

FUNDING FOR PUBLIC SECTOR DECARBONISATION

BEYOND PUBLIC SECTOR DECARBONISATION SCHEME (PSDS)

North East & Yorkshire Net Zero Hub

Public Sector Estate Decarbonisation Programme



OUR PARTNERS

Hull & East Yorkshire LEP,
North East LEP, South
Yorkshire Mayoral Combined
Authority, Tees Valley
Combined Authority, West
Yorkshire Combined Authority,
and York & North Yorkshire LEP

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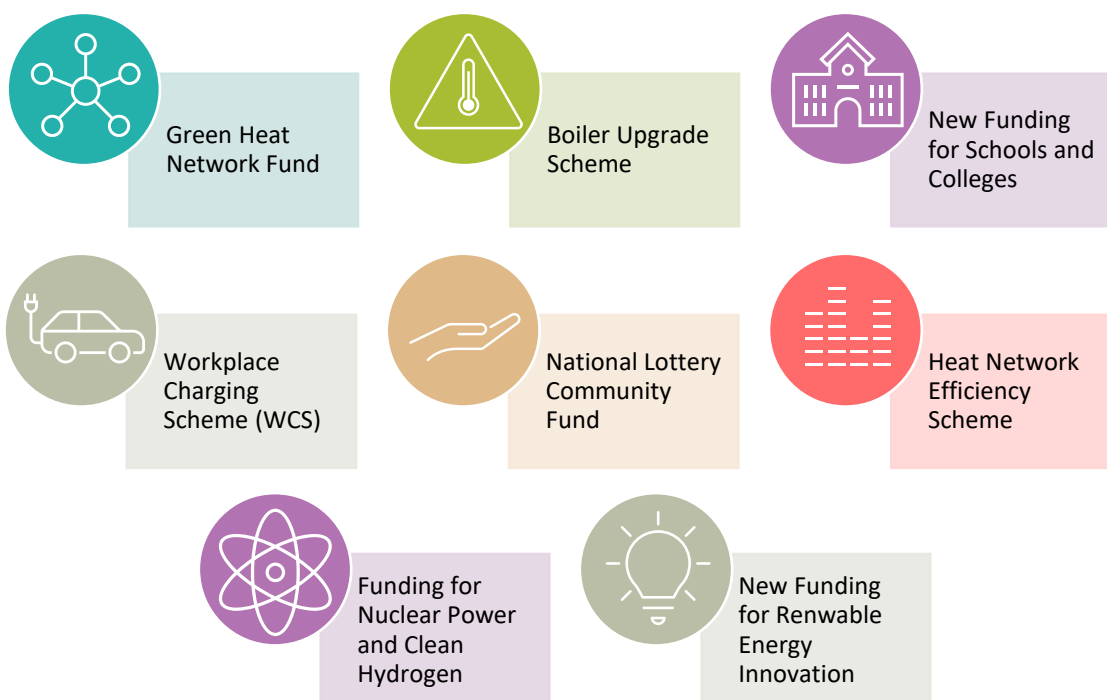
1 Project Background and Purpose

The UK Government has committed to cutting public sector greenhouse gas emissions by 75% by 2037 compared to a 2017 baseline, as part of the country's vision to achieve the net-zero future by 2050 goal.^{1,2} To execute this ambition, the Government launched the Public Sector Decarbonisation Scheme (PSDS) along with Low Carbon Skills Fund (LCSF). Detailed information on these funding schemes is available in the guidance document, *Low Carbon Investment Guide – Public Sector Decarbonisation Scheme*, prepared by Turner & Townsend.

This guidance document will detail other funding opportunities beyond PSDS in support of heat decarbonisation and energy efficiency measures for public sector. This includes Green Heat Network Fund, Boiler Upgrade Scheme, funding for schools and colleges to be more energy efficient, Office for Zero Emission Vehicles: Workplace Charging Scheme, National Lottery Community Fund, Heat Network Efficiency Scheme, and new fundings recently announced for clean power and clean hydrogen as well as renewable energy innovation: Biomass Feedstocks Innovation Programme and Hydrogen BECCS Innovation Programme.

2 Funding Opportunities – Overview

The funding opportunities included in this document are either currently open or soon will be opened to applications. The list below is organised based on date, with the ones opened at the earliest date first followed by currently ongoing and future fundings.



¹ [Net Zero Strategy: Build Back Greener \(2021\)](#), BEIS

² [Heat and buildings strategy \(2021\)](#), BEIS

3 Funding Opportunities – Explained

3.1 Green Heat Network Fund (GHNF)

Description	Supports new low and net-zero carbon heat networks and low carbon generation plant as well as retrofitting existing ones through low-carbon technologies. Core element of the Government’s Heat Network Transformation Programme (HNTP).
Value	£288 million over 3 years
Funder	Department for Business, Energy and Industrial Strategy
Key dates	Opened on 14 March 2022 with applications open in rounds: <ul style="list-style-type: none"> • Round 4: 24 February 2023 • Round 5: 26 May 2023 • Round 6: 25 August 2023 • Round 7: 24 November 2023 • Round 8: 23 February 2024 • Round 9: 24 May 2024 • Round 10: 30 August 2024 • Round 11: 29 November 2024
Eligibility	Organisations in public, private, and third sectors responsible for the development of heating and cooling networks in England.
Links	https://www.gov.uk/government/publications/green-heat-network-fund-ghnf

3.2 Boiler Upgrade Scheme (BUS)

Description	Encourages more people in England and Wales to install low carbon heating systems, such as heat pumps and biomass boilers.
Value	<ul style="list-style-type: none"> • Air source heat pump: £5,000 off cost and installation. • Biomass boiler: £5,000 off cost and installation. • Ground source heat pump: £6,000 off cost and installation.
Funder	Department for Business, Energy and Industrial Strategy
Key dates	<ul style="list-style-type: none"> • Low heating systems commissions on or after 1 April 2022 could be eligible for support from the scheme. • Grant applications opened on 23 May 2022. • Funding is confirmed until 31 March 2025.

Eligibility	<p>The BUS is open to domestic and non-domestic buildings in England and Wales where (full terms and conditions can be found on the BEIS website):</p> <ul style="list-style-type: none"> • The maximum installation capacity of 45kWth. • The property must have a valid energy performance certificate with no outstanding recommendations for loft or cavity wall insulation. • The commissioning date of the low carbon heating system must be on or after 1 April 2022. • Biomass boilers are only eligible in properties that are both in a rural location and not connected to the gas grid. Heat pumps do not have either of these restrictions. • The project must be fully replacing an existing fossil fuel system such as an oil or gas boiler, or an electric heating system such as storage or panel heaters. Funding will not be available for the replacement of existing low carbon heat systems. • It is possible to apply if the site/organisation has received separate funding for energy efficiency upgrades such as insulation, doors or windows. • New-build homes and social housing are not eligible for the Boiler Upgrade Scheme, although self-build properties are eligible.
Links	<p>https://www.find-government-grants.service.gov.uk/grants/boiler-upgrade-scheme</p>

3.3 New Funding for Schools and Colleges' Energy Efficiency

Description	<p>Supports energy efficiency in schools and colleges by providing the opportunity for them to choose how to invest the funding. Funding is provided directly to schools (i.e. they do not have to apply for the funding) and will be provided through capital budget settlements.</p> <p>The average primary school will receive £16,000, the average secondary school will receive £42,000, and the average further education college will receive £290,000.</p> <p>The Department for Education intends the funding will be used for schools and colleges to reduce energy costs against the following top 3 actions:</p> <ol style="list-style-type: none"> 1. Understand energy usage and conduct an energy audit, so the organisation can target where to save energy. 2. Develop a plan using the energy audit to encourage good practices, behaviours and further interventions. 3. Implement and manage the proposed interventions to reduce energy consumption.
Value	<p>£447 million for schools and £53 million for colleges</p>

Funder	Department for Education
Key dates	<ul style="list-style-type: none"> • Funding provided in December 2022 capital budget settlements. • Funding must be spent in 2022/23.
Eligibility	Schools and colleges have been allocated funding directly.
Links	https://educationhub.blog.gov.uk/2022/12/06/how-we-are-supporting-schools-and-colleges-to-be-energy-efficient/

3.4 Workplace Charging Scheme (WCS)

Description	The Workplace Charging Scheme (WCS) is a voucher-based scheme that provides eligible applicants with support towards the upfront costs of the purchase and installation of electric vehicle (EV) charge points.
Value	Up to 75% financial support towards the cost of installation capped at a maximum of: <ul style="list-style-type: none"> • £350 per socket • 40 sockets across all sites per applicant – for instance, if you would like to install them in 40 sites, you will have 1 socket available per site
Funder	The Office for Zero Emission Vehicles (OZEV) which is a subsidiary of the Department for Business, Energy and Industrial Strategy.
Key dates	Ongoing – currently open
Eligibility	Open to businesses, charities and public sector organisations in the UK that meet a set of applicant and site eligibility criteria summarised below (full eligibility and terms and conditions can be found on the OZEV website). Each applicant must: <ul style="list-style-type: none"> • have received – or have currently pending at the time of application – less than €200,000 of public support in the last 3 financial years (meaning the previous 2 financial years plus the current financial year) and satisfy the state aid requirements for de minimis aid. • have received – or have currently pending at the time of application – less than 325,000 Special Drawing Rights (SDR) limit of public support in the last 3 financial years. • be located in England, Wales, Scotland or Northern Ireland (applicants in the Channel Islands and Isle of Man are not eligible) • have dedicated off-street parking for staff and/or fleet use only • have parking facilities that are clearly associated with the applicant premises and be either on-site or at a reasonable distance from the workplace

	<ul style="list-style-type: none"> • own the property or have consent from the landlord for chargepoints to be installed at all the sites listed in the application <p>Each site must:</p> <ul style="list-style-type: none"> • have a minimum power supply of 3kW to each individual socket that is not diminished by their simultaneous use • have no more than one socket installed for each accessible parking space • be for staff and/or fleet use
Links	https://www.gov.uk/guidance/workplace-charging-scheme-guidance-for-applicants

3.5 Climate Action Fund linking Nature and Climate

Description	Supports 12-15 projects that use nature to encourage more community-led climate action.
Value	Up to £1.5 million (over two to five years) and development grants of £50,000 to £150,000 (over 12 to 18 months)
Funder	The National Lottery Community Fund
Key dates	Ongoing – currently open (at time of writing)
Eligibility	Community and voluntary organisations, charities, public sector and those working in partnerships helping communities across the UK to address climate change.
Links	https://www.tnlcommunityfund.org.uk/funding/programmes/climate-action-fund-programme

3.6 Heat Network Efficiency Scheme (HNES)

Description	Supports performance improvements to existing district heating or communal heating projects that are operating sub-optimally and resulting in poor outcomes for customers and operators. The scheme does not support the installation of new or the placement of generation plant.
Value	£32 million (£30 million capital funding and £2 million revenue funding)
Funder	Department for Business, Energy and Industrial Strategy
Key dates	<ul style="list-style-type: none"> • 2023-2024 (Year 1) and 2024-2025 (Year 2) • Round 1: 31 March 2023 • Round 2: 19 May 2023 • Round 3: 7 July 2023 • Round 4: 25 August 2023

	<ul style="list-style-type: none"> • Round 1: 31 March 2023 • Round 2: 19 May 2023 • Round 3: 7 July 2023 • Round 4: 25 August 2023
Eligibility	<p>Public, private and third sector applicants in England and Wales that are responsible for operating or managing direct heat networks or communal heating systems:</p> <ul style="list-style-type: none"> • Public sector organisations including NHS Trusts and Universities, and Other Government Departments. • Private sector organisations that are registered companies and submit annual accounts. • Third sector organisations such as registered charities, community investment companies and other such organisations that are officially registered and submit annual accounts.
Links	<p>https://www.gov.uk/government/publications/heat-network-efficiency-scheme-hnes</p>

3.7 Nuclear Power and Clean Hydrogen

Description	<p>Supports the production of nuclear fuel and the development of the next generation of advanced nuclear reactors, along with technologies to produce hydrogen from sustainable biomass and waste, while removing carbon dioxide from the atmosphere.</p> <p>Builds on the following strategies and funds:</p> <ul style="list-style-type: none"> • UK's Energy Security Strategy • Advanced Nuclear Fund, supporting R&D on SMRs and AMRs • Hydrogen BECCS Innovation Programme • UK Hydrogen Strategy
Value	<p>£102 million (nuclear power: £77 million and clean hydrogen from biomass and waste: £25 million)</p>
Funder	<p>Department for Business, Energy and Industrial Strategy</p>
Key dates	<p>Details to come</p>
Eligibility	<p>Details to come</p>
Links	<p>https://www.gov.uk/government/news/102-million-government-backing-for-nuclear-and-hydrogen-innovation-in-the-uk</p> <p>https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy</p> <p>https://www.gov.uk/government/publications/advanced-nuclear-technologies/advanced-nuclear-technologies</p> <p>https://www.gov.uk/government/publications/hydrogen-beccs-innovation-programme</p>

<https://www.gov.uk/government/publications/uk-hydrogen-strategy>

3.8 Renewable Energy Innovation - Biomass Feedstocks Innovation Programme and Hydrogen BECCS Innovation Programme

Description	<p>Supports innovative biomass projects across the UK with the aim of scaling up domestic renewable energy.</p> <p>12 projects under the Biomass Feedstocks Innovation Programme have been awarded a share of £32 million, and the rest £5 million among 22 winners of the first stage of the Hydrogen BECCS (bioenergy with carbon capture and storage) programme.</p>
Value	£37 million (£32 million to increase production of sustainable biomass and £5 million for innovative new technologies)
Funder	Department for Business, Energy and Industrial Strategy
Key dates	Details to come
Eligibility	Details to come
Links	<p>https://www.gov.uk/government/news/renewable-energy-innovation-boosted-by-37-million-government-funding-across-the-uk</p> <p>https://www.gov.uk/government/publications/biomass-feedstocks-innovation-programme-successful-projects</p>



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