**SECTION A**

**INTRODUCTION**

**A1. OVERVIEW AND OBJECTIVES**

1. **Overview**
   1. As part of the Government’s Covid-19 Green Stimulus package, £300 million has been made available to promote the adoption of energy efficiency and low carbon measures in domestic properties via the Green Homes Grant Local Authority Delivery Phase 2 programme. The money has been distributed via the BEIS funded five regional Energy Hubs. Under this agreement, the Delivery Organisation will deliver the entire Customer Journey (lead generation through to installation completion).
   2. This agreement concerns the installation of insulation and other energy efficiency measures, non-fossil fuel heating and micro-generation measures in the homes of households who are either on low incomes and are identified as suffering from fuel poverty[[1]](#footnote-2). The Delivery Organisation is responsible for managing the end-to-end Customer Journey, which includes but is not exclusive to: marketing and engagement, assessing the household’s eligibility, conducting a property assessment, identifying the Measures which are suitable for the Dwelling, carrying out a technical assessment, installing the Measures, arranging a mid and post-Installation Inspection (as appropriate), arranging billing of the as Authority and the Customer, as appropriate, and following up with monitoring and evaluation as per the relevant PAS2035 pathway.
   3. The Delivery Organisation will be required to use their existing supply chain or to put in place a supply chain to deliver the Services set out above. This may involve sub-contracting for Assessors, Installers, Retrofit Coordinators/ Inspectors and other specialist services (Retrofit Designers, Architects, Structural Engineers, Asbestos identification and removal). All will need to be compliant with PAS2030:2019 requirements and registered with the appropriate organisations, MCS, Trustmark etc. and work under the PAS2035 process.
2. **Objectives**
   1. This agreement has the following objectives which support the Government’s purpose:
3. Tackle fuel poverty by reducing energy bills for low-income households by improving the energy efficiency of their home
4. Deliver cost effective carbon savings to carbon budgets and progress towards the UK’s target for net zero by 2050
5. Support economic resilience and a green recovery in response to the economic impacts of Covid-19, creating thousands of jobs
6. The phasing out of the installation of high-carbon fossil fuel heating and reducing emissions and improving air quality.
   1. This agreement and procurement process aim to deliver the policy objectives as efficiently as possible through a process and documentation which:
7. is as succinct as possible, relying on legislation, mandatory and existing industry standards as far as possible;
8. is clear and unambiguous, to minimise disputes with the Delivery Organisation and to make it easy to resolve Customer complaints;
9. ensures good quality products are installed appropriately to an agreed high standard (so that the improved energy efficiency of the Dwelling persists without unintended consequences that may be detrimental to the health of inhabitants or the property in the long-term);
10. is in line with the Government’s approved standards and practice.

**A2. EXECUTIVE SUMMARY**

1. **Brief description of Contract Services**
   1. The South West Energy Hub, along with its host organisation the West of England Combined Authority (the Authority), will procure several Delivery Organisations for the delivery of the Green Homes Grant Local Authority Delivery Phase 2 programme. Each Delivery Organisations will be responsible for managing all aspects the Customer Journey, which include:
   * Marketing the programme, signing up Customers and/or obtaining referrals
   * Carrying out eligibility checks to ensure Customers qualify for the scheme
   * Identifying the measures which are suitable for the dwelling
   * Carrying out a technical survey
   * Installing the measures
   * Arranging inspections as appropriate for the measure
   * Sign-off of installations with Customer and Retrofit Coordinator
   * Invoicing WECA for installations completed
   * Providing Management Information and Key Performance Indicator dashboards.
   1. The total value of the Authority’s allocation to be spent on installation measures, including management costs, is £51,170,750 divided into Lots, as detailed below.
2. **Delivery Organisation and supply chain**
   1. This agreement will be operated by one Delivery Organisations in each Lot Area. The Authority encourages SME participation, although it will be for the Delivery Organisation to appoint and manage a suitable supply chain to ensure the contract can be delivered within other constraints.
   2. The Lots are representative of the seven LEP areas in the South West and are as follows (with values):
      * Lot 1: Gloucestershire - £4,531,968
      * Lot 2: West of England - £7,497,365
      * Lot 3: Heart of the South West - £14,790,594
      * Lot 4: Swindon and Wiltshire - £4,366,594
      * Lot 5: Dorset - £5,286,901
      * Lot 6: Cornwall and Isles of Scilly - £6,082,120
      * Lot 7: Solent - £8,615,208
   3. There is an expectation that installations will be made in each of the local authority areas that make up the Lot Area.
3. **Contract period – 1 year (with three, one-year optional extensions)**
   1. The initial contract period is from the date of award for 12 months, by which point installation measures will be complete. Should further funding become available the agreement may be extended by a further year at a time at the sole discretion of the Authority, and with mutual agreement with the Delivery Organisation, in the form of a single or multiple number of contract extensions. In total, the contract period shall be no more than four years.
   2. Installations must be completed by 31st December 2021.
4. **Total contract value –** £**51,170,750 million** 
   1. There are seven individual Contracts, the total value of which is £51,170,750.00.
   2. The total Contract value is based on the funding provided to the South West Energy Hub/the Authority by the Department of Business Energy and Industrial Strategy (BEIS). The value allocated to each Lot is detailed under each Lot number/area and can be found in Document 4 Appendix 1 Lot Details. The value of the Lot is representative of the housing stock, quantity of housing, EPC rating and householders likely to qualify under the low-income/fuel poverty criteria.
   3. Lot value is a combination of Capital Expenditure and Capitalised Revenue. There is a maximum allocation of 10.5% allocated to the capitalised revenue element.
   4. Delivery timescales have been put in place by BEIS. The Authority is only able to extend the contract length or contract value if allowed to do so by BEIS.
   5. If a Lot/LEP area is unable to meet their target installation/spend, the Authority may redistribute funds to other Lots/LEP areas where lead generation and installations are achieving against target.
   6. The basis for reallocation is not on installation numbers alone, achievement against all KPIs will be evaluated prior to any reallocation.
   7. No reallocation of funds will be undertaken without exploring all opportunities to improve the performance of the Lot/LEP failing to achieve delivery against targets.
5. **Leveraging additional funding**
   1. The Delivery Organisation may use other funding sources to support different measure upgrades at the same property.

7.1.1 LAD funding from rounds 1a or 1b cannot be used on the same measures. However, where a measure has been installed under one of these programmes and it hasn’t reached the £10,000 or £5,000 funding limit, funding from LADs2 can be used to install measures as long as it does not exceed the maximum average funding amount.

7.1.2 Funding cannot be combined with GHG voucher scheme.

7.1.3 LADs2 funding 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 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.

1. **Management Information (MI), Key Performance Indicators (KPIs) and performance fees**
   1. The agreement will be monitored against the MI and KPIs.
   2. They form the following general themes:

The performance of the Contract will be measured against these KPIs:

1. **Delivery** – Performance against programme;
2. **Service** – Customer satisfaction and Complaints;
3. **Quality** – right first time and remedial work;
4. **Reporting** – data delivery - providing timely invoices and supporting management information.
   1. The Authority reserves the right to amend the KPI’s and MI as appropriate after the agreement has commenced. This will be done in consultation with the Delivery Organisation.
   2. The Delivery Organisation will be paid Performance Fees based on delivering against these KPIs. The KPIs will be supported by more detailed management information (see table 4.1). How this information is provided to the Authority will be worked out during the mobilisation phase and may be dependent on specific requests from the Funder.

**Table 4.1**

|  |  |  |
| --- | --- | --- |
|  | Management Information | Reporting breakdown required |
| 1. | Overall actual and forecasted spend | Monthly spend as a total |
| 2. | Total number of measures installed | Total number of measures installed each month |
| 3. | Number of homes receiving their first measure | Total number by month |
| Number that had a pre install EPC of band D (SAP 55-68) |
| 4. | Eligible homes signed up to receive measures | By tenure |
| By starting EPC band |
| 5. | Number of homes completed | By month |
| 6. | Number of homes that are improved to an EPC C | By tenure |
| By starting EPC band |
| 7. | Number of homes that have been improved by at least one EPC band (SAP 1-54 rating – EPC bands GFE) | Pre and Post EPC ratings/ SAP scores |
| Type of Measures |
| 8. | Average SAP improvement made to properties receiving at least one measure | Pre and Post EPC rating/SAP score |
| Type of Measures installed. |
| 9. | Approximate Carbon Savings | Using Carbon Savings calculation, estimate total carbon savings for measures installed each month |
| 10. | Average cost of an installation per home. (This should not include admin costs) | By tenure |
| By type of measure |
| By starting EPC band |
| 11. | Number of jobs supported | Total each month |
| Total number of apprenticeships (existing and new) |
| 12. | Progress against target number of installations | Number of installations per month |
| Percentage against target by month |
| 13. | Equalities and Diversity | Data as outlined in 8.0 LADs2 Document 8 Management Arrangements |
| 14. | Number of installations | For each measure |
| Houses with multiple measures installed |
| 15. | Number of customers eligible | By eligibility criteria |
| 16. | Income | By benefits |
| By self-declared income |
| 17. | Customers not completing installations | Number of customers dropping out at each stage of the customer journey |
| 18. | Registered suppliers | Number of new registered Trustmark Installers or sub-contractors. |
| 19. | Referral type to conversion | Customer self-referral |
| Partner referral |
| 20. | Conversion rates | Number of referrals (either type) to completion |

1. **Measuring outcomes**
   1. Data from the agreement will support the measurement of the following outcomes, either directly or by appropriate extrapolation and modelling:
2. the impact on annual and lifetime carbon dioxide emissions; and
3. the impact on annual and lifetime household fuel bills.
   1. The Delivery Organisation must collect data to support the Authority in calculating the impact of Installations on fuel poverty.
   2. The Delivery Organisation will support the Funder with its monitoring and evaluation of the programme. This will involve:
      * + Ensuring Customers are aware of the data collection and data sharing involved with participation in the programme. A Data Sharing Agreement will need to form part of the contract with the Customer.
        + The Funder wishes to monitor the changes within 200 homes across the South West Energy Hub region. This will be divided proportionally between the LEP (Lot) areas – see Lot information for more detail on numbers. (See 8.0 Document 8 Management Arrangements Appendix A for more details).
4. **Eligibility** 
   1. The eligibility criteria have been set by BEIS and must be implemented by the Delivery Organisation as detailed below.
   2. The aim of the Local Authority Delivery (LAD) funding is to raise the energy efficiency of low-income and low EPC rated households (primarily G – E, though there is scope to include some band D properties – max 50% of D properties and they must achieve a SAP C rating after installation), supporting a green recovery and delivering progress towards:
      * The statutory fuel poverty target for England
      * The phasing out of the installation of high-carbon fossil fuel heating
      * The UK’s target for net zero by 2050.

The aim is to maximise spend of the £10,000/ £5,000 allocation per household in line with the Whole House approach to improving energy efficiency and reducing carbon based energy loads.

* 1. Where the Delivery Organisation is leveraging ECO funding in addition to the LADs2 funding, customers eligible under ECO Flex[[2]](#footnote-3) are likely to qualify for LADs2. However, the LADs2 funding extends to a wider group of householders. (ECO funding cannot be used to support the same measure as LADs2 funding but can be used to maximise the impact of another installation within the individual property funding limits).
  2. The Funder is keen to explore new ways of identifying eligible low-income households. Indices of Multiple Deprivation areas are not an acceptable identifier for low-income households; all households to receive funding through LADs 2 will need to demonstrate income qualification.
  3. In general, to qualify, a household will need to meet the following conditions:
* **Tenure** – the funding can be used for improvement of any tenure property as long as the property is classed as a domestic property. This includes owner occupier, private and social rental properties.
* **HMO’s** are eligible however the 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.
  + - **Low Income** – the funding is focussed on those likely to be at risk or in fuel poverty. This should be calculated as follows:
      * They will ensure that households receiving measures have a combined household annual income of no more than £30,000[[3]](#footnote-4) 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.
      * 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. This is particularly useful in determining suitable social housing blocks.

Qualification will need to be demonstrated to the Authority and the Funder on request. Proof of eligibility is a reporting requirement. Recipients of benefits that are acceptable under Affordable Warmth would qualify for LADs2 funding.

* **Energy Performance** – properties eligible to receive improvements must currently be rated G-E in the majority of cases. The objective is to increase the EPC rating to as close to C as possible in all cases, installing appropriate measures that will not restrict further improvements in years to come.

There is an allowance of 50% of total installations on D rated properties. These will need to achieve the SAP C rating through the installation.

Items listed under ‘Ancillary Measures’ are only to be installed alongside other measures. A Management Fee will not be paid for the installation of an Ancillary Measure if it is the only item installed.

Park Homes can be targeted, and improvements can be made through this funding. As park homes/mobile homes typically do not have an EPC, the Delivery Organisation 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.

* **Cost** – Installations on owner occupier properties should average a maximum of £10,000, and the maximum grant for landlords (private or social) is £5,000.
  + Owner occupiers who fit the criteria are able to have installations to the value of £10,000. This is an average across all Dwellings. If during the course of the scheme the average is falling short of this £10k limit, there may be opportunities to increase spend on some Dwellings requiring a higher spend to achieve impact (for example EWI installations may cost more to ensure coverage and quality installations). The Delivery Organisation may wish to review this monthly to provide maximum opportunities to support as many households as possible within the time and cost restrictions.
  + Owner occupier properties are to be fully funded; Customers are not able to provide Customer Contributions.
  + Private landlords are able to be funded to an average maximum of £5,000 and must be match funded by 1/3 the total cost of the installation by the landlord.
  + Social Landlords must match fund 1/3 the amount

|  |  |  |
| --- | --- | --- |
| 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 |

* **Combining Funding sources -** Where funding is being used in conjunction with other funding subsidies (ECO Affordable Warmth or Renewable Heat Incentive (RHI)), the Delivery Organisation must ensure that appropriate information is sought to confirm Customer eligibility.
  + Funding cannot be combined for the same measure; for example, a Customer could receive affordable warmth for loft insulation, LADs2 funding for external wall insulation and RHI for ASHP. If LADs funding is being used to install a heat pump, the value of the LADs funding will be deducted from any RHI funding the customer may be eligible for. Proposals should attempt to maximise the value to the customer.
  + The LADs2 funding **cannot** be used in conjunction with Green Homes Grants vouchers.
  + Where a Customer has received LADs1 a or b funding the maximum grant for all funding sources is £10,000.
* **Targeted properties** – will be identified through analysis of data that will help identify the potential market be shared with the successful Delivery Organisation for their area Lot Area.
* **Qualifying measures** – all energy efficiency and micro-renewables are allowable under this scheme. The following list is not exhaustive but provides an example of allowable solutions:

Insulation: Loft, cavity wall, flat roof, underfloor, internal and external wall insulation; Immersion heater/tank replacement where a new heating/hot water system is being installed, immersion heater insulation, hot water and heating pipe insulation;

Fabric other: High performance (A and better rated) double and triple glazed windows and thermal doors;

Micro renewables: solar PV, solar thermal;

Heating systems: air source and ground source heat pumps (ASHP and GSHP); smart heating controls; heating control – timer/programmer; thermostatic radiator valves (on existing systems and new); High heat retention storage heaters

Ventilation upgrades: Mechanical Ventilation Heat Recovery; Decentralised mechanical ventilation for single and multi-room.

**No fossil fuel heating systems, new or replacement, are allowable under this funding.**

Ancillary works and enabling works are eligible as set out in Part C Technical Specification.

* 1. For the Delivery Organisation, the precise Eligibility Criteria are relevant for the following purposes:
* **Marketing and engagement** – the Delivery Organisation will be responsible for generating leads, either through an in-house or sub-contracted service. All marketing will need to be clear for householders to understand their eligibility and how this will be certified to allow progress through the scheme. All marketing materials must comply with agreed communications and marketing protocols, branding and messaging agreed with the Authority to ensure consistency and accuracy
* **Lead generation** – the Delivery Organisation shall be responsible for generating leads, either through an in-house or sub-contracted service. Understanding the criteria for client eligibility and reporting requirements will require this to be understood by any telephone advisors, customer facing staff members and those involved in the scheme.
* **Customer care** – the Delivery Organisation shall factor into their plans that they will frequently be dealing with vulnerable households for whom special care will need to be taken when providing advice and conducting site visits. For example, it is not acceptable to make last minute changes to the arrangements for the Installation for some Customers, even if the intention is to deliver the work more quickly, as these changes may be very confusing and upsetting for that Customer. The Delivery Organisation must demonstrate how they will support vulnerable customers.

1. **Grant**
   1. Owner Occupier customers will be offered a range of Services and Measures (appropriate and suitable for their property) which will be fully funded. Social and Private Landlords will be required to contribute as laid out in table in paragraph 10.5. All Dwellings may attract additional funding through ECO/RHI.
   2. The Delivery Organisation shall work on the basis that the Grant will limit the Authority’s contribution to the Installation Price to no more than £10,000 per owner occupier Customer. As outlined in paragraph 10.5 this is an average and there may be some instances where installations over £10,000 can be funded.

An exception to this rule is where the Customer is a private or social rental landlord where the maximum grant will be £5,000, but only where the landlord provides at least 1/3 contribution to the costs.

11.3 The Grant funding is primarily for capital Measure installations but may also include ancillary and enabling works alongside professional services, such as:

* **Retrofit Coordinators** – The scheme is delivered under PAS2035. Retrofit Coordinators are required under PAS2035 and shall be available to support householders make the most appropriate interventions for them, maximising the value of the work, the impact of the interventions in terms of improving EPC rating and reducing CO2 emissions, and the sequencing of interventions to minimise impact to further improvements in the future.

Retrofit Coordinators are also required to be certified and affiliated to Trustmark.

Retrofit Coordinators are not required to be independent of an installation organisation. However, Retrofit Coordinators are required to ensure they guide the Customer into installing the most appropriate measure for their Dwelling/circumstances. Assessments and resulting installations will be reviewed by the Authority to ensure that Retrofit Coordinators linked to a company installing specific measures are providing appropriate advice and not advocating for their company’s products where other measures may be more suitable. If this activity is widespread the Authority may request the use of independent Retrofit Coordinators to provide advice to Customers advice. At worst, this may be considered fraudulent activity.

* **Retrofit Designers** – under PAS2035 any Dwelling falling into Pathway C will require the services of a Retrofit Designer.
* **Monitoring and Evaluation** – PAS2035 also requires every installation to undergo a level of monitoring or evaluation, this differs depending on the Retrofit Pathway. The cost of any monitoring equipment or testing can be included in the capital installation costs.

There is a wider requirement to support the Funder with monitoring and evaluation, further details can be found in 8.0 Document 8 Management Arrangements and Document 8 Appendix A.

* **Enabling works** – must be considered on a Dwelling-by-Dwelling basis. Where required these must be included in the capital installation costs.
* **Ancillary works** - include installations that would not increase the SAP rating of the Dwelling but would improve the experience of the householder, for example smoke and carbon monoxide detectors. Any works identified as Ancillary Works must be taken from capitalised costs within the threshold identified in the Lot value description (4.0 Document 4 Appendix A Lot Details). See further in Part C (Technical Specification).
* **Specialist professional services** – where specialist professional expertise is required (e.g., structural engineer, asbestos survey) this can also be included within the Ancillary costs.

11.4 Retrofit Assessments are to be included in the Ancillary costs.

* Where Retrofit Assessors are required the Delivery Organisation shall ensure that all Retrofit Assessors are trained in the PAS2035 process, have access to the appropriate software and are registered with a PAS2035 affiliated governing body.
* Under the PAS2035 pathway A, Retrofit Coordinators are able to undertake an initial site survey/assessment. However, if the Customer proceeds to installation, there will need to be an EPC in place prior to works taking place and assessment of how that will have improved following the installation.

1. **Pricing** 
   1. A detailed explanation can be found in the Pricing Schedule (Document 7, Funding, Payment and Performance) but, in summary, the Authority will pay:

* Measures Prices (reflected in 3.0 LADs2 Document 3: Pricing Schedule).

The Measures price should include all anticipated costs associated with standard installation of the measure, for example, material cost, delivery and storage, prelims and staff welfare, and all labour costs.

The Delivery Organisation shall endeavour to install multiple measures at the Dwelling up to the allowable grant funding limit. A Delivery Organisation Fee will not be paid if only the lowest cost Measure improvement is installed. For example, replacing or installing TRV’s, an immersion heater jacket, timer, programmer or smart controls, pipe insulation or a single room d-MEV as a single item will not be sufficient to charge a Delivery Organisation Fee. Where these can be installed in combination, or alongside a more substantive Measure will be sufficient to incur a Delivery Organisation Fee.

The Measures price must also include cost for the Retrofit Coordinator.

The agreement makes allowances for non-standard properties and installations. This is detailed in 7.0 LADs2 Document 7: Funding, Payments and Performance; the Tenderer should not include these prices in the Measure Price.

* Delivery Fee - An exception is made in Lot 6 and Lot 7 where a price for delivering to the Isles of Scilly and Isle of Wight is allowable recognising the additional transport costs. This will only be applied to installations on the Isles of Scilly and Isle of Wight and should not be applied to any installations on the mainland.
* Management Fees include staff and overheads, marketing, advertising and all administration undertaken by the Delivery Organisation.
* Ancillary Costs are allocated within the 10.5% maximum allowance for non-capital works. Where the Dwelling requires additional investigation (e.g., structural engineer, asbestos report), the Delivery Organisation must seek approval for the appointment of Professional Services from the Authority prior to any works commencing. There will need to be a clear case for these Ancillary Costs and confirmation that the measures work can be completed within the allocated budget. The Authority’s decision is final.
  1. The Delivery Organisation will submit prices for these in the 3.0 LADs2 Document 3: Pricing Schedule
  2. Note that in some instances, the Installation Price will be funded by a combination of funding from the Authority (grant) and Customer Contributions. Any other sources of funding (ECO/RHI) will be utilised to directly benefit the Customer with additional improvements.
  3. The Delivery Organisation Fee will be split into a non-performance-related element (70%) and a performance-related element (30%). The performance related element (Performance Fees) will be paid according to performance against the KPIs.
  4. The Authority will retain 5% of the monthly fees payable as a Retention Fee. The Retention Fee will be applied to all fees invoiced each month. This will be payable at the end of the agreement when both parties are in agreement that the agreement has been completed satisfactorily.

1. **Referral Generation**
   1. The Delivery Organisation is responsible for marketing and engagement of the scheme to householders, confirming eligibility checks and collecting appropriate materials, and conversion into installations. The Authority has undertaken detailed EPC modelling to identify areas which may have high levels of qualifying properties for targeted marketing.
   2. The Authority envisages holding discussions with local authorities and certain housing associations to determine any particular areas for focus – to avoid competition with other LADs 1a and 1b schemes, and complement these schemes, or to identify social housing projects that could provide early referrals. It is envisaged that local authorities may provide localised knowledge to support targeted marketing activities.
   3. The Authority requires that significant marketing and promotion is carried out by the Delivery Organisation to generate sufficient interest to convert into eligible completed installations.
   4. The Delivery Organisation shall ensure that all communications with Customers complies with the requirements set out in the regulations for public bodies. This includes for example accessibility issues (how communications are accessed), readability (plain English), translation services, braille and any other items detailed in the relevant legislation.
   5. The Authority encourages the Delivery Organisation to work with existing local organisations who have the skills, experience and administrative systems in place to undertake marketing, engagement and customer advice, where the Delivery Organisation doesn’t already have this facility in-house. All marketing must be in line with the protocol agreed with the Authority.
   6. The Delivery Organisation shall work with local Trading Standards to confirm areas to be marketed, and approaches being taken to ensure that any Customer complaints about referral companies are dealt with appropriately. (e.g., door knocking – some areas have ‘no door-knocking’ orders applied). Trading Standards may be able to support known and supported activity (where it complies with any agreed standards) and can confirm to Customers the legitimacy of referral generation companies/schemes.
2. **Measures**
   1. The agreement defines and specifies the Measures which may be offered as part of an Installation. The agreement sets out the rules governing what Measures may be offered (and in what combination) to households based on suitability for the current residents and the Dwelling and other factors.
   2. On receipt of the Retrofit Assessors assessment, the Retrofit Coordinator will be appointed to identify a range of measures suitable for the Dwelling. These should consider the ‘fabric first’ approach and consider any sequencing issues to avoid limitations or additional costs further down the line to improve the Dwelling in the future. The Retrofit Coordinator will discuss the proposals with the Customer and explain the reasoning behind the proposals. Customers will only be able to choose from this list of recommended measures.
   3. Fabric first measures are highly recommended to ensure that the fabric of the Dwelling is improved and demand for heating is reduced before new heating systems are installed. Householders participating in the scheme are likely to be living in fuel poverty, installations should increase the energy efficiency of the building (thus providing warmer home at no extra cost or a home cheaper to heat) rather than transferring to a low energy heat source that may result in higher bills or does not impact warmth within the property.
   4. The agreement includes provision for the following types of Measures:

* **Insulation Measures** – cavity and party wall, solid wall insulation (EWI, IWI and Hybrid), loft, under floor and flat roof insulation measures.
* **Heating Measures** –Heat pumps (Air and Ground source) and high heat retention storage heaters.
* **Micro-generation Measures** – new solar PV and solar thermal installations are allowable.
* Biomass boilers in exceptional circumstances – see Part C (Technical Specification) for more details.
* **Other Fabric Measures -** A rated double glazing, triple glazing, thermal doors, and fixed frame secondary glazing.
* **Other Heating Measures -** Smart heating controls, heating programmers and timers on existing heating systems, TRV’s, hot water and heating pipe insulation, immersion heater insulation.
* **Ancillary Measures** – are not included in the capital costs but the following can be used to upgrade a property; replacement radiators (where upgrading the heating system to a heat pump), smoke and carbon monoxide detectors, LED lightbulbs, cavity wall extraction, loft hatch enlargement/creation, loft clearance and storage platforms.
* No replacement or new fossil fuel measures are allowable.
  1. The full list of Measures is detailed within Part C (Technical Specification).
  2. The agreement also includes provision for preparing the Dwelling for the Installation and making it good afterwards:
* Enabling works – that would be reasonably expected on most/all installations should be included within the Measures costs.
* Ancillary works that often are not allowable under other schemes such as loft clearance, loft hatch alterations, asbestos removal, structural surveys and repairs (particularly for solid wall insulation) which are necessary to prepare the Dwelling for the Measures, are detailed in the Pricing schedule where there is provision. For any professional services these are one-off pieces of work, the work will be itemised, and a price provided for review by the Authority prior to any installations proceeding.
* Aesthetic works – including appointment of Retrofit Designers (where the work follows Pathway C of PAS2035); architectural designers where planning permission is required, and for installation measures such as burying cabling, hiding pipework etc.
* The funding does not cover the cost of redecoration.

1. **Customer choice**
   1. It is the role of the Retrofit Coordinator to recommend the ‘highly recommended’ fabric first measures to help reduce heat demand. Once these have been installed, the Customer has choice in which measures to install, providing they can be installed in line with other funding criteria.
   2. Note: Customer’s that own their property (not a landlord) cannot choose (even with a Customer Contribution) Measures which have not been identified by the Retrofit Coordinator as appropriate for the property for payment under this scheme. The Customer is also unable to ‘top-up’ the funding to enable installation where costs are prohibitive.

NOTE: there is provision within the ‘average installation cost of £10,000’ to offer fully funded installations above this amount, particularly for expensive installations like EWI where the aggregated cost of installations remains around £10,000.

* 1. Where the Customer is a social or private landlord, they may choose additional Measures. These will attract a Customer Contribution.
  2. The Authority’s aim is that every Customer will be able to select one or more Measures which improve their thermal comfort and/or reduce their bills for which no Customer Contribution is chargeable. Recommended installations should also improve property EPC rating, particularly for properties already rated D, where possible new measures should move these Dwellings into band C.

1. **Customer Contributions**
   1. Customer contributions can only be collected from Social and Private Landlords as laid out in the criteria.
   2. The Delivery Organisation shall generate referrals through the mechanisms detailed in response to this specification. The Delivery Organisation shall not seek or accept referrals from any other person or body if not identified in the Delivery Organisation’s tender response without written consent from the Authority.
   3. The Delivery Organisation may have their own internal lead generation service or may contract to work with a sub-contractor to generate leads. The Authority would prefer Delivery Organisations work with local third sector/ community partners or directly with Local Authorities to generate leads if it does not already have an in-house service.
2. **DWP eligibility check**
   1. To assist progress with eligibility of Customers, the Delivery Organisation should make use of the benefits screening service offered by the DWP.
3. **Quality Assurance and Audit Agent**
   1. The Delivery Organisation should set out any auditing and quality assurance checks that will be carried out on installations. This applies to internal teams and external sub-contractors.
   2. A Quality Assurance and Audit Agent will be procured by the Authority to provide regular and ad hoc inspection and audit services. This will complement any other quality assurance and/or audit conducted by any other professional body or administrator, for example provided by Ofgem in respect of Measures installed in compliance with ECO or MCS/Trustmark under PAS2035.
   3. To assist in the smooth delivery of installations the Authority will make provision for its appointed Quality Assurance and Audit Agent function to work directly with the Delivery Organisation to arrange site visits to suit the installation schedule.
4. **Current service and demand for service** 
   1. See individual Lots for more information about size of potential market, geographical spread and households likely to qualify under income criteria.

1. Fuel Poverty is defined by the UK government using the Low Income, High Cost calculator and can be found here https://www.gov.uk/government/collections/fuel-poverty-statistics [↑](#footnote-ref-2)
2. ECO Flex is set by Local Authorities and will differ across administrative boundaries. [↑](#footnote-ref-3)
3. 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 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. [↑](#footnote-ref-4)