



URGENT DELEGATED DECISION

Date: 18 May 2021

Request to the Head of Paid Service to exercise delegated authority as per Responsibility of Functions in Part IV, page 28 of the Constitution.

“to determine any matter within the referred or delegated powers and duties of a committee / sub committee / board / working group which is so urgent that a decision must be made before the next meeting of that committee / sub-committee / board / working group is due to be held.”

Limits on delegation: -

- Before making a decision using this delegated power, the Head of Paid Service shall consult with and take cognisance of the views of the Chairman (or in his absence the VC) of the relevant Committee / Sub-Committee etc; and
- Any decision taken by the Head of Paid Service under this delegated power shall be reported to Members within five working days of the decision taken.
- During the COVID-19 Pandemic we have also committed to consult with the Leader of the Opposition on such decisions*

* The Leader of the Opposition was unavailable for this meeting, but was provided with the supporting paperwork in advance.

Usual Decision Maker: -

This decision would have been taken by the Corporate Policy and Resources Committee.

This decision needs to be made and the bid submitted, before this Committee is due to meet.

Call-in does not apply.

Background

The background to this decision is as detailed in the report titled **“Green Homes Grant (GHG) Local Authority Deliver (LAD 2)”** which is appended to this decision.

The LAD scheme aims to support low income households living in the least energy efficient homes (those rated band, E, F or G.) The LAD Government guidance defines eligible low income household as -

‘households receiving measures have a combined household annual income of no more than £30,000 gross, before housing costs and where benefits are counted towards this figure’ Green Homes Grant Local Authority Delivery: Guidance for Local Authorities.

LAD Phase 2 is being administered by the Midlands Energy Hub (MEH) on behalf of the Government Department for Business, Energy and Industrial Strategy (BEIS).

The MEH have invited the Council to submit a local authority delivery plan, either individually or as part of a Local Authority consortium outlining how it intends to allocate the LAD grant to fuel poor households in West Lindsey District. The Delivery plan must set out the number of properties, type of measures and cost of the retrofit works the council expects to be able to deliver by December 2021 and must include a minimum of 25 properties.

Reason for Urgency and Rationale for use of urgent Delegated Decision

- Deadlines for submitting the Council’s Delivery Plan – 2nd of April, 30th April or 24th of May.
- Delivery of the scheme must be able to commence in June.
- The Council will be expected to submit an interim report on progress delivery in July.
- The scheme must be completed by December 2021. (However there is a possibility that this will be extended to March 2022).

Financial Detail and Implications

FIN/DD/2/22

Full financial details and implications are contained within the appended report.

The grant has a number of conditions with the most significant financial conditions being;

- No additional grant funding will be forthcoming if the scheme overspends and therefore would require the Council to meet these costs.
- The grant may be reduced if the profiled delivery, as set out in the proposal, is not met. This would be commensurate with the percentage profiled delivery achieved.
- Any amounts unspent after the grant period will need to be repaid.

A Capital Budget and approval to spend £560,000 will be required, with further additional revenue budgets of £53,150, all funded from the Green Homes Grant

Notes of Consultation Relevant to the Decision

In response to questions, Officers clarified the rationale for selecting properties in Bands E F and G and provided details of the number of properties which fell within these bands. The intention was to allocate grants on a first come first served basis and the reasons for this were outlined. A maximum of £10,000 could be spent on each property and it was unclear if there was room for negotiation within this as yet (ie if only £8,000 spent on one property could the next property receive £12,000?) therefore it was unclear how many properties could be reached.

Landlords could apply but the fund was aimed primarily at owner occupiers. The reason being the 2018 landlord regs required all landlord properties to meet a band D standard. Furthermore enforcement action was permitted when a property fell below Band D and as such there were other re-courses to address poor conditions in rented properties.

There were some suggestions that Band D properties should be included, however this would mean the number of properties eligible would far outstrip the funding.

It was clarified that the fund would be entirely administered by EON and use only funding money. The resource implications to the Council were therefore minimal. There would be monitoring required, interim reporting and a full communications plan.

Communication was considered key to success and Officers advised joint communications with Eon were been planned.

The procurement route for agreeing the partnership were outlined and the benefits of working with an energy provided were outlined. This being their increased access to stock data over and above the EPC rating and access to stock condition information.

It was confirmed the capitalised element of the grant would be transferred to EON.

All were agreement this project helped deliver against a number of agendas, including climate change, health and well-being, and improved housing, creating a permanent benefit to the Stock without using Council resources.

Decision

- 1) That the Council continues with a Green homes grant bid LAD2 in partnership with EON to prepare and deliver a Green Homes Grant Programme.
- 2) That the capital and revenue budgets required to meet the grant conditions be approved in principle, with approval being formalised at the next available Corporate Policy and Resources Committee.



.....
Ian Knowles
Head of Paid Service

As the Chairman of the Corporate Policy and Resources Committee I have been fully consulted on this matter



.....
Anne Welburn
Chairman of Corporate Policy and Resources

As the Chairman of the Prosperous Communities Committee and Leader of the Council I have been fully consulted on this matter



.....
Owen Bierley
Leader of the Council / Chairman of the Prosperous Communities Committee

Date all Members were notified of the decision: 21 May 2021



Delegated Decision

17th May 2021

Subject: Green Homes Grant (GHG) Local Authority Deliver (LAD 2)

Report by:

Veronica Edwards

Contact Officer:

Veronica Edwards
Senior Housing Assistance Officer
01427 675 187
veronica.edwards@west-lindsey.gov.uk

Purpose / Summary:

RECOMMENDATION(S):

To approve moving forward with Green homes grant bid LAD2 in partnership with EON to prepare and deliver a Green Homes Grant Programme.

To approve in principal the capital and revenue budgets required to meet the grant conditions, approval of which will be formalised at the next available Corporate Policy and Resources Committee.

IMPLICATIONS

Legal:

(N.B.) Where there are legal implications the report MUST be seen by the MO

The Council will need to ensure that the GHG Delivery proposal is compliant with UK subsidy rules.

All procurement activity will be undertaken taking account of the Council's Contract Procedure Rules (CPRs) and ultimately Public Contract Regulations 2015 (PCRs), which is embedded into UK Law. All frameworks which the Council are using and may consider using are PCR compliant

Financial : DD-2-22

This project relies on securing BEIS capital grant funding of £610,400 to deliver the LAD scheme. At this stage in agreeing to prepare and submit a Green Homes Grant Delivery Programme the Council will receive an initial revenue allocation of up to £50,400.00 (or 10% subject the number of properties in the final delivery plan) in order to support the development of the programme. In addition a further £2,750 to fund a stock analysis or modelling to support the proposal.

The grant has a number of conditions with the most significant financial conditions being;

- No additional grant funding will be forthcoming if the scheme overspends and therefore would require the Council to meet these costs.
- The grant may be reduced if the profiled delivery, as set out in the proposal, is not met. This would be commensurate with the percentage profiled delivery achieved.
- Any amounts unspent after the grant period will need to be repaid.

Staffing :

No staffing implications, the scheme will be delivered by current staff and in partnership with EON.

Equality and Diversity including Human Rights :

N/A

Data Protection Implications :

Data Sharing agreement in place with delivery partner

Climate Related Risks and Opportunities:

West Lindsey District Council has set an ambition to become a Green Council. The Council has set a net-zero carbon target across its operations by 2050. Becoming a net-zero carbon Council is very important for the Council as it will help to address climate change and protect the natural environment that so many of us enjoy.

Installing energy efficiency saving measures within the home can help reduce emissions and therefore support the council's policy for reductions in emissions throughout the district.

Section 17 Crime and Disorder Considerations:

N/A

Health Implications:

Living in a cold, damp home is harmful to physical and mental health. Installing household energy efficiency measures, will not only reduce carbon emissions, but should make it easier and more affordable for residents to maintain a warm, comfortable environment, thereby reducing cold-related illnesses and associated stress.

Title and Location of any Background Papers used in the preparation of this report :

Midlands Energy Hub (MEH) Guidance

GHG LAD2 presentation (EON)

MEH LAD2 Award letter

Risk Assessment :

Risk of not meeting the time constraints of the Grant: A project manager has been appointed and EON who are working in partnership with BIES will be undertaking the assessments and works.

Risk of not spending all the money: there are potentially 4,000 properties which would meet the criteria. A communications plan has been developed to encourage participation in the scheme

Risk of overspending; the optimum number of properties and works required will have been costed to ensure delivery is within budget.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

☐

No

☒

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

☒

No

☐

Executive Summary

1 Introduction

- 1.1 In October 2020 the Government launched £2 billion of support through the Green Homes Grant (GHG). The scheme consisted of two grant programmes, the GHG Voucher scheme open to all householders to improve the energy efficiency of their homes and the GHG Local Authority Delivery scheme (LAD).

- 1.2 The LAD scheme aims to support low income households living in the least energy efficient homes (those rated band, E, F or G.) The LAD Government guidance defines eligible low income household as -

'households receiving measures have a combined household annual income of no more than £30,000 gross, before housing costs and where benefits are counted towards this figure' Green Homes Grant Local Authority Delivery: Guidance for Local Authorities.

- 1.3 LAD Phase 2 is being administered by the Midlands Energy Hub (MEH) on behalf of the Government Department for Business, Energy and Industrial Strategy (BEIS). In March 2021 MEH issued an award letter to West Lindsey District Council for **£560,000.00** capital funding. The Council is able to capitalise 10% of the fund to cover any costs incurred in support of the scheme. The fund is available to deliver an energy efficiency retrofit scheme for a minimum of 25 private and social households living on low incomes and in fuel poverty. The allocation has been calculated to reflect the number and proportion of EPC E, F and G properties within the West Lindsey District.

- 1.4 The Council were required to sign and return the award letter by the 15th of April. On signing the award letter the council will be eligible to receive 10% of the allocation for mobilisation and to support the proposal development, of this up to 9% can be used as capitalisation. The Council will also receive £2,750 to be used to assist with any required stock analysis or modelling to support Phase 2 and any potential future domestic energy efficiency schemes, subject to the submission and approval of a full delivery plan and grant funding agreement.

- 1.5 LAD grant funding is available for all tenure types (including private and social housing) but must support the retrofit of existing domestic dwellings only. Landlords eligible for funding (private and social) will need to provide at least 33% contribution towards the cost of the upgrades and BEIS expect the subsidy **not** to exceed £5,000 on average per household. For example -

Landlord Contribution	£2,500
LAD grant	£5,000
Total spend	£7,500 (on average per property)

- 1.6 The MEH have invited the Council to submit a local authority delivery plan, either individually or as part of a Local Authority consortium outlining how it intends to allocate the LAD grant to fuel poor households in West Lindsey District. The Delivery plan must set out the number of properties, type of measures and cost of the retrofit works the council expects to be able to deliver by December 2021 and must include a minimum of 25 properties.

- 1.7 Subject to the total number of properties and installation costs identified in the Council's Delivery Plan, the Council will receive 10% mobilisation fund to cover the following:-
- Project management, reporting and governance costs;
 - Building works to prepare for install – for example if there are issues with the walls that need to be rectified prior to insulation being applied;
 - Retrofit coordinator training costs; and
 - Resident targeting, low-income verification and sign-up including lead generation and communication activities.
- 1.8 The timeframe for delivery of the scheme is set out as follows:
- Council award letter to be issued the week commencing 1st March to the Chief Executive.
 - Deadline for accepting the allocation – 15th April
 - Deadlines for submitting the Council's Delivery Plan – 2nd of April, 30th April or 24th of May.
 - Delivery of the scheme must be able to commence in June.
 - The Council will be expected to submit an interim report on progress delivery in July.
 - The scheme must be completed by December 2021. (However there is a possibility that this will be extended to March 2022).
- 1.9 The reward letter was returned by the deadline to confirm intent to submit a delivery plan, this did not commit us to the scheme. EON are currently undertaking analysis of Housing Stock within West Lindsey District to prepare a proposal for submission to deliver the scheme in line with the 24th May deadline. According to EPC data, there are over 4,000 properties rated at E,F and G, It is envisaged primarily owner occupier properties will be the target.
- 1.10 Executives are asked to approve moving forward with Green homes grant LAD2 for in partnership with EON to prepare and deliver a Green Homes Grant Programme.
- 1.11 A Capital Budget and approval to spend £560,000 will be required, with further additional revenue budgets of £53,150, all funded from the Green Homes Grant.

Midlands Energy Hub Green Homes Grant: Local Authority Delivery **Phase 2 Guidance for Local Authorities**

25th February 2021



CONTENTS

Executive Summary.....	2
Outline of Funding Mechanism.....	3
Key Changes to Guidance from Phase 1B to Phase 2	3
Introduction	4
Overview	4
Breakdown of Funding	4
Additional Support	5
Detailed Eligibility Guidance	6
Parameters and Eligibility Specifications for LAD Phase 2 Delivery.....	6
Eligible Households	6
Eligible Measures	8
Funding and Eligible Costs	10
Eligible Contractors	11
Interaction with other funding	11
Other information.....	12
Reporting and Governance Commitments	12
Monitoring & Evaluation.....	13
Checks	14
Evaluation	14
The Proposals Process.....	15
Key Dates	16
Annex A Completing the Proposal Form.....	17
Annex B Monitoring	18
Annex C Defining Domestic Premises	22
Annex D Frequently Asked Questions.....	26



Executive Summary

The Local Authority Delivery (LAD) Scheme, with up to £500m of support to English Local Authorities, was announced in July 2020 by the Chancellor with the aims of saving householders money, cutting carbon and creating green jobs.

An initial competition (Phase 1A) was launched in August 2020 with a delivery deadline of March 2021, whereby BEIS allocated £74m of funding to 55 Local Authority (LA) projects. A second round of the Local Authority competition (Phase 1B) was launched in October 2020, with a deadline for submissions in December 2020. Successful projects in Phase 1B have been offered grant funding in February 2021. All work undertaken using Phase 1B funding must be completed by the end of September 2021.

Phase 2 comprises a further £300m that will be allocated through Local Energy Hubs (Hubs) in 2020/21 for regional delivery commencing in 2021. A key objective of the scheme is to provide an economic stimulus over summer 2021 as part of the Government's plan to build back better, greener and faster in response to Covid-19. All funding must therefore be invested during 2021 and, where possible, the majority of delivery should be completed by the end of September to maximise the impact on supporting green jobs this summer.

The LAD 2 scheme operates in a different way to previous Government energy efficiency schemes by utilising Regional Energy Hubs. The scheme aims to harness both Local and Regional expertise to identify households which are most likely to be in fuel poverty and which would best benefit from energy efficiency upgrades. BEIS will use learnings from the Hubs to inform the design of future Government-funded fuel poverty schemes and the on-going role of Local Authorities and Regional Energy Hubs in moving this agenda forward.

The Midlands Energy Hub (MEH) will be receiving a total of £59.95m of LAD funding as part of Phase 2 of the Local Authority Delivery (LAD) element of the Green Homes Grant scheme, which will run from March 2021 to December 2021. Each council will receive a formal award letter confirming the allocation.

To receive funding LA must sign and return their award letter which will release a mobilisation payment to support proposal development. Up to 9% of the funding can be used as capitalisation costs (for further information go to pg. 11). The deadline for signing the letter will be the 15th April. This is a requirement for the release of the mobilisation payment of 10% to support proposal development.

This guidance covers the LAD Phase 2 for the Midlands only and should be read prior to signing the LAD 2 letter of award and completing their proposal. If LAs have further questions, these should be sent to MEH.LAD2@nottinghamcity.gov.uk.

Outline of Funding Mechanism

The Midlands Energy Hub is allocating funding to Local Authorities to deliver Phase 2 to improve the energy efficiency of homes of low-income households living in their area.

The LAD scheme aims to raise the energy efficiency of low-income and low EPC rated homes including those living in the worst quality off-gas grid homes, delivering progress towards: reducing fuel poverty, the phasing out of high carbon fossil fuel heating and the UK's commitment to net zero by 2050.

Proposals (Further information is available in Appendix A) will need to be accepted with or after receipt of signed and returned award letter. Proposals should be submitted electronically to the LAD inbox (MEH.LAD2@nottinghamcity.gov.uk). Proposals will be reviewed on three occasions, providing LA's several opportunities to submit for review: 2nd April, 30th April and 24th May. Feedback will be provided within 10 working days along with any pre-conditions to release of the first quarterly payment.

All proposals will need to be submitted by 12 noon on the 24th of May. Details of the process are set out later in this document.

LAs will be required to sign and return their Award Letter by 15th April 2021. Delivery of projects must take place over 2021, with completion by 31st December 2021.

In advance of submitting an application, MEH ask that LAs indicate their intention to submit a proposal and provide their bank details on letter headed paper to streamline grant payments.

Where a LA has a project under Phase 1, the delivery target set out in the Phase 1 MOU should be adhered to. Phase 2 proposals should seek to increase delivery over summer and autumn 2021.

Key Changes to Guidance from Phase 1B to Phase 2

- EPC D-rated homes can be included up to 50%
- Businesses delivering energy efficiency measures within the scope of PAS2035:2019 and PAS2030:2019 must be certified to PAS 2030:2019 and comply, and be able to evidence compliance, with both PAS2035:2019 and PAS2030:2019
- There will be customer journey support in place to assist Local Authorities with LAD 2 delivery. Local Authorities must attend at least one monthly meeting with the provider to optimise delivery. The provider is there to assist regionally; Local Authorities are responsible for delivering their allocation including submitting a proposal and identify areas for the customer journey support to target.
- Local Authorities will be able to use up to 9% of their allocation as capitalisation costs (for further information go to pg. 11).

INTRODUCTION

Overview

Phase 2 of the Green Home Grants Local Authority Delivery (LAD) Scheme will allocate £300m between 5 Local Energy Hubs, who are regional points of expertise and coordination on energy issues. This is an allocation of a share of £300m to Local Energy Hubs rather than a competition between Local Authorities bidding directly to BEIS for funding.

The primary purpose of the LAD Phase 2 scheme is to raise the energy efficiency rating of low income and low Energy Performance Certificate (EPC) rated **homes** (those with EPCs of E, F or G although D is also in scope subject to a cap of 50% of Band D homes upgraded across each region).

We expect the LAD Phase 2 funding to result in the following outcomes:

- Tackle **fuel poverty** by reducing energy bills for low-income households by improving the energy efficiency of their home.
- Deliver cost effective carbon savings to carbon budgets and progress towards the **UK's target for net zero by 2050**.
- Support **economic resilience** and a green recovery in response to the economic impacts of Covid-19, creating thousands of jobs.
- The phasing out of the installation of high-carbon fossil fuel heating and reducing emissions and improving **air quality**.
- Utilise the role of Local Energy Hubs to build Local Authority **capacity and supply chains** to deliver energy efficiency at scale.

BEIS aims to fund as many projects as possible to support a green recovery in response to the economic impacts of Covid-19 and to help take low-income families out of fuel poverty. This document sets out eligibility parameters to ensure funding is allocated to projects which are aligned to Government objectives.

Breakdown of Funding

The MEH will be receiving a total of £59.95m of LAD funding as part of Phase 2 of the Local Authority Delivery (LAD) element of the Green Homes Grant scheme, which will run from March 2021 to December 2021. Each council will receive a formal award letter confirming the allocation the week commencing the 1st March.



The final allocation of the delivery funding is to be used for “Eligible Costs”. An Eligible Cost is one properly incurred in relation to:

- a. A recipient who is an ‘Eligible Household’,
- b. Installation of ‘Eligible Measures’ which aim to improve homes towards EPC C and above,
- c. Installation is completed by an ‘Eligible Contractor’,
- d. Installation is completed during the ‘funding period’ with the installation profile enabling the Local Energy Hubs to meet the requirements around ‘prioritised delivery’,
- e. Funding to owner occupied ‘Eligible Household’ should cover the full cost of upgrading a home and we do not expect the average cost of upgrades to exceed £10,000 per property, and
- f. We expect landlords eligible for funding (private and social) would provide at least 33% contribution towards the cost of the upgrades and we do not expect the subsidy to exceed £5,000 on average per household (See Table on pg. 8 for guidance on landlord contribution).

Additional Support

On signing the award letter LA’s will be eligible to receive 10% of their allocation for mobilisation and to support their proposal development, of this up to 9% can be used as capitalisation.

Each LA, whether delivering individually or as a consortium, will also receive £2,750 to be used to assist with any required stock analysis or modelling to support Phase 2 and any potential future domestic energy efficiency schemes.

There will be customer journey support in place to assist Local Authorities with LAD 2 delivery. The service will inform citizens of the process and provide a single point of contact and support. The service will check household eligibility, answer questions on the scheme and energy efficiency measures, register any complaints as well as provide additional support to help tackle fuel poverty.

The main responsibilities include:

- Area based project and Customer Journey support (this will include a telephone helpline)
- Stakeholder Engagement
- Monitoring including reporting and data collection
- Marketing and Communications

There will be two Dynamic Purchasing Systems for LA’s to use to procure installers and professional services to enable regional LAD Phase 2 delivery.

DETAILED ELIGIBILITY GUIDANCE

Parameters and Eligibility Specifications for LAD Phase 2 Delivery

LAs must develop proposals that can achieve the objectives set out above, for which BEIS has set relatively broad eligibility criteria in 6 areas for the scheme.

Subsidy Control

To demonstrate that the project will not result in a distortion of competition, we expect projects to be in line with any applicable subsidy control legislation and any applicable UK Government guidance. It is ultimately the responsibility of the Local Energy Hubs and the Local Authorities in their region ensure their projects will not result in a distortion of competition. We generally expect Local Authorities to work with their legal teams to do so.

Eligible Households

Low-income households

Funding must be targeted at low-income households likely to be in fuel poverty. LAs will need to ensure approach to checking income eligibility is carried out in accordance with this guidance, and confirm which approach(es) they are using in their proposal ahead of receiving the first quarterly payment.

The income eligibility approaches available to LAs are:

- They will ensure that households receiving measures have a combined household annual income of no more than £30,000 gross, before housing costs and where benefits are counted towards this figure, or
- Low-income households who are likely to be living in fuel poverty will be targeted using alternative methodologies.

BEIS is not prescribing a particular method to ensure that households are on a low income, but LAs will need to demonstrate how they measure income eligibility. Examples may include: using receipt of means tested benefits as a proxy for low income; specifying data commonly held by Local Authorities such as existing processes on Council Tax reductions for those on lower incomes; or by setting out permitted innovative approaches such as health-based referrals or advanced statistics and machine learning where Local Authorities can demonstrate these will target low-income households.

The option for a flat £30,000 figure has been set to enable a large group of low-income households to be supported regardless of the region. However, under Phase 2 alternative methodologies outlined by LAs and approved by Local Energy Hubs, that clearly evidence LAs are targeting low-income households likely to be in fuel poverty will be accepted. This may include total household incomes above the £30,000 threshold, for example in certain areas

where higher housing costs mean the resultant household income after housing costs is likely to be below £20,000.

It may also be possible for a household income to be in excess of £30,000 and still be at risk of fuel poverty where the household composition means that incomes are stretched amongst many dependent children. A viable way of setting thresholds for low-income households likely to be in fuel poverty would be to use the income thresholds set out in Annex 6 of the Energy Company Obligation flexible eligibility guidance for Local Authorities.

As an additional flexibility to enable area-based upgrades, where there is strong evidence for doing so, eligibility may be determined by the average income across a block of flats/houses/maisonettes being below £30,000 per year, or, where the majority of households have a combined income of no more than £30,000 per year. If there are a significant number of households living in a block of flats/houses/maisonettes earning above a combined income of £30,000 a year, it may be more suitable for these households to apply for the Green Homes Grant Voucher Scheme.

Annex A provides further guidance on domestic premises eligible for Phase 2, including households, which we have aligned to the definition in the Energy Company Obligation (ECO) scheme.

Upgrading existing homes that are energy inefficient.

Funding must support the retrofit of existing domestic dwellings only. Newly built homes, which have not been previously occupied, are not eligible to be upgraded under the Green Homes Grant Local Authority Delivery scheme.

Except in the case of park homes/mobile homes (as discussed below), funding must be targeted at households with an energy performance certificate (EPC) rating of Band D, E, F or G, although Band D is subject to a cap of 50% of Band D homes upgraded. Households with an EPC rating of Band A, B or C are not eligible for the scheme. While households with an EPC of Band D to G are in scope of the scheme, funding should be targeted at the least energy efficient housing. The policy intent is to improve these homes up through the energy efficiency scale.

Existing park homes/mobile homes are eligible for support. As park homes/mobile homes typically do not have an EPC, Local Authorities looking to upgrade park homes/mobile homes will need to outline why the stock is energy inefficient and high cost to the homeowner or tenant. As set out above, funding should focus on the least energy efficient housing and therefore those park homes/mobile homes expected to be equivalent to EPC ratings E, F and G.

Tenure type

Funding is available for all tenure types. This includes owner occupied, private landlords, registered social landlords, Housing Associations and Local Authority owned housing.

The LAD scheme is a mechanism that could be used for mixed tenure estates and communities as part of area-based regeneration. As part of implementing a LAD project we expect that Local Authorities will use this as an opportunity to reinforce domestic minimum energy efficiency standards under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 for existing F&G rated properties and seek to use available grant funding as an incentive for landlords to go further than their statutory duties.

Where housing is owner occupied (private homeowners) we do not expect those households to have to contribute to the costs of upgrades for the property and we do not expect the costs of upgrades on average to exceed £10,000 per property.

Where a property is rented to a tenant (social or private), including a Local Authority owned property, we expect there to be a minimum contribution by the landlord to the cost of upgrades of 1/3, with the average subsidy cost not to exceed £5,000 per property.

Please see the table below for the breakdown of landlord contributions:

Table 2: Minimum Landlord contributions for rented accommodation (private and social)		
LAD funding	Minimum Landlord contribution	Total cost
£1,000	£500	£1,500
£2,000	£1,000	£3,000
£3,000	£1,500	£4,500
£4,000	£2,000	£6,000
£5,000	£2,500	£7,500

Eligible Measures

Funding must only be provided in relation to eligible measures. Eligible measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve EPC Band D, E, F or G rated homes. This includes, but is not limited to, measures such as wall, loft and underfloor insulation, as well as low carbon technologies and solar photovoltaics.

This is with the exception of fossil fuel heating systems. One of the core objectives of this scheme is to support progress for the UK to reach its Net Zero target by 2050. Our priority is to support low carbon heating systems that maximise carbon savings. Therefore, fossil fuel measures, such as the installation of a new fossil fuel-based heating system, or the replacement or repair of an existing fossil fuel-based heating system with another fossil fuel-based heating system, are not in scope.

Further, projects may include hybrid heating systems, but should be mindful of the need to ensure that these would be used primarily for low-carbon heating as opposed to fossil fuel heating. For hybrid heat pump installations, the installation of a new air source heat pump alongside an existing fossil fuel boiler, for example, would be ineligible as the fossil fuel element of the system would also need to be new. LAD funding cannot be used to subsidise fossil fuel products or to fund gas boilers.

Where Phase 2 projects do propose using hybrid heating systems, LAs will need to be satisfied that the renewable component will be primarily used rather than fossil fuel component and that their measures choice is the most appropriate technology for the specific housing stock. The heat pump element of any hybrid system must be used at least for space heating and may be used for domestic water heating. It should be capable of providing the vast majority (above 50%) of the space heating demand for the property.

We also do not expect projects will include measures such as biomass boilers due to the operational costs for low-income households and ongoing requirements for biomass on fuel sustainability and air quality. If the use of biomass boilers is intended for Phase 2, we would expect the project to outline why biomass is the most appropriate technology and how they intend to ensure the ongoing use of sustainable fuels, such as by adhering to the sustainability and air quality requirements from the Renewable Heat Incentive (RHI) scheme.

To clarify, there are no requirements regarding primary and secondary measures as there are under the Green Homes Grant Voucher scheme. Local Authorities will be required to quantify the mix of measures they are intending to install, why they are considered the appropriate measures to upgrade the targeted properties and why they represent good value for money. For example, where the project involves the installation of double glazing, a typically less cost-effective measure, Local Authorities are required to quantify how many double-glazing installs are planned and specify whether double glazing will replace single glazing only.

LAs will provide an overview of the proposed mix of measures that will be delivered and to evidence that products and technologies will be of a good standard such as renewable heating measures listed on the MCS Directory used for Domestic Renewable Heat Incentive product eligibility.

Funding and Eligible Costs

The primary funding for the LAD scheme is capital funding from BEIS distributed by MEH.

The funding must therefore be used in line with section 11 of the Local Government Act 2003. For example, for the creation of an asset or the modification or improvement of an existing asset. However, given the scale of the projects envisaged, it is recognised that there will be set up, ongoing and evaluation costs to administer projects and enable the funding to be capitalised. Therefore, Local Authorities may also use up to 9% of grant funding to fund administrative and ancillary works to support delivery such as the completion of essential repair, maintenance, and preparation of properties to facilitate energy efficiency upgrades and other support as required for low-income households.

We understand that although most costs are straight forward to allocate between admin, ancillary and capital, Local Authorities may benefit from being able to use their discretion and advice for their Accounting Officers in deciding where they budget some costs which comfortably could sit in either budget. For example, costs incurred within the delivery of measures to eligible households could sit in either admin costs or in capital costs associated with delivery. LAs can therefore determine how costs such as the TrustMark lodgement fee of £30+VAT (for up to 6 measures per property), and post installation EPCs are accounted for.

Examples of what spend could be included in the admin and ancillary budget and what counts as capital costs are given below. LAs should work with their Accounting Officers to ensure that their budgeting and allocations are fit for purpose.

Example admin and ancillary costs (max 9%)

- Project management, reporting and governance costs;
- Building works to prepare for install – for example if there are issues with the walls that need to be rectified prior to insulation being applied;
- Retrofit coordinator training costs; and
- Resident targeting, low-income verification and sign-up including lead generation and communication activities.

Example capital costs

- Installer and designer labour costs;
- PAS 2035 on-site costs such as airtightness test, SAP measurements and retrofit coordinator costs (although this could also sit in admin);
- Materials (insulation, Air Source Heat Pump) and transportation, ventilation upgrades; *and*
- TrustMark lodgement fees (see above).

Eligible Contractors

Installers of energy efficient measures must be TrustMark registered, or part of a scheme that the Secretary of State is satisfied is equivalent. Businesses delivering energy efficiency measures within the scope of PAS2035:2019 and PAS2030:2019 must be certified to PAS2030:2019 and comply, and be able to evidence compliance, with both PAS2035:2019 and PAS2030:2019. Compliance with PAS2035:2019 must be adhered to from the beginning of delivery.

It is a requirement for low carbon heat installers to be certified under MCS or part of a scheme that the Secretary of State is satisfied is equivalent. MCS certification requires an installation company to be assessed by an affiliated certification body, have consumer code membership, and to have demonstrated suitable competency against relevant technology standards, as well as carry out installations in accordance with MCS installation standards.

These requirements largely mirror the requirements under the Energy Company Obligation (ECO) and Renewable Heat Incentive (RHI).

BEIS does not take any financial liability for costs incurred for registration or accreditation for businesses that do not receive funding under LAD Phase 2.

Interaction with other funding

LAD funding cannot be combined with Green Homes Grant Vouchers as it falls under the same GHG scheme, as such a property must not receive support under both LAD and the Voucher scheme, even if it is for different measures.

LAD cannot be blended with other government schemes such as ECO or the Social Housing Decarbonisation Fund Demonstrator (SHDF Demonstrator) for the same individual measure (except for Renewable Heat Incentive, for which see below), although it is possible for installations to be undertaken for the same property where the installation measures are not the same. For example, a contractor delivering support to a household may be funded through LAD to install a heat pump and funded separately by ECO to install solid wall insulation.

Local Authorities must ensure there are controls to ensure households are not in receipt of funding from LAD Phase 1 and the GHG Voucher scheme and will not allow the blending of funding with other government scheme (such as SHDF or ECO) on the same individual measure. Where measures are delivered to a household in Phase 1 and the cost expectation for that household were not met, additional measures can be installed at the same address within the LAD cost guidance, which states household has received subsidy of up to £5,000 for rented accommodation or up to £10,000 for a low-income owner occupier from the wider Green Homes Grant.



For the purposes of the Renewable Heat Incentive (RHI), LAD funding is a grant from public funds and as a result LAD Phase 2 funding would be deducted from RHI payments as per the RHI rules on grant funding. Local Authorities should ensure they are aware of RHI rules, including that to be eligible for RHI the applicant must have made some financial contribution towards the cost of purchasing or installing their heating system.

LAD funding can however be blended with other third-party finance or Local Authority budgets to deliver additional support to communities. If Local Authorities plan to blend LAD funding with other relevant funding, they will need to evidence this in their proposal.

Government intends to utilise data matching between schemes.

Other information

Eligible Expenditure consists of payments by the grant recipient during the Funding Period for the purposes of the Project. Eligible Expenditure is net of VAT recoverable by the grant recipient from HM Revenue & Customs, and gross of irrecoverable VAT. This means that all grants are outside the scope of VAT.

For clarity, this means that BEIS and Local Energy Hubs will not pay VAT upon the transfer of grant funds.

Reporting and Governance Commitments

Local Authorities will be required to provide a monthly report, which will begin from April and must be submitted by the 28th of each month or next working day and sent to MEH.LAD2@nottinghamcity.gov.uk.

During the Funding Period, the report shall detail:

- Monthly progress
- Eligible expenditure
- Eligible costs
- Costs incurred when delivering the admin and ancillary budget
- Costs incurred when delivering the capital assets
- Update and review of the Risk Register
- An update of the progress of Local Authorities in the Hubs region against Key Performance Indicators (KPIs) and additional Performance Indicators (PIs)
- Evidence of due diligence processes to demonstrate how it is managing the fraud risks
- Any planned or actual variations to the Sourcing Strategy
- Update on the sourcing costs incurred against the budget

The Hubs are required to report variations in Local Authorities' performance against the targets they provide in their proposal and report on KPIs in monthly reports submitted to BEIS. Should there be a significant variation in the Local Authorities' performance, a recovery plan and re-profiled delivery will be required to ensure the project has a robust recovery plan.

Monitoring & Evaluation

The Local Authorities and Hub have the responsibility of ensuring that all Local Authorities, installers or delivery partners collect and provide the appropriate information to support monitoring and evaluation. To achieve this Local Authorities are expected to:

- Gather and collate monthly scheme delivery data. A draft data dictionary of the information LAs are expected to provide can be found in Annex B.
- Include data collection requirements in all relevant contracts with installers and delivery partners.
- Share this with the Hub/BEIS on a monthly basis.
- Inform the Hub immediately of any reports it has received relating to any suspected fraudulent activity relating to the delivery of Phase 2 and include a summary of investigative and/or corrective action. LAs must not wait until their next monthly report to raise issues around fraud with BEIS.

The Local Energy Hubs are working with BEIS on the best way of capturing project details on an ongoing basis. MEH are creating a bespoke regional CRM for Local Authorities and customer journey support to use to securely collect data and assist with monitoring the required KPIs. LAs will be responsible for additional reporting on PIs, fraud and risk.

All activity should be shared no later than the last working day of the month following the installation. For example, if an installation takes place in March, this should be notified to BEIS by the end of April at the latest.

Checks

Firstly, check that the installation data is for an eligible household and the installer meets the necessary standards (either through Trustmark or other means agreed as part of the grant award).

Secondly, data completeness checks to ensure that all mandatory and required fields are completed.

Thirdly, simple data validation checks, such as checking field formats (e.g. a date field is in date format) or that entries are valid (e.g. a postcode is alphanumeric). Annex B includes a proposed data dictionary for the database. This annex sets out the key data required.

Evaluation

Local Authorities, and, where relevant, lead delivery partners will be required to participate in interviews and market assessment surveys led by evaluation contractors appointed by BEIS. These interviews and surveys ensure that wider insights can be provided on the experience of delivering measures under LAD as well as the success of the commercial delivery model. It is expected that Local Energy Hubs, Local Authorities and delivery partners will be asked to take part in 2 interviews and 1 market survey.

A central part of the evaluation commissioned by BEIS will be collecting data from households and landlords receiving measures, the installers delivering them as well as households who were eligible but opted out of receiving a measure, where possible. In addition to re-contacting households and installers as part of the evaluation, data linking to existing datasets will also be required for both compliance and evaluation purposes. To support this, the proposed data requirements in Annex B includes fields for household, landlord and installer contact details. It is the responsibility of Local Authorities to ensure sufficient provisions are in place to support the data linking required to support scheme compliance checks as well as data linking for the purpose of evaluating the schemes. Explicit consent will be required to support re-contact of the households, landlords and installers as part of the scheme evaluation. Local Authorities will need to comply with GDPR when collecting and sharing this information. BEIS will provide a suggested privacy notice and consent form at the point of grant award. Use of these is not mandatory, however if they are not used, Local Authorities will be required to demonstrate how consent for re-contact has been obtained and that all relevant parties have been notified of how their data will be used. MEH will also require a data sharing agreement to be in place to support the sharing of household, landlord and installer data. To facilitate this BEIS will provide draft agreements after grant award.



As part of the Local Authorities' cooperation in the evaluation activities, where possible, LAs should facilitate engagement with households in advance of measures being installed. Success of this research activity would require the installation of match-box sized in-home temperature sensors one month before their installation takes place as well as a home air-tightness test (which requires a home visit from the research team before and after the installation). To collect temperature data during a heating season, a sample of around 200 homes who have installations completed between mid-October and early December 2021. BEIS would require either pre-installation access to contact details of recruited households. BEIS will provide updates by summer 2021 as the research methodology is finalised. However, early expressions of Local Authorities' ability to support this approach are welcomed.

THE PROPOSALS PROCESS

Once a Local Authority is satisfied that they meet the parameters, eligibility criteria, reporting and governance commitments, and they have signed the Award Letter, the LA can complete the Proposal Form that will be available to LAs on the 25th February. For detailed guidance on the application form, please view Annex A – “Completing the Proposal Form”. The deadline for completed proposals to be submitted is noon on the 24th of May 2021.

In advance of submitting an application, MEH ask that LAs indicate their intention to submit a proposal and provide their bank details on letter headed paper to streamline grant payments. We are content for third parties, such as delivery partners, to complete the form on an LA's behalf; our requirement is that LAs sign off, submit and are accountable for delivery.

MEH will use the following assessment criteria to assess the proposals meet the project objectives:

- **Strategic Fit:** how well the proposal fits with the aims, desired outcomes and eligibility criteria of the LAD scheme.
- **Delivery Assurance:** an assessment of the feasibility and credibility of the project including detail on its timescales, procurement, quality assurance, auditing, monitoring, and evaluating requirements.
- **Value for Money:** The cost of the project in relation to its relative impact and proposed benefits to the housing stock it plans to improve.

Proposals should be submitted to the LAD mailbox (MEH.LAD2@nottinghamcity.gov.uk).

MEH will review applications on three occasions, providing LAs several opportunities to submit for review. Review deadlines: 2nd April, 30th April and 24th May.

Proposals will be reviewed by the MEH LAD Programme Board, or MEH board for final approval. Feedback will be provided within 10 working days of each submission deadline along with any pre-conditions to release of the first quarterly payment.

All work undertaken using the LAD grant funding must be completed by the 31st of December 2021.

Key Dates

Date	Event
25/02/21	Guidance Published
WC 01/03/21	Award Letters
11/03/21	DPS Webinar
12/04/21	DPS Live
12/04/21	Customer Journey Support in Post
15/04/21	Deadline to sign award letter and enable release of mobilisation payment
02/04/21	1 st Proposal review deadline
30/04/21	2 nd Proposal review deadline
24/05/21	3 rd and final deadline for submitting proposal and accessing full funding allocation
tbc	Interim report
31/12/21	Delivery completed



Annex A Completing the Proposal Form

Midlands LAD 2 Proposal template.

Section 1: Details of Local Authority Delivery Project

Please indicate if you are applying as part of a consortium, and if you are, please provide all LA names involved in the proposal. Confirm your allocation (full amount or part, minimum proposal can be £125,000 supporting a minimum of 25 eligible households). Please provide contact details.

Local Authorities are required to declare that they meet the requirements of the funding as set out in the guidance.

Section 2: Strategic Fit and Value for Money

Provide a high level summary of the project. We will use this high-level summary to form part of the 'Strategic Fit' assessment. We expect proposals to clearly outline low income household eligibility criteria and chosen fuel poverty methodology. This will also include how the proposal plans to assist local coordinators to target/identify eligible households with EPC ratings D, E, F and G (or equivalent as regards park homes). Please try to keep your answer below 500 words.

The summary should detail how they meet the funding objectives (stated in the guidance) and demonstrate value for money.

Section 3: Delivery Assurance

Provide an overall delivery plan of the project. We will use this high-level summary to form part of the 'Delivery' assessment. We expect proposals to clearly outline their chosen measure mix and how it is deliverable with the timeframe. Please try to keep your answer below 500 words.

Local Authorities must provide a planned delivery profile and complete the target table, which monthly reporting will be monitored against. As well as information on interaction with other funding such as ECO.

Section 4: Risk and Fraud

Please complete both the risk register and fraud risk register in relation to the specified risks and any other risks believed relevant to the scheme.

Section 5: Additional Capacity

Additional information is sought from LAs on whether they are interested in receiving further funding above the initial allocation, within the current delivery period. This information will only become relevant in a situation where additional funding is made available, for example where funds are re-allocated. This will not affect a LAs access to their original allocation, and will not be assessed. Any information provided in this section will be treated as for information only.

Section 6: Declarations

Please ensure you include the details of the individual responsible for leading this project and the individual that approved this proposal for submission.

Annex B Monitoring

Monthly Report – Sourcing and Delivery activity (template)

			Status	R/A/G
Local Energy Hub	Local Authorities currently delivering (provide list)	Grant Reference	Authority Lead	Report Date
		INSERT REFERENCE	INSERT LEAD OFFICIAL	INSERT DATE
Summary of Status		Progress Over Previous Month	Plan for Next Month	
Risks / Issues to Project Delivery				
#	Risk/Issue	Mitigating Actions	Status	Owner
1			R/A/G	
2			R/A/G	
3			R/A/G	



Performance Levels: Reporting (this will be monitored against targets provided in proposal)								
KPI	Status	Cumulative Target	Cumulative Actual	Current Monthly Target	Current Monthly Actual	Current Monthly Difference	Subsequent Month Target	Description
1	Eligible homes signed up to receive measure(s) (by tenure type)							The number of homes, eligible under the scheme, that have agreed to an installed measure, where the LA has taken all reasonable steps to ensure delivery within the programme deadlines, with data presented by tenure.
2	Number of measures installed							The number of completed individual measures installed across all eligible homes.
3	Number of homes receiving their first measure (including the number of EPC band D)							The number of homes that have received their first measure in a given month, with data presented by EPC band.
4	Number of homes completed							The number of homes that have received all identified measures under LAD2, in a given month.
5	Number of homes that improve to an EPC band C or above (by tenure type and starting EPC)							The number of homes that improve to an EPC band C or above as a result of measures installed through LAD 2. This should be broken down by tenure and starting EPC band.



6	Average SAP increase								Average impact of the all measures installed.
	Number of homes that have been improved by at least one EPC band from a starting SAP 1-54 rating/EPC EFG (by measures installed)								This should identify pre- and post-EPC ratings/ SAP scores and the type of measure installed.
7	Approximate Carbon Savings								Using the provided Carbon Savings rubric, the estimated total carbon savings of measures installed in a given month.
8	Average cost per home receiving a measure								The average total cost per completed home (as per KPI 4) not including administration or ancillary costs. This should be presented by tenure.
9	Number of jobs supported, including apprenticeships								The number of jobs supported through LAD2, including apprenticeships.
10	Cumulative Spend of allocation								The actual and forecasted spend under the Local Authority project. For consortia programmes, this should be presented by both LA and consortia area

Annex C Defining Domestic Premises

For the purposes of the Green Homes Grant Local Authority Delivery scheme, a domestic premise is defined in the same way as they are for the Energy Company Obligation scheme.

Domestic premises

Domestic premises test, other than a Park Home/Mobile home

We use a two-part test to determine whether premises, other than a mobile home, are domestic premises by asking:

Test I. are the premises self-contained by containing kitchen facilities for occupants to prepare food?

Test II. are the premises used by the occupants wholly or mainly for domestic purposes (i.e. as a home)?

If the answer to each question is yes, then we consider the premises to be domestic premises. Further information is provided below about each part of this test.

Test I. Are the premises self-contained?

This part of the test is about the physical layout and setup of the building.

Premises may be part of a building (for example, a flat in a tower block) or may be the whole building (for example, a detached bungalow).

Premises will be considered to be separate and self-contained if, within the boundaries of the premises, they contain:

- a. one or more bedrooms, and
- b. private kitchen facilities, including a kitchen sink and stove, for occupants to prepare food.

Note that a portable microwave or campfire stove would not be considered as a stove for this purpose. Kitchen facilities are private when they are accessible only to the occupants of the bedroom or bedrooms within the part of the building that forms the premises.

Our test does not take account of bathroom facilities.

Bedrooms

A space can function as both a bedroom and a living area – for example, a studio or a bedsit.

Kitchen facilities

Kitchen facilities include a kitchen sink and a stove. Where one of these items is not present in the kitchen, then we do not consider the premises to contain kitchen facilities.

Kitchen facilities may be located in the same space that functions as a bedroom – for example, a studio or bedsit.

Kitchen facilities are private when they are accessible only to the occupants of the bedroom or bedrooms within the part of the building that forms the premises.

Examples of premises that are self-contained (although might fail the domestic purposes test):

- a. a studio (containing private kitchen and bathroom facilities).
- b. a bedsit (containing private kitchen facilities, with access to shared bathroom facilities).
- c. an apartment, including a shared apartment where the occupants of each bedroom share a communal kitchen.
- d. a house, including a shared house where the occupants of each bedroom share a communal kitchen.

The following are not self-contained premises:

- a. a bedroom which does not contain private kitchen facilities
- b. a bedroom which contains some kitchen facilities, for example a refrigerator and a microwave oven, but does not contain a kitchen sink and/or stove
- c. two or more bedrooms with a kitchen that is not for the exclusive use of the occupants of those bedrooms, and
- d. any facility where the occupants do not have access to kitchen facilities to cook for themselves.

Determining the boundary of premises

The boundaries of the premises are the outermost walls of the total space used exclusively by the occupants of the premises. For example:

- a. in a shared apartment or house, the total space includes all bedrooms and the common areas (kitchen, bathroom(s) and living area(s), halls and corridors), or
- b. for a bedsit containing a kitchen, the boundaries of the premises are the walls of that bedsit, or
- c. for mixed use premises, such as a Bed & Breakfast with both commercial and domestic parts, the premises boundaries of the domestic part would be the outermost walls of the area that is self-contained and used for domestic purposes (i.e., it contains its own kitchen and has one or more bedrooms).

Test II. Are the premises used as a home?

Premises are considered to be used wholly or mainly for domestic purposes if the premises are used by the occupants as a home.

This part of the test considers the way in which the building is generally used. In most cases it should be clear that premises are being used as a home, i.e. the premises are used by the occupants for living in on more than a short term basis (typically more than three months).

Suppliers are normally expected to check the length of a lease or licence to occupy in scenarios where you would expect the lease or licence to be short term, e.g. hostels.

The use of premises as a home can be evidenced in the following ways:

- a. Owner-occupied premises: the receipt by the occupant of utility bills or mortgage statements relating to the premises may indicate that the premises are used as a home. There may be other indicators such as mortgage deeds naming the occupant.
- b. Premises occupied under a lease or licence to occupy: the receipt by the occupant of 3 months of utility bills relating to the premises, or the existence of a lease or licence of longer than 3 months in the name of the occupant (such as a tenancy agreement) may indicate that the premises are used as a home. There may be other indicators that may be considered acceptable evidence.

Commercial activities

Occupants may carry out some commercial activities at the premises from a room also used for domestic purposes, provided that the primary use of the premises is as a home.

Examples of commercial activities include working or running a business from home. Areas used solely for commercial purposes should not be included in calculation of savings for that premises.

Examples of premises that are not generally used as a home:

- a. a hotel, or guest houses (including 'bed and breakfast' properties), where guests do not usually stay for periods of longer than a couple of weeks,
- b. a short-stay apartment or hostel, where occupants usually stay for periods of less than 3 months, or

There may be examples where a clear distinction between commercial activities and domestic living space, can be made within a single premises. An example of this could be a flat located above the ground floor of a premises which contains a shop. In this scenario, only the percentage of the floor, wall, or roof area directly adjoining the areas used as a domestic living space or domestic premises would count towards any score.

Suppliers should contact BEIS if they are unsure how to score a premises with both domestic living spaces and areas used for commercial purposes.

Care homes

Care homes do not meet the domestic premises requirement, and are therefore outside of the scope of the GHG LAD scheme.

Student halls of residence

Student halls of residence do not meet the domestic premises requirement, and are therefore outside of the scope of the GHG LAD scheme.

Mobile homes

For a structure to be considered a mobile home, and therefore a domestic premises, it must: a. be a caravan, AND b. be used as a dwelling.

Houses in Multiple Occupation

Houses in Multiple Occupation (HMOs) are eligible to receive measures, except for district heating system (DHS) measures. As specified in the Housing Act (2004) and the Housing (Scotland) Act 2006, an HMO is a building that contains living accommodation where 'two or more of the households who occupy the living accommodation share one or more basic amenities or the living accommodation is lacking in one or more basic amenities. Therefore, the arrangement of kitchen facilities within an HMO is critical in determining eligibility under GHG LAD.

Based on the definition of self-contained premises, we recognise two distinct categories of HMO:

- a. An HMO with shared cooking facilities (e.g. a shared house).
- b. An HMO with private cooking facilities in each bedroom (e.g. bedsits).

The eligibility, notification and scoring methodology is dependent on which of the above categories the HMO falls in.

Generally, an HMO with shared cooking facilities should be treated as if it were a single domestic premise. This type of HMO follows the same eligibility, notification, and scoring rules as non-HMO properties. This means that the deemed scores may be used.

An HMO with private cooking facilities is treated differently to other types of domestic premises. This is because individual bedrooms may meet the GHG LAD definition of a self-contained premises. The eligibility, notification, and scoring of an HMO with private cooking facilities in each bedroom is set out below.

Eligibility

Each tenant's eligibility only extends to their individual private rooms, not the HMO as a whole. This means that one occupant in receipt of benefits would qualify their individual room, but not the whole HMO. For the whole HMO to be eligible, all rooms would need to have an eligible occupant, or meet other eligibility criteria.

Annex D Frequently Asked Questions

Q.1 Is there an overlap with Phase 1B & Phase 2?

Phase 2 is intended to fill the gaps where LAs were unable to use LAD Phase 1A and 1B funding to address fuel poverty and make homes more energy efficient. Phase 2 allows the Local Energy Hubs to support all to access funding.

Eligible Households

Q.2 Is the 50% EPC Band D cap for the average across the authority (i.e. 45% Band D home in one area and 55% Band D home in another)?

The 50% EPC band D household cap is an average across a Hub region. This means that the number of EPC Band D households within an LA or project area may vary so long as the overall average of Band D homes reported back to BEIS does not exceed 50% of the total number of homes receiving measures in a Hub region under Phase 2.

Q.3 Is the £10k spend per household average spend (i.e. £8k on one house, £12k on another)?

The household spend is an average across the Hub region. Owner occupier properties can have an average spend of £10k, whereas rented properties can have an average spend of £5k, with minimum 1/3 contribution from landlords. See Q12 for a table with a breakdown of the required landlord contributions.

Eligible Measures

Q.4 Does ventilation count as a measure? If yes, what part of the budget cost does it fall under?

Ventilation is not a standalone measure, however, upgrading and ensuring adequate ventilation is a requirement of PAS2035:2019 and therefore it should be included under the capital costs of the upgrade cost. This means that ventilation measures come out of the capital allocation, rather than the admin budget, or sourcing funding.

Funding and Eligible Costs

Q.5 Can Phase 2 allocations be added to the Phase 1 MOUs?

Allocations from Phase 2 cannot be added to the Phase 1 MOU. The funding from Phase 1 and Phase 2 are separate and will be delivered in two different ways: Phase 1 funding is granted to Local Authorities following a competition, whereas in Phase 2 funding has been allocated. BEIS will not be entering into MoUs with individual LA projects under Phase 2 and the MoU between BEIS and participating Phase 1 LAs is independent of any arrangements under Phase 2.

Q.6 Can the funding be used to fund project management costs of an external delivery partner?

Local Authorities may use up to 9% of their grant funding to fund administrative, delivery and ancillary works to support delivery. Please find below some examples of what administrative or ancillary support can be used for:

- Administration costs typically reflect staff costs and the proportion of staff FTE spent managing LAD projects and overseeing the projects with e.g. contractors.
- Ancillary support allows for any costs that might arise when making a home suitable for retrofit. It could cover any building defects that might need to be resolved before applying a retrofit solution, such as solid wall insulation, or the removal of a gas boiler or cabinetry installed to accommodate hot water tanks or a heat pump.

Q.7 Can you give an example of how the landlord contributions will work with the match funding?

The grant can be used to fund a maximum of 66% of the total cost of upgrades in rented properties and the landlords need to fund the remaining 33%. The maximum average expectation is £5,000 of LAD funding per home. For higher cost upgrades we expect a larger landlord contribution from the Local Authority or landlord.

Eligible Contractors

Q.8 Are you expecting LAD Phase 2 to be delivered using PAS 2030:2019 and PAS 2035:2019? Will this be a hard requirement or a recommendation?

Yes, this is a requirement of Phase 2. Businesses delivering energy efficiency measures within the scope of PAS2035:2019 and PAS2030:2019 must be certified to PAS 2030:2019 and comply, and be able to evidence compliance, with both PAS2035:2019 and PAS2030:2019.

Impact of COVID-19 Restrictions

Q.9 Are BEIS working with the industry to address any delivery capacity issues?

All schemes under this economic stimulus investment package: Social Housing Decarbonisation Fund Demonstrator, Public Sector Decarbonisation Fund, Green Homes Grant Voucher and the LAD scheme, will draw upon a similar supply chain and, as such, we are taking a coordinated approach in mitigating capacity issues.

BEIS is currently working very closely with TrustMark, MCS and PAS certification organisations to ensure the supply chain is ready to support and benefit from these schemes. The number of TrustMark registered and MCS or PAS certified installers continue to grow in response to the above schemes being announced.



BEIS is also working with the five Local Energy Hubs and market leaders to understand delivery capacity issues across England and provide mitigations that will support the delivery of the LAD scheme.

Q.10 How will BEIS ensure that the scheme will be safe for members of the public given the COVID-19 pandemic? What happens in the case of a household needing to self-isolate – can delivery be extended in these circumstances?

Any installer carrying out works under the LAD Scheme should follow government advice on what can be done. At present, work in and around peoples' homes can continue and COVID-19 secure guidelines should be followed which you can access here: <https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19>. TrustMark also provides additional information to help tradespeople stay safe which is available here: <https://www.trustmark.org.uk/>. A 'Work Safe, Safe Work' campaign has also been launched by TrustMark to help households keep themselves and tradespeople safe during any installations or works.

In the event that COVID-19 impacts the delivery of projects, BEIS and the Hubs will work together to agree how the Hub will spend any unspent Grant funding in line with the expected outcomes of the GHG LAD scheme. If BEIS and the Hub are unable to reach an agreement the LA can either request an extension in writing to the BEIS Secretary of State, or agree to repay the unspent Grant within 30 days of 30 December 2021.

Interaction with Other Funding

Q.11 Can a Local Authority blend LAD funding with other schemes? Can a LA apply for vouchers and use LAD funding?

LAD cannot be combined with Green Homes Grant Vouchers as it falls under the same GHG scheme. LAs are not able to blend funding with other Government schemes for the same individual measures but are able to do so for different measures at the same property.

For example, a contractor delivering support to a household may be funded through LAD to install a heat pump and funded separately by ECO to install solid wall insulation.

An exception to prohibiting the blending of funding for the same individual measures is the Renewable Heat Incentive (RHI) as it would consider LAD funding to be a grant from public funds and as a result, LAD Phase 2 funding would be deducted from RHI's payments as per the RHI rules on grant funding. For more information, see "Interacting with Other Funding" in the main body of this guidance document.

Q.12 How are the Green Homes Grant Voucher Scheme and the LAD Scheme linked?

The schemes are both being funded through the same allocation of government money entitled “Green Homes Grant”, however they operate completely separately. The Voucher Scheme is aimed directly at homeowners and landlords to help them upgrade the energy efficiency of their properties. More information on the Voucher Scheme can be found on the Simple Energy Advice (SEA) website which can be used to assess eligibility. Under the scheme, up to £5,000 is available to homeowners and landlords in England to pay part of the cost of installing energy efficient measures. Low-income households can get 100 per cent of the cost of work, up to £10,000.

The LAD Scheme aims to deliver energy efficiency upgrades to low income and low energy efficiency rated homes, including those living in the worst quality off-gas grid homes. Funds under this scheme will enable LAs to support low-income, fuel-poor households in their local area.

Funds under the LAD Scheme must not be used for those homes who have also received a voucher. LAs must declare in their application that they will introduce controls designed to prevent households receiving funding from both the Voucher and LAD schemes.

The background of the slide features a faded image of five women in red swimsuits and white swim caps standing in a row on a city street. In the foreground, a white outdoor heat pump unit is visible on the left side. The overall theme is related to energy efficiency and climate control.

E.ON UK

Residential Solutions

Green Homes Grant – Local Authority Delivery (LAD)

Alan Jones

The e.on logo is displayed in a bold, italicized red font. The 'e' is lowercase and the 'on' is lowercase, with a period between them. The logo is positioned in the bottom right corner of the slide.

e.on

E.ON Residential Solutions



**Leading the energy transition:
smart, sustainable, personalised**

Offering every customer an energy
solution that's right for them



E.ON Residential Solutions

Obligation Partnerships

ECO Funding and
compliance

Installation Services

E.ON's Principal
contracting arm

Commercial Services

LA Schemes, funding,
health & Innovation

Private Sector & Social Housing

Full managed service – Concept to Completion



E.ON UK Delivery (all projects)

2008 - 2019

267K Properties

889 Schemes Nationally

£612m ECO Funding

Green Homes Grant - LAD

- The Green Homes Grant was announced by the Chancellor on 8th July, with the initiative being implemented in September 2020
- £2 billion support mechanism for homeowners and landlords in making their homes more energy-efficient in 2020-22, of which £500m is allocated for Local Authority delivery via area based schemes targeting Fuel Poverty, split as:

Local Authority Delivery (LAD) Phase 1

Initial £200m delivered by LA competition (2020/21) - 100% of the costs covered up to £10,000 (Submissions - Sept 2020)

Local Authority Delivery (LAD) Phase 2

A further £300m administered by Local Energy Hubs (2021) - 100% of the costs covered up to £10,000

LAD Phase 1B

Underspend of £124m available via a interim round of bidding (Submissions - Dec 2020)

- Phase 1 of the scheme was under subscribed (57 bids total allocation of £76m) - Phase 1B –Estimated +£124m of applications nationally
- Phase 2 of the scheme being administered via the Local Energy Hubs using the most appropriate route to market
- **LAD** aims to support low income households living in the least energy efficient homes (those rated Band D, E, F or G); and eligible measures include:

Primary Measures

Insulation = Solid Wall / Cavity and loft / Underfloor / Room in roof / Flat roof / Park Home

Low Carbon Heat = Air Source Heat Pump / Ground Source Heat Pump / Solar Thermal

Renewable – Solar PV

Additional Measures

Draught Proofing / Windows and Doors / Heating Controls and Insulation (smart controls, TRV's, insulation)

- Phase 2 of the scheme will run until End December 2021. Further detailed guidance information to be released in due course

NOTE: Eligible measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve D, E, F or G rated homes.

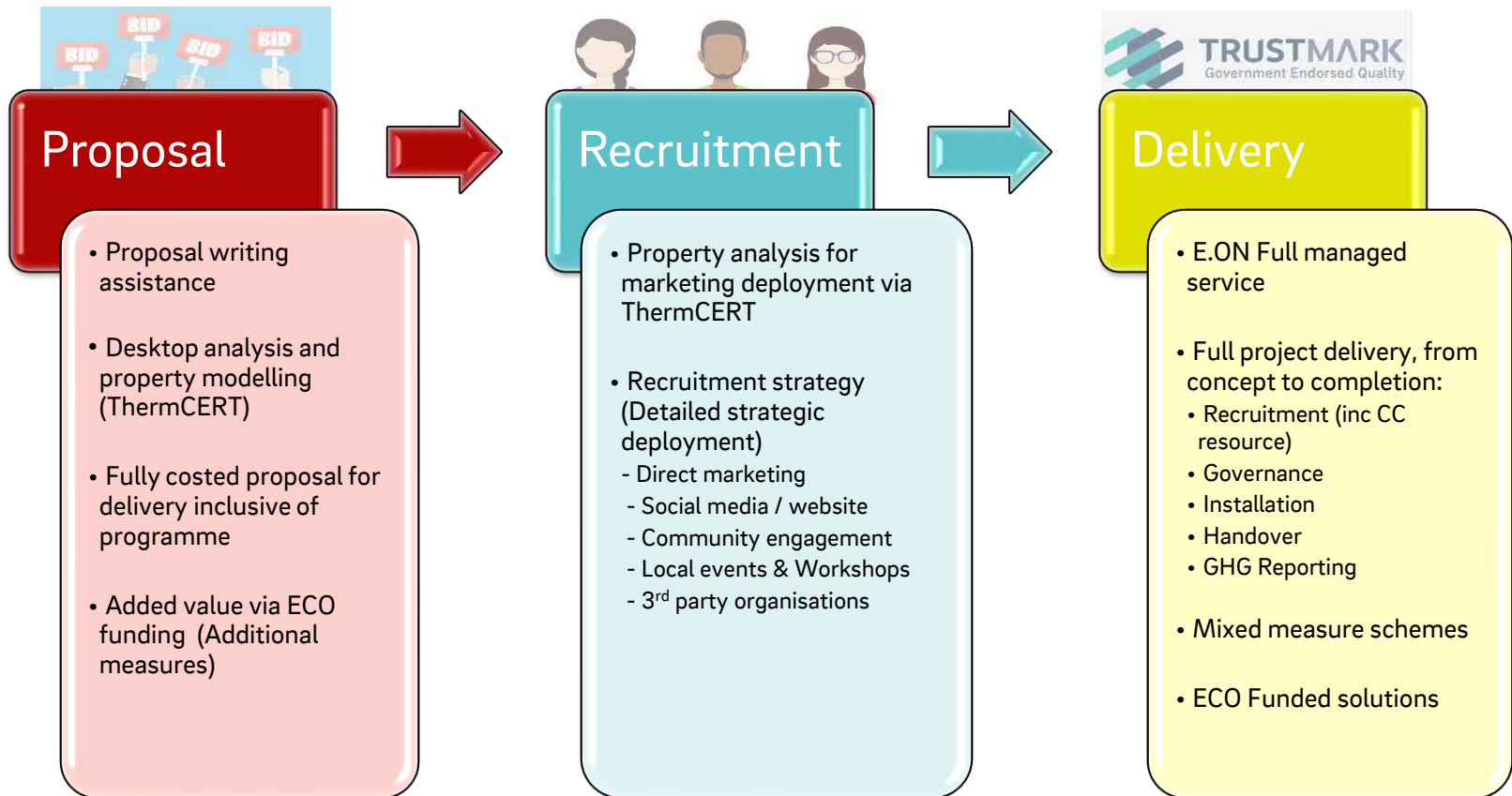
Eligibility criteria - LAD

- Funding must be targeted at the least energy efficient housing, those with an energy performance certificate rating of Band D, E, F or G.
- Householder low-income eligibility criteria is one of the following (bid specific):
 - Households with a combined household annual low-income of no more than £30,000 (evidenced as part of strategic fit assessment)
 - ECO Flex SOI
 - Households in receipt of means tested benefits
- Funding to owner occupied Fuel Poor eligible households should cover the full cost of upgrading a home and we do not expect the average cost of upgrades to exceed £10,000 per property :
 - ECO Not eligible alongside GHG
 - 10% Admin fee
 - Minimum bid value £250K
- Funding is available for all tenure types (including landlords and social landlords) but must support the retrofit of existing domestic dwellings only
 - landlords eligible for funding (private and social) will need to provide at least 33% contribution towards the cost of the upgrades and BEIS do not expect the subsidy to exceed £5,000 on average per household.

BEIS required project outcomes:

- Tackle **fuel poverty** by increasing low-income homes energy efficiency rating while reducing their energy bills.
- Support **clean growth** and promoting global action to tackle climate change.
- Support **economic resilience** and a green recovery in response to the economic impacts of Covid-19, creating thousands of jobs.
- Use **learnings** from the delivery experience to inform the development and design of further energy efficiency and heat schemes.

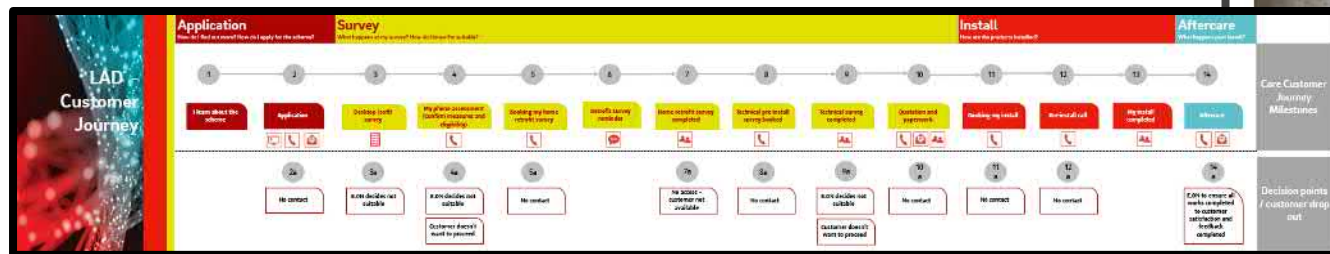
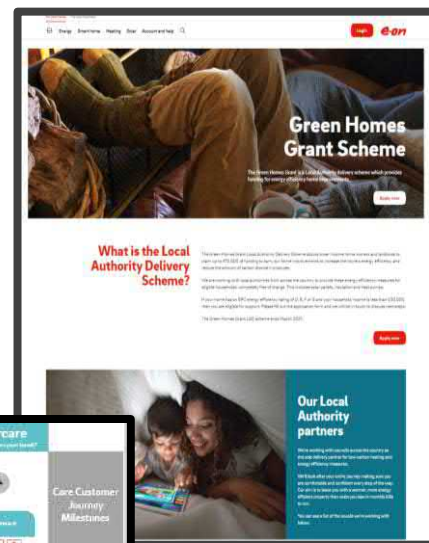
Support we can provide

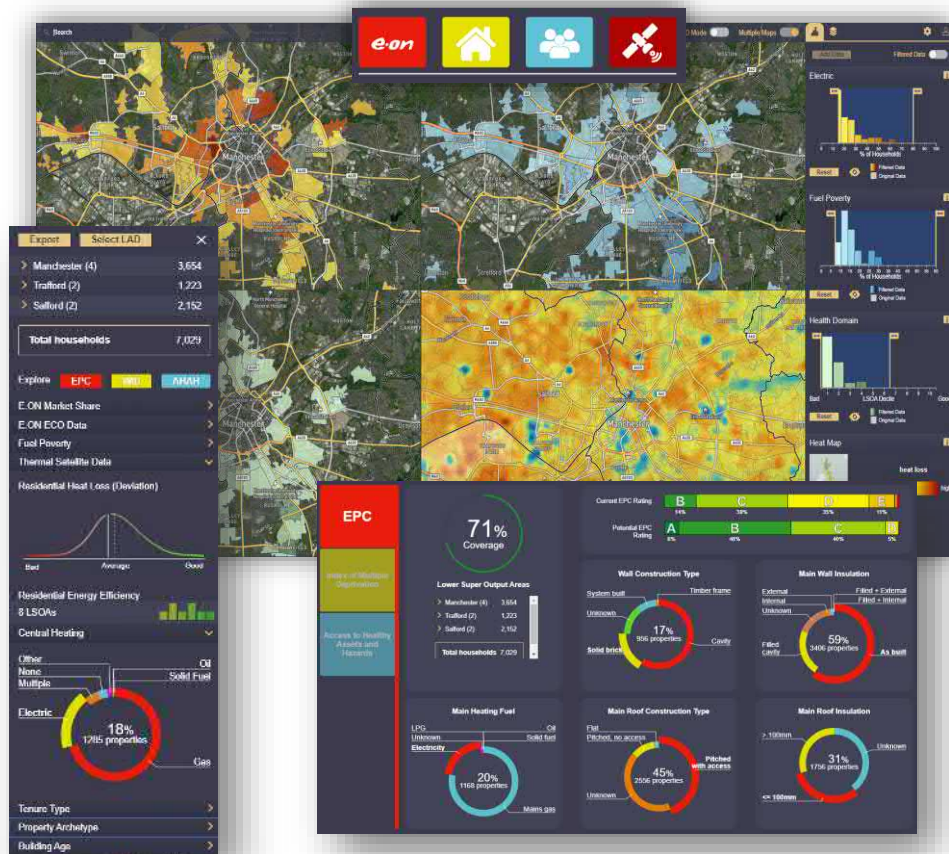


Already established delivery mechanisms (LAD)

E.ON currently has mechanisms established to support the delivery of LAD, including:

- Full end to end customer journey
- GHG LAD Specific website
- LAD contact centre (Dedicated to LAD only)
- Marketing material
- Governance and reporting processes
- Dedicated LAD delivery teams





Satellite data analytics tool developed in association with the European Space Agency

To work alongside your existing data sets

To strengthen the overall LAD proposals with detailed analysis of housing stock and appropriate measures to be installed to reduce fuel poverty

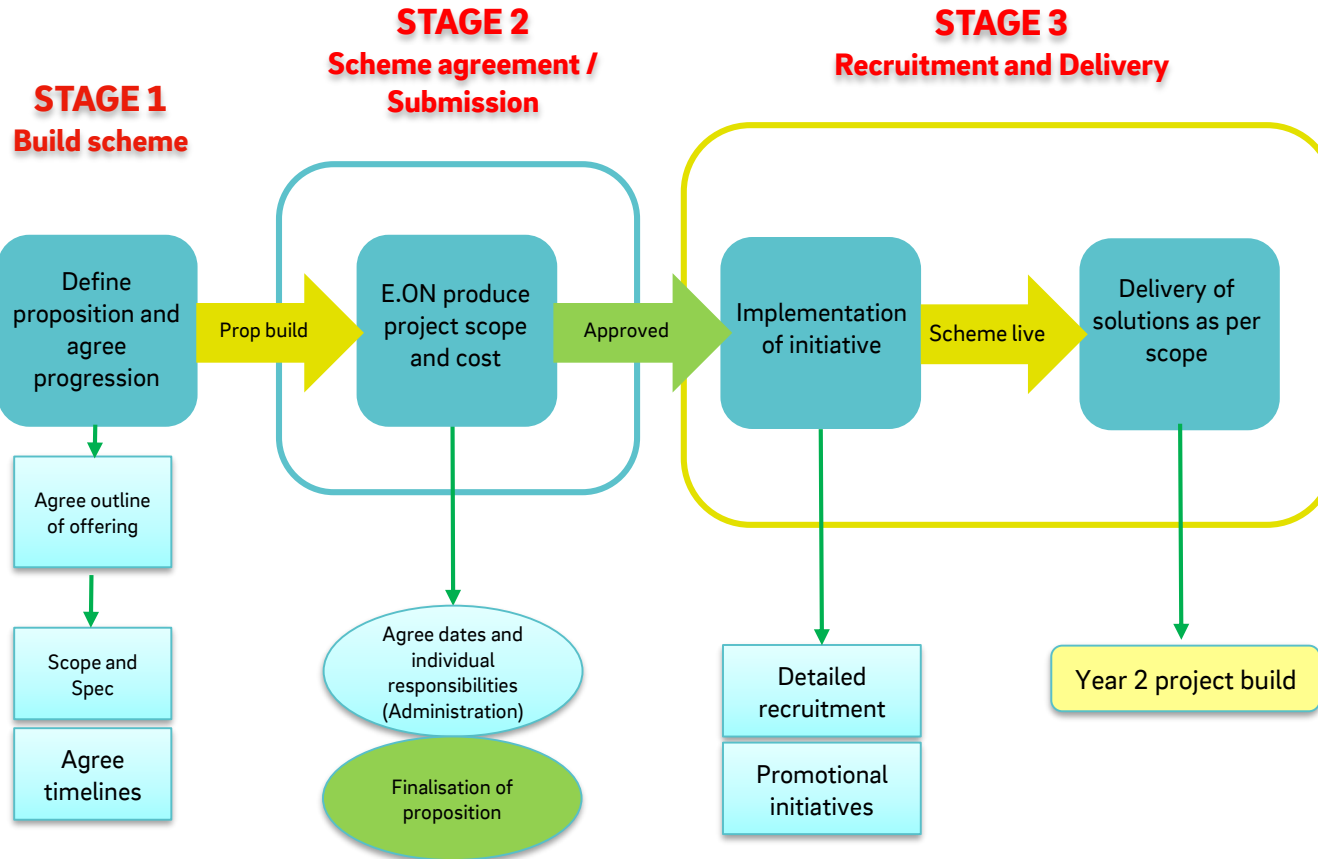
10% increase in installs compared with previously delivery

Ability to target previously 'hidden' properties through thermal heat loss

Significantly reduces lead generation costs

Identify fuel poor homes more efficiently and effectively

The process — To build a joint proposal



Next steps – How to progress

1. Feedback from yourself and agreement to proceed with partnership
2. Property / area analysis for proposal submission
3. Identified route to procurement
4. E.ON to commence proposition build and regular progress meetings to be arranged

QUESTIONS?

Alan Jones | Business Development Manager
T: 07966 636736 | E: alan.jones2@eonenergy.com



Thank you!

e-on

GRANT LETTER

West Lindsey District Council
Guildhall Marshall's Yard,
Gainsborough,
DN21 2NA

Green Homes Grant: Local Authority Delivery Phase 2 (the "Fund")

Grant recipient: [West Lindsey District Council] (the "Council")

This grant is given to the Council by Midlands Energy Hub ("MEH") administered by Nottingham City Council. The grant is part of the Green Homes Grant: Local Authority Delivery Phase 2 originating from the Secretary of State for Business, Energy and Industrial Strategy ("BEIS").

This letter is intended to ensure that the Grant is used for the purpose for which it is awarded and that the arrangement complies with the terms of the Fund.

The Grant

The Council shall be eligible to receive the following grant monies (the "Grant") for the purposes set out in, and to be used strictly in accordance with the terms of this grant letter.

Capital Grant Amount	£560,000.00
Capitalisation Allocation	£50,400.00
Total	£610,400.00

The period of this Grant is from the date of allocation until 31st December 2021 (the "Grant Period") unless extended by MEH with permission from BEIS and HM Treasury as required.

The Grant is part of a capital funding scheme distribution by way of Section 31 of the Local Government Act 2003. The Grant must therefore be used in line with Section 11 of the Local Government Act 2003 and any regulations or subsidiary legislation made under that Section.

On signing the Award Letter or once MEH has received the funding from BEIS whichever is later, an additional fixed cost of £2,750 is provided to the council with their mobilisation payment for Stock Analysis or modelling requirements to support proposal development and future energy efficiency schemes.

Grant Conditions

1 BEIS Conditions

- 1.1 MEH has entered into a memorandum of understanding with BEIS in respect of the allocation and administration of the Fund. The key terms of this memorandum of understanding are included at Annex 1 (the "MOU").
- 1.2 The Council undertakes that it shall not do, or allow to be done by its employees, personnel, contractors or representatives, anything which would put MEH in breach of the terms of the MOU.

- 1.3 If there are any conflicts between the terms of this letter and the terms of the MOU, the MOU shall take precedence.
- 2 Proposal
 - 2.1 The Council must submit a proposal for their project to MEH in form set out in Annex 3 (the "Proposal").
 - 2.2 The Proposal must be submitted to MEH by 24th May 2021.
 - 2.3 The Proposal must be submitted in accordance with the Midlands Energy Hub Green Homes Grant: Local Authority Delivery Phase 2 Guidance for Local Authorities and must be for a minimum of 25 properties, a minimum value has not be set as this will depend on the tenure mix of the project.
- 3 Use of Grant
 - 3.1 The Grant must be used in accordance with the terms of this letter and MEH reasonable instructions at all times.
 - 3.2 The Grant Amount must only be used for the installation of 'Eligible Measures', in 'Eligible Households', by 'Eligible Contractors' each as defined in the MOU in Annex 1 and Annex 2 in accordance with the Midlands Energy Hub Green Homes Grant: Local Authority Delivery Phase 2 Guidance for Local Authorities.
 - 3.3 The Grant Amount must be used to pay for the Eligible Measure in full, except where the property is owned by a landlord, where a 1/3 contribution should be secured from the landlord.
 - 3.4 The Administrative Allocation may be used for administration and ancillary work including, but not limited to:
 - 3.4.1 Project management, reporting and governance costs;
 - 3.4.2 Pre-installation EPCs to target households, verify eligibility and evidence improvements to the property;
 - 3.4.3 Building works to prepare for installation;
 - 3.4.4 Retrofit co-ordinator training costs; and
 - 3.4.5 Resident targeting, low-income verification and sign-up including lead generation and communication activities.
 - 3.5 The Grant must be used within the Grant Period. The Council shall not spend any part of the Grant after the end of the Grant Period.
 - 3.6 The Council shall not use the Grant to:
 - 3.6.1 make any payment to members of its Members;
 - 3.6.2 purchase buildings or land; or

3.6.3 pay for any expenditure commitments of the Council entered into before the date of this letter,

unless this has been approved in writing by MEH.

4 Payment of Grant

4.1 The Grant shall be paid in the following way:

4.1.1 10% of the total Grant Amount shall be paid to the Council within 30 days following the receipt by MEH of the signed copy of this letter. This is intended to be used to support any required survey works and up to 9% can be used as capitalisation;

4.1.2 30% shall be released within 30 days of approval of the Proposal by MEH of the Council's Proposal and any pre-conditions have been met to MEH's satisfaction;

4.1.3 Additional quarterly payments will be released within 30 days of the 1st July and 1st Oct, following receipt by MEH of ongoing timeline monthly reporting and maintaining 80% of their delivery profile provided in the proposal.

4.2 No Grant shall be paid unless and until MEH has received the funding from BEIS and is satisfied that such payment will be used for proper purses in accordance with this letter.

4.3 The amount of the Grant shall not be increased in the event of any overspend by the Council.

4.4 Any unspent Grant monies shall be returned to MEH within 25 calendar days of the end of the Grant Period unless otherwise agreed between the parties.

4.5 Any liabilities arising at the end of the Grant Period including any redundancy liabilities for staff employed by the Council to deliver the Grant must be managed and paid for by the Council using the Administrative Allocation or other resources of the Council. There will be no additional funding available from MEH for this purpose.

4.6 The Council shall promptly repay to MEH any money incorrectly paid to it either as a result of 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 in under this letter.

5 Adjustment of Grant

5.1 If the Council does not achieve the profiled delivery as set out in the Proposal, MEH may reduce the total Grant available to the Council commensurate with the percentage of profiled delivery achieved or projected to be achievable by the Council.

5.2 If the Council delivers in excess of the profiled delivery, MEH may increase the Grant, entirely at their own discretion. MEH shall not be obliged to increase the Grant in any circumstances.

6 Liability

- 6.1 MEH accepts no liability for any consequences, whether direct or indirect, that may come about from the use of the Grant or from withdrawal of the Grant. The Council shall indemnify and hold harmless MEH, its 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 Council in relation to the Grant, the non-fulfilment of obligations of the Council under this letter or its obligations to third parties.
- 6.2 Subject to clause 6.1, MEH's liability under this letter is limited to the payment of the Grant.
- 6.3 The Council shall effect and maintain adequate insurance policies at all times with a reputable insurance company in respect of all risks which may be incurred by the Council.
- 6.4 The Required Insurances referred to above include (but are not limited to):
 - (a) Officials Indemnity : £1m
 - (b) Fidelity Guarantee : £1m

7 Other Funding

- 7.1 The Grant must not be used to part fund a single measure with any other government schemes.
- 7.2 The Council must ensure that households receiving support from the Grant did not receive any funding under the Green Homes Grant: Local Authority Delivery Phase 1 or the voucher scheme.
- 7.3 The Grant may be blended with third party funding or the Council's other budgets to deliver additional support.
- 7.4 The Grant may only be combined with Domestic Renewable Heating Incentive payments as set out in the MOU.

8 Clawback

- 8.1 MEH's intention is that the Grant will be paid to the Council in full. However, without prejudice to MEH's other rights and remedies, MEH may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if:
 - 8.1.1 The Grant is used other than in accordance with the terms of this letter;
 - 8.1.2 The Council has not submitted a Proposal and has not spent the Grant monies already paid to it;
 - 8.1.3 The Council fails to comply with the reporting requirements;

- 8.1.4 BEIS withhold or suspend payment under the MOU, or terminate the MOU for any reason;
 - 8.1.5 BEIS exercise clawback provisions within the MOU;
 - 8.1.6 MEH considers that the Council has not made satisfactory progress with the delivery of the Grant;
 - 8.1.7 The Council is, in the opinion of MEH, delivering the Grant in a negligent manner;
 - 8.1.8 The Council provider MEH with any materially misleading or inaccurate information;
 - 8.1.9 Any member, employee or volunteer of the Council has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Fund or (b) taken any actions which, in the reasonable opinion of MEH, bring or are likely to bring the MEH's name or reputation into disrepute;
 - 8.1.10 The Council fails to comply with any of the terms and conditions set out in this letter and fails to rectify any such failure within 30 days of receiving written notice detailing the failure.
- 8.2 Should the Council be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Grant or compliance with this letter it will notify MEH as soon as possible so that, if possible, and without creating any legal obligation, MEH will have an opportunity to provide assistance in resolving the problem or to take action to protect MEH and the Grant monies.

9 Warranties

- 9.1 The Council warrants, undertakes and agrees that:
- 9.1.1 it has all necessary resources, approvals, powers and expertise to deliver the Grant;
 - 9.1.2 it has not committed, nor shall it commit, any Prohibited Act;
 - 9.1.3 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 MEH immediately of any significant departure from such legislation, codes or recommendations;
 - 9.1.4 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;
 - 9.1.5 it has and shall keep in place adequate procedures for dealing with any conflicts of interest;

- 9.1.6 it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
 - 9.1.7 all financial and other information concerning the Council which has been disclosed to MEH is to the best of its knowledge and belief, true and accurate;
 - 9.1.8 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;
 - 9.1.9 it is not aware of anything in its own affairs, which it has not disclosed to MEH or any of MEH's advisers, which might reasonably have influenced the decision of MEH to make the Grant on the terms contained in this letter; and
 - 9.1.10 since the date of its last accounts there has been no material change in its financial position or prospects.
- 9.2 For the purposes of this letter a 'Prohibited Act' is:
- 9.2.1 offering, giving or agreeing to give to any servant of MEH any gift or consideration of any kind as an inducement or reward for:
 - (a) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this letter or any other contract with MEH; or
 - (b) showing or not showing favour or disfavour to any person in relation to this letter or any other contract with MEH;
 - 9.2.2 entering into this letter or any other contract with MEH where a commission has been paid or has been agreed to be paid by the Council or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to MEH;
 - (a) committing any offence:
 - (b) under the Bribery Act;
 - (c) under legislation creating offences in respect of fraudulent acts; or
 - (d) at common law in respect of fraudulent acts in relation to this letter or any other contract with MEH; or
 - (e) defrauding or attempting to defraud or conspiring to defraud MEH.

10 Reporting/Monitoring

- 10.1 The Council shall closely monitor the delivery and success of the Grant throughout the Grant Period to ensure that the aims and objectives of this letter are being adhered to.
- 10.2 The Council shall use the [PERCI +] to log all uses of the Grant and shall provide all information as required through that system to enable MEH to report under the MOU.
- 10.3 The Council shall receive licences to use [PERCI +] free of charge as part of the Grant arrangement.
- 10.4 Notwithstanding paragraphs 10.2 and 10.3, the Council shall provide any support requested by MEH to allow MEH to comply with the reporting requirements in Annex 2 and under the MOU, in such format and at such frequency as requested by MEH.
- 10.5 Where the Council has obtained funding from a third party or combined the Grant with its own funds in accordance with this letter, the Council shall include the amount of such funding in its financial reports together with details of what that funding has been used for.
- 10.6 Within 3 months of receiving the Grant, the Council shall provide MEH with a risk register and insurance review in the format provided by MEH. The Council shall, amongst others, address the health and safety of its staff in the risk register.
- 10.7 The Council shall on request provide MEH with such further information, explanations and documents as MEH may reasonably require in order for it to establish that the Grant has been used properly in accordance with this letter.
- 10.8 The Council shall permit any person authorised by MEH such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Council's fulfilment of the conditions of this letter and shall, if so required, provide appropriate oral or written explanations from them.
- 10.9 The Council shall provide MEH with a final report on completion of the Grant Period which shall confirm each installation of Eligible Measures and that the Grant has been successfully and properly applied in accordance with this letter.

11 Appointment of Eligible Contractors

- 11.1 MEH intends to set up a dynamic purchasing system compliant with the Public Contract Regulations 2015 which shall admit only Eligible Contractors.
- 11.2 The Council is encouraged to use this dynamic purchasing system to appoint Eligible Contractors to deliver the Eligible Measures.
- 11.3 The Council shall retain all responsibility for ensuring the Eligible Contractors are properly appointed in accordance with all relevant laws, including the Public Contract Regulations 2015.

- 11.4 The Council shall ensure that all contractors they appoint are appropriately skilled and experienced to undertake the relevant Eligible Measures.
- 11.5 The Council shall obtain adequate insurance and professional details from the proposed contractor to ensure the proposed contractor is an Eligible Contractor.

12 Audit and records

- 12.1 The Grant shall be shown in the Council's accounts as a restricted fund and shall not be included under general funds.
- 12.2 The Council shall keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Grant monies received by it.
- 12.3 The Council will keep financial records such as that on expenditure of the Grant readily identifiable, and if or when MEH, BEIS or other government department requests access to financial or other records for the purposes of an audit of the accounts, the Council will co-operate fully
- 12.4 The Council shall keep all invoices, receipts, and accounts and any other relevant documents relating to the expenditure of the Grant for a period of at least six years following receipt of any Grant monies to which they relate. MEH shall have the right to review, at the MEH's reasonable request, the Council's accounts and records that relate to the expenditure of the Grant and shall have the right to take copies of such accounts and records.
- 12.5 The Council shall provide MEH with a copy of its annual accounts within six months (or such lesser period as MEH may reasonably require) of the end of the relevant financial year in respect of each year in which the Grant is paid.
- 12.6 The Council shall comply and facilitate MEH's compliance with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself and MEH.

13 Acknowledgment and publicity

- 13.1 The Council shall acknowledge the Grant in its annual report and accounts, including an acknowledgement of MEH as the source of the Grant.
- 13.2 The Council shall not publish any material referring to the Grant, BEIS or MEH without the prior written agreement of MEH. The Council shall acknowledge the support of MEH in any materials that refer to the Grant and in any written or spoken public presentations about the Grant. Such acknowledgements (where appropriate or as requested by MEH) shall include MEH and BEIS name and logo (or any future name or logo adopted by MEH) using the templates provided by MEH from time to time.
- 13.3 In using MEH or BEIS name and logo, the Council shall comply with all reasonable branding guidelines issued by MEH or BEIS respectively from time to time.
- 13.4 The Council agrees to participate in and co-operate with promotional activities relating to the Grant that may be instigated and/or organised by MEH.

- 13.5 MEH may acknowledge the Council's involvement in the Grant as appropriate without prior notice.
- 13.6 The Council shall comply with all reasonable requests from MEH to facilitate visits, provide reports, statistics, photographs and case studies that will assist MEH in its promotional and fundraising activities relating to the Grant.
- 14 Data Protection
- 14.1 Both Parties will comply with all applicable requirements of and all their obligations under the Data Protection Legislation which arise in connection with the Agreement.
- 14.2 The Council agrees to assist MEH in securing a compliant data transfer and processing arrangement, including signing data sharing and/or data processing agreements as reasonably requested by MEH, within 30 days of being notified of the same.
- 14.3 The Council shall enter into a data processing agreement directly with Act On Energy for the use of [PERCI +] for the purposes of reporting under this letter.
- 14.4 For the purpose of this clause "Data Protection Legislation" means all applicable privacy and data protection laws including the General Data Protection Regulation ((EU) 2016/679) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018, as modified by Schedule 1 to the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 and any applicable national implementing laws, regulations and secondary legislation in England and Wales relating to the processing of Personal Data and the privacy of electronic communications, as amended, replaced or updated from time to time, including the UK GDPR, Data Protection Act 2018, the Privacy and Electronic Communications Directive (2002/58/EC) and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426) and any laws that replace, extend, re-enact, consolidate or amend any of the foregoing;
- 15 Freedom of Information
- 15.1 Nothing in this letter shall prevent the MEH or the Council from disclosing any information relating to the Grant or the Fund which MEH or the Council considers in its absolute discretion that it is required to disclose in order to comply with the Freedom of Information Act 2000, as amended, and/or the Environmental Information Regulations 2004 and any other statutory requirements.
- 16 Intellectual Property
- 16.1 MEH and the Council 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 MEH or the Council before the date of this letter or developed by either party during the Grant Period, shall remain the property of that party.
- 16.2 Where MEH has provided the Council with any of its intellectual property rights for use in connection with the Grant (including without limitation its

name and logo), the Council shall, on termination of this letter, cease to use such intellectual property rights immediately and shall either return or destroy such intellectual property rights as requested by MEH.

17 Confidentiality

17.1 Each party shall, during the term of this Grant 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 Grant and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this letter or save as expressly authorised in writing by the other party.

17.2 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:

17.2.1 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 this letter by the receiving party;

17.2.2 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

17.2.3 is at any time after the date of this letter 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.

18 Anti-discrimination

18.1 The Council 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 or otherwise.

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

19 Subsidy Control

19.1 The Grant shall constitute a State Subsidy, being a financial contribution granted by a public authority or through State resources in any form whatsoever which confers a benefit on the recipient, which shall include, but not be limited to, the definition of a subsidy contained in the UK-EU TCA and must be used in accordance with the Subsidy Control Rules set out in paragraph 19.3.

19.2 The Council provide such information and comply with any instructions from MEH to ensure that the Grant remains compliant with the Subsidy Control Rules.

19.3 The Subsidy Control Rules are all Laws of the United Kingdom limiting State Subsidy including the European Union (Future Relationship) Act 2020, any relevant secondary legislation and any other Law which replaces, or supersedes or implements, or retains the law embodied in Articles 107- 109 of the Treaty for the Functioning of the European Union ("TFEU") or and any relevant primary or secondary legislation in relation to the United Kingdom (whether in whole or part) as a result of the United Kingdom ceasing to be a member state of the European Union, together with any guidance from time to time issued by a central Government body relating to the provision of State Subsidies, including the interaction of State Subsidies with the United Kingdom's commitments as a member of the World Trade Organisation and under its trade agreements with other countries.

20 Governing law

20.1 This letter shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

21 Entire agreement

21.1 This letter (together with all documents attached to or referred to within it) constitutes the entire agreement and understanding between the parties in relation to the Grant and supersedes any previous agreement or understanding between them in relation to such subject matter.

22 Acceptance of Terms

22.1 MEH ask that the Council sign and return the copy letter attached to signify agreement to the terms of this letter by 15th April 2021.

Signature of MEH



Printed name: Wayne Bexton

Position: Head of Energy Services NCC

Date: 04/03/2021



Printed name: Michael Gallagher

Position: Regional Energy Project Manager MEH

Date: 04/03/2021

Signature of Council

Printed name:

Position:

Date:

Annex 1 - Memorandum of Understanding



LAD P2 Delivery
MOU-FINAL_VERSION

Annex 2 Guidance and Monitoring Template

For monitoring, please refer to pages 20 to 22 within the guidance.



MEH LAD 2
Guidance.pdf

Annex 3 Proposal Template



MEH Proposal
template LAD 2.xlsx