

Public building upgrades to save taxpayers £650 million per year

- Half a billion pounds awarded to upgrade public buildings in England with affordable, low carbon heating and energy efficiency measures
- Measures will save an estimated average of £650 million of public organisations and taxpayers money per year on energy bills over the next 15 years
- Investment part of £2.5 billion total government spending on upgrading public sector buildings between 2020 and 2025

Hospitals, schools, libraries, museums and leisure centres across England are among hundreds of public buildings that will cut their use of expensive fossil fuels and save millions of pounds on bills, thanks to £553 million in government funding for affordable, low carbon heating and energy efficiency upgrades.

These upgraded heating systems, powered by cleaner, cheaper, renewable energy, will reduce the use of fossil fuels exposed to volatile global energy prices, support thousands of jobs, and also save taxpayers money as these measures will ensure public buildings are cheaper to heat. Local authorities, public bodies and taxpayers are expected to save an average of £650 million per year on energy bills over the next 15 years.

Funding through the government's Public Sector Decarbonisation Scheme will see clean, efficient heat pumps installed and energy efficiency upgrades (such as insulation) fitted in 160 public sector organisations such as Birmingham Children's Hospital, Manchester Fire and Rescue and historic venues at the Royal Botanic Gardens, Kew.

Upgrades are already underway with grants awarded to 381 public sector organisations across England under first two phases of the Government's scheme, with Phase 1 alone supporting up to 30,000 clean jobs in the clean heating and energy efficiency sectors.

Business and Energy Minister Lord Callanan said:

Using cleaner technology to heat our civic buildings is helping to shield public sector organisations from costly fossil fuels, especially at a time of high global prices.

This funding will bring significant savings for taxpayers of well over half a billion pounds each year by making public buildings cheaper to run, heat and cool, whilst supporting economic growth and jobs across the country.

The first round of funding allocated through Phase 3 of the government's Public Sector Decarbonisation Scheme will provide grants to 160 public sector

organisations across the country to install 217 clean heat and energy efficiency projects.

The funding is part of the £6.6 billion the Government is investing this parliament to cut fossil fuel use and emissions from buildings, whilst creating high wage, high skill jobs. In addition to the funding allocated to the Public Sector Decarbonisation Scheme, over £2 billion is aimed specifically at lower-income households and saving people money on their energy bills.

The Public Sector Decarbonisation Scheme supports the aim of reducing emissions from public sector buildings by 75%, compared to 2017 levels, by 2037. Today's funding is the first part of an overall £1.425 billion due to be allocated through Phase 3 over three years until 2025.

There will be multiple opportunities for the public sector to secure funding through Phase 3 of the Public Sector Decarbonisation Scheme. Guidance on how to apply for the next round of applications, Phase 3b, will be published in July, with the application window planned to open for applications in September.

Among the projects to be supported through Phase 3 of the Public Sector Decarbonisation Scheme are:

- Nottingham University Hospitals NHS Trust is receiving more than £70 million to decarbonise Queens Medical Centre.
- Greater Manchester Combined Authority is receiving £15.5 million to install low carbon heating in various notable institutions, including Greater Manchester Fire and Rescue Service, the University of Salford, the National Football Museum and Manchester University.
- Hartismere Family of Schools will receive more than £600,000 to install a heat pump and improve the energy efficiency of Somerleyton Primary School in Suffolk, a school which was built in 1845 and still has a thatched roof.
- Royal Botanic Gardens, Kew, will invest over £4.4 million to decarbonise the Grade II listed Nash Conservatory and Jodrell Laboratory.
- Exmoor National Park Authority is receiving £115,000 to install clean heating at Pinkery Outdoor Education Centre, which is off-grid and has no mains gas, electricity or water.
- Leeds City Council is receiving £4.3 million to decarbonise 6 primary schools and 4 child day care centres.
- Birmingham Women's and Children's NHS Foundation Trust is receiving more than £50 million to install clean heating and energy efficiency measures in Birmingham Women's Hospital and Birmingham Children's Hospital, while Royal Wolverhampton NHS Trust will be awarded £32 million to decarbonise New Cross Hospital.

This funding will allow low carbon heating systems, including heat pumps and electric heating, to be installed in some of England's most recognisable and loved public buildings, with many projects also fitting energy efficiency measures, such as wall and roof insulation, double glazing and LED lighting, and renewables such as solar panels.

Mayor of Greater Manchester Andy Burnham said:

Here in Greater Manchester we know we need to be taking bold and meaningful steps at every level to become carbon neutral by 2038. By moving towards a greener economy we can foster new skills and create thousands of good jobs, powering our recovery from the pandemic and charting a course to a more sustainable, low-carbon future.

The £100m funding that we've been awarded so far is helping our public sector to lead the way in this effort, showing exactly what we can achieve with the right investment and a collaborative approach. We've retrofitted more than 130 public buildings and cut more than 8,000 tonnes of harmful emissions, at the same time as supporting and safeguarding almost 2,000 jobs in our local economy.

We hope this is just the start of a renewed effort to work together at national and local level, helping us to go further and faster in cutting emissions and tackling the climate emergency.

Chief Executive of Birmingham Women's and Children's NHS Foundation Trust Sarah-Jane Marsh said:

Birmingham Women's and Children's has been committed to reducing our carbon output for many years. But the scale of what was needed and the money involved, has made it near impossible.

Anyone who has been to either of our hospitals will have experienced the extreme temperatures. The 60-year-old Women's Hospital is like a greenhouse in the summer and a freezer in the winter. The Grade II listed Children's Hospital, with its 125-year-old single glazed windows, faces many of the same challenges.

Now, thanks to this generous £53 million BEIS grant, which complements our future planning and Big Build ambitions, we can make much needed improvements, not only for our women, children, young people and families, but also the environment we all depend on.

Peter Alesbury, Director of Estates at Royal Botanic Gardens, Kew, said:

The Royal Botanic Gardens, Kew is committed to taking urgent steps to tackle climate change and achieve the goals set out in our Sustainability Strategy, including to become Climate Positive by 2030. This funding will help deliver significant carbon savings and take us a step closer to achieving this target.

The scheme will be delivered on behalf of the government by Salix Finance.

Salix Finance chief executive Annie Shepperd OBE said:

This investment is transforming public buildings, driving down their carbon footprint and improving the experience of their users, including school pupils, patients and visitors to hospitals, and all those people using libraries and leisure centres.

Salix staff are proud to be working as the delivery partner for this scheme and seeing the impact it's having.

Notes to editors

- [Projects supported so far by the Public Sector Decarbonisation Scheme.](#)
- The BEIS delivery body Salix Finance manages the Public Sector Decarbonisation Scheme. More information can be found on the [Salix Finance](#) website.
- Regional funding breakdown for this round of Phase 3 is:
 - West Midlands: £133.9 million
 - East Midlands: £103.9 million
 - London: £90.8 million
 - North West: £51.8 million
 - South West: £29.9 million
 - South East: £55.6 million
 - East of England: £29.8 million
 - North East: £5.8 million
 - Yorkshire & the Humber: £42.9 million
- Phase 1 of the Public Sector Decarbonisation Scheme provided £1 billion in grants as part of the Chancellor's [Plan for Jobs 2020](#) commitment to support the UK's economic recovery from COVID-19. It aimed to support up to 30,000 jobs in the low carbon and energy efficiency sectors and reduce carbon emissions from the public sector.
- Phase 2 of the Public Sector Decarbonisation Scheme provided £75 million of grant funding for the financial year 2021/2022. It supported the public sector in taking a 'whole building' approach when decarbonising their estates.
- Guidance on how to apply for the next round of applications to the scheme, Phase 3b, will be published in July. [Further information about the next round of applications, which is expected to open in September.](#)
- This funding is part of the £6.6 billion the Government is investing this parliament to decarbonise buildings, of which over £2 billion is aimed specifically at lower-income households and saving people money on their energy bills.
- The government is also providing £14m of grant funding in the current financial year through of [Phase 3 of the Public Sector Low Carbon Skills Fund](#). This will provide funding for public sector organisations to access the skills and expertise needed to plan how to decarbonise

heating in their buildings, including enabling organisations to develop applications for the Public Sector Decarbonisation Scheme.