	Electricity	15.10	2	Ventilation	Fans - high efficiency	179,580	75,248	104,332	58%	£36,560.00	£15,754	2.32	9.58	267.82	OK
21	LMA AHU Upgrade	Electricity	12.20	2	Ventilation	Fans - high efficiency	158,118	76,146	81,972	52%	£97,252.00	£10,001	9.72	7.53	906.74	OK
22	Guildhall East/West Wing Humidifiers (On-site savings)	Gas	2.30	2	Ventilation	Ultrasonic Humidifiers	2,048,394	0	2,048,394	100%	£311,544.00	£47,113	6.61	376.64	114.57	OK
23	Guildhall East/West Wing Humidifiers (new consumption)	Electricity	13.00	2	Ventilation	Ultrasonic Humidifiers	0	60,911	- 60,911	0%	£0.00	-£7,918	-	6.64	-	OK
24	Guildhall: Cooling Stage 1 Migration Works	Electricity	14.00	2	Cooling	Cooling - plant replacement/upgrade	532,378	371,827	160,551	30%	£123,500.00	£22,477	5.49	17.30	869.55	OK
25	GSMD Milton - Cooling Mods (On-site savings)	Electricity	13.50	2	Cooling	Cooling - plant replacement/upgrade	28,333	10,000	18,333	65%	£16,551.94	£2,475	6.69	1.98	1,020.58	OK
26	GSMD Milton - Cooling Mods (Citigen chiller savings)	Electricity	18.18	2	Cooling	Cooling - plant replacement/upgrade	306,258	153,796	152,462	50%	£137,648.06	£27,722	4.97	16.43	1,020.58	OK
27	Guildhall - Lighting (new fitting)	Electricity	14.50	2	LED lighting	LED - new fitting	752,923	338,283	414,640	55%	£998,769.44	£60,123	16.61	29.29	1,364.20	OK
28	Guildhall - Lighting (same fitting & controls work)	Electricity	14.50	2	LED lighting	LED - same fitting	141,466	40,025	101,441	72%	£374,001.92	£14,709	25.43	9.93	2,896.12	OK

29	GSMD Milton - Lighting	Electricity	14.00	2	LED lighting	LED - new fitting	591,117	277,980	313,138	53%	£1,095,970.73	£43,839	25.00	22.12	1,982.20	OK
30	GSMD Milton - Lighting	Electricity	14.00	2	LED lighting	LED - same fitting	23,329	13,297	10,033	43%	£59,697.50	£1,405	42.50	0.98	4,674.15	OK
31	GSMD Silk - Lighting	Electricity	13.13	2	LED lighting	LED - new fitting	353,784	112,972	240,812	68%	£285,941.17	£31,619	9.04	17.01	672.48	OK
32	GSMD Silk - Lighting	Electricity	13.13	2	LED lighting	LED - same fitting	16,989	8,650	8,339	49%	£4,105.44	£1,095	3.75	0.82	386.71	OK
33	BAC - Lighting	Electricity	13.50	2	LED lighting	LED - new fitting	1,924,330	596,620	1,327,710	69%	£1,447,141.23	£179,241	8.07	93.77	617.29	OK
34	GSMD Sundial - Lighting	Electricity	13.50	2	LED lighting	LED - new fitting	407,999	70,980	337,019	83%	£238,918.44	£45,498	5.25	23.80	401.49	OK
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51										0%						

If you have more than 10 projects you wish to apply for, please contact: grants@salixfinance.co.uk

Category 3 projects							
	Description of Work	Project Type	Technology - Work Type	Details of Projects Enabled	Project Number	Project Value	Data Entry Check
1	Control cabling for pneumatic & other valves	Electrical Infrastructure	Electrical Distribution	PN Valve upgrades	2	£365,000.00	OK
2	Barbican Arts Centre Metering	Metering	Metering Other	Damper/EC Fan/Valve upgrades	2	£359,251.70	OK
3	Silk St metering	Metering	Metering Other	Damper/EC Fan/Valve upgrades	2	£203,823.55	OK
4	Milton Court Metering	Metering	Metering Other	Damper/EC Fan/Valve/AHU upgrades	2	£240,384.63	OK
5	Guildhall Metering	Metering	Metering Other	Guildhall AHU upgrades	2	£150,644.41	OK
6	Energy Management Software	Metering	Metering Software	Upgrade of current software to provide enhanced M&T functionality to support all projects listed	2	£50,000.00	OK
7	Building Energy Analyser	Metering	Metering Software	Enhanced energy data analysis (live stream) and HVAC operations which supports all HVAC projects: lines 1-26	2	£138,939.00	OK
8							
9							
10							



- Category 1
- Category 3
- Category 2
- Category 4

Please click on the links above to get a comprehensive list of all technologies included as part of each category

Step 3: Business Case



1. Project Cost Breakdown

If pre-tender please provide cost estimates, and final costs to be provided when available.

Design and engineering costs (£)	£641,940.05	7%
Main equipment capital costs (£)	£3,909,806.82	41%
Installation & commissioning costs (£)	£3,007,362.59	32%
Project delivery costs (£)	£635,551.45	7%
Contingency costs (£)	£1,026,991.05	11%
Other project costs (£)	£224,296.22	2%
Total projects costs	£9,445,943.76	100%

2. Cost Breakdown

Please provide commentary on the project cost breakdown. Salix appreciates that at this stage these costs may not be firm. Please provide commentary around how the costs have been estimated.

Please first refer to the background to the projects set out in section 3 below.
Cost estimates have been provided by experienced consultants for each of the energy saving measures proposed as set out in the Support Tool sheet.
Where there are multiple lines in the Support Tool for savings relating to a single project, we have apportioned the total project cost between these lines based on the carbon savings, so the LT CO2 savings figure for the specific project can be clearly distinguished.
The above Project Cost Breakdown has been provided through collating costs provided by the consultants, with a few minor adjustments, as set out in the supporting spreadsheet: Project_Cost_Breakdown.xls.

Within the individual consultant reports, referenced in the below 'Project Details', the consultants have provided summary details on how the costs have been estimated and

3. Project Details

Project background - please give detail on how this project was selected compared to alternative low carbon solutions.

The proposed project is for category 2 and 3 measures for the following 5 sites:
• Guildhall Complex (GHC): the administrative headquarters for the CoL, incorporating public venues, art gallery, London’s Roman amphitheatre, and a public library.
• Barbican Art Centre (BAC): a performing arts centre in the Barbican Estate of the City of London and the largest of its kind in Europe. The centre hosts classical and contemporary music concerts, theatre performances, film screenings and art exhibitions. It also houses a library, three restaurants, and a conservatory.
• Guildhall School of Music and Drama (GSMD) (<https://www.gsmd.ac.uk/>): a conservatoire and drama school offering undergraduate and postgraduate training in all aspects of classical music and jazz along with drama and production arts.
• London Metropolitan Archives (LMA) (<https://www.cityoflondon.gov.uk/things-to-do/history-and-heritage/london-metropolitan-archives>): the principal local government archive repository for the Greater London area, including the City of London: it is the largest county record office in the United Kingdom.

4. Details of Project Energy Saving Calculations

Describe how the programme energy and carbon savings have been calculated, detailing any assumptions. Please attach savings calculations and product specifications alongside your application.

Calculations specific to the items set out in the Support Tool are summarised within the documents referenced in the above 'Project Details' and contained within separate supporting spreadsheets.
The general approach can be summarised as:
1. Baseline energy data has been derived from a combination of top down metering data and bottom up analysis based on site-surveys to verify equipment operational loads and supplemented by O&M documentation.
2. Where required, energy consumption has been estimated based on sampling, and benchmarking techniques were used such as CIBSE and British Standards.
3. Building Management System values and logging data has been used to verify HVAC operations and assumptions.
4. New energy consumption has been informed by manufacturers technical data where an outline specification is possible, or conservative estimations.

5. Energy and Carbon Monitoring Plan Post-completion

- Post-completion do you have plans in place for monitoring your projects?
- Do you agree that you will participate and cooperate with those people who are assessing this project from BEIS?

A post-completion verification exercise will be carried out by the CoL Energy Team. Energy consumption will be monitored through main or sub-meters (where available) and supplemented by BEMS logging of plant operations and spot checks of power loads. The level of monitoring will be greatly enhanced through the category 3 metering and software projects proposed in this application. Monitoring will be carried out at intervals of: 1-month, 3-months, 6-months and 12-months, and 3-years post installation to verify the energy savings and the installation is meeting design expectations. The Energy Team will provide assessment updates at these intervals with a final report at 12-months post-completion of each project which will evaluate the project energy savings, capital costs and building service performance. The assessment will also take into account other variables in order to determine the impact of the actual energy saving project, including: weather, site changes (occupancy hours, occupied area), site HVAC changes (including control and physical changes). The project will also be carried out in accordance with CoL project governance procedures which requires a formal report 6 months post completion. To confirm, CoL agrees to participate and cooperate with those people who are assessing this project from BEIS.

6. Project Governance

- Please define the project team and their roles in the delivery of the project (e.g. consultants, contractors, senior manager etc.).
- Please outline the organisation structure in terms of who has the authority to approve the project and any changes.
 - Has a Project Execution Plan been drawn up to state exactly how the project will be managed?
 - Please provide commentary to demonstrate how the teams overseeing the works are appropriately trained and skilled for the proposed technologies.
 - Please attach a copy of your internal project plan.

We have set out our route for internal approval in Step 1, section 7. The Town Clerk’s Programme Office monitors the progress of projects from start to finish and programme officers are required to provide monthly update reports. If the programme costs are subsequently projected to exceed the approved budget then internal approval must be sought before proceeding, and this process depends on the value and percentage variation. Any significant changes to the project that are not related to cost (e.g. programme, risk and specification) must be agreed by the Committee(s) which consider the progress reports for the project.

Following approval, a Project Board will be established who are responsible for the development and delivery of the project within the parameters agreed by Members and the Chief Officer. The Project Board will ensure the project is delivered in accordance with the agreed programme, specification and budget and is responsible for ensuring any actual or forecast deviation from the parameters agreed by Members is reported. James Rooke, Assistant Director and Head of Energy & Sustainability would be the overall Project

7. Previous Experience

- Describe any previous experience that you may have with the proposed energy efficiency measure.
- Please also outline the experience members of the project team have with managing projects of a similar scale, including that of any third-party support.

The programme is governed within the City Surveyor's Department of the City of London Corporation. The department are responsible for maintaining the City's Investment and Corporate portfolios over 1000 buildings (value of ~£5.6 billion) extending to 6.25 million sq ft of space and delivering construction projects (worth about £200m). The project will be managed by the Corporate Energy Team who are part of the Operations Group within the City Surveyor's Department. The Operations Group, who consist of 170 in-house staff, are responsible for directly managing all property and services for 100+ buildings and delivering over 1000 projects annual of a total value of £20m. The Energy Project Programme would be managed in parallel to the Operations Group Cyclical Works Programme which invests ~£3.5m/yr in essential building works.

The project will be directly managed by the existing 6-person Corporate Energy Team, within the City Surveyor's department, with support from the wider department who have significant experience in programmes of this nature and scale. The energy team manage the £17m annual corporate energy procurement and provide energy management

8. Procurement process

What are your plans for procuring the services needed for this project?

Due to the delivery timescale and the funding amount we propose to utilise existing frameworks and where appropriate package the work by specialisms (e.g. lighting, meter) to achieve best value. The primary options being explored are:
1. Existing City of London frameworks, including:
a) Major Works framework: consists of two frameworks in which 6 suppliers can compete for works between £1,000,000 and £15 million.
b) Intermediate Works framework: for M&E works between £250k and £1 million.
c) Minor Works framework: for M&E works up to £250k.

2. Re:FIT: energy performance contracting framework.

9. Project Risks & Mitigation

If you have an existing risk register for this project please share this with Salix. If a risk register is not available at this time please provide a provisional date for when you will share a copy with us. Risks and mitigations associated with project timescales will be required due to the importance of projects completing on time.

Do you have a risk register for this project?
(Yes/No)

No

If "No" please confirm when you expect this will be available.

Provisional Date

07/02/2021

10. Mitigating Fraud

Please provide detail on the checks in place to mitigate fraud, including checks to ensure false representation and failure to disclose information is mitigated against. Please declare any conflicts of interest as part of this application. To confirm that there has been no abuse of position in the application process or selection of suppliers, please sign on supporting Signature Document which will be sent to you after Application.

The City of London Corporation takes a robust approach to tackling fraud and corruption. It has a dedicated unit as part of the Chamberlain’s Internal Audit section tasked with the prevention, detection and investigation of allegations of fraud and corruption originating both internally and externally. Chief Officers, or their representatives are responsible for reporting any irregularity, or suspicion of an irregularity, affecting money or property or any other aspect of the City’s business, immediately to the Head of Audit & Risk Management, as detailed in the City of London’s Financial Regulations.

All projects involve procurement activity and contract letting which must be carried out in accordance with the City’s agreed Procurement Regulations. The City of London Procurement Code constitutes the rules that must be followed when any procurement is undertaken by the Corporation and are designed to ensure that risks are minimised and procurement complies with the Public Contracts Regulations 2015 and other relevant legislation.

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Step 4: Grant Funding Criteria



For further guidance on individual category criteria please see: [Guidance Notes tab](#)
Please complete Sections 1 to 2 unless otherwise specified.

1. Category 1 Projects - *If you have not applied for Category 1 projects, please move on to section 2*

Provide detailed commentary and supporting evidence for how the proposed work(s) fit into the estate wide decarbonisation strategy. Can you comment on how the site(s) will be made compatible for the low carbon heating system(s)?

The London Metropolitan Archives (LMA) and Walbrook Wharf, which are not connected to Citigen, are also included in this project proposal for measures to improve ventilation efficiency and metering. These sites are currently supplied with heat from on-site gas boilers. The measures proposed will aim in reducing the existing energy consumption to facilitate more efficient future heat network connection or alternative low carbon on-site heat supply.

Alongside the grant application we will be applying to the LCSF for funding towards Heat Decarbonisation Plans for all these five sites. This will allow consultancy work to be commissioned to provide detailed surveys, analysis and recommendations for optimising site temperature regimes, and identifying options for low carbon heat supplies for the LMA and Walbrook Wharf.

2. Category 2 or 3 projects - *If you have not applied for Category 2 or 3 projects, please move on to Step 5.*

These technologies will only be eligible for funding where one of the following criteria (A,B or C) applies:

Please input details below for the option where yes is selected.		
Criteria A: Do you have both Category 1 and Category 2/3 measures in your application AND do the Category 2/3 measures support measures in Category 1? If yes, please provide an overview outlining how each Category 2/3 project relates to and facilitates the implementation of Category 1 measure.	No	
Criteria B: Are the Category 2/3 measures for buildings that already use low-carbon heating? If yes, please provide a detailed description of these buildings including their heating systems and requirements.	Yes	The Guildhall, Barbican Art Centre, and GSMD are already connected to the Citigen network, which supplies low carbon heat generated by a central gas-CHP energy centre. The proposed projects are designed to not only reduce the demand for heat, but also to improve the efficiency of it's supply by addressing HVAC issues causing high return temperatures and low flow/return temperature differentials. The City of London are in a long-term partnership with Citigen (owned by E.ON) to develop the network, both extending to connect to more
Criteria C: If you have answered no to Criteria A and B, please provide your heat decarbonisation plan for all buildings involved in category 2/3 projects. Select Yes to confirm that this heat decarbonisation plan has been provided with your application.	No	If No is selected, please sign the Signature Document (which will be sent to you after Application) as a written commitment to produce and submit to Salix, a Heat Decarbonisation Plan by 30 September 2021.

3. Category 3 Projects - *If you have not applied for just Category 3 projects, please move onto Step 5*

Please provide commentary on why low carbon heating measures cannot be implemented on site presently.

Step 5 Submit Application

You can upload the completed Public Sector Decarbonisation Scheme Application Form and any further supporting documentation to the Salix online application portal:
[Application Portal](#)

Category List				
Project Type	Work Type	Persistence Factor	Status/Comments	
Category 1				
Heating	Air Source Heat Pump (air to water)	12.54	Use a separate line for each fuel type	
	Ground Source Heat Pump	16.72	Use a separate line for each fuel type	
	Water Source Heat Pump	16.72	Use a separate line for each fuel type	
	Connect to existing district heating	28.50		
	Heating - Electric Heating	9.50		
Category 2				
Building management systems	BEMS - bureau remotely managed	9.00		
	BEMS - not remotely managed	6.84		
	BEMS - remotely managed	8.42		
Compressor	Compressed Air: air compressor upgrade	14.44		
Computers & IT solutions	CRT to LED monitors	7.20		
	Energy Efficient File Storage Replacement	9.00		
	Energy Efficient Server Replacement	9.00		
	Evaporative cooling for ICT	13.68		
	Free Cooling for ICT	13.68		
	Hot aisle/cold aisle containment	10.83		
	LED monitors instead of LCD (cost difference)	7.20		
	Multi Functional Devices	4.50		
	Network PC power management	4.00		
	Thin client	9.00		
	Uninterruptible Power Supplies	18.00		
	Virtualisation	9.00		
Cooling	Cooling - control system	6.84		
	Cooling - plant replacement/upgrade	8.21		
	Energy Efficient Chillers	14.44		
	Free cooling	13.68		
	Replacement of air conditioning with evaporative cooling	13.68		
Energy from waste	Anaerobic digestion	15.20		
	Incineration	15.20	Use a separate line for each fuel type	
Hand Dryers	Hand Dryers - replacement to more efficient type	8.21		
Heating	Heat recovery	10.83	Use a separate line for each fuel type	
	Heating - discrete controls	6.84		
	Heating - distribution pipework improvements	15.20		
	Heating - TRVs	6.84		
	Heating - zone control valves	11.88		
	Replace steam calorifier with plate heat exchanger	28.50		
	Steam trap replacements	15.20		
	Thermal Stores	18.00		
Hot water	Flow restrictors	14.00		
	Hot Water - chlorine dioxide dosing and biocide treatment	9.50		
	Hot Water - distribution improvements	18.00		
	Hot Water - Efficient taps	11.00		
	Hot Water - point of use heaters	9.50		
Industrial kitchen equipment	Energy efficient combi-oven	8.10		
	Energy efficient convection-oven	10.30		
	Steriliser to dishwasher replacement	10.80		
Insulation - building fabric	Cavity wall insulation	30.00		
	Double glazing with metal or plastic frames	28.00		
	Dry wall lining	30.00		
	Loft insulation	27.00		
	Floor Insulation - suspended timber floor	27.00		
	Floor Insulation - solid floor or other type	30.00		
	Roof insulation	30.00		
	Secondary glazing	7.92		
Insulation - draught proofing	Insulation - draught proofing	29.25		
Insulation - other	Air Curtains - ambient	11.40		
	Air Curtains - heated	10.83		
	Automatic speed doors	8.45		

	Automatic/revolving doors	8.45	
	Draught Lobby (external)	29.25	
	Draught Lobby (internal)	29.25	
	Radiator reflective foil (external walls)	8.00	
Insulation - pipework	Heating pipework insulation (external)	9.00	
	Heating pipework insulation (internal)	22.50	
Lab Upgrades	Diode pumped solid state lasers	6.80	
	Energy Efficient Drying Cabinets	12.80	
	Energy Efficient Freezers (-25°C)	12.83	
	Energy Efficient Freezers (-86°C)	8.55	
	Energy Efficient Fume Cupboards	16.25	
	Energy Efficient Growth Cabinets	10.80	
	Energy Efficient X-Ray Generator	10.00	
	Fume Cupboards - Auto Sash Closing + PIR	6.84	
	Fume Cupboards - VAV Controls + Inverter Drives	10.26	
	Heat Recovery on Extract System	10.83	
LED lighting	LED - new fitting	25.00	
	LED - same fitting	13.00	
Lighting controls	Lighting - discrete controls	8.89	
	Lighting control system centralised	10.26	
Motor controls	Fixed speed motor controls	11.40	
	Motors - flat belt drives	11.40	
	Variable speed drives	10.26	
Motor replacement	Motors - high efficiency	15.00	
Office equipment	Office equipment improvements for non-ICT	3.00	
Renewable energy	Small Hydropower	22.80	Use a separate line for each fuel type
	Solar PV	22.50	
	Solar Thermal	17.10	
Time switches	Time switches	6.84	
Transformers	Low loss	30.00	
	Low loss (cost difference)	30.00	
	Low loss+voltage management	30.00	
	Low loss+voltage management(cost difference)	30.00	
	Transformer tapping change	30.00	
Ventilation	Fans - air handling unit	23.75	
	Fans - high efficiency	14.25	
	Phase change material	23.75	
	Ultrasonic Humidifiers	7.22	
	Ventilation - distribution	30.00	
	Ventilation - presence controls	6.84	
Category 3			
Battery Storage	Battery in combination with renewable	N/A	
	Standalone Batteries	N/A	
	Upgrade uninterruptible power supply	N/A	
Electrical Infrastructure	Capacity Improvements	N/A	
	Electrical Distribution	N/A	
	Incoming Electricity Provision	N/A	
Metering	Flow Meters	N/A	
	Heat Meters	N/A	
	Metering Other	N/A	
	Metering Software	N/A	
Category 4			
Boilers	Boilers - control systems	6.84	
	Boilers - replacement combination	7.22	
	Boilers - replacement condensing	14.44	
	Boilers - replacement modular	10.83	
	Boilers - retrofit economiser	10.83	
Combined heat & power	CHP Private Wire Connection	30.00	
	Gas Turbine	11.40	
	Gas Engine CHP	15.20	
Heating	Oil to Gas - boiler fuel switching	7.92	Use a separate line for each fuel type

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Public Sector Decarbonisation Scheme
Assessment and Feedback



Applicant:

City of London Corporation

Salix Commentary

Step 1: Project Introduction

Supporting Employment

Score Green for High Quality, Amber for OK and Red for Requires Improvement
409 reasonable given size of the project
Project expected to run from 01/04/2021 to 29/09/2021

Step 2: Support Tool

Technical Feasibility & Future Resilience

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement
Improvements to several City of London buildings, including: Damper Upgrade, Insulation - pipework, EC fan upgrades, AHU's control and upgrade, BMS recommission/ upgrades, Pneumatic Valve upgrades/ replacement, Fans - high efficiency, Ultrasonic Humidifiers, Cooling - plant replacement/upgrade and LED lighting
Pre-tender application, so final contractors not selected. project team and contractors have extensive building energy experience

Project Cost Savings Calculations with particular reference to the fuel prices being considered

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement
Price for electricity are generally typical, however the below are quite high:
BAC Damper Upgrades (Citigen chiller savings) 18.18 p/kWh Elec
BAC&GSMD BMS recommission/ upgrades (Citigen chiller savings) 18.18 p/kWh Elec
BAC&GSMD Standard Valve upgrades/ replacements (Citigen chiller savings) 18.18 p/kWh Elec
Guildhall West Wing AHU (On-site savings) 15.1 p/kWh Elec
GSMD Milton - Cooling Mods (Citigen chiller savings) 18.18 p/kWh Elec
Applicant has confirmed these electricity prices over email, based on bills.
~~Some electricity costs shown as 0p - this is to account for the gas savings from the plant (CHP and boilers) and also~~

Is cost of carbon in line with similar projects

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement
Cost of carbon within compliancy limit for overall project. Payback time is reasonable.
Surveys carried out by consultant for each project and will need to be confirmed post-tender.

Step 3: Business Case

1.1 Design & Engineering Costs

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement

1.2 Main Equipment Costs

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement

1.3 Installation and Commissioning Costs

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement

1.4 Project Delivery Costs

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement
no quotes obtained, estimations by consultant
Breakdown of project costs are reasonable

Comments on Project Costs (1.1-1.4):

2. Evidence of Firm Pricing or close budgets having been received

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement
Costs are given to a good degree of certainty pre tender. Paybacks are as expected for these technologies. Revised costs are to be provided with evidence post tender.

3. Project Description including any background material

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement
project description is very clear. Works at this site include Damper Upgrade, Insulation - pipework, EC fan upgrades, AHU's control and upgrade, BMS recommission/ upgrades, Pneumatic Valve upgrades/ replacement, Fans - high efficiency, Ultrasonic Humidifiers, Cooling - plant replacement/upgrade and LED lighting

4. Energy/Carbon Savings Calculations

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement
Several surveys have been completed for Damper Upgrade, Insulation - pipework, EC fan upgrades, AHU's control and upgrade, BMS recommission/ upgrades, Pneumatic Valve upgrades/ replacement, Fans - high efficiency, Ultrasonic Humidifiers, Cooling - plant replacement/upgrade and LED lighting
Energy and costs savings should be reassessed/confirmed post-tender when exact equipment to be installed is finalised.

5. Energy/Carbon Monitoring Plan

Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement

		A post-completion verification exercise will be carried out by the CoL Energy Team. Energy consumption will be monitored through main or sub-meters
6. Is the project governance sufficient for the size and complexity of the work to be completed?		Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement The Town Clerk's Programme Office monitors the progress of projects from start to finish and programme officers are required to provide monthly update reports. Any significant changes to the project that are not related to cost (e.g. programme, risk and specification) must be agreed by the Committee(s) which consider the progress reports for the project.
7. Applicant/Contractors' previous experience capability		Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement Pre-tender, contractor not selected. The project will be directly managed by the existing 6-person Corporate Energy Team, within the City Surveyor's department, with support from the wider department who have significant experience in programmes of this nature and scale
8. Has a robust procurement policy been demonstrated?		Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement 1. Existing City of London frameworks, including: a) Major Works framework: consists of two frameworks in which 6 suppliers can compete for works between £1,000,000 and £15 million. b) Intermediate Works framework: for M&E works between £250k and £1 million. c) Minor Works framework: for M&E works up to £250k.
9. & 10. Project Risks & Mitigations including Fraud		Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement It has a dedicated unit as part of the Chamberlain's Internal Audit section tasked with the prevention, detection and investigation of allegations of fraud and corruption originating both internally and externally risk register not provided with application
Step 4: Category Details		
Category Criteria		Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement Category 2 measures include reducing electricity consumption and energy consumption (heating and cooling) Damper Upgrade, Insulation - pipework, EC fan upgrades, AHU's control and upgrade, BMS recommission/ upgrades, Pneumatic Valve upgrades/ replacement, Fans - high efficiency, Ultrasonic Humidifiers, Cooling - plant replacement/upgrade and LED lighting
From Supporting Information		
Material provided on the technology, has the final product been chosen?		Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement Pre-tender application. Final product specifications required once tender process is complete.
Project Implementation / Schedule - Timings included; for example key milestones for installation and commissioning		Score Green for High Quality, Amber for With Conditions and Red for Requires Improvement Project plan provided, very high level, Expected completion date is 29/09/2021, within the required timescale to deliver within final deadline.
Board/councillors approval?	No	we will seek to expedite the approval process through Where a decision is required rapidly and must be done outside of the regu
Assessor review and recommendations		
Based on the overall score achieved, the business case for this project is:		Green = Passed Amber = Passed with conditions Red = Requires improvement
Based on evidence provided, is project completion realistic and feasible:		Green = Passed Amber = Passed with conditions Red = Requires improvement
Assessor Opinion - Consider this project for funding:	Passed with Conditions	Assessor's confirmation of scoring outcome or over-ride if assessor has reservations over scoring. Normally a Not Sound outcome from the scoring will result in further information being required or a recommendation that the project is not taken any further.
Assessor summary including improvement points: Funding has been requested for upgrades to the heating and cooling system in several City of London buildings. Category 2 measures include reducing electricity consumption and energy consumption (heating and cooling) Damper Upgrade, Insulation - pipework, EC fan upgrades, AHU's control and upgrade, BMS recommission/ upgrades, Pneumatic Valve upgrades/ replacement, Fans - high efficiency, Ultrasonic Humidifiers, Cooling - plant replacement/upgrade and LED lighting Site surveys have been complete for all works		
Conditions (if any further information required) for passing business case:		

Conditions of funding:	
<p>Provide project programme including contingency plan.</p> <p>Risk Register - Full risk register to be provided. COVID impact to be included.</p> <p>Data Sheets - To be provided once contractor on board and product specifications and manufacturers confirmed.</p> <p>Firm Pricing - Quotations for all of the technologies must be provided from the appointed contractor(s) to confirm final pricing for each technology. This should be broken-down into equipment, installation and any other costs.</p> <p>Energy Saving Calculations - Any changes to the proposed savings must be communicated once contractor(s) on board and final product selected.</p> <p>Updated Application Form post tender must be provided to Salix with any changes.</p> <p>Board/councillors approval - Board approval to be obtained and confirm to Salix.</p>	
Project Completion Commentary:	
<p>Applicants expected completion date is 29/09/2021, which is within the required timescale to deliver within final deadline.</p> <p>Technologies are established, but the project is large in scale. A structured procurement process is to be used to tender for the work.</p> <p>Risk register has not been provided - this must be considered properly by the applicant to understand its risks to delivery by end of September 2021.</p>	
Disclaimer	
<p>This assessment is made on the information as provided by the applicant. Whilst reasonable steps have been taken to ensure that the information provided within this assessment is correct, Salix, the assessor, and the Government give no warranty and make no representation as to its accuracy and accept no liability for any errors or omissions.</p>	
To be completed by Salix/Technical Contractor Assessor	
Project reference	16989
Time Allocated	15.00 hours
Assessor	Jeremy Pye
QA	
Approved by	Pete Edwards
Date	17 February 2021
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