

AGENDA

Economic Growth Scrutiny Panel

Thursday, 21 October 2021 AT 16:00
In the Cathedral Room, Civic Centre, Carlisle, CA3 8QG

****A pre meeting for Members to prepare for the Panel will
take place 45 minutes before the meeting****

The Press and Public are welcome to attend for the
consideration of any items which are public.

Members of the Economic Growth Scrutiny Panel

Councillor Brown (Chair), Councillors Mrs Bowman, Ms Ellis-Williams, Mrs
Glendinning, Meller (Vice Chair), Mrs McKerrell, Mitchelson, Paton.

Substitutes:

Councillors Alcroft, Atkinson, Bainbridge, Birks, Collier, Mrs Finlayson, Glover,
Lishman, Mrs Mitchell, Morton, Patrick, Robson, Shepherd, Miss Sherriff,
Southward, Sunter, Mrs Tarbitt, Dr Tickner, Tinnion, Miss Whalen.

PART A

To be considered when the Public and Press are present

PUBLIC AND PRESS

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

DECLARATIONS OF INTEREST

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any items on the agenda at this stage.

APOLOGIES FOR ABSENCE

To receive apologies for absence and notification of substitutions

MINUTES OF PREVIOUS MEETINGS

7 - 12

To note that Council, at its meeting of 14 September 2021, received and adopted the minutes of the meeting held on 29 July 2021. The Chair will sign the minutes.

(Copy minutes in Minute Book 48(2))

The Chair will move the minutes of the meeting held on 9 September 2021 as an accurate record. The only part of the minutes that may be discussed is their accuracy.

(Copy minutes herewith).

A.1 CALL-IN OF DECISIONS

To consider any matter which has been the subject of call-in.

A.2 HOUSING DELIVERY AND PARTNERSHIPS

**13 -
22**

Portfolio:	Economy, Enterprise and Housing
Directorate:	Economic Development
Officer:	Jeremy Hewitson, Housing Development Officer
Report:	ED.35/21 herewith

Background:

The Corporate Director of Economic Development to submit an update on the delivery of market and affordable housing, relative to identified housing need and targets, alongside emerging strategies and legislation. It should be noted that Covid-19 inevitably impacted on housing delivery levels during 2020-21. An update has also been provided on housing strategies, partnerships, and joint working initiatives across Carlisle and Cumbria.

Why is this item on the agenda?

Item requested by Panel Chair.

What is the Panel being asked to do?

The Panel are requested to note the key findings relating to housing need and delivery for 2020-21 and scrutinise the effectiveness of existing and emerging strategies and partnerships in supporting identified housing need.

A.3 ACCEPTANCE OF POTENTIAL OFFER FOR SUSTAINABLE WARMTH COMPETITION (LAD PHASE 3 AND HOME UPGRADE GRANTS (HUG))

**23 -
132**

Portfolio:	Economy, Enterprise and Housing
Directorate:	Governance and Regulatory Services
Officer:	Scott Burns, Regulatory Services Manager Emma-Kate Bishop, Home Improvement Agency Team Leader
Report:	GD.72/21 herewith

Background:

The Corporate Director of Governance and Regulatory Services to submit a report which sets out proposals for the acceptance grant funding, if offered, from the Department for Business Energy and Industrial Strategy's Sustainable

Warmth Competition, with the Council acting as the lead authority of a Cumbrian consortium of district councils.

Why is this item on the agenda?

Item confirmed by Panel Chair

What is the Panel being asked to do?

Consider and comment on the report, consider endorsing the recommendations of this report.

A.4 OVERVIEW REPORT

**133 -
138**

Portfolio:	Cross Cutting
Directorate:	Cross Cutting
Officer:	Rowan Jones, Overview and Scrutiny Officer
Report:	OS.26/21 herewith

Background:

To consider a report providing an overview of matters related to the work of the Economic Growth Scrutiny Panel.

Why is this item on the agenda?

The Economic Growth Scrutiny Panel operates within a Work Programme which is set for the 2021/22 municipal year. The Programme is reviewed at every meeting so that it can be adjusted to reflect the wishes of the Panel and take into account items relevant to this Panel in the latest Notice of Executive Key Decisions.

What is the Panel being asked to do?

Note the items within Panel remit on the most recent Notice of Executive Key Decisions

Note the current Work Programme.

PART B

To be considered when the Public and Press are excluded from the meeting

- NIL -

Enquiries, requests for reports, background papers etc to:
committeeservices@carlisle.gov.uk



Economic Growth Scrutiny Panel

Date: Thursday, 09 September 2021

Time: 16:00

Venue: Flensburg Room

Chair: Councillor Lisa Brown

Present: Councillor Mrs Marilyn Bowman, Councillor Lisa Brown, Councillor Ms Jo Ellis-Williams, Councillor Mrs Ann McKerrell, Councillor Keith Meller
Councillor Peter Sunter (for Councillor Mrs Anne Glendinning), Councillor David Shepherd (for Councillor Michael Mitchelson)

Also Present: Councillor J Mallinson - Leader
Councillor Ellis - Finance, Governance and Resources Portfolio Holder
Councillor Nedved - Economy, Enterprise and Housing Portfolio Holder

Officers: Regeneration Manager
Policy and Performance Officer
Overview and Scrutiny Officer

EGSP.50/21 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf Councillor Mrs Glendinning, Councillor Mitchelson and Councillor Paton.

EGSP.51/21 DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

EGSP.52/21 PUBLIC AND PRESS

It was agreed that the items of business in Part A be dealt with in public and Part B be dealt with in private.

EGSP.53/21 MINUTES OF PREVIOUS MEETINGS

RESOLVED – It was noted that Council, on 20 July 2021, received and adopted the minutes of the meetings held on 12 April and 17 June 2021. The Chair signed the minutes.

EGSP.54/21 CALL-IN OF DECISIONS

There were no items which had been the subject of call-in.

EGSP.55/21 CITY CENTRE ECONOMIC RECOVERY ACTION PLAN

The Regeneration Manager submitted the Economic Action Plan which contributed to Carlisle's recovery from the challenges presented as Carlisle moved towards economic recovery and renewal post the Covid-19 pandemic. (ED.32/21).

The Regeneration Manager reported that the City Centre Economic Recovery Action Plan set out an Investment Framework which would support Carlisle city centre to successfully recover from the economic and social impacts of the Covid-19 pandemic. The Plan was grounded in a strong evidence base built on existing Council strategies, stakeholder consultation and an understanding of the economic status of Carlisle city centre and to create transformative change in the city centre.

In considering the Plan Members raised the following comments and questions:

- The Panel had concerns that one of the priority key actions was the exploration for an independent / community run cinema in the city. The Panel highlighted an independent cinema which had operated in Carlisle and had closed, they questioned whether there was a market for a replacement.

The Regeneration Manager explained that the next steps had been identified by the consultants as a priority due to changing markets, should the Council agree the matter was a priority then a feasibility study would be required to confirm operational and commercial demand.

- A Member asked for an update on the strategic marketing of Carlisle especially the work of the Carlisle Ambassadors.

The Regeneration Manager outlined the role of the Carlisle Ambassadors and detailed the work being undertaken to promote Carlisle at a national expo taking place in Leeds in 2022. The expo would be an opportunity to promote Carlisle and all the major projects being undertaken in the area. Carlisle was part of various groups and consortiums' that provided the opportunity to promote Carlisle as a place to live, work and visit. The UK's Real Estate Investment and Infrastructure Forum would take a significant amount of work but would promote Carlisle nationally and internationally. He agreed to circulate further information to the Panel.

The Economy, Enterprise and Housing Portfolio Holder added that over £200m of investment was taking place in Carlisle, this reflected that Carlisle was being recognised nationally.

- How easy would it be to liaise with property owners to identify appetite for vacant unit development and had consideration been given to the Council purchasing empty units?

The Regeneration Manager confirmed that other authorities did purchase property and real estate in city centres to direct how they would be used. Any work such as this would require significant budget to cover the purchase and the ongoing maintenance liability as well as landlord liability. A similar project had been included in the Town Deal Funding; the Council was working to acquire the head lease for the Market Hall as it was felt that more proactive action could be taken to promote and utilise the Market Hall.

- The Panel asked for detailed monitoring reports to be subject to scrutiny as each project moved forward.

The Regeneration Manager confirmed that monitoring reports would be subject to scrutiny as more detail was added to each project. He reminded the Panel that the Economic Action Plan was part of a suite of documents and plans which needed to be considered together. This Action Plan mapped out the commitment and projects which directly linked to economic recovery in Carlisle following the Covid-19 pandemic.

- A Member noted that the issues highlighted in the report had been ongoing for many years; how would the Council ensure that they were addressed and that the projects would be delivered in five years?

The Regeneration Manager explained that the funding was in place to deliver the projects, if they were not delivered within the timescale then the funding would be returned. The programme was prepared to deliver the projects on time and much of the funding had already been released. He added that there was an evidence report which supported the findings in this report and included details of stakeholders and partners. He agreed to circulate it to the Panel.

- It was recommended that the Regeneration Manager attend an Informal Council meeting to go through the report and supporting documentation in more detail.

- The Market Hall held a lot of potential as a possible food and event space, was there a possibility of coordinating the Market Hall work with the Old Fire Station to regenerate that area of the city?

The Regeneration Manager acknowledged the potential in the Market Hall as a key project in the Town Deal work. The Old Fire Station had new operators and it was hoped that they would work with the Council in regenerating the evening and night economy in that area of the city along with the Market Hall.

- A Member commented that the timeline in the report had been extremely useful and asked where the Levelling Up Fund fell within the timeline.

The Regeneration Manager responded that should it be approved the projects under the Levelling Up Fund would need to begin in the current financial year.

- The key findings highlighted the end of furlough and the possible increase to unemployment, had this information been updated and how accurate had the report been?

The Regeneration Manager explained that the most up to date information would be published soon and he would circulate it to Members. He confirmed that unemployment had risen but it had not been as high as predicted.

The Economy, Enterprise and Housing Portfolio added that Carlisle had a high rate of vacancies especially within the leisure / hospitality sector along with the highest number of start ups in the County.

- A Member commented that although some work had been carried out on the bus station he felt that it still did not have the facilities expected for a traveller or visitor to the City.

The Economy, Enterprise and Housing Portfolio Holder acknowledged that the area required more work. He explained the ongoing work with regard to the Borderlands Project and the discussions that had taken place to connect the railway station with the bus station.

The Regeneration Manager highlighted the projects within the Town Deal work that looked to

improve connectivity and public realm. Discussions were taking place with Stagecoach to consider how bus routes and bus stops could be improved to enhance transportation within the city.

RESOLVED - 1) That the Panel had considered the contents of the report and contributed to emerging thinking regarding economic recovery and renewal of Carlisle city centre.
(ED.32/21)

2) The Panel asked that the suggested action to explore the opportunity for an independent / community-run cinema be reconsidered given the closure of a previous independent cinema in Carlisle.

3) That the Regeneration Manager provide the Panel with the following:

- (i) the supporting evidence report to the Economic Action Plan - responding to Covid-19 in Carlisle city centre report;
- (ii) information regarding the unemployment figures following the end of the furlough period;
- (iii) information regarding the UK's Real Estate Investment and Infrastructure Forum in Leeds 2022

4) That an Informal Council be arranged to receive a presentation from the Regeneration Manager on the Economic Action Plan - responding to Covid-19 in Carlisle city centre and the supporting evidence.

EGSP.56/21 REGENERATION PROGRAMME UPDATE AND ECONOMIC DEVELOPMENT PROGRAMME MANAGEMENT OFFICE

The Regeneration Manager provided an update on key regeneration projects and the work programme and activities to be undertaken for 2021-22. (ED.30/21)

The Regeneration Manager reported that in order to be able to undertake the role of Accountable Body for the major projects and programmes effectively, the report set out the proposal for the creation of an Economic Development Programme Management Office, and also to increase the capacity of the Regeneration Team to support the development and delivery of the projects.

At its meeting on 20 July 2021, Council resolved (C.115/21 referred):

"That the Council:

1. Note the progress on the development and delivery of the key regeneration projects led by the City Council – Future High Streets Fund, Town Deal and Caldew Riverside.
2. Approved an additional revenue budget of £91,545 for this financial year 2021/22 to fund the Programme Management Office and the regeneration team and an additional £82,560 for the following two years 2022-23 and 2023-24, as set out in Table 3 of report ED.22/21 and funded from Revenue Reserves.
3. Approved a budget of £6,742,839 (in addition to the Greenmarket scheme already included in the Council's capital programme) be added to the Council's Capital Programme, in accordance with the financial profile for the Future High Street Fund programme for the years 2021-22, 2022-23 and 2023-24 as set out in Table 2 of report ED.22/21."

In considering the report Members raised the following comments and questions:

- How confident was the Council that houses could be built at the Caldew Riverside site once the remediation works had been completed?

The Regeneration Manager explained that the remediation work had to be carried out to a very high level to allow for housing to be built, because of this the Council was working closely with the Environment Agency to meet that requirement.

- How were the figures for the Lighting Up Carlisle event calculated?

The Regeneration Manager responded that the figures had been prepared by New Skills Consultants using a number of complex metrics. He confirmed that the figures were projected and he offered to provide the supporting information to Members should they so wish.

- There was some concern that existing stall holders in the Market Hall would be pushed out by the proposed changes and the Panel questioned how they would be consulted with on the proposed plans.

The Regeneration Manager reassured the Panel that the matter would be dealt with sensitively. Work would be carried out with existing traders to improve the offer and hopefully improve the business of all traders.

- How would a clear vision for the projects be retained during the Local Government Reorganisation as staff and Members change?

The Regeneration Manager reminded the Panel that the funding and projects had been agreed, he acknowledged that there may be changes to the delivery teams but felt the delivery of the projects would continue as planned.

The Leader commented that the funding could not be spent on any other projects and it was in the city's best interest to complete the projects.

- How would performance be monitored and reported to Scrutiny?

The Policy and Performance Officer responded that performance monitoring would be included in the Panel's quarterly performance monitoring reports.

RESOLVED - That the Panel:

1. Noted the Future High Streets Fund (FHSF) Memorandum of Understanding included in Appendix A, the provisions contained therein;
2. Noted the Remediation Road Map for the Caldew Riverside site and the key decision points as set out in Table 5 of report ED.30/21;
3. Noted the progress on the development of the Carlisle Town Deal, the agreement of Heads of Terms (included in Appendix B), the agreed programme of projects as set out in Table 6 of report ED.30/21 and the programme of activity over the next twelve months to progress towards agreeing the Town Deal;
4. Noted the additional resources required to deliver City Council's major economic development projects and the associated costs, and that the costs would be offset using grant funding that had been secured;
5. Noted the establishment of an Economic Development Programme Management Office for an initial 3 year period (subject to review) and increasing the capacity of the regeneration team.

6. Requested an update on the Regeneration Programme and Economic Development Management Office in six months time.

EGSP.57/21 QUARTER 1 PERFORMANCE 2021/22

The Policy and Performance Officer submitted the Quarter 1 2021/22 performance against the current Service Standards and a baseline position for the Carlisle Plan 2021-23 actions as defined in the draft Plan (PC.35/21). Performance against the Panel's 2021/22 Key Performance Indicators (KPIs) were included as a dashboard.

The Policy and Performance Officer highlighted the changes to the report as a result of the Performance Reporting Task and Finish Group and drew the Panel's attention to the summary of exceptions and the explanation for the missed target.

The Panel discussed the low response to the online customer satisfaction survey and how this could be improved, a Member suggested utilising social media adverts.

The Policy and Performance Officer explained that the response rate had been lower than expected as the survey had been 100% online. Prior to Covid-19 the survey would have been available in hard copy to increase response rates. He agreed to investigate social media advertisements further with the Media and Communications Officer.

RESOLVED -That the Panel had scrutinised the performance of the City Council with a view to seeking continuous improvement in how the Council delivers its priorities (PC.35/21).

EGSP.58/21 OVERVIEW REPORT

The Overview and Scrutiny Officer presented report OS.23/21 providing an overview of matters relating to the work of the Economic Growth Scrutiny Panel.

The Panel agreed to the following changes to their Work Programme:

- Delivering St Cuthbert's Garden Village to move from October to December
- Add the Regeneration Programme update to March 2022

RESOLVED – 1) That the Overview Report incorporating Key Decision items relevant to the Economic Growth Scrutiny Panel be noted (OS.23/21).

2) That the following changes be made to the Work Programme:

- Delivering St Cuthbert's Garden Village to move from October to December
- Add the Regeneration Programme update to March 2022

The Meeting ended at: 18:00

Economic Growth Scrutiny Panel

Item
A.2

Meeting Date: 21 October 2021
Portfolio: Economic Development
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: Housing Delivery and Partnerships
Report of: ED.35/21
Report Number: Corporate Director of Economic Development

Purpose / Summary:

This report provides an update on the delivery of market and affordable housing, relative to identified housing need and targets, alongside emerging strategies and legislation. It should be noted that Covid-19 inevitably impacted on housing delivery levels during 2020-21. An update has also been provided on housing strategies, partnerships, and joint working initiatives across Carlisle and Cumbria.

Recommendations:

The Panel are requested to note the key findings relating to housing need and delivery for 2020-21 and scrutinise the effectiveness of existing and emerging strategies and partnerships in supporting identified housing need.

Tracking

Executive:	
Scrutiny:	
Council:	

BACKGROUND

1. BACKGROUND

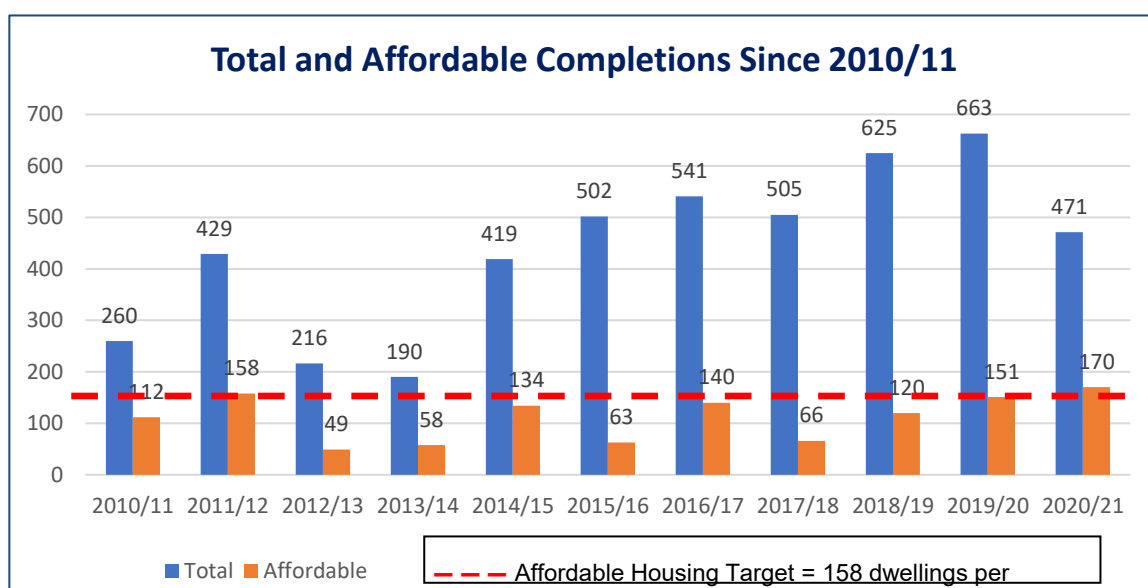
- 1.1 This report provides an update on housing delivery (including affordable housing) as well as the progress of housing-related strategies and partnerships since the last EGSP update on 1 October (report ED 34/20).

2. HOUSING DELIVERY (MARKET & AFFORDABLE)

2.1 Annual Market and Affordable Housing Delivery

The graph below (*Figure 1*) demonstrates the significant increase in the overall number of housing completions in Carlisle District since the local housebuilding industry recovered from the “credit crunch”; with net completions in excess of 500 homes in each of the four financial years prior to the last year. Completions for 2020-21 were inevitably lower, totalling 471, due to the impact of Covid-19 (with sites being stalled, estate agents closed, and restrictions on people moving-house during the first wave of the pandemic) compounded by delays linked to shortages of some building materials, post-BREXIT. Completions reached a record 663 in 2019/20, and it is anticipated delivery levels will begin to return to pre-Covid levels now restrictions have been relaxed, as property prices have remained buoyant despite the pandemic (the latest median property price in Carlisle being £163,526, over 4% up on 2020 median prices, based on *CACI Streetvalue* data provided by Cumbria County Council).

Figure 1: Carlisle's Total and Affordable Completions



Affordable completions have averaged approximately 130 dwellings per annum over the last five years, and 160 over the last two years, compared to an annual delivery target in Carlisle's latest SHMA (Strategic Housing Market Assessment) covering the five years from 2019-24 of 158 affordable homes. (An analysis of the key findings of the SHMA was included in report ED.25/19 'Housing Need, Delivery & Strategy' presented to EGSP on 5 September 2019.)

The variance in the level of annualised affordable figures demonstrates that there is only a limited correlation between the number of total and affordable completions. Although increased levels of overall completions should lead to a parallel increase in the number of affordable units delivered through Section 106 planning obligations, this would not apply to the significant number of residential completions on smaller sites below the threshold where onsite affordable housing is required in the Council's Local Plan policy, particularly in rural areas. The affordable completions for 2020-21 included 33 rural properties.

The planning system alone would not be able to deliver enough affordable homes to meet the level of need identified in the SHMA, and the Council supports local Housing Associations in bringing forward new 100% affordable schemes, supported by grant through Homes England's Affordable Homes Programme, towards meeting the shortfall. The effect of this is that affordable completions can vary significantly from year to year, which means grant-funded completions tend to be more cyclical, linked to funding programmes, rather than following an annual pattern. For example, the significantly lower level of affordable completions in some years (most recently 2017-18) reflects that there will have been few, if any, grant-funded schemes in those years.

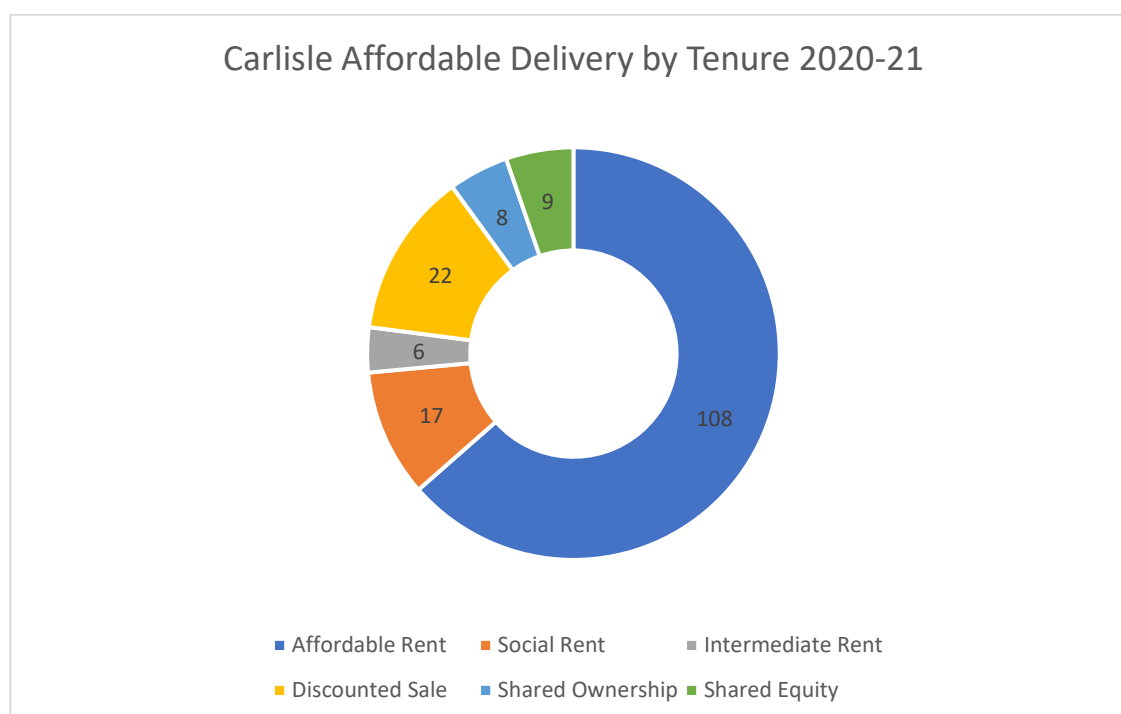
Making local authority (or other public sector) land available for affordable housing can make a significant difference to the number of affordable completions. For instance, the graph demonstrates that a significant number of affordable homes were delivered in 2010/11 and 2011/12. This was partly due to discounted land made available for affordable and specialist housing at Heysham Gardens Extra Care scheme (60 units, over two-thirds affordable); Heysham Drive (29 affordable units); and Irthing Close, Brampton (21 affordable units). Similarly, the above average affordable completions in 2014/15 included 37 new homes built at Raffles on land made available by the Council. In the latest year, the 170 affordable completions for 2020/21 include 50 homes built by Riverside on land made available for affordable homes through the Council's most recent affordable homes initiative - the "Demonstration Project" at Beverly Rise, Harraby - including practical onsite training opportunities for students from Carlisle College. All of these affordable schemes, made possible by the provision of Council land at prices affordable to local Housing Associations, have also made a significant contribution to the total completions in those years.

The Council's Planning Policy team have worked proactively to encourage a wider range of developers to build in Carlisle – the “*Help us Build our Growing City*” prospectus was designed as a promotional vehicle to increase delivery across the District – the document was refreshed in 2020 to ensure it remains fit for purpose, including updates on St Cuthbert's Garden Village.

2.2 Affordable Housing by Tenure

The table below sets out the breakdown of the 170 affordable homes delivered in Carlisle in 2020-21 by tenure.

Figure 2: Affordable Housing Delivery by Tenure



The 170 affordable homes included in the table above comprise 131 rental units (77%) and 39 low-cost home ownership units (23%). A concise definition of each tenure is set out in the table below.

<u>Affordable Completions by Tenure</u>	
<u>Rental Units (131 homes)</u>	Total
Affordable Rent: up to 80% of a market rent (including service charges) – Housing Association tenure	108

Social Rent: linked to the Government's 'target rent' regime – Housing Association tenure (there is relatively little difference between Affordable and Social Rents in Carlisle)	17
Intermediate Rent: 80% of a market rent but usually managed by private sector developer/landlords	6
<u>Low-Cost Home Ownership (39 homes)</u>	
Discounted Sale: Council managed scheme – properties are bought and sold at 70% of market value in perpetuity	22
Shared Ownership: part-rent/ part-buy – can be through a Housing Association or investment backed providers such as 'Heylo'	8
Shared Equity: the owner retains a share of the equity (typically 20%)	9
	170

The 2019 SHMA recommended an affordable tenure split of 60% rent and 40% low-cost home ownership. Delivery for 2020-21 is more weighted towards affordable rental homes; however, this is not an immediate concern, as there is always demand for quality Housing Association homes to rent, and this needs to be monitored over a longer period.

2.3 First Homes

First Homes, the Government's new preferred discounted market sale product, was introduced in June 2021. Key elements of the new policy are summarised below:-

- Prioritised for first-time buyers
- Discount applies in perpetuity
- Should account for 25% of affordable housing required through planning obligations
- Minimum Discount – 30%
- Initial discounted sale – max £250k (outside London)
- Maximum household income - £80k (outside London)
- Mortgage required – minimum 50% of discounted value
- Should be 'indistinguishable' from neighbouring market homes in terms of quality and size
- Developers should obtain a *RICS* (Royal Institute of Chartered Surveyors) red-book valuation from an independent valuer

The new *First Homes* policy requirement does not apply for the following:-

- Sites with Full or Outline planning permissions already in place or determined (or where a right to appeal against non-determination has arisen) before 28 December 2021

- Applications for full or outline planning permission where there has been significant pre-application engagement which are determined before 28 March 2022.

There will be a requirement for 7.5% First Homes in Carlisle in Affordable Housing Zones A & C (being 25% of the 30% affordable housing requirement) and 5% First Homes in Affordable Housing Zone B (being 25% of the 20% affordable requirement).

Local Planning Authorities will have the ability to draw up their own policies regarding price caps; discount levels; prioritising key workers; and local connection. Senior planners at Carlisle consider *First Homes* can, in principle, be incorporated within existing Local Plan policies; however, this will be kept under review, as the first schemes come through, in case a supplementary policy is required to ensure *First Homes* is delivering on the Council's affordable housing objectives.

One area where *First Homes* is less flexible than the Council's existing discounted sale scheme is that people who are not first-time buyers would be ineligible. The Council has been able to help many people get back on the housing ladder, often following a divorce or relationship breakdown, through its inhouse low-cost housing scheme.

3. HOUSING STRATEGIES AND PARTNERSHIPS

3.1 Carlisle Economic Strategy

Housing is a key element of the Carlisle Economic Strategy, approved by Council on 14 September (pursuant to report no. ED.34/21). Housing is key to supporting economic growth, through delivering sustainable, environmentally-friendly homes to meet the needs of a skilled working-age population, linked to strategic developments sites, such as St Cuthbert's Garden Village and Caldew Riverside.

A summary of the Economic Strategy's Housing policy and key actions (6.8 Objective 1) is provided below:-

6.8 Objective 1- Driving Housing and Population Growth:

6.8.1 - A strategy of driving housing and population growth will address the shift in the age distribution of the population and increase the working-age population in the District. This will support economic growth by creating an available and skilled

labour force and reducing the number of people reliant on key services including health and social care.

6.8.2 - It is imperative that this growth is delivered in a way that is clean, inclusive and sustainable. Therefore, careful consideration must be given to the climate change credentials of new developments and ensure that efforts to maximise energy efficiencies and reduce carbon footprints have been made.

6.8.3 - This strategy will enable Carlisle to continue to fulfil its important role as the as the city of the county and the wider Borderlands region.

Key Actions

- | |
|--|
| <i>1. Production a Local Plan for St Cuthbert's Garden Village – Develop and adopt the Local Plan that will provide the planning framework to support the planned delivery of 10,000 new homes and over 9,000 jobs to the south of city.</i> |
| <i>2. Review of the Carlisle Local Plan – undertake a review of the Local Plan, which was adopted in 2015, to ensure an adequate supply of deliverable housing and employment land.</i> |
| <i>3. Remediation of the Caldew Riverside site – Undertake detailed site investigation works and remediation of the site to enable the delivery a city centre living scheme to increase the city centre population to be progressed.</i> |
| <i>4. Development and delivery of the first phase of 'Start with the Park' – Develop and deliver the project to improve cycling and walking connectivity to the Garden Village and the creation green infrastructure for the communities of Carlisle and future residents of the Garden Village.</i> |

3.2 Strategic Housing Partnerships

City Council Officers are involved in a range of strategic housing partnership groups, a number of which are also attended by the Portfolio Holder for Economy, Enterprise and Housing.

The most prominent groups are:-

- Carlisle Housing Partnership – a subgroup of the Carlisle Partnership
- Cumbria Housing Group – a Member-led group with two main Officer-led subgroups:
 - Housing Supply Group (a multi-agency partnership around housing delivery)
 - Cumbria Strategic Housing, Homeless and Wellbeing Group
- Carlisle Liaison Group – with Riverside; a replacement for the former Divisional Board (this group includes wider Member representation)
- Zero Carbon Cumbria Partnership Housing Group
- Cumbria Local Authority/ Registered Provider Forum – with our main Housing Association partners
- Cumbria Extra Care Housing Forum.

A more detailed review of the work of Housing partnerships across Carlisle and Cumbria was provided in report ED.34/20 'Housing Need, Delivery & Strategy', which was presented to EGSP on 1 October 2020.

3.3 Cumbria Housing Development Strategy

Cumbria LEP's Housing Development Strategy was signed-off in October 2020 (a detailed summary of the final draft report was included in EGSP report ED.34/20, 1 October 2020). Following the adoption of the Strategy (prepared by planning consultant, Lichfields) a 'task & finish' group was established through the Cumbria Housing Supply Group to look at how we could work with the LEP to best deliver the Strategy Action Plan.

An opportunity has since arisen to join forces with Cumbria House Builders Group to provide a tripartite report to the Member-led Cumbria Housing Group on 7 October, with a recommendation that this is then forwarded to the Cumbria Chief Executives Group, following positive discussions with Allerdale's Chief Executive, who currently leads on housing in Cumbria.

The report includes:-

- Recommendations from the development sector on how to resolve blockages to delivery alongside opportunities to speed up the planning system;
- An offer from the Cumbria House Builders Group to provide training and briefings for Members and Officers;

- A recommendation that Housing Officers across the County are supported in beginning work to identify opportunities to enhance housing delivery under the two new Unitary Authorities.
- A list of those actions recommended by Lichfields, where it is considered they are not currently being delivered, which would benefit from increased resources.

A verbal progress update can be provided at the 21 October EGSP meeting.

3.4 Brampton Affordable/ Empty Homes Initiative

A positive new partnership initiative has recently been established with Brampton Rural Housing Society, reflecting the Council's commitment to rural affordable housing. Executive approved a proposal on 2 August to use some of the Council's affordable housing "commuted sum" funding (financial contributions provided by developers through planning obligations – usually on smaller schemes) to provide grants to Brampton Rural Housing Society towards bringing empty properties back into use to be let as affordable rented homes in Brampton and Hallbankgate. A significant amount of the affordable housing commuted sum funding (currently in excess of £600,000) held by the Council relates to the Rural Carlisle East Housing Market Area and could support the delivery of approximately ten affordable homes, as well as the simultaneous benefit of bringing long-term empty properties (which can be a blight on local communities) back into use.

4. RISKS

- 4.1** The key findings from all of the strategic documents and evidence bases summarised in this report (as well as earlier EGSP Housing updates referenced in this report) such as the Carlisle Economic Strategy; Cumbria Housing Statement; Cumbria LEP's Housing Delivery Strategy for Cumbria; as well as market and affordable completions data (2020-21) provide important and valuable evidence, which will help to inform the Council's decision-making in respect of strategic housing and economic matters. Keeping this research up to date provides the Council with a fit for purpose evidence base, which will mitigate against the risk of working with outdated information and data, ensuring that future strategies are relevant and clear in their intended objectives.

5. CONSULTATION

- 5.1** All of the strategic housing documents detailed in this report have been consulted upon with a wide range of stakeholders and the housing partnerships involve partners from a range of organisations.

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 6.1** This report provides Members of the Panel with the most recent evidence on housing need and delivery to enable them to scrutinise the effectiveness of existing strategies, initiatives, and partnerships, enabling them to help inform the development of future housing and economic strategies.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 7.1** Housing delivery, including the provision of affordable housing, fulfils both the Economic Growth and Health and Wellbeing priorities in the Carlisle Plan.

Contact Officer: **Jeremy Hewitson**

Ext: **7519**

Appendices **None**
attached to report:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL – There are no direct legal implications arising from the Report.

PROPERTY SERVICES – No Property implications.

FINANCE – The Council provides budgetary provision within the Housing function to undertake the reviews and analysis included in this report.

EQUALITY – The report includes positive references to the impact housing strategies can make upon issues such as affordable housing, vulnerable people, improving the quality of housing and increasing housing diversity.

INFORMATION GOVERNANCE – No information Governance implications.

Report to Economic Growth Overview & Scrutiny Panel

Item
A.3

Meeting Date: 21 October 2021
Portfolio: Economy, Enterprise and Housing
Key Decision: Yes
Policy and Budget Framework: No
Public / Private: Public

Title: Acceptance of potential offer for Sustainable Warmth Competition (LAD Phase 3 and Home Upgrade Grants (HUG))
Report of: Corporate Director of Governance and Regulatory Services
Report Number: GD.72/21

Purpose / Summary:

A report requesting that the Economic Growth Overview and Scrutiny Panel considers whether the Executive should accept grant funding, if offered, from BEIS Sustainable Warmth Competition and act as the lead authority of a Cumbrian consortium of district councils for the delivery of the grant.

The City Council has applied for £19,955,000 of funding on behalf of the Cumbrian Sustainable Warmth consortium of district councils to address fuel poverty, improve energy efficiency and carbon savings and help boost the local economy to retrofit a target of 1310, mainly private sector homes, with energy efficiency measures, including low-carbon heating across Cumbria.

Recommendations:

The Economic Growth Overview and Scrutiny Panel considers whether to accept the grant detailed in this report and, if in agreement, recommends to the Executive:

- Any potential offer of the Sustainable Warmth grant funding by Department for Business Energy and Industrial Strategy (BEIS) is accepted.
- The City Council should act as the accountable body for the Grant on behalf of the Cumbrian Consortium.

Tracking

Executive:	25.10.2021
Scrutiny:	21.10.2021
Council:	NA

1. BACKGROUND

- 1.1. On 16th June 2021, BEIS opened the Sustainable Warmth competition encouraging Local Authorities to apply for around £25 million funding to help them install energy saving upgrades and low carbon heating in low-income households. This is the fourth round of funding and each of the various rounds of BEIS funding under the Government's Sustainable Warmth strategy for retrofitting homes have slightly different eligibility criteria and are being delivered differently in Cumbria.
- 1.2. This Sustainable Warmth competition is the fourth round of funding for local authorities with the aim of helping save households money; cut carbon; and create green jobs. Carlisle City Council have applied as the lead authority for a Cumbria Consortium of district councils as BEIS indicated they preferred local authorities who had not received funding in previous rounds to be the lead applicant. This Sustainable Warmth round is primarily aimed at private domestic dwellings, but some social housing properties have been included in the application as requested by a Housing Association with properties in Allerdale Borough Council.
- 1.3. The primary purpose of the Sustainable Warmth competition is to raise the energy efficiency rating of low income and low Energy Performance Certificate (EPC) rated households (those with E, F or G, and a limited percentage of homes with an EPC rating as D). This is expected to result in the following outcomes:
- a. Tackle fuel poverty by increasing low-income households' energy efficiency rating while reducing their energy bills.
 - b. Deliver cost effective carbon savings to carbon budgets and progress towards the UK's target for net zero by 2050.
 - c. Support clean growth and ensure homes are thermally comfortable, efficient, and well-adapted to climate change.
 - d. Support economic resilience and a green recovery in response to the economic impacts of Covid-19 and create jobs.
 - e. Learn from the delivery experience to inform the development and design of further energy efficiency and heat schemes.
- 1.4. The Sustainable Warmth competition encompasses two schemes:
- Local Authority Delivery Phase 3 (LAD3):** This phase has a refined scope to support low-income households heated by mains gas. The maximum grant per owner occupied home is £10K.
- Home Upgrade Grant Phase 1 (HUG1):** Scheme for low-income households with homes off-gas grid. The amount per home can be up to a maximum of £25K depending on the EPC rating and fuel type. Targeted funding will support the installation of multiple measures in these homes, which can face higher upgrade costs, to substantially improve their energy performance.

- 1.5.** On the 2 August 2021 the Executive (GD 46 / 21) approved an application to the Sustainable Warmth competition for funding to support low carbon energy efficiency and heating for homes across Cumbria. The consortium bid is supported by all the Cumbrian district authorities. Carlisle City Council has bid for £5,850,000 based on an estimate of £9,500 average retrofit cost per property for a target of 600 homes with mains gas heating (including £750,000 for administration and ancillary costs); and £14,105,000 for 710 homes with non-gas heating (including £2 million for administration and ancillary costs). Data from specially designed Pathways software, the open-source Landmark EPC register (August 2020) and a recent Housing Stock Modelling Report enables us to target wards and properties that meet the criteria for this funding.
- 1.6.** The Government expects local authorities to take a fabric first approach and focus on measures that will help lower household energy bills such as insulation. This includes, but is not limited to, energy efficiency measures (such as wall, loft, and underfloor insulation) and low carbon heating technologies (such as heat pumps and solar) – but excludes funding for heating systems which are solely fuelled by fossil fuels such as gas and oil.
- 1.7.** Funding must be targeted at low-income households likely to be in fuel poverty, for which local authorities can continue to use the criteria of a combined household annual income of no more than £30,000 gross, before housing costs and where benefits are counted towards this figure or use alternate methodologies that clearly evidence that they are targeting low-income households likely to be in fuel poverty. It is intended that we will use the eligibility criteria that we use for our Help to Heat - Energy Company Obligation Local Authority flexible eligibility scheme for larger households.
- 1.8.** BEIS will be communicating the outcome of the competition in the Autumn. BEIS have stated that when offered the MoU agreement (Appendix.A contains a standard template) has to be signed within 3 weeks (15 working days) of receipt so the Executive may be asked to agree the funding in advance of any potential offer. BEIS have given the following timetable so far:
- **Mid October:** Successful applicants will receive a Memorandum of Understanding (MoU) containing annexes. The MoU and appropriate annexes must be completed, signed and returned **within 3 weeks of receipt**. BEIS have stated that if these documents aren't returned within the timeframe it may result in the offer of funding being withdrawn. If the application is successful, The Council will also receive an invitation to a webinar to go through what is required to complete the MOU and annexes.

- **November:** Attend a Reporting Webinar to ensure successful local authorities are prepared to complete and submit the monthly report pack from early 2022
- **December:** Allocation of funding passed to successful local authorities
- **January:** launch webinar

2. PROPOSALS

- 2.1. To accept the potential offer of grant funding from the Sustainable Warmth competition for funding to tackle fuel poverty and improve energy efficiency and carbon savings in private sector homes across Cumbria.
- 2.2. If successful in the bid the City Council, as the lead applicant, will assume the role of Accountable Body for the grant funding and its use across Cumbria. The project will be delivered by the Homelife Home Improvement Agency within Regulatory Services under a single Memorandum of Understanding (Appendix A – standard template) between Carlisle City Council and with Secretary of State for Business, Energy and Industrial Strategy as per the competition's guidance for a single lead authority. BEIS states that they will always manage the relationship with the lead authority. BEIS are aware that lead local authorities may administer the grant in various ways and are not prescriptive as to how the relationship between the local authorities in a consortium should be governed.
- 2.3. It is proposed that there will be a MoU sub agreement between Carlisle City Council and the other district authorities based on the MoU issued by BEIS. It is intended that the City Council will pass part of the BEIS Grant to their consortium partners to be used in accordance with the BEIS Grant Agreement. There is already set up regular weekly Cumbrian Consortium meetings of lead officers from each of the district councils. This group is currently working well and will provide the steering group for the project.
- 2.4. The Authority will provide a monthly report to the BEIS Project Team. This will need to include inputs as required from local authorities within the Authority's consortium, where applicable. At a minimum, the Authority will provide:
 - a. an update of the Authority's progress against each Key performance Indicator (KPI)
 - b. an overall RAG (red, amber, green) status for their project
 - c. an update on overall delivery confidence
 - d. top 5 risks, issues and/or incidents of fraud
 - e. any items the Authority wishes to escalate to BEIS

Should the Project Team identify in the Monthly Report a significant variation in the Authority's performance against their targets stipulated in relation to the KPIs the

BEIS Project Team, on behalf of the Secretary of State, may request a recovery plan detailing the interventions required to recover the project.

- 2.5.** The funding allows a maximum of 15% administration and ancillary costs. Any costs regarding the design, procurement, marketing will be taken from the administration costs. The amount allocated to Carlisle for administration will reflect the additional responsibilities as lead authority such as additional costs regarding managing the programme, reporting to BEIS, legal and procurement but existing staffing or in-kind costs may not be subsidised. Ancillary costs can also include assessments, retrofit co-ordination costs and any ancillary works that are required before retrofit measures can be installed (such as surveys, damp-proofing, electrical safety etc.). More detail on what the administration and ancillary budget can be used for can be found within the MoU and within the Question-And-Answer document on BEIS Sustainable Warmth webpage.
- 2.6.** Local authorities will be asked to provide evidence of how they will verify that households receiving measures are eligible. The City Council's Home Improvement Agency already have a robust application process and database system in place and have experience of successfully delivering similar grant funded energy efficiency projects. It is proposed to use our existing 'casemanager database system' to record and monitor applications through the project.
- 2.7.** Fixed term staff will be employed using the administration costs to help provide the staffing capacity required to deliver the scheme across the district authorities. The other districts, except for Eden District Council who have already employed staff to deliver their other Local Authority Delivery phases, have stated that they would prefer that the staff are employed by Carlisle City Council with the proviso that case officer(s) will be allocated to administering applications from districts to ensure that there is a point of contact. This arrangement will also help meet the requirements of the MoU which states that, "If a use of Consortia is required then appropriate considerations need to be addressed to the extent of delivery across all areas within its consortium, and the opportunities for participation by all of the local authorities, including those who may be less experienced and/or capable." (Paragraph 23 (f)). The other district councils will help advertise the posts and promote the project within their areas. A proportion of the revenue administration costs would be allocated to other districts to assist with any costs associated with targeting households, marketing, and promotional activities.
- 2.8.** It is proposed that the capital funding will be allocated equally between the districts however, in line with the MoU, the Authority will consider ways in which the capital budget during the Funding Period can be appropriately managed such that the Grant can be redistributed from poorly performing or slow to deliver areas to those which

are meeting their performance and delivery targets. Capital spend will be monitored to ensure that all areas receive a fair share of delivery taking into account differences of population, fuel poverty and homes with poor EPC ratings across the districts.

- 2.9.** BEIS have stated that they encourage Local Authorities to look at their local supply chains and any national or regional frameworks or Dynamic Purchasing System (DPS) which are either available currently or have been identified or procured by their regional Local Energy Hub on Local Authority Delivery Phase 2 schemes, which could be utilised for their delivery. In consultation with the City Council's procurement officer, the North West Energy Hub and, as agreed by the steering group of the Sustainable Warmth Cumbrian consortium, it has been decided that the Procure Plus Dynamic Purchasing System, who have been appointed by the North West Energy Hub, will be used to procure contractors to deliver the scheme. This DPS meets the UK and EU procurement guidelines and has been devised specifically to meet the PAS2035 requirements for Sustainable Warmth and Green Homes Grant projects.

3. RISKS

- 3.1.** Although the City Council would be acting as the accountable body there are no penalties associated with an underspend and should the Department for Business Energy and Industrial Strategy and the City Council be unable to agree how any unspent grant funding will be used, in line with the expected outcomes of the Sustainable Warmth competition, the City Council would repay the unspent grant, which will be reflected in the MoU that is required for the acceptance of the Grant. The delivery deadline is the 31 March 2023. The Secretary of State has discretion to extend the deadline should the Authority provide a written request to do so.
- 3.2.** Carlisle City Council assume several obligations, including obligations in relation to expenditure of the funds, provision of accounts and other records and information, monitoring standards and use of capital assets purchased. That is, Carlisle City Council will be the accountable body for management of the funding, the disbursement of funds to the Consortium Partners and reporting KPIs to BEIS. The MoU sub agreements with the other district local authorities will ensure that the other district local authorities will comply with those same obligations in order to ensure Carlisle City Council is able to meet its obligations. The sub MoUs will specify that the other district local authorities shall use the Grant only for the purposes of capital, administration and design support of the Recipient Scheme and in accordance with the terms and conditions set out in the BEIS MoU; that the other districts shall keep all invoices receipts and accounts and any other relevant documents relating to the expenditure funded by the Grant for a period of at least 10 years; and that the other districts will undertake to use its best endeavours to support Carlisle City Council including providing any and all information reasonably required by Carlisle City Council in order to successfully claim the Grant payable from BEIS. Carlisle City

Council will accept no liability in respect of loss attributable to delay in the payment or to any suspension, reduction or cancellation of the Grant Funding. Grant Funding will be allocated to the other districts only when it has been received by Carlisle City Council and any underspends would be returned as per the conditions of the grant. Full details of our obligations are contained within the draft MoU found in Appendix A.

3.3. The following risks have been identified in the delivery of the scheme:

- a.** Installations not meeting quality standards – a procurement exercise will ensure the competency of contractors. It is a condition of the grant that all measures must be compliant with the most up to date “PAS 2035 Retrofitting dwellings for improved energy efficiency. Specification and guidance” (PAS 2035). Installers are required to have the appropriate certifications for the eligible measures that they are installing and must be Trustmark registered.
- b.** Claims made for installations that haven’t happened, haven’t been completed, or that took place prior to launch date of the scheme - approval required before works commence and delivery through approved contractors as is usual process through grants delivered through the Home Improvement Agency.
- c.** Identity theft or falsely claiming low-income status – administrative checks on eligibility.
- d.** Installers overinflating costs – procurement exercise and prior approval of contractors.
- e.** Insufficient demand from potential recipients – demand identified but no penalty for underspend. Access to ‘Pathways’ software that enables local authorities to identify and target potential eligible homes.
- f.** Insufficient capacity to match demand – prior approval required before works commence so budget management will cover approved works.
- g.** Supply problems – the retrofit assessment identifies a medium-term plan so sets out a suite of potential measures that can be used for future. Multiple delivery partners preferred.
- h.** Failure of systems and/or processes which have been included within the Risk Register – project will have its own project management framework including risk register. Monthly reporting on the project is required to be made to BEIS.
- i.** Inappropriate measures installed – it is a requirement of the grant that all retrofitted measures must comply with the new PAS 2035 guidance and an independent retrofit assessment preferred. A risk assessment taking into account the particular issues of both the household and property, including potential conservation issues, must be made as part of the process. The City Council’s Home Improvement Agency’s Team Leader has knowledge of the new PAS 2035 guidelines and the Home Improvement Agency is already working to the new PAS 2035 standards for current energy efficiency grant applications.

4. CONSULTATION

- 4.1.** The City Council has consulted with the North West Local Energy Hub who are continuing to provide advice and support. The North West Energy hub is overseen by the 5 Local Enterprise Partnerships (LEP's) in the North West region.
- 4.2.** Lead housing officers from each of the District Councils meet weekly to discuss Sustainable Warmth project. Each of the Cumbrian District Local authorities support the Cumbrian consortium bid. The other Cumbrian authorities, except Eden, do not have a Home Improvement Agency experienced in delivering grant funded energy efficiency projects. Eden is the only Cumbrian authority to have received funding in the 3 previous rounds which also means it would have been less likely to be successful as the accountable body for this Sustainable Warmth competition.
- 4.3.** The City Council's Grants and External Funding Procedure provided the structure for the consultation process with the: Portfolio Holder for Economy, Enterprise & Housing; the Corporate Director of Governance and Regulatory Services; the Corporate Director of Finance and Resources, and the Funding Officer, who have been consulted on the proposed application.

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1.** Carlisle has over 2,250 owner-occupied and over 700 privately rented properties which have an EPC rating of E, F or G but which can achieve a minimum C Rating. This is not including the homes who do not have current EPCs but are still eligible for grant funding. The purpose of the Sustainable Warmth competition is to reduce carbon use and make homes more energy efficient, which will support the Council's credentials as climate change champions and add to the fuel poverty schemes already on offer. The scheme will also help boost the local economy.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1.** Address current and future housing needs to protect and improve residents' quality of life.
- 6.2.** Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.
- 6.3.** Support Carlisle City Council's Climate change strategy.

Contact Officer:

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Appendices

attached to report:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL – Should the Council be successful in its grant application it will have several different roles to play: it will be the accountable body, service deliverer and County ‘supervisor’. In terms of being the accountable body, the Council will need to have suitable arrangements in place to the satisfaction of the s151 officer. These arrangements must be sufficient to ensure that monies are properly accounted for by all involved and appropriate responses are able to be given to the Government. In relation to service delivery, again underpinning documentation will be required to ensure that relevant contracts are in place and procurement rules followed. As alluded to in the report, memorandums of understanding will need to be in place with our colleague Councils to ensure that all monies are spent in accordance with the terms of the grant.

PROPERTY SERVICES - No property implications

FINANCE – This report seeks recommendations to Executive for acceptance of any potential offer of the Sustainable Warmth grant funding for which £19,955,000 has been applied for on behalf of a Cumbrian consortium of district Council’s to address fuel poverty and improve energy efficiency and carbon savings in a target of 1,310 mainly private sector properties. If successful, the Council would act as accountable body for the scheme and allocate the funding to the other partners.

If the application is successful a further report will also be presented to the Executive detailing the next steps and to formally accept the funding. If funding is successful, the memorandum of understanding has to be signed within 3 weeks of receipt.

The application allows for 15% of the funding for administration costs in delivering the scheme and this will be shared between the Consortium’s partners.

If the application is successful, there would need to be a procurement process to appoint appropriate contractors to deliver the works outlined in the scheme. Due to the value of the funding, any procurement would be over EU thresholds for works contracts.

EQUALITY – None

INFORMATION GOVERNANCE – There are no information governance implications with this report

SUSTAINABLE WARMTH COMPETITION

**HOME UPGRADE GRANT Phase 1
AND/OR
LOCAL AUTHORITY DELIVERY Phase 3**

**MEMORANDUM OF UNDERSTANDING
Between the**

SECRETARY OF STATE FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

And

[INSERT LEAD LA]

DRAFT

MEMORANDUM OF UNDERSTANDING

SUSTAINABLE WARMTH COMPETITION

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MEMORANDUM OF UNDERSTANDING

DEFINITIONS

In this MoU the following terms will have the following meanings:

“the Authority”, the Local Authority with whom this MOU is signed by and in the case of a Consortium, means the local authority that is to sign this MOU and it the lead Authority and to whom the Grant is to be paid by the Secretary of State subject to the provisions of this MOU.

“BEIS” means the Department for Business, Energy and Industrial Strategy.

“Commencement Date” refers to [Insert Date] when the MoU is signed and therefore comes into effect.

“Consortium” means a group of local authorities working together to deliver the Proposal set out in Annex 7 under the leadership of the Authority.

“Eligible Installer” means contractors that are currently trading, are registered with TrustMark¹ and all projects must be compliant with *“PAS 2035:2019 Retrofitting dwellings for improved energy efficiency. Specification and guidance*. Installers are required to have the appropriate certifications for the Eligible Measures that they are installing on behalf of the Authority as set out in the Proposal. PAS 2035:2019 requires that all energy efficiency measures within the scope of the PAS2030:2019 standards must be delivered by installers who are certified to this standard and all low-carbon heating measures must be installed by a MCS certified² installer. We expect all contractors to work safely as we recover from the pandemic, following Covid-19 secure working practices.

“Eligible Expenditure” means payments by the Authority during the Funding Period for the purposes of delivering the Proposal which comply in all respects with the rules set out in paragraphs 15 to 21 (Scope of Activity) of this MOU.

“Eligible Household” means a household which meets the eligibility requirements to which Eligible Measures may be delivered on behalf of the Authority as set out in the Proposal i.e. households receiving measures are low-income and 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 are low-income households who are likely to be living in fuel poverty verified by LAs using alternative methodologies, such as means tested benefits, charity and health referrals, locally held data. Eligible households must live in a domestic dwelling in England with an EPC Rating of D, E, F or G, or to a park home where this has been demonstrated as appropriate, to which Eligible Measures may be delivered on behalf of the Authority as set out in the Proposal.

“Eligible Measures” are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve EPC band D,

¹ Or a scheme that the Secretary of State is satisfied is equivalent.

² Or a scheme that the Secretary of State is satisfied is equivalent.

(DRAFT) MEMORANDUM OF UNDERSTANDING FOR SUSTAINABLE WARMTH COMPETITION

E, F or G rated homes. This includes, but is not limited to, energy efficiency measures (such as wall, loft, and underfloor insulation) and low carbon heating technologies. This is with the exception of heating systems which are solely fuelled by fossil fuels, such as the installation or repair of a fossil fuel-based heating system, or the replacement of an existing fossil fuel-based heating system with another fossil fuel-based heating system, are not in scope. For more information on Eligible Measures please refer to Section 2.1.5 of the Sustainable Warmth Competition Guidance document.

“Funding Period” is the period for which the Grant is awarded starting on the Commencement Date to 31 March 2023.

“the Grant” is the capital funding made available by the Secretary of State to the Authority under this MOU to deliver the Sustainable Warmth Competition as stated in paragraphs 9 to 14.

“Home Upgrade Grant Phase 1” £150m available for support for low-income households off-gas grid through the Home Upgrade Grant Phase 1 (HUG) scheme.

“Local Authority Delivery Scheme Phase 3” a third phase of LAD with £200m available for support. LAD Phase 3 has a refined scope with support available to low-income households heated by mains gas only.

“Monthly Report” has the meaning given to it in paragraph 53.

“the Parties” means the Secretary of State and the Authority together collectively.

“Project Team” means the Sustainable Warmth project team within BEIS responsible for the delivery of the Sustainable Warmth Competition

“Project Board” means the lead governing authority for the Sustainable Warmth Competition.

“Proposal” means the Authority’s proposal set out in Annex 7.

“Secretary of State” means the Secretary of State for Business, Energy and Industrial Strategy.

“Services” are the services the Authority is expected to procure for delivery under the Sustainable Warmth Competition.

“Spend” means any funding committed and accrued to an Eligible Expenditure, as long as such activity is due for completion within the Funding Period.

“Sustainable Warmth Competition” means funding via the Home Upgrade Grant Phase 1 (HUG1) and/or Local Authority Delivery Phase 3 (LAD3) which starts from the Commencement Date and concludes on 31 March 2023.

“RHI” means the Renewable Heat Incentive, a government financial incentive to promote the use of renewable heat.

(DRAFT) MEMORANDUM OF UNDERSTANDING FOR SUSTAINABLE WARMTH COMPETITION

PURPOSE

1. To establish the way the parties to the Memorandum of Understanding (hereafter referred to as the “MOU”) will work together to deliver the Sustainable Warmth Competition in England.
2. To clarify the roles and responsibilities of the parties to the MOU.
3. The Parties to this MOU are:
 - (i) The Secretary of State for Business, Energy and Industrial Strategy (“**Secretary of State**”); and
 - (ii) [INSERT LEAD LA] known as “**the Authority**”.

The Secretary of State and the Authority are known together collectively as “**the Parties**”.

4. The Secretary of State has decided to grant capital funding through the Sustainable Warmth Competition to the Authority. The Authority has committed to spend such funds to deliver Eligible Measures to Eligible Households, using Eligible Contractors.
5. The Parties wish to record their understanding regarding the Grant funding which are detailed in this MOU.

BACKGROUND

6. The Sustainable Warmth Competition is a single funding opportunity which brings together two fuel poverty schemes. Through the Sustainable Warmth Competition, Government aims to save households money, reduce fuel poverty, cut carbon and supports the aims of the Prime Minister’s 10 Point plan for a Green Industrial Revolution. The Sustainable Warmth Competition provides funding to upgrade homes both on and off the mains gas grid and is comprised of £200m for low-income households heated by mains gas through a third phase of LAD and up to £150m for low-income households off the gas grid through HUG Phase 1.
7. The Sustainable Warmth Competition sets out to improve low energy performance off grid and on gas grid homes in England by installing Eligible Measures. A competition was launched on [Insert Date] offering Local Authorities and Local Energy Hubs the opportunity to apply for funding. Upgrades delivered through the Sustainable Warmth Competition should be completed by the delivery deadline of 31 March 2023.

OUTCOMES

8. The primary purpose of the Sustainable Warmth Competition is to raise the energy efficiency rating of low-income and low EPC rated homes (those with D, E, F or G) on the gas grid and off the gas grid. This funding will also support low-income households with the transition to low-carbon heating. We expect the Sustainable Warmth Competition to result in the following outcomes:
- a. Tackle fuel poverty by increasing low-income homes' energy efficiency rating while reducing their energy bills – a key principle of the Sustainable Warmth: Protecting Vulnerable Households in England Strategy 2021.
 - b. Deliver cost effective carbon savings to carbon budgets and progress towards the UK's target for net zero by 2050.
 - c. Support clean growth and ensure homes are thermally comfortable, efficient, and well-adapted to climate change.
 - d. Support economic resilience and a green recovery in response to the economic impacts of Covid-19, creating thousands of jobs.

The Sustainable Warmth Competition will support energy efficiency measures and low carbon heating for off gas grid homes and on gas grid homes, with an aim of upgrading homes to a target energy efficiency rating of EPC C, or EPC D where this is not possible.

THE GRANT

9. The Secretary of State grants the Authority capital funding of [Insert value] ("the **Grant**") to deliver the outcomes in line with their Proposal. This funding is subject to the Authority providing the documentation and information in accordance with paragraph 10.
10. The Authority will as soon as possible and by [Insert date] at the latest provide the Secretary of State with the documentation and information listed in Paragraph 88, Table 1.
11. The Secretary of State intends to pay the Grant within [x working days] of receipt of the completed documentation and information listed in Paragraph 88, Table 1.
12. The Grant is made available for use during the Funding Period.
13. At the Secretary of State's sole discretion, the Secretary of State reserves the right to determine an extension to the Funding Period beyond 31 March 2023, should the Authority provide a request in writing to do so.

(DRAFT) MEMORANDUM OF UNDERSTANDING FOR SUSTAINABLE WARMTH COMPETITION

14. The Authority will ensure that any public communications it issues about the Sustainable Warmth Competition, or the Proposal are not misleading as to the extent to which they are funded by the Secretary of State.

SCOPE OF ACTIVITY

15. The Authority will use the Grant in accordance with the provisions of this MOU to only incur Eligible Expenditure.
16. In delivering the Proposal, Eligible Expenditure are payments properly incurred in relation to:
- a. A recipient who is an **'Eligible Household'**; and
 - b. Installation of **'Eligible Measures'** which aims to improve homes towards EPC C and above; and
 - c. completed by an **'Eligible Contractor'**; and
 - d. Installation is completed during the **'Funding Period'**.
17. Cost upgrades for on the gas grid homes (LAD3):

For low-income households in owner occupier properties the maximum per property subsidy will be £10,000 and no household contribution towards the cost of the upgrade will be required. Where a low-income household resides in a rented property (either with a private or social landlord), the maximum subsidy will be £5,000 per property and the landlord will be required to fund at least one third of the overall costs.

LAD Phase 3 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

18. Cost of upgrades for off the gas grid homes (HUG1):

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The average cost caps of upgrades will be on a sliding scale according to the starting EPC band and starting heating fuel type as set out below. Where housing is owner occupied (private homeowners), no household contribution towards the costs of the upgrade will be required. Where a property is rented to a tenant by a private landlord, the landlord will be required to fund one third of the cost of upgrades, with the remaining costs provided up to the respective total cost caps outlined below.

	F&G	E	D
Electric	£20,000	£15,000	£10,000
	F&G	E	D
Off Gas Grid Fossil Fuel (oil, LPG, coal)	£25,000	£20,000	£15,000
Park Homes (off the mains gas grid)	£15,000		

19. Where the Grant includes capital funding, accounting standards permit, in certain circumstances, the capitalisation of costs incurred when delivering the capital assets for the Proposal (for example, administrative and ancillary). The Authority will keep such costs incurred in delivering the Proposal below 15% of the HUG total Grant and 15% of the LAD total Grant independently provided by the Secretary of State. In all other cases capital funding must not be spent on revenue.
20. The Authority will use Eligible Installers who are suitably certified as defined above.
21. Without prejudice to any other provisions of this MOU, the Authority will not use the Grant for the following purposes:
 - a. For the provision of measures which are not Eligible Measures.
 - b. To fund the provision of any lending to third parties.
 - c. To replace funding for an existing project, including any staff costs for an existing project and any projects to deliver statutory obligations, although the Grant may be used to extend the geographical coverage, scope or scale of an existing project (and for additional staff costs attributable to the extension of the project).
 - d. Use for activities of a political or religious.
 - e. Use in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector.
 - f. Use in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money).
 - g. Use to cover interest payments (including service charge payments for finance leases).

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- h. Use for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations).
- i. Use to pay statutory fines, criminal fines or penalties.
- j. Use to pay for eligible costs incurred before the date of this MOU: or
- k. Use in respect of Value Added Tax (VAT) that the Authority is able to reclaim from HM Revenue and Customs.

VALUE ADDED TAX

22. 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.

USE OF THIRD-PARTY DELIVERY PARTNERS

23. Where the Authority is not directly responsible for delivery and instead chooses to provide funding to other public bodies (e.g. local authorities), the Authority will ensure that funding provided:
- a. Addresses the primary objectives of the Sustainable Warmth Competition targeted at low income and low EPC rated households off-the-gas-grid and on the gas grid.
 - b. Is deliverable within the timescales set out for the Funding Period.
 - c. Considers value for money with regard to the total number of homes upgraded by measure and the total administrative and management costs which will be borne by the third party.
 - d. Identifies any additional value-adding elements which are aligned to the overall objectives of the Sustainable Warmth Competition.
 - e. Can be reported against in line with the KPIs and reporting arrangements as set out in this MOU.
 - f. If a use of Consortia is required then appropriate considerations need to be addressed to the extent of delivery across all areas within its consortium, and the opportunities for participation by all of the local authorities, including those who may be less experienced and/or capable.
24. For the avoidance of doubt, where the Authority provides any funding to third parties for activities undertaken during the Funding Period, it will ensure that the provisions within this MOU are included in any arrangement with these third parties.

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25. The Authority is expected to work with these third parties to ensure that key risks are identified and managed.
26. In the consideration of use of Consortia, the Secretary of State acknowledges that it may not be appropriate to implement commercial contractual arrangements between the Authority and other public bodies. However, the Authority will consider ways in which other public bodies' performance during the Funding Period can be appropriately managed such that the Grant can be redistributed from poorly performing or slow to deliver third parties to those which are meeting their performance and delivery targets.

INTERACTION WITH OTHER FUNDING

27. Grants received from the Sustainable Warmth competition cannot be blended with other government schemes such as the Energy Company Obligation (ECO), Green Homes Grant Vouchers, or the Social Housing Decarbonisation Fund schemes (SHDF), for the same individual measure, 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 HUG or LAD to install a heat pump and funded separately by ECO to install solid wall insulation.
28. The Sustainable Warmth Competition is grant funding from public funds, therefore, for the purposes of the Renewable Heat Incentive (RHI) any funding from Sustainable Warmth Competition for low carbon heating measures would be deducted from RHI's payments as per the RHI rules on grant funding. Local authorities should be aware of RHI rules, including that to be eligible for RHI the applicant must have made some financial contribution toward the cost of purchasing or installing their heating system.
29. The Authority will introduce controls to ensure households are not in receipt of funding derived from the Sustainable Warmth Competition and other government schemes, apart from the RHI, on the same measure.
30. The Authority can, however, blend funding they receive from the Sustainable Warmth Competition with third party finance or local authority budgets to deliver additional support to communities.
31. The Secretary of State intends to utilise data matching between schemes in order to monitor that the same measure installed in the same property is not claimed for under different schemes.

SUBSIDY CONTROL

32. The Authority acknowledges that it will ensure that the Grant and use of it does not breach any applicable subsidy control regime.

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33. To minimise the risk that a court of competent jurisdiction requires grant funding to be repaid, the Authority will:
 - a. Comply with any applicable subsidy control regime in its use of the Grant and its delivery of the Proposal.
 - b. Ensure that use of the Grant in connection with the Proposal complies with any applicable subsidy control regime; and
34. Obtain and retain all declarations and information as may be required to enable both the Authority and the Secretary of State to comply with any applicable subsidy control regime, and to provide copies of such declarations and information to the Secretary of State when required to do so.

PROCUREMENT AND OTHER BENEFITS TO THIRD PARTIES

35. The Authority will, in delivering the Proposal:
 - a. Comply with all relevant requirements of UK law relating to public procurement in force and applicable from time to time.
 - b. The Authority will give due consideration to the use of Small & Medium Enterprises (SMEs) within the supply chain, and ensure contracting and sub-contracting opportunities are advertised as such to encourage participation of SME and local supply chains. BEIS has its own SME action plan, which can be found using the following link: <https://www.gov.uk/government/publications/beis-small-and-medium-enterprises-sme-action-plan>.
 - c. When conducting procurement activities, the Authority will comply with the obligations under the Equality Act 2010 and its associated Public Sector Equality Duty.
 - d. The Authority will comply with the Local Government Transparency Code 2015.

SUPPLY CHAIN MANAGEMENT EXPECTATIONS

36. The Authority acknowledges that when managing its supply chain it should expect its suppliers and subcontractors to meet the standards set out in the Government Supplier Code of Conduct published by the HM Government on best practise expectations referenced below:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779660/20190220-Supplier_Code_of_Conduct.pdf.

PROMPT PAYMENT

37. In delivering the Proposal, the Authority will, unless the Secretary of State agrees otherwise in writing, pay the person from whom any goods, works or services are purchased within 30 days of receiving a valid undisputed invoice from that contractor.
 - a. The Authority will also ensure this payment timeline is included within any sub-contract arrangements of the contractor.

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38. The Authority will ensure that where it uses third-party delivery partners, in accordance with paragraph 23, that the funding provided is also paid within 30 days of receiving a valid undisputed invoice from that contractor, or from receiving an acceptable proposal from a public body.
 - a. When payment is made in accordance with Paragraph 23, the Authority will ensure that these payment timelines are included within any sub-contractors of the third parties in accordance with Paragraph 24.

MODERN SLAVERY, CHILD LABOUR AND INHUMANE TREATMENT

39. The Authority acknowledges throughout the Grant period of delivery that it should maintain its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and include in its contracts with its Suppliers and Subcontractors anti-slavery and human trafficking provisions.
40. If the Authority becomes aware of any concerns that any part of the supply chain may have breached the Modern Slavery Act 2015 then this must be reported within the Risk Management procedure and the Project team be informed instantly.

COMMERCIAL USE OF THE GRANT

41. The Authority will not use the Grant, or any asset financed wholly or partly by it, to generate revenue or make a capital gain, except to the extent agreed as part of the Proposal. If the Authority does so, it will:
 - a. Inform the Secretary of State immediately and in writing; and
 - b. Agree that the Grant may be reduced by the amount of that revenue or gain (as the case may be).

GRANT WITHDRAWAL AND REPAYMENT

42. In accordance with paragraphs 42 to 48, it is the understanding of the Parties that the Secretary of State may request the Authority to repay all, or any proportion of, the Grant, together with interest (calculated in accordance with paragraph 46).
43. The Authority accepts that the Secretary of State may exercise the options referred to in paragraph 21 where the Secretary of State:
 - a. is required to cease grant funding or to recover all, or any proportion, of the Grant or any other amount by virtue of a decision of a court or other competent authority; or
 - b. Has reasonable grounds to consider that the payment of the Grant, or the Authority's use of it, contravenes any requirement of law, in particular (but without limitation) law relating to subsidy control.

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- c. Has reasonable grounds to consider that the Grant was irregularly obtained or spent in a way that does not meet the Sustainable Warmth Competition outcomes referred to in paragraph 15 to 21.
- 44. When exercising the options referred to in paragraph 21, the Secretary of State will notify the Authority of the grounds concerned and as far as possible, consider the Authority's representations made within any reasonable timeframe required by the Secretary of State.
- 45. A decision by the Secretary of State to ask the Authority to repay the Grant will be communicated by letter, and the Authority will make that repayment within 30 days of the date of that letter or within any later reasonable timeframe agreed by the Secretary of State in writing.
- 46. Where the Secretary of State requests repayment, interest will be calculated from the date of the Grant payment, in accordance with:
 - a. the retail prices index over the relevant period (that index being taken as 0% for any period during which the index is negative); or
 - b. any other rate required by law in the circumstances if it is higher.
- 47. Where the Authority does not make the relevant payment within the timeframe specified in paragraph 45, further interest on the outstanding sum (inclusive of interest already charged under paragraph 46 will accrue, after that deadline, at the statutory rate of interest under Section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by law in the circumstances, if it is higher).
- 48. Should the Secretary of State not exercise their options under paragraph 43 or delay in doing so, this will not constitute a waiver of those options unless the Secretary of State confirms such a waiver in writing. Furthermore, any such written waiver will not be taken as a precedent for any other, or subsequent, circumstances.

SUSPENSION

- 49. The Secretary of State may suspend payment of the Grant where:
 - a. One of the grounds in paragraph 43 arises.
 - b. The Secretary of State has reasonable cause to believe that one of those grounds may have arisen, or is likely to arise; or
 - c. One of the provisions of the MOU is not met by the Authority.
- 50. In the case of any suspension, unless the Secretary of State confirms a contrary agreement in writing:
 - a. The Authority will continue to comply with the requirements of this MOU including any deadlines occurring during the period of suspension; but
 - b. The Authority will not make any further use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.
- 51. The Authority will inform the Secretary of State in writing if it has any concerns that any of the grounds in paragraph 43 might arise or that it will not be able to

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meet the provisions of the MOU. If such concerns arise after the Authority has received the Grant, the Authority will not make any use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.

AGREED USE OF UNDERSPEND

52. In the event that the Authority does not use all the Grant to secure delivery of the Proposal by the end of the Funding Period:
- a. The Parties will work together to agree how the Authority will spend any unspent Grant funding in line with the expected outcomes of the Sustainable Warmth Competition.
 - b. The Secretary of State reserves the right to determine an extension to the Funding Period, should the Authority provide a request in writing to do so as per paragraph 13.
 - c. If the Parties are unable to reach an agreement described in sub-paragraph (a), the Authority agrees to repay the unspent Grant within 30 days of the end of the Funding Period.

GOVERNANCE

53. On a monthly basis, the Authority will provide a report to the Project Team covering the period from the first to last day of the month and provided on or before the 10th working day of the subsequent month (the "Monthly Report"). For example, the report covering the delivery period of 1 - 31 January 2022 will be required to be submitted by the 10th working day of February 2022. This will need to include inputs as required from local authorities within the Authority's consortium, where applicable. At a minimum, the Authority will provide;
- a. an update of the Authority's progress against each Key performance Indicator (KPI)
 - b. an overall RAG (red, amber, green) status for their project
 - c. an update on overall delivery confidence
 - d. top 5 risks, issues and/or incidents of fraud
 - e. any items the Authority wishes to escalate to BEIS
54. Should the Project Team identify in the Monthly Report a significant variation in the Authority's performance against their targets stipulated in relation to the KPIs the Project Team, on behalf of the Secretary of State, may request a recovery plan, see Annex 9, detailing the interventions required to recover the project(s).
55. The Project Team will determine if the interventions detailed in the recovery plan provide confidence of project recovery. If necessary, the Project Team will provide further recommendations to address areas of concern. The Project Team and the Authority will jointly agree a timescale to implement the interventions.

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56. Should the Authority need to action the (a) interventions of the KPIs being met, and fail to see project(s) recovery, or (b) report any of the Top Fraud Risks and (c) fail to implement the interventions necessary regarding corrective action, this will be escalated to the Project Board.
57. The Project Team and the Authority may seek to have a regular monthly meeting to discuss the progress of delivery of the Proposal and any issues arising from the Monthly Report. Where applicable, the Project Team will issue the agenda and relevant actions from these meetings. At a minimum, the Authority will provide everything listed in paragraph 53 to the Project Team.
58. The Project Team and the Authority may agree to schedule ad-hoc meetings outside of the monthly meetings. These requests will be considered on a case by case basis and reasonable notice will be provided, as well as a proposed agenda.

CHANGE REQUESTS AND VARIATIONS

59. The Authority will notify the Project Team, if there are any variations or significant risks to delivery within the Funding Period by following the relevant change request process which will be set out in the final version of this document.
60. No variation of this MOU will be effective unless it is agreed in writing and signed by both Parties. This does not prevent either Party making reasonable changes in relation to the administrative arrangements in the MOU (such as contact details) by notice in writing to the other Party, without such agreement in writing signed by both Parties.

RISK MANAGEMENT

61. The Authority agrees to provide assurance that risks in relation to the Proposal have been identified and mitigated. The Authority will complete the Risk Register in Annex 4 and return it to the Secretary of State as part of their MOU submission.
62. In providing assurance about the management of risks the Authority will identify risks and issues which arise from its own activities and those which arise from third parties, including those delivering measures or services under the scheme and those referring potential scheme recipients or otherwise publicising the scheme.
63. The Authority will also include any other risks not included in the preceding paragraph 62 which it believes are relevant to the scheme.
64. As part of the Monthly Report, the Authority will report the status of the risks and issues identified within the Risk Register and whether any new risks or

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issues have emerged. The report will also provide a statement as to whether risk management is effective and whether any remedial action is necessary. The Authority will share both the risks it is managing, and risks raised by local authorities or any other third-party delivery partners.

65. As soon as it becomes apparent to the Authority or the Project Team that a risk will significantly impact on the delivery of the Proposal, the Project Team and the Authority will develop and work through recommendations on each area of concern and work together to address concerns.

FRAUD

66. As part of the delivery of the Proposal, the Authority will be responsible for carrying out or arranging for the reasonable ongoing due diligence, controlling, monitoring, reporting, as well as managing any specific cases of suspected or identified fraud.
67. The Secretary of State has specified that all Authorities funded through the Sustainable Warmth Competition should, at a minimum, have a robust fraud risk assessment in place, with mitigating counter fraud actions, to provide assurance about the management of fraud risks. The Authority agrees to provide a completed fraud risk assessment to the Secretary of State upon request.
68. The Authority acknowledges it should implement controls to reduce the risk of fraud where possible, considering the following options when doing so:
 - a. Implementing strategies regarding Counter Fraud, Bribery and Corruption.
 - b. Staff awareness through training and educating all employees on fraud risk and appropriate action to take if fraud is suspected.
 - c. Aiming to design fraud out of the Authority's stages of the grant process.
 - d. Through regular risk assessments throughout the Projects time frame.
 - e. The use of the Authority's Audit officer to proactively look for the potential fraud.
 - f. Appropriate whistleblowing arrangements to support the reporting of fraud.
 - g. Regular site visits in regard to oversight of the delivery implementation.
69. In accordance with paragraphs 67 and 68, incidents of fraud will continue to be reported monthly throughout the Funding Period.
70. The Authority will inform the Project Team at the earliest opportunity of any reports it has received or identified relating to any suspected fraudulent activity

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relating to the delivery of the Proposal and include a summary of investigative and/or corrective action.

PERFORMANCE

71. During the Funding Period, the Authority will provide the information (described as Authority responsibilities in the table below) to the Project Team in their Monthly Report submission in relation to the KPI targets described in the table below and as further stipulated in the Proposal (attached as Annex 7).
72. To measure performance, the Project Team will assess performance levels against the monthly target forecast (from the grant assessment proposal) given by the Authority as a benchmark accordance with the levels set out in the table below. All forecasted figures against the KPIs will be reviewed to consider risks around deliverability.
73. The Authority will submit the monthly report figures split by either HUG Phase 1 or LAD 3 so that KPIs can be monitored separately. If both are applied for then 2 separate reports will be needed per scheme.
74. KPIs 1a, 1b, 2a and 2b should reflect the figures of the reporting month provided to BEIS within 10 working days of reporting month end. KPIs 3a and 3b should reflect the figures of the reporting month, at the month end. However, 3b will be given as a 1 month lag and be submitted month end of the following month it is reporting on.
75. If the Authority fails to provide their monthly report submission on or prior to the reporting deadline:
 - a. KPA 1a, 1b, 2a, 2b, 3a - 10 working days after the last day of the previous month. (Reporting on the previous month).
 - b. KPA 3b – Last working day of the month (Reporting on the previous month)

The Project team will alert the Authority within 2 working days to submit the information. The Authority will be given a further 2 days from this communication to rectify and send the information before the Project team escalates this query to the project deputy director who will contact the person who has signed the MOU. If there is still no response within a further 2 days, the project SRO will escalate this further to the Authority's Chief Executive.

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Sustainable Warmth KPIs					
Key Performance Indicators	Definition of KPI	Data & Reporting	Timing	Performance Level Ratings	Benchmark
PLANNING 1a: Number of houses validated and scheduled in to receive measures within the 3-month period (in period scheduling rather than installation)	The number of homes which are fully eligible under the scheme that have agreed to an installation and that you are reasonably sure will participate in the works in each month.	Authority responsibilities - To give monthly report using a Monthly Reporting Template (tbc) Project Team responsibilities - To calculate the rolling 3-month average. ((a)Month 1 - MTh 1 figures reported, (b)Month 2 - MTh 1 + MTh 2 figures then averaged and reported (c)Month 3 – Mth1 + 2 + 3 then average reported (d)Month 4 – MTh 2 + 3 +4 average reported). Calculation will be done once data from LA received. Calculation purpose to compare actual to forecast and to give a forward directional look to the project.	Report the current Month (return to BEIS within 10 days of Month end)	1.) GREEN (ACCEPTABLE) - Less than 10% variation 2.) AMBER (COMFORTABLE) - 11% - 40% variation 3.) RED (AT RISK) - 40% - 100% variation	90-100% Scheduled (GREEN - Less than 10% variation)
PLANNING 1b: Cumulative number of houses validated and scheduled in to receive measures within the to Date period (in period scheduling	This number should indicate the number of homes which are fully eligible under the scheme that have agreed to an installation and that you are	Authority responsibilities - To give monthly report using a Monthly Reporting Template (tbc). Project Team responsibilities - To calculate the cumulative to date view once received data from LA. To	Report the current Month (return to BEIS within 10 days of Month end)	1.) GREEN (ACCEPTABLE) - Less than 10% variation 2.) AMBER (COMFORTABLE) - 11% - 40% variation 3.) RED (AT RISK) - 40% - 100% variation	90-100% Scheduled (GREEN - Less than 10% variation)

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rather than installation)	reasonably sure will participate in the works in the given cumulative period to date.	compare actual to forecast.			
<u>DELIVERY 2a:</u> Number of houses with the installation of all measures completed within month.	The number of homes that have received all the measures that they will receive under Sustainable Warmth, in a given month.	<i>Authority responsibilities</i> - To give monthly report using a Monthly Reporting Template (tbc). <i>Project Team responsibilities</i> - To calculate the monthly comparability actual to forecast.	Report the current Month (return to BEIS within 10 days of Month end)	1.) GREEN (ACCEPTABLE) - Less than 10% variation 2.) AMBER (COMFORTABLE) - 11% - 40% variation 3.) RED (AT RISK) - 40% - 100% variation	90-100% Fulfilled (GREEN - Less than 10% variation)
<u>DELIVERY 2b:</u> Cumulative number of houses with the installation of all measures completed compared to the cumulative forecast.	The number of homes that have received all the measures that they will receive under Sustainable Warmth, cumulatively.	<i>Authority responsibilities</i> - To give monthly report using a Monthly Reporting Template (tbc). <i>Project Team responsibilities</i> - To calculate the cumulative to date view once received data from LA and to compare actual to forecast.	Report the current Month (return to BEIS within 10 days of Month end)	1.) GREEN (ACCEPTABLE) - Less than 10% variation 2.) AMBER (COMFORTABLE) - 11% - 40% variation 3.) RED (AT RISK) - 40% - 100% variation	90-100% Installations Completed (GREEN - Less than 10% variation)
<u>REPORTING 3a:</u> Submission of Performance Monitoring Data Monthly Report in an accurate and timely manner	To provide all of the monthly performance monitoring data around KPI's, Costings/Forecasts/Actuals of Installations,	<i>Authority responsibilities</i> - To give monthly report using a Monthly Reporting Template (tbc). <i>Project Team responsibilities</i> - To calculate the days late and for the system to flag gaps	Monthly (at the Month end)	1.) GREEN (ACCEPTABLE) - 0 days 2.) AMBER (COMFORTABLE) - 1 - 2 days 3.) RED (AT RISK) - 3 days +	100% complete and 0 days late

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	Risks/Fraud Reporting	that need to be filled in.			
REPORTING 3b: Submission of Scheme Delivery Data ("Data Dictionary") reporting in an accurate and timely manner	To provide all of the monthly reporting around Scheme delivery data.	Authority responsibilities - To give monthly report using annex 10 – Scheme Delivery Data Report Template. Project Team responsibilities - To calculate the days late and for the system to flag gaps that need to be filled in.	Monthly (at the Month end but 1month lag)	1.) GREEN (ACCEPTABLE) - 0 days 2.) AMBER (COMFORTABLE) - 1 - 2 days 3.) RED (AT RISK) - 3 days +	100% complete and 0 days late

77. The Project Team will conduct a mid-term review to assess the overall performance of the Authority. The Authority will provide an update on delivering the outcomes for the Funding Period in line with their Proposal and this MOU. The Project Team will produce a Delivery Confidence Assessment (DCA), based on this update and the information from performance levels in accordance with paragraph 61 and the monthly reports in accordance with paragraph 53.
78. The DCA will be conducted in accordance with the below.

DCA	Example Description
Green	Project will deliver its full scope within the timescale agreed.
Green/Amber	While there are significant risks to the project these are being effectively managed, and delivery is still expected to be achieved to time and scope.
Amber	Project no longer expects to deliver the full scope within the timescale agreed. Corrective action(s) to improve performance should be identified and discussed with BEIS.
Amber/Red	Project delivery is at risk and corrective actions are not currently sufficient. There are severe risks threatening delivery of the project. This rating can also be used in other damaging circumstances such as when significant fraud has been perpetrated.
Red	Project will not deliver the full scope within the specified timescales. A recovery plan would be requested.

MONITORING, EVALUATION AND AUDIT

79. The Authority will support all activities in relation to monitoring, evaluation and audit. The Authority will:
- a. Respond fully, truthfully and promptly to any enquiries the Secretary of State, or the Comptroller and Auditor General, or their representatives, may make about the Proposal or the use of the Grant and provide any information and evidence reasonably requested, including by providing a statement of usage of the Grant (at such times, and in such form, as they may reasonably specify).
 - b. Allow the Secretary of State, the Comptroller and Auditor General, and their representatives, access to all relevant documents and records, and reasonable access for inspecting any relevant site.
 - c. Where requested, ensure that any information or evidence provided to the Secretary of State, the Comptroller and Auditor General, or their representatives, is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise as they may reasonably specify; and
 - d. Give reasonable assistance to the Secretary of State or the Secretary of State's contractors to carry out work in connection with the Grant throughout delivery of the Proposal and up to two years after completion of the Proposal, for example as part of the Secretary of State's ongoing monitoring and evaluation commitments.
 - e. Cooperate with BEIS contractors on related evaluation projects (e.g., LAD, HUG, SMETER) and cooperate with the Secretary of State's appointed advisers.
 - f. Provide a monthly report to BEIS via a secure cloud computing platform that is currently in development, containing a text description of that month's overall delivery progress, risk and issues encountered, evidence of due diligence to manage fraud risk and data on progress against each KPI (see Paragraph 73).
 - g. Provide monthly record-level management information data on the status and characteristics of each installation delivered via the same platform. Please see Annex 10 for an example of the template we will provide for the submission of these reports. Further information is provided within the guidance document.
 - h. Include these data collection requirements in all relevant contracts with installers and delivery partners, ensuring they understand and accept them. Make available our standardised Privacy Notice (see Annex 6) to all data subjects, prior to the collection of data, to support compliance with data processing transparency requirements. Where explicit consent is required from data subjects, use either BEIS's consent statement (see Annex 12) or functional equivalent to capture this consent, and maintain logs of this in your data as per the requirements.

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- i. Agree and sign a standardised Data Sharing Agreement (see Annex 5) between the Authority and the Secretary of State prior to the transfer of the above data.
- j. Demonstrate sufficient staffing resource in funding applications to manage the above requirements to an effective level of quality and maintain this level of resource for the full project duration.

RECORD KEEPING

80. The Authority will keep for ten years records relating to any spending funded (or defrayed) by the Grant. Such records should indicate:
- a) The identity of any third party concerned and their business.
 - b) The amounts any third party has been given.
 - c) The purpose for which the money was spent.
 - d) Evidence that contracts have been awarded in accordance with public procurement law where they are required to be; and
 - e) Details of and information relating to any significant sub-contracting by the Authority.

DATA PROTECTION

81. In so far as it is possible to do so in accordance with the Data Protection Act 2018, the UKUK General Data Protection Regulation (UK GDPR) and the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other law, the Authority agrees to collect information for evaluation and reporting purposes (referred to below as “the Information”) in a way which:
- a. Allows it to share the Information with BEIS, in accordance with the principles set out in the Data Sharing Agreement (See Annex 5) and as referenced in the Monitoring, Evaluation and Audit section of this MoU.
 - b. Allows BEIS to share the Information with any of its research or evaluation service providers.
 - c. Allows BEIS to use the Information for research and statistical purposes (this does not include publishing the Information in a way that identifies individual households) provided always that BEIS complies with the provisions of the Data Protection Act 2018 and UK GDPR.
 - d. Allows BEIS to keep names and contact details of the local authority and its delivery partners on file for use in the in-house CRM system to enable better relationship management (see the LA privacy notice in Annex 11).

FREEDOM OF INFORMATION

82. The Parties may be obliged to disclose information relating to the Sustainable Warmth Competition, the Grant, and the Proposal under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under another requirement of law.
83. The Parties will assist and cooperate with each other as reasonably requested to facilitate compliance with those requirements.
84. In the event that the Secretary of State provides information in response to a request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, the Secretary of State may make that response publicly available for the purposes of transparency.

INTELLECTUAL PROPERTY

85. In undertaking the Proposal, the Authority will not infringe the intellectual property rights of any third party.
86. Where the Proposal gives rise to the generation of any intellectual property, the Authority will not subsequently seek to make profit from the use of such intellectual property, for example through the grant of licences.
87. Unless otherwise agreed by the Secretary of State, the Authority will allow the Secretary of State royalty free use of any intellectual property created whilst delivering the Proposal.

COMPLIANCE WITH THE LAW

88. The Authority will comply with all laws and regulatory requirements when delivering the Proposal (including, without limitation compliance with all laws and regulatory requirements relating to public procurement and subsidy control).
89. In signing this MOU, the Authority confirms that use of the Grant for the purpose of the Proposal and in accordance with the MOU is in compliance with all laws and regulatory requirements.

ANTI-DISCRIMINATION

90. The Authority will comply with the requirements of the Equality Act 2010 and avoid any unlawful discrimination.

RESPONSIBILITY FOR EMPLOYEES, CONTRACTORS, AGENTS AND PARTNERS

91. The Authority will ensure that its employees, contractors, agents, partners and other local authorities or organisations it works with in delivering the Proposal (whether or not as part of a Consortium) comply with the commitments and

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principles set out in the MOU and will be responsible for any failure by them to meet those commitments and principles.

WARRANTIES

92. The Authority warrants that:
- a. It has full capacity and authority to deliver the Proposal and to enter into this MOU.
 - b. It will obtain any consents necessary to undertake the Proposal.
 - c. The information and evidence in its Proposal remains true, complete and accurate, and that its circumstances have not materially changed since submitting its Proposal; and
 - d. It does not know of the existence of any circumstances which might materially and adversely impact on its ability to undertake the Proposal or observe the provisions and principles of this MOU.

LIMITATION OF LIABILITY

93. The Authority confirms that the Secretary of State's liability to the Authority is limited to payment of the Grant (subject to the Authority meeting the commitments and principles of the MOU and its Annexes and to the Secretary of State's rights set out therein). The Authority remains entirely responsible for its risks and liabilities in undertaking the Proposal, and the Secretary of State will have no liability for any consequence, direct or indirect, that may arise through the Authority's undertaking of the Proposal or its use of the Grant.

ASSIGNMENT

94. The Authority will not assign or otherwise transfer to any other person the benefit of the Grant or any other benefit arising by virtue of this MOU without the approval in writing of the Secretary of State.

STATUS

95. This MOU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MOU. The Parties do, however, enter into the MOU intending to honour all their commitments under it.
96. Nothing in this MOU is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment between the Parties, constitute either party as the agent of the other party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other party. Accordingly, the Authority will not hold itself out as having any such relationship with the Secretary of State.

FURTHER FUNDING

97. The Secretary of State is under no obligation to provide the Authority with any further funding in respect of the Proposal or for any other purpose.

REFERENCES

98. In this MOU references to legislation are to that legislation as amended or re-enacted from time to time (including any amendment or re-enactment having taken place before the date of this MOU).

NOTICE AND COMMUNICATIONS

99. The Authority will be able to contact BEIS using the following email address:

sustainable.warmth@beis.gov.uk

100. The Authority's day to day contacts with the Department on any working day by email between 9am and 5pm are:

--

101. The Authority's Day to day contacts for the Department are:

NAME	Role	EMAIL	TELEPHONE

ESCALATION

102. If Secretary of State or the Authority has any issues, concerns or complaints about the Sustainable Warmth Competition, or any matter in this MOU, that party will notify the other party and the parties will then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter will be escalated to the senior management teams of both parties, which will decide on the appropriate course of action to take. If the matter cannot be resolved by the senior management teams within 60 (sixty) days, the parties will consider mediation as an alternative dispute resolution process.
103. Claims made by a supplier or requests for information made under the Freedom of Information Act 2000) in relation to the Sustainable Warmth Competition that party will promptly inform the Project Board (or its nominated representatives) of the matter.

Signed for and on behalf of the Secretary of State.

Signature

Name:

Position:

Date:

Signed for and on behalf of the Authority.

Signature:

Name:

Position:

Date:

DOCUMENTS TO BE PROVIDED

88. **Table 1: Documentation to be provided by the Authority before the Grant will be released and once LAs have been notified that their applications have been successful.**

What needs to be provided?	Appendix
A signed copy of this MOU	This document
A signed copy of the Section 151 or Section 73 Officer declaration	Annex 1
A signed copy of the Section 31 Grant Determination Notice	Annex 2
A completed Grant Claim Form including Bank Details (AP1A Form)	Annex 3
Completed Risk Register	Annex 4
A signed copy of the Data Sharing Agreement	Annex 5

Table 2: Additional documentation to be completed or acknowledged by the Authority as required.

What needs to be provided?	Annex
Scheme Participation Privacy notice	Annex 6
Approved Application Proposal (From the Authority's submission and approved through the Assessment Stage of the Grant application process)	Annex 7
Monthly Report Template (monthly requirement for Authority as stated in KPI)	Annex 8
Recovery Plan Template (only if the Project Team identifies in the Monthly Report a significant variation in Authority performance against their targets stipulated in relation to the KPIs, they may, on behalf of the Secretary of State, request a recovery plan)	Annex 9
Scheme Delivery Data Report (monthly requirement for Authority as stated in KPI)	Annex 10
LA Privacy Notice	Annex 11
Scheme Participant Privacy notice guidance	Annex 12

Annex 1: Section 151 or Section 73 Officer Declaration

In my position as the Section 151 or Section 73 Officer for «Lead_LA» I confirm that:

- a) [INSERT COUNCIL NAME] will accept the grant funding that has been offered through the Home Upgrade Grant Phase 1 and/or Local Authority Delivery Phase 3 (*delete as appropriate*).
- b) The information and evidence pertaining to this grant claim is complete, true and accurate.
- c) [INSERT COUNCIL NAME] will ensure the delivery of the Services in accordance with the terms of the Proposal; and
- d) [INSERT COUNCIL NAME] will comply with the provisions of the Memorandum of Understanding dated ____/____/2021 in connection with its delivery of the Proposal.

SIGNATURE

NAME

POSITION

DATE

Annex 2: Grant Determination

HOME UPGRADE GRANT PHASE 1 and/or LOCAL AUTHORITY DELIVERY PHASE 3 (*delete as appropriate*) (Sustainable Warmth Competition) DETERMINATION (Insert Year): (Insert Ref Number Obtained from MHLG)

The Secretary of State for Business, Energy & Industrial Strategy (“the Secretary of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1) This determination may be cited as the **Home Upgrade Grant Phase 1 and/or Local Authority Delivery Phase 3 (*delete as appropriate*) (Sustainable Warmth) Determination (21) [Insert ref No]**.

Purpose of the grant

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

Determination

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

Grant conditions

4) Pursuant to section [31(3) and] 31(4) of the Local Government Act 2003, the Minister of State determines that the grant will be paid subject to the conditions in Annex B.

Treasury consent

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

Signed by authority of the Secretary of State for Business, Energy & Industrial Strategy

*****, Deputy Director, Energy Efficiency and Local, Department for Business, Energy & Industrial Strategy

ANNEX A of the Grant Determination

Authority to which

grant is to be paid

<Insert LA>

Amount of grant.

to be paid.

X.

ANNEX B of the Grant Determination

GRANT CONDITIONS

GRANT CONDITIONS

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

2. The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the [insert name of Division] Division of the [insert Department's name] a declaration, to be received no later than [insert date], in the following terms:

"To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to [insert name of grant determination] No 31/**** have been complied with".

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

reduce, suspend or withhold grant; or

by notification in writing to the authority, require the repayment of the whole or any part of the grant.

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

Date:

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Annex 3: Grant Claim Form

SECTION 1 REQUESTER DETAILS	
LOCAL AUTHORITY	
BANK DETAILS	
PURCHASE ORDER NUMBER	
CONTACT NAME	
TELEPHONE NUMBER	
EMAIL ADDRESS	

SECTION 2 CLAIM DETAILS	
HOME UPGRADE GRANT PHASE 1 TOTAL TO BE CLAIMED	
LOCAL AUTHORITY DELIVERY PHASE 3 TOTAL TO BE CLAIMED	
DATE OF CLAIM	
<i>Claims may include VAT that the authority is not able to reclaim from HM Revenue & Customs or not likely to become able to claim.</i>	

SECTION 6: SENIOR LOCAL AUTHORITY OFFICER'S DECLARATION
<p>I confirm that I have considered the Authority's Proposal (included Proposal included as Annex 7 of the MOU) against which this Grant claim is made, as well as the principles set out in the Memorandum of Understanding for the Sustainable Warmth Competition, and that:</p> <ul style="list-style-type: none">a. The information and evidence pertaining to this Grant claim is complete, true and accurate.b. We will comply with the principles set out in the Memorandum of Understanding. <p>Signed</p> <p>Printed name</p> <p>Position</p> <p>Date</p>

Annex 4: Risk Register

RISK MANAGEMENT

This annex consists of

- a. A risk register to be completed by the Authority in relation to the specified risks and any other risks it believes are relevant to the scheme.
- b. A risk rating matrix to assist with scoring risks; and
- c. An explanation of the risk rating colours.

Risk register

Template to be provided to the Authority in the week commencing (DATE TO BE FILLED IN).

RISK RATING MATRIX

	PROBABILITY				
	≤5%	>5%, ≤20%	>20%, ≤50%	>50%, ≤80%	>80%
IMPACT LEVEL	1 - Very Unlikely: Highly improbable that it will occur during the lifetime of the project or activity	2 - Unlikely: Not probable that it will occur during lifetime of the project or activity	3 - Possible: Doubtful that it will occur during the lifetime of the project or activity	4 - Likely: Probable that it will occur during the lifetime of the project or activity	5 - Very Likely: High expectation that it will occur during the lifetime of the project or activity
5 - Crisis	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH
4 - Critical	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
3 - Significant	LOW	LOW	MEDIUM	HIGH	HIGH
2 - Marginal	VERY LOW	LOW	LOW	MEDIUM	MEDIUM
1 - Negligible	VERY LOW	VERY LOW	LOW	LOW	LOW

**EXPLANATION OF RISK
RATING COLOURS**

	Risk rating is <u>very low</u> with it being extremely unlikely that the risk will occur and minimal consequences for the scheme if it should. Controls in place to mitigate the risk as low as is reasonably practical.
	Risk rating is <u>low</u> . There is either a strong probability of the risk occurring with minimal consequences for the scheme or a low probability of the risk occurring with significant consequences. Controls should be in place to mitigate the risk to this level, but further action may be required should tolerance for the risk be lower.
	Risk rating is <u>medium</u> . There is either a very strong probability of the risk occurring with minimal consequences for the scheme, a moderate probability of the risk occurring with significant consequences or a low probability of the risk occurring with fundamental consequences. Controls should be in place to mitigate the risk to this level, but further action may be required should tolerance for the risk be lower.
	Risk rating is <u>high</u> with either a very strong probability that the risk will occur with significant consequences for scheme or a low to moderate probability of the risk occurring with fundamental consequences. Controls should be in place, but further action may be required, as a matter of urgency, to mitigate the risk to a more tolerable level. If the risk is outside control, then a contingency plan should be in place or developed in case the risk materialises.
	Risk rating is <u>very high</u> with a very strong probability that the risk will occur with fundamental consequences for the scheme. There are strong concerns among management that they no longer have the capacity to manage the risk effectively and that is therefore very likely to materialise. The risk needs to be escalated to the next level as a matter of urgency to consider what further action should be taken.

Annex 5: A draft copy of the Data Sharing Agreement

BEIS Data Sharing Agreement (DSA)

Sustainable Warmth Competition

Data Sharing Agreement [DRAFT]

Between:

**The Secretary of State for Department for Business,
Energy & Industrial Strategy and**

[insert the name(s) of LA]

V1

[insert date signed]

Glossary of key terms

In this Data Sharing Agreement the following words and phrases will have the following meanings:

“Authority”	[Enter LA name]
“BEIS”	means the Department for Business, Energy & Industrial Strategy
“Partners”	means partners to this Agreement, namely the Secretary of State for Department for Business, Energy & Industrial Strategy and <i>the Authority</i>
“DPA”	means the Data Protection Act 2018
“DSA”	means Data Sharing Agreement
“FoIA”	means the Freedom of Information Act 2000
“SW”	the Sustainable Warmth Competition (covering Home Upgrade Grant Phase 1 scheme and/or Local Authority Delivery Phase 3 scheme)
“UK GDPR”	means the UK version of Regulation (EU) 2016/679 – the General Data Protection Regulation
“Controller”	have the meanings given in the DPA
“Processor”	
“Data Subject”	
“Processing”	
“Personal data”	
“Special Category data”	<i>means personal data as referred to in Article 9(1) of the UK GDPR</i>
“MOU”	<i>means the Memorandum of Understanding between the Secretary of State for Department for Business, Energy & Industrial Strategy and the Authority dated [DATE] to record their understanding regarding the Grant funding</i>
“Grant”	has the meaning given in the MOU

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“Eligible Measures”	have the meanings given in the MOU
“Eligible Household”	
“Eligible Contractor”	
“Project Team”	has the meaning given to it in the MOU
“Proposal”	has the meaning given to it in the MOU
“SW performance monitoring data”	has the meaning given to it in paragraph 15 of this DSA
“SW scheme delivery data”	has the meaning given to it in paragraph 16 of this DSA
“SW Fraud and Non-Compliance data”	has the meaning given to it in paragraph 17 of this DSA.
“SW funding duplication data”	has the meaning given to it in paragraph 19 of this DSA
“Funding Period”	has the meaning given to it in the MOU

Signatory Details

BEIS Agreement Owner	
[insert name of partner organisation] Agreement Owner	[insert name, Job Title and contact details]

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Introduction

1. This Data Sharing Agreement (DSA) sets out the data sharing arrangements between the Partners in relation to SW. It covers personal data being shared by the Authority with BEIS and personal data shared by BEIS with the Authority.
2. SW is supported by grant funding to the Authority from the Secretary of State for Business, Energy and Industrial Strategy in accordance with the MOU.
3. The primary purpose of SW is to raise the energy efficiency rating of low income and low EPC rated households, this is expected to result in the following outcomes.
 - Tackle fuel poverty by increasing low-income household's 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, supporting thousands of jobs; and
 - Use learnings from the delivery experience to inform the development and design of further energy efficiency and heat schemes.
4. The Authority has committed to spend the Grant to deliver Eligible Measures to Eligible Households, using Eligible Contractors.
5. Under paragraph 75 of the MOU, in so far as it is possible to do so in accordance with the DPA and UK GDPR, the Authority has agreed to collect information for evaluation and reporting purposes (referred to below as "the Information") in a way which:
 - Allows it to share the Information with BEIS;
 - Allows BEIS to share the Information with any of its research or evaluation partners; and
 - Allows BEIS to use the Information for research and statistical purposes (this does not include publishing the Information in a way that identifies individual households) provided always that BEIS complies with the provisions of the Data Protection Act 2018 and UK GDPR.

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6. Under paragraphs 71 and 72 of the MOU, the Authority will provide a monthly report to the Project Team (called “ Key Performance Indicators (KPI) data” in the MoU). The KPI data will cover activity from the first day of the month to the last and will need to be provided on or before the 10th working day of the following month. The Monthly Report shall detail monthly progress against KPIs stipulated in the Proposal, the top 5 risks and issues and any incidents of fraud, and an overall delivery confidence rating. There is also space to highlight any items the Authority wishes to escalate for attention by BEIS. The Authority will report to the Project Team on the performance of the project(s) set out in their Proposal, in line with the stated KPIs using a Monthly Report online reporting platform which is currently in development. This data will not include personal data. This data is referred to as the “SW performance monitoring data” in this DSA to differentiate it from the personal data that will be shared. Paragraphs 15 to 19 of this DSA define each dataset covered by this DSA.
7. Under paragraph 75 of the MOU and as set out in the monitoring and evaluation section of the SW guidance document, the Authority is required to provide additional detailed information on a monthly basis to support a detailed evaluation of the overall scheme. This is expected to include personal data. This data is referred to as “SW scheme delivery data” in this DSA. Further details of the personal data to be shared are set out in Annex 10 of the MoU.
8. In addition to the SW scheme delivery data, it may be necessary for the Authority to share data relating to any suspected fraudulent activity with BEIS on an ad-hoc basis, as stipulated in paragraph 70 of the MOU. This is also expected to include personal data. This data is referred to as “SW Fraud and Non-Compliance data” in this DSA.
9. Under paragraph 28 of the MOU, funding LAs receive from the SW cannot be blended with other government schemes such as ECO, Green Homes Grant Vouchers, or the Social Housing Decarbonisation Fund Demonstrator (SHDF Demonstrator), for the same individual measure. BEIS and/or its delivery partners for other government schemes may undertake data matching between the data shared by the Authority and other datasets to check that relevant blending or duplication of funding has not taken place. Where a potential case of such blending or duplication of funding is identified, BEIS may notify the Authority. Such notification would be expected to involve the sharing of personal data. This data is referred to as “SW funding duplication data” in this DSA.
10. This DSA documents the lawful basis for this data sharing initiative, what information will be shared and how. The Partners have entered into this DSA to demonstrate that data protection and privacy requirements have been taken into account, to set out how use of information meets the data protection principles, and how the rights of data subjects are protected. All of the obligations in this DSA are subject to compliance with the law (including the DPA and UK GDPR).

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11. This DSA is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Partners from this DSA. Nothing in this DSA is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment between the Partners, constitute either Partner as the agent of the other Partner, nor authorise either of the Partners to make or enter into any commitments for or on behalf of the other Partner. This DSA does not create a legal power for either Partner to lawfully exchange and process personal information, and it does not provide indemnity from action under any law. It does not remove or reduce the legal obligations or responsibilities on any Partner. The Partners enter into this DSA intending to honour its provisions.
12. This DSA will commence when it has been signed by or on behalf of both Partners and will terminate one year after the end of the Funding Period or, if later, one year after receipt by BEIS of the final transfer of the SW scheme delivery data in accordance with paragraph 22 of this DSA.

Principle 1 - lawfulness, fairness and transparency

13. The sharing of the personal data, as described above, is necessary for BEIS to review the operation of SW and effectively assess whether SW has met the objectives set out in paragraph 3 of this DSA as well as for statistical, policy research and fraud prevention purposes. For this, BEIS require details of the measures installed under SW as well as the consumers, installers and properties involved in those installations. Principle 2 - purpose limitation further below sets out the detailed purposes for which processing of data under this DSA are needed.

Data items to be shared

14. The Authority has agreed to provide BEIS with data in three formats, as described below.
15. **SW performance monitoring data.** As set out in the MOU and referred to in paragraph 6 above, the Authority will provide a monthly update of aggregate data to allow monitoring of scheme progress against agreed targets. This summary aggregate data is not expected to include personal data and as such the controls and procedures specified in this agreement do not apply. The SW performance monitoring data is only defined here in order to ensure understanding of the other data types is clear.

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- 16. SW scheme delivery data.** As set out in the MOU and supplementary guidance (and referred to in paragraph 7 above), the Authority is required to provide detailed data covering their delivery of SW. This data is expected to include personal data. Annex 10 in the MoU sets out the draft SW Data Dictionary. In summary the types of data to be shared are:
- the addresses and corresponding details of properties applying, or being referred, for installation of a measure;
 - contact details for the occupants and owners (if different) of the property where the installation took place, as well as details about how and why they were identified by the Authority for participation in SW and details about any financial contributions they have made towards the cost of the installation (see paragraph 18 below);
 - details of the energy efficiency or low carbon heating system installed, including type, size and cost;
 - details of any additional funding used to support the installations, for example from the owners, landlords or other third parties;
 - pre and post-installation property SAP or RdSAP assessments with scores;
 - details of the installers in relation to each installation of a SW measure, including their contact details and any relevant accreditation or registration information; and
 - contact details for households offered an installation but who do not accept.
- 17. SW Fraud and Non-Compliance data.** As set out in the MOU and referred to in paragraph 8 above, data relating to suspected fraudulent activity is expected to be shared by the Authority with BEIS on an ad-hoc basis. The sharing of this data would be carried out where either a) the Authority is required by BEIS to share details of fraud or non-compliance to support an audit or review of SW, or b) where the Authority requires support or assistance from BEIS in addressing issues of fraud or non-compliance. The format of the SW Fraud and Non-Compliance data is not prescribed in this DSA, at a minimum it would include the property address and installer name of the installation concerned and any other information relevant to the fraud or non-compliance identified.
- 18.** In addition to personal data, the SW scheme delivery data and SW Fraud and Non-Compliance data shared by the Authority with BEIS is expected to include data which may be considered commercially sensitive to the Authority's installers and sub-contractors. Below are the data sets of commercially sensitive information which are expected to be shared on a regular basis by the Authority with BEIS:

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- how much installers charge them to deliver the SW installations;
- how much it costs them to administer SW; and
- how much property owners or other third parties have contributed to the cost of the installations (note that this could be personal data as well).

19. SW funding duplication data. As referred to in paragraph 9 above, BEIS and/or its delivery partners on other government schemes may match the SW scheme delivery data and SW Fraud and Non-Compliance data with other datasets to check that ineligible blending or duplication of funding has not taken place. Where a potential case of ineligible blending or duplication of funding is identified, BEIS may notify the Authority and share data with the Authority relating to the suspected duplication or blending of funding that has been identified. Such notifications would be on an ad-hoc basis as required and would be expected to include personal data collected under other government schemes. The Authority will only use the SW funding duplication data for the purposes of fraud prevention and supporting the administration of SW. The data shared is expected to include (but is not limited to):

- The address of the relevant property
- The relevant measure
- The date of installation
- The name of the government scheme under which the installation was funded.

How data will be shared

20. The Authority will share the SW scheme delivery data and SW Fraud and Non-Compliance data with the BEIS Energy Statistics team. The SW scheme delivery data and SW Fraud and Non-Compliance data will be shared in a password-protected report, for example using Egress, a Secure FTP or platform, restricted folders on Sharepoint or another method which has been approved by the BEIS Departmental Security Officer as being suitable for the transfer of personal data.

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21. Once the Authority has provided the SW scheme delivery data and the SW Fraud and Non-Compliance data to BEIS, BEIS may in turn share this data with other third parties, including other Government Departments and its third party contractors. These arrangements are detailed further below in relation to purpose limitation.
22. In line with paragraph 7 of this DSA, the SW scheme delivery data will be shared by the Authority on a monthly basis for the duration of the Funding Period or, if later, until the Authority has shared with BEIS the SW scheme delivery data in relation to each installation the Authority has delivered under SW. In line with the SW 1 guidance documents, the Authority will share SW scheme delivery data relating to an installation no later than the 10th working day of the month following the installation.
23. SW Fraud and Non-Compliance data will be shared by the Authority with BEIS on an ad-hoc basis as and when issues of fraud and non-compliance are identified.
24. BEIS will share the SW funding duplication data with the Authority in a password-protected report, for example using Egress, a Secure FTP, restricted folders on Sharepoint or another method which has been approved by the BEIS Departmental Security Officer as being suitable for the transfer of personal data.
25. BEIS and the Authority will store all personal data received under this DSA in restricted access folders held on a restricted access secure server. Further information about the safekeeping of the data is set out further below under Principle 6 - integrity and confidentiality.
26. Where BEIS share the SW scheme delivery data and SW Fraud and Non-Compliance data with third parties (including other government departments) as specified in paragraphs 37 to 39, the data will be shared in a password-protected report, for example using Egress, a Secure FTP, restricted folders on Sharepoint or another method which has been approved by the BEIS Departmental Senior Security Advisor as being suitable for the transfer of personal data.

Legal Gateways

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27. Except as provided for in paragraph 28 below, the lawful basis for the Partners sharing the personal data covered by this DSA and for the Partners processing the data in the way described in this DSA is that it is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller (Article 6(1)(e) of the UK GDPR). Specifically, this data sharing and processing is required in order for:

- [LA to add any specific LA functions that are supported by SW data sharing.]
- BEIS Secretary of State to carry out his functions in relation to fuel poverty as set out under the Warm Homes and Energy Conservation Act 2000 and the Fuel Poverty (England) Regulations 2014; and
- [LA to confirm content with this and, if so, add further relevant examples] each Partner to carry out their functions as regards effectively managing the spending of public funding, including BEIS being able to review how and where the SW funding is spent, including decisions as to whether further tranches of funding should be provided to the Authority as well as assessing whether the funding has achieved its objectives.

The full list of purposes for which processing of data under this DSA is needed are set out under Principle 2 – Purpose Limitations below.

28. [LA to confirm content with this legal gateway.] The lawful basis for the Authority sharing with BEIS, and BEIS using, the personal data covered by this DSA to re-contact consumers in the way described in this DSA is that the data subject has given consent for BEIS or its contractors to re-contact him or her (Article 6(1)(a)). As per paragraphs 75 and 77 of the MOU, it is the responsibility of the Authority to seek to obtain the relevant consent in accordance with the DPA and UK GDPR.

Data Controller relationship

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- 29.** BEIS is an independent controller for the personal data it shares with the Authority under this DSA. Except to the extent the Authority informs BEIS otherwise in writing prior to the data share, the Authority is an independent controller for the personal data it shares with BEIS under this DSA. Each Partner becomes an independent controller on receipt of any personal data shared with them by the other Partner.

Transparency

- 30.** The Authority accepts responsibility for not only providing privacy information to all installers, whether their own or sub-contracted, but also for ensuring that all installers provide privacy information to households and landlords to whom a measure is promoted in compliance with the DPA and the UK GDPR. In addition, the Authority will ensure that the privacy information includes content which alerts the data subject to the fact that their personal data will be passed from the installer to the Authority, and then from the Authority to BEIS. The privacy information will state that, in addition to the data being used for management and delivery of the scheme, BEIS may also use some of the data for evaluation, auditing, research, statistical and fraud prevention purposes. The privacy information will also indicate that the data may also be linked to other data sources held by BEIS and other Government departments, and shared with Ofgem, BEIS contractors and other third parties, for these purposes. BEIS have provided a privacy notice (see Annex 6 of the MoU) for this purpose which the Authority has responsibility for ensuring is shared with data subjects.
- 31.** The Authority accepts responsibility for seeking to obtain explicit consent from households, landlords and installers to be recontacted for the purposes of evaluation of SW and further research and evaluation. The Authority will maintain evidence of consent and share this with BEIS in the SW scheme delivery data. The Authority will inform BEIS should it become aware of a withdrawal of consent.
- 32.** As part of BEIS's and the Authority's ongoing UK GDPR compliance, their respective privacy notices are regularly updated as required to ensure that the data subject's rights are complied with.

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Principle 2 - purpose limitation

- 33.** The Authority will, as necessary, disclose personal data to BEIS. The primary purposes for sharing and processing the data covered by this DSA are to:
- support the administration of SW,
 - support an assessment of whether SW has achieved its objectives,
 - support BEIS to effectively publish statistical reports relating to SW,
 - support an evaluation of SW and associated home energy policies, and
 - support effective management of fraud and non-compliance under SW.
- 34.** As set out in the SW guidance documents, SW cannot be blended with other government schemes such as the Energy Company Obligation (ECO) for the same individual measure, or in the case of the Renewable Heat Incentive (RHI) can be blended subject to RHI rules. BEIS may therefore use the SW scheme delivery data and SW Fraud and Non-Compliance data to identify where installations may be receiving funding under more than one Government scheme. This will entail BEIS or delivery partners for other relevant schemes carrying out data matching of addresses to look for potential duplication. This may entail BEIS sharing data with delivery partners of those other schemes, for example Ofgem who administer the Energy Company Obligation and the Renewable Heat Incentive. In the future this may involve delivery partners of other schemes. Details of the onwards sharing are set out in paragraph 37. Where relevant blending of or duplication of funding is identified, BEIS may share personal data with the Authority in the form of the SW funding duplication data to enable the Authority to effectively manage their delivery and for fraud prevention.

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35. In addition, BEIS may use some of the data shared by the Authority to review and develop Government policy, and for research, evaluation and statistical purposes and may, for these purposes, link the data with other data sources held by BEIS and other Government departments. The following are examples of analysis and research that are expected to be undertaken:

- analysing whether the presence of SW installations leads to a significant change in energy consumption by matching SW measures data to the National Energy Efficiency Database, and Cavity Insulation Guarantee Agency or other related similar operational databases;
- linking the SW scheme delivery data to other record level data from other centrally administered energy efficiency programmes (within an address spine), enabling BEIS to assess the following without double counting properties:
 - progress against fuel poverty targets;
 - insulation levels for the overall housing stock in Great Britain, and impact on remaining potential for cavity wall, solid wall and loft insulation;
 - the characteristics of recipients (e.g. location, property type, tenure, vulnerability group) to inform future policy making;
 - interaction between SW and the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.
- address matching SW installations through the National Energy Efficiency Data-Framework to maintain a central database of property characteristics, household characteristics, energy consumption and EPCs.

36. This is not an exhaustive list of purposes for which the data might be used. For example, SW scheme delivery data may be used to answer a number of internal (to BEIS) ad-hoc requests and this DSA does not cover the use of data for other external purposes.

Onward disclosure

37. In order to effectively audit and manage SW and other Government schemes, BEIS may need to share the SW scheme delivery data and SW Fraud and Non-Compliance data with delivery partners of current or future energy efficiency or low carbon heating government support schemes. This ensures that SW funded installations are not already or subsequently subsidised under other Government schemes, or in the case of the Renewable Heat Incentive (RHI) or successor schemes, in breach of the RHI rules. Where this data sharing is necessary BEIS will put a data sharing agreement in place with the relevant delivery partner to support sharing of the data.

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38. BEIS may share SW scheme delivery data and SW Fraud and Non-Compliance data with its third party contractors to support the delivery of research and evaluation or for auditing SW installations to confirm compliance with scheme guidance. This data sharing will be based on a contractual relationship with the third parties and a data sharing agreement will be put in place for this purpose. The Authority may share the personal data with its third party contractors subject to review and approval of the third party contractor by the Authority's Information Asset Owner. In this scenario, the Authority would be the controller for the personal data and the third party contractor would be the processor.
39. BEIS may need to share SW scheme delivery data and SW Fraud and Non-Compliance data with other Government departments where it is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the department (Article 6(1)(e) of the GDPR). A data sharing agreement would be put in place for this purpose.
40. The exact data items that will be included within the onward disclosures listed above cannot be confirmed at this stage. BEIS will comply with the 'data minimisation' principle set out in UK GDPR Article 5(1)(c) and ensure that the onward disclosure of data is restricted to only that data required by the third party to support the purpose for which the data is shared.

Principle 3 - data minimisation

41. Each Partner organisation confirms that the information being shared under this DSA is the minimum amount of personal data that is necessary to achieve the purposes for which it is being shared.

Principle 4 - accuracy

42. In line with the monitoring and evaluation section of the SW guidance documents, the Authority will carry out a series of checks on the accuracy of SW scheme delivery data, and the SW Fraud and Non-Compliance data before it is shared with BEIS. These checks include:
 - checking the eligibility of the households and installers;
 - checking for data completeness; and

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- carrying out data validation checks.

43. BEIS will also conduct checks of the SW scheme delivery data it receives from the Authority in order to identify reporting errors, double counting or ineligible households or installers.

44. If, after personal data has been passed from the Authority to BEIS, or from BEIS to the Authority, either Partner identifies an error in that information then the following process for correcting the error will apply:

- A Partner will notify the other Partner within five working days of identifying an error in the personal data.
- For the SW scheme delivery data and SW Fraud and Non-Compliance data, the Authority will then:
 - a.** take reasonable steps (including liaising with the relevant installer) to clarify and correct the data, and
 - b.** promptly notify BEIS of any correction to the data.
- For the SW funding duplication data, BEIS will then:
 - a.** take reasonable steps (including liaising with any relevant delivery partner(s)) to clarify and correct the data, and
 - b.** promptly notify the Authority of any correction to the data.

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Principle 5 - storage limitation

45. BEIS will retain the SW scheme delivery data and SW Fraud and Non-Compliance data for up to 25 years after the end of the Funding Period for the purposes noted above. SW performance monitoring data is not subject to a specified retention period since it does not contain any personal data. In line with the storage limitation principle (UK GDPR Article 5(1)(e)) BEIS will review the SW scheme delivery data and SW Fraud and Non-Compliance data it holds at the end of the Funding Period and at regular periods thereafter to ensure that data is only retained for as long as it is needed up to the full 25 years.
46. The Authority will retain the SW scheme delivery, SW Fraud and Non-Compliance data and SW funding duplication data in accordance with its retention and disposal policy.
47. Partners will destroy or delete all personal data at the end of the retention periods using a process that is in line with their existing data destruction processes.
48. The use of anonymised or pseudonymised data will be considered as the primary form of data sharing with parties outside of BEIS. Only where the required purpose cannot be achieved using anonymised or pseudonymised data will identifiable personal data be shared.
49. In order to achieve the purposes set out in Principle 2 (purpose limitation) above, identifiable personal data, rather than anonymised or pseudonymised data, is required to be processed by the designated BEIS teams referred to in paragraph 53 of this DSA. As set out in paragraph 54 of this DSA, non-designated BEIS teams will only have access to anonymised data.

Principle 6 - integrity and confidentiality

50. The following information security measures will be put in place by BEIS and the Authority to ensure the safekeeping of the data shared with it as covered by this DSA, including, and with particular reference to, the personal data. The Partners agree to work and comply with their respective information assurance and data protection policies.
51. BEIS will hold the SW scheme delivery data on the Cloud Based Analytical System (CBAS), BEIS' IT system for analytical software and data storage. Information on CBAS will be classified as OFFICIAL-SENSITIVE-PERSONAL and will be

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restricted to named individuals. Access requires provision of a username, password and one-time passcode issued to the users mobile device. All CBAS servers comply with ISO 9001, ISO 14001 and ISO 27001. BEIS will hold the SW Fraud and Non-Compliance data in a secure Sharepoint folder with access controls limiting access to those on the SW data access list. For reference, the SW performance monitoring data will be held in an unrestricted Sharepoint folder.

52. Only designated BEIS teams and nominated third parties, in line with paragraphs 48 and 49 of this DSA, will be able to access the SW scheme delivery data and the SW Fraud and Non-Compliance data containing the personal data. BEIS acknowledges and agrees that:

- the designated BEIS teams will be named in an internally held SW data access list and kept to a reasonable minimum;
- it will maintain the SW data access list and share it with the Authority as required on request;
- BEIS will require that the mandatory annual “Responsible for Information” eLearning, or equivalent, will be completed by all persons within those teams granted access.

53. Only designated teams within the Authority and nominated third parties will be able to access the SW funding duplication data. The Authority acknowledges and agrees that:

- the designated teams will be named in an internally held SW funding duplication data access list and kept to a reasonable minimum;
- it will maintain the SW funding duplication data access list and share it with BEIS as required on request;
- the Authority will require that appropriate information handling training will be completed by all persons within those teams granted access.

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54. Non-designated teams within BEIS may also use an anonymised version of the SW scheme delivery data and SW Fraud and Non-Compliance data, that excludes address and any record-level identifiers, for internal analysis only. BEIS will only publish aggregate results that meet the requirements of Principle T6.4 of the Code of Practice for Official Statistics on confidentiality. Generally the underlying data will not be published by BEIS, however, in order to comply with the Government Social Research Publication Protocol, BEIS may publish datasets resulting from SW participant surveys. The publication of this data may require inclusion of data extracted from the SW scheme delivery data, however, publication in this instance would only be conducted where the data could be fully anonymised and complies with Principle T6.4 of the Code of Practice for Official Statistics on confidentiality.
55. The Project Director for SW (or successor) has been appointed as the BEIS Information Asset Owner of the SW scheme delivery data and SW Fraud and Non-Compliance data and, as such, is ultimately responsible for the security of the SW scheme delivery data and SW Fraud and Non-Compliance data provided by the Authority.
56. *<LA insert Information asset name and role>* (or successor) has been appointed as the Authority's Information Asset Owner of the SW funding duplication data and, as such, is ultimately responsible for the security of the personal data provided by BEIS under this DSA.
57. All Partners confirm that, as a minimum, they have considered the risks of the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to any personal data processed under this DSA, and have arrangements in place to manage or mitigate these risks.

Principle 7 - accountability

58. All Partners confirm that they can demonstrate compliance with the data protection principles.
59. BEIS confirms that the processing of the SW scheme delivery data, the SW Fraud and Non-Compliance data and SW funding duplication data covered in this DSA will be added to BEIS's existing central record of processing.

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60. The Authority confirms that the processing of the SW scheme delivery data, the SW Fraud and Non-Compliance data and SW funding duplication data covered in this DSA *[will be included in the Authority's existing central record of processing / does not need to be included in the Authority's existing central record of processing because [LA TO INPUT]].*

Rights of data subjects

The rights of data subjects are set out in the table below:

<i>Right to:</i>	<i>Applies?</i>	<i>If yes, are any additional actions required. If no, why this right does not apply.</i>
<i>Transparent information (Article 12)</i>	Y	The Authority takes responsibility for ensuring that appropriate fair processing and privacy notices are provided to data subjects.
<i>Information when data collected from data subject (Article 13)</i>	Y	The Authority takes responsibility for ensuring that appropriate fair processing and privacy notices are provided to data subjects.
<i>Information when data collected from elsewhere (Article 14)</i>	Y	The Authority takes responsibility for ensuring that appropriate fair processing and privacy notices are provided to data subjects, either by itself or by the installers working on its behalf.
<i>Access by data subject (Article 15)</i>	Y	Where either Partner receives a data access request from a data subject, this will be actioned in line with the relevant Partner's existing policies for handling such requests.

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<i>Rectification (Article 16)</i>	Y	Where a Partner receives a rectification request from a data subject, this will be communicated to the other Partner within 5 working days. Where this request results in concluding there is an error in the original data, this will be notified to the other Partner within 5 working days.
<i>Erasure (Article 17)</i>	Y	Where a Partner receives an erasure request from a data subject, this will be communicated to the other Partner within 5 working days. The eligibility of each erasure request will be reviewed by each Partner in line with article 17 of the UK GDPR and a decision made regarding the nature of the processing undertaken by that Partner.
<i>Restriction of processing (Article 18)</i>	Y	Data subjects have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of their personal data is restricted. Where a Partner receives a restriction of processing request from a data subject, this will be communicated to the other Partner within 5 working days.
<i>Notification regarding rectification, erasure, or restriction</i>	Y	BEIS will notify any parties with whom it has shared the data within 5 working days of an action being taken under a request for

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<i>(Article 19)</i>		rectification, erasure or restriction, unless this proves impossible or involves disproportionate effort.
<i>Data portability (Article 20)</i>	N	The personal data processed by BEIS under this DSA is not provided by the data subject to BEIS and is not processed by BEIS on the basis of consent (other than for re-contact purposes) or for the performance of a contract.
<i>Object to processing (Article 21)</i>	Y	Data subjects may object to the processing of their data, but the request may be refused if it would prevent the administration and auditing of the scheme and use of the data for fraud prevention and/or statistical purposes. Data subjects will be notified of their right to object via the fair processing and privacy notices mentioned above in relation to articles 12, 13 and 14 of the UK GDPR and for which the Authority takes responsibility. Where a Partner receives an Object to Processing request from a data subject, this will be communicated to the other Partner within 5 working days.
<i>Automated decision-making and profiling (Article 22)</i>	N	It is not expected that automated decision-making or profiling will be required under this DSA.

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Governance and administration

Data Protection Impact Assessments

61. BEIS is completing a Data Protection Impact Assessment for the processing that it will undertake in relation to this DSA. The DPIA considers BEIS's processing activities including analysis and publication of data for statistical reasons and sharing of data with its third party contractors and delivery partners of relevant schemes. The DPIA is available on request.
62. *[State here whether the LA has completed a Data Protection Impact Assessment (DPIA) and, if so, whether it covers this data share and whether it has been or will be published. If no DPIA has been completed, explain why this was not necessary.]*

Offshoring

63. Personal data shared with BEIS will be stored on its IT infrastructure and may therefore also be shared with its data processors Microsoft and Amazon Web Services. The data may therefore be transferred and stored securely outside the UK and European Economic Area. Where that is the case it will be subject to equivalent legal protection through the use of Model Contract Clauses.

Data processors and sub-processing

64. BEIS may share personal data with its third party contractors to support the evaluation and auditing of SW as well as for statistical, research and fraud prevention purposes. The third party contractors will be processors for BEIS.
65. The Authority may share the SW funding duplication data with its third party contractors to support the administration of SW. The third party contractors will be processors for the Authority.

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Consultation

66. BEIS consults with the BEIS Data Protection Officer in the process of completing its DPIA. Data subjects will not be consulted before the processing covered by this DSA commences, however, data subjects will be notified of the data processing as per paragraph 30.
67. *State here whether LA has consulted with their Data Protection Officer, or otherwise (for example through the DPIA process) obtained specialist data protection advice. Also state whether data subjects or their representatives have been, or will be consulted before the processing covered by this Agreement commences.*

Automated decision-making and profiling

68. It is not expected that any automated decision-making or profiling will be undertaken by BEIS with the SW scheme delivery data or SW Fraud and Non-Compliance data, or by the Authority with the SW funding duplication data.

Necessity and proportionality

69. BEIS is completing a DPIA regarding the processing covered by this DSA, including a consideration of necessity and proportionality. The proposed processing is deemed as necessary and proportionate.

Freedom of Information Requests

70. Partners subject to the requirements of FoIA and the Environmental Information Regulations 2006, will assist and cooperate with each other, to enable each to comply with its information disclosure obligations.
71. Where a request for information under FoIA or the Environmental Information Regulations 2006 is received by a Partner to this DSA, which relates to data that has been provided by another Partner under this DSA, the Partner receiving the request will take reasonable steps, where appropriate, to give the other Partner advance notice to allow it the opportunity to make representations on the potential impact of disclosure, or failing that, to draw the disclosure to the other Partner's attention after any such disclosure.

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- 72.** Each Partner shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the provisions of the FoIA or the Environmental Information Regulations 2006.

Personal data breaches

- 73.** The Partners will follow their own internal processes on the discovery of a personal data breach and advise their own security teams.
- 74.** In addition, each Partner will notify the other Partner of any personal data breach that relates to this data share, via direct contact with the project leads named in Appendix B of this DSA within 72 hours of discovering the personal data breach.
- 75.** In the event of a personal data breach (or where there is reasonable cause to believe that such an incident may arise), the Partners will delay data transfers until the cause or incident is resolved, as authorised by the BEIS Information Asset Owner and Authority equivalent. If the breach cannot be resolved or if - in the view of the Partners – it is very serious, data transfers will stop and will not resume until the BEIS Informational Asset Owner and Authority equivalent are satisfied with the security arrangements.
- 76.** Any Partner who decides that a personal data breach that affects, or is relevant to, the processing under this DSA must be self-reported to the ICO shall ensure that the other Partner is notified of this.

Dispute Resolution

- 77.** Disputes between the Partners regarding the operation of this DSA will be resolved in the following way:
- In the first instance a material breach will be reported between the project leads on each side, named in Appendix B of this DSA. An assessment by the breaching party will be conducted promptly to identify if the breach is ongoing or was a one-off, and the potential impact of the breach.
 - All material breaches will be notified to the Data Protection Officers in BEIS and *[LA NAME]*. The outcomes of the assessment conducted by

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the project leads on each side, named in Appendix B of this DSA, will be discussed and actions identified.

Review

- 78.** Scheduled formal reviews of this DSA are not expected to take place to assess the ongoing effectiveness of this data sharing initiative and this DSA. This DSA will only be reviewed if the purpose of the processing changes, or the processing otherwise changes in a way that affects the rights of data subjects.

Termination

- 79.** Any Partner can terminate this DSA, without giving a reason, on expiry of one (1) month's written notice to the others. Notice of termination would also trigger a formal review of the SW grant funding provided to *the Authority*.
- 80.** Any Partner can terminate this DSA with immediate effect, where another Partner materially breaches any of its obligations to this DSA.
- 81.** Termination notices should be addressed to the Information Asset Owners at BEIS and the Authority.
- 82.** In the event of termination, data will cease to be shared under the terms of this DSA.

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Signatories

Signed by	
Representing the Secretary of State of the Department for Business, Energy & Industrial Strategy	
Name: <i>[insert name and position e.g. Deputy Director]</i>	
Full contact details: <i>[insert address, telephone number and email address]</i>	
Date:	

Signed by: <i>[should be Senior Responsible Owner or equivalent]</i>
Representing <i>[insert name of partner organisation]</i>

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Name: <i>[insert name and position in organisation. This should be a senior person with adequate authority to be fully accountable.]</i>	
Full contact details: <i>[insert address, telephone number and email address]</i>	
Date:	

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Appendices

Subject

Appendix

Summary of Processing

A

Contact details for key members of staff from Partner organisations

B

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Appendix A – Summary of Processing

Description	Details
Subject matter of the processing	The processing relates to the delivery of the SW.
Duration of the processing	Processing will commence on and from the date on which this DSA is signed by, or on behalf of, both Partners. Personal data will be retained only for as long as it is needed and, in any case, up to a maximum of 25 years after the end of the Funding Period.
Nature and purposes of the processing	<p>The Authority will share with BEIS personal data relating to delivery of SW. BEIS will process the data, including matching it with other datasets and onward sharing with other parties, to effectively manage and review the use of public funds and to support further research, evaluation and statistical reporting.</p> <p>If relevant blending or duplication of funding is identified, BEIS may share personal data with the Authority so it can effectively manage delivery of SW and for fraud prevention purposes.</p>
Type of Personal Data that will be processed	<p>It is expected that the delivery partners will collect personal data including (but not limited to):</p> <ul style="list-style-type: none"> - Name, address, phone, email of the property owner - Details of the property and installation undertaken - Details and contact information of the installer
Types of Special Category data	<i>Special Category data is not expected to be shared.</i>
High risk processing	<i>[State whether (and if so, why) the processing “is likely to result in a high risk to the rights and freedoms of individuals” as specified in the relevant EU guidance]</i>

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Law enforcement	N/A
Criminal convictions data	N/A
Categories of Data Subject	Households and owners of properties offered home energy upgrades under SW Installers of home energy upgrades under SW Third parties providing additional funding for home energy upgrades under SW.

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Appendix B – Key contact details

BEIS	
Senior Project Manager	sustainable.warmth@beis.gov.uk
<i>Insert name of Partner Organisation</i> <i>Insert Job title, e.g. Chief Executive</i>	<i>Insert name, email address and telephone number</i>

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Annex 6: BEIS Standardised Privacy notice

Privacy Notice

This notice sets out how the Department for Business, Energy and Industrial Strategy (BEIS) will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the UK General Data Protection Regulation (GDPR).

This notice relates to data collected under the **<LA scheme name>** operated by **<LA Name> <and Delivery Partner Name>**, which is funded by the Sustainable Warmth Scheme (the Scheme) run by BEIS.

YOUR DATA

The data

Your data will be shared with us by **<LA Name>**. We will process the following personal data:

Customers:

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- Address and details of property receiving the energy efficiency or low-carbon heating installation(s) under the Scheme
- Details about the installation(s) installed at the property under the Scheme, including type, size and cost
- Contact address (if not the property receiving the installation(s))
- Address and details of property offered, but not receiving, installation(s) under the Scheme
- Your name
- Household income and any other scheme eligibility information
- Any financial contribution you have made towards the installation(s) under the Scheme
- SAP or RdSAP assessments with scores
- Email address (optional)
- Phone number (optional)

Installers:

- Your name
- Relevant accreditation and registration information
- Contact address
- Email address
- Phone number
- Details of installations delivered under the Scheme
- Whether directly contracted or sub-contracted to install installations under the Scheme
- The number of employees in your organisation

Purpose

The purpose(s) for which we are processing your personal data is to support the delivery and administration of the Scheme.

Delivery and administration of the Scheme may require linking of your data to other datasets held by the Department for Business, Energy and Industrial Strategy (BEIS).

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BEIS will be conducting an evaluation of the Scheme. This may include you being contacted to take part in further research. Where the research involves processing of personal data in addition to that already collected for delivery of the Scheme, you will be given the opportunity to opt-in to that research at the point of contact.

Your data may also be used for statistical, research and fraud prevention purposes.

Legal basis of processing

The legal basis for processing your personal data is:

Public task: Processing is necessary for the performance of a task carried out in the public interest.

The specific public task is the delivery, administration and evaluation of, as well as statistical, research and fraud prevention purposes relating to, the Scheme, a government funded scheme aiming to raise the energy efficiency of low energy performance homes (especially those rated at EPC Band E, F or G). The Government funding is provided to Local Authorities who set up arrangements for consumer engagement and the delivery of installations in homes.

Consent: Use of your personal data to contact you to take part in further research will be subject to your consent.

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Recipients

Your personal data will be shared with:

- The Department for Business, Energy and Industrial Strategy (BEIS) and its contractors for delivery, administration and evaluation of the Scheme, statistical, research and fraud prevention purposes.
- Ofgem and delivery partners of central and local government home energy schemes such as the Energy Company Obligation and Renewable Heat Incentive

Your personal data may also be shared with other Government departments where necessary.

We may share your data if we are required to do so by law, for example by court order or to prevent fraud or other crime.

Personal data shared with BEIS will be stored on our IT infrastructure and may therefore also be shared with our data processors Microsoft and Amazon Web Services. As personal data shared with BEIS will be stored on our IT infrastructure, and may be shared with our data processors Microsoft and Amazon Web Services, your data may be transferred and stored securely outside the UK and European Economic Area. Where that is the case it will be subject to equivalent legal protection through the use of Model Contract Clauses.

Retention

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Your personal data will be stored securely by BEIS for a maximum period of 25 years following the close of the Scheme. BEIS may choose to store anonymised data beyond this period.

YOUR RIGHTS

You have the right to request information about how your personal data are processed, and to request a copy of that personal data.

You have the right to request that any inaccuracies in your personal data are rectified without delay.

You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.

You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.

You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.

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You have the right to object to the processing of your personal data.

You have the right to withdraw consent to the processing of your personal data at any time, where processing is based on your consent.

HOW TO MAKE A REQUEST

If you wish to make a request associated with any of the rights listed above, contact BEIS using the contact details at the bottom of this notice.

COMPLAINTS

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane

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Wilmslow
Cheshire
SK9 5AF

0303 123 1113

Email: casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

CONTACT DETAILS

You can contact the BEIS Data Protection Officer at:

BEIS Data Protection Officer
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Email: dataprotection@beis.gov.uk

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Annex 7: Approved Application Proposal – Holding Place

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Annex 8: Monthly Dashboard Report Template (Draft)

A cloud based online system is being developed to allow Authorities to input the data sets needed to report against the KPIs. The Authority will be required to provide the monthly total homes validated as eligible for the scheme applied for (HUG Phase 1 or LAD or if both then they must be reported separately and both provided). Also, the Authority will be asked to provide the monthly total homes completed for the scheme. This monthly report will be baselined against the forecast the Authority will complete as part of the grant application form.

For details of what the monthly report is likely to contain, please see paragraph 53.

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Annex 9: Recovery Plan (draft – final template to be provided to the Authority)

Local Authority	Grant Reference	Grant Name	Local Authority Lead	Report Date
INSERT FULL NAME	INSERT REFERENCE	HOME UPGRADE GRANT PHASE 1/LOCAL AUTHORITY DELIVERY PHASE 3 <i>(delete as appropriate)</i>	INSERT LEAD OFFICIAL	INSERT DATE

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#	Interventions	Target Date		Status	Owner
1				R/A/G	
2				R/A/G	
3				R/A/G	
4				R/A/G	
5				R/A/G	

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Annex 10: DRAFT Monitoring and Evaluation Data Dictionary Template

The Authority will provide data and information in accordance with the table below for monitoring and evaluating purposes, this includes (but may be subject to change): Application or Referral Information, Installation data, Installation Information and Scheme Delivery Information.

In accordance with paragraph 81, the Secretary of State, the Authority and its contractors, partners or agents will comply with the Data Protection Act 2018. BEIS will ensure the final version of this template, and accompanying data sharing agreement, support compliance but it is the responsibility of the Authority to ensure appropriate processes are implemented across delivery to ensure compliance.

Application or Referral Information	Response
Application Reference Number	
Applicant Name	
Applicant Email Address	
Applicant Contact Number	
Contact Consent	
Property Address (first line)	
Town	
Postcode	

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UPRN	
Landlord application	
Applicant Address	
Applicant Postcode	
Household Initial Contact Date	
Household Initial Response Date	
Application Date	
Application Status	
Application Approved by LA	
Application Approval Date by LA	
Rejection Reason by LA	
Date agrees to installation	
Date refuse installation	
Reason for installation refusal	
Install Measures Decision Date	
Eligibility Criteria	

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Low Income Household?	
Fuel Poor Household	
Current EPC RRN	
Current EPC Rating	
Property Tenure	
Property Type	
Property Year Built	
Property Floor Space	
Property Number of Floors	
Property Number of Rooms	
Smart Meter Installed?	
Loft?	
Occupancy	
On or off gas grid property	
Current Heating System Type	
Current Heating Fuel Source	

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Current annual electricity use	
Current annual gas use	
Existing energy efficiency measures	
Number of measures to install	
Solid Wall Insulation	
Under Floor Insulation	
Cavity Wall Insulation	
Loft Insulation	
Flat Roof Insulation	
Room in Roof Insulation	
Park Home Insulation	
Air Source Heat Pump	
Ground Source Heat Pump	
Solar Thermal	
Biomass Boiler	
Draught Proofing	

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Double Glazing	
Triple Glazing	
Secondary Glazing	
External Energy Efficient Doors	
Heating Controls	
Hot Water Tank Thermostats	
Hot Water Tank Insulation	
Proposed Installer Name	
Proposed Installer Trustmark number	
Total Cost of Application	
Cost of Measure Equipment	
Cost of Installation/Labour	
Cost of Repair	
Amount of funding from government	
Amount of self-funding	
Installation Information	Response

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Application Reference Number	
Measure Reference Number	
UPRN	
Date of Starting Installation	
Date of Completed Installation	
Duration of Installation Work	
Installer Name	
Installer Email Address	
Installer Phone Number	
Installer Consent to Contact	
Trustmark Business ID number	
MCS License Number	
PAS Certification Number	
TrustMark Measure Reference Number	
TrustMark Lodge mark Certificate Number	
Measure Type	

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Model Number	
Percentage of property treated (POPT)	
Lifetime (years)	
Insulation Top-up	
Number of walls	
Amount of pre-existing insulation	
Heat_Pump_Capacity	
Heat_Pump_Annual_Generation	
Heat_Pump_SCOP	
RHI accredited.	
Solar_Thermal_Panels	
Solar_Thermal_Installed_capacity	
Solar_Thermal_Estimated_Annual_Generation	
Solar_Thermal_Orientation	
Solar_Thermal_Inclination	
Biomass_Boiler_Model	

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Warranty	
Boiler_Repair	
Boiler_Upgrade	
Post_Installation_Heating_Type	
Solar_PV_Panels	
Solar_PV_Installed_capacity	
Solar_PV_Estimated_Annual_Generation	
Solar_PV_Orientation	
Solar_PV_Inclination	
Heating Control Type	
Hot_Water_Tank_Insulation_Type	
Post-installation EPC RRN	
Post-installation EPC Rating	
Job Estimate for Measure_FTE	
Quality Checks	
Scheme Delivery Information	Response

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Delivery Partner	
Eligible Households	
Contacted Households	
Method of Communication	
Method of Targeting Households	
Households agreeing to an installation.	
Number of homes receiving a measure.	

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Annex 11: Privacy Notice concerning LA and delivery partner contact details



LA Privacy Notice

This notice sets out how we (the Department of Business, Energy and Industrial Strategy) will use personal data provided by local authorities in connection with their application under the Sustainable Warmth Competition and sets out your rights. It is made under Articles 13 and/or 14 of the UK General Data Protection Regulation (UK GDPR). Note a separate privacy notice has been provided to local authorities for use with householders and other data subjects in the delivery of measures under the Sustainable Warmth Competition.

YOUR DATA

The data

We will process the following personal data:

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Names and contact details of local authority employees and delivery partners involved in preparing and submitting the application under the Sustainable Warmth Competition.

Names and contact details of employees and delivery partners involved or proposed to be involved in implementation of the application if it is successful.

Purpose

The purpose(s) for which we are processing your personal data is to utilise our in-house Customer Relationship Management (CRM) system to enable better relationship management in conjunction with the consideration of the local authority's application and its subsequent implementation under the Sustainable Warmth Competition if the application is successful. This includes using the personal data to communicate Sustainable Warmth Competition updates, training notices, information on future schemes and opportunities and invitations to relevant events.

Legal basis of processing

The legal basis for processing your personal data is that the processing is necessary for the performance of a task carried out in the public interest. The public task is the performance of functions under s.31 of the Local Government Act 2003, the duty to ensure public money is used responsibly and functions under fuel poverty and climate change legislation.

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Recipients

Your personal data may be shared by us we are required to do so by law, for example by court order or to prevent fraud or other crime.

As your personal data will be stored on our IT infrastructure it will also be shared with our data processors Microsoft and Amazon Web Services.

Retention

Your personal data will be kept by us for a period of 6 years from the date set for completing the implementation of the local authority's application under the Sustainable Warmth Competition or from the last provided update.

YOUR RIGHTS

You have the right to request that any inaccuracies in your personal data are rectified without delay.

You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.

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You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.

You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.

You have the right to object to the processing of your personal data.

INTERNATIONAL TRANSFERS

As your personal data is stored on our IT infrastructure and shared with our data processors Microsoft and Amazon Web Services it may be transferred and stored securely outside the UK and European Economic Area. Where that is the case, it will be subject to equivalent legal protection through the use of Model Contract Clauses.

COMPLAINTS

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If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an UK independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

0303 123 1113

casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

CONTACT DETAILS

The data controller for your personal data is the Department for Business, Energy & Industrial Strategy (BEIS). You can contact the BEIS Data Protection Officer at:

BEIS Data Protection Officer
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Email: dataprotection@beis.gov.uk

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Annex 12: Scheme Participant Privacy notice guidance

This document is for LAs in receipt of grants under the Sustainable Warmth Scheme (the Scheme). It provides guidance on how the Scheme's UK GDPR Privacy Notice should be used.

LA obligations

Section 4.2 – Monitoring and Evaluation of the Scheme Guidance states that:

LAs that receive funding have the responsibility of ensuring that all installers or delivery partners collect and provide appropriate information specified by BEIS to support monitoring and evaluation. Details of this will be outlined in the MoU. To achieve this, prior to collecting any data from subjects under this scheme, LAs are expected to:

- Include our data collection requirements in all relevant contracts with installers and delivery partners, ensuring they understand and accept them.*
- Ensure they display or make available our standardised Privacy Notice to all data subjects, prior to the collection of data, to support compliance with data processing transparency requirements.*
- Where explicit consent is required from data subjects (such as for permission to re-contact), to use either BEIS's suggested consent statement or functional equivalent to capture this consent and maintain logs of this in your scheme data, as per our specified requirements there.*
- Agree and sign a standardised Data Sharing Agreement between the LA and BEIS, establishing the roles, process, scope and purpose of sharing this Management Information data between our organisations.*
- Demonstrate sufficient resource in their bids to manage the above requirements to an effective level of quality, and to maintain this for the full project duration.*

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Meeting the obligations set out above requires the processing and sharing of personal data. As per paragraph 75 of the MoU, LAs are expected to provide BEIS with a monthly report containing record-level management information data on the status and characteristics of each installation delivered (See MoU Annex 10 for the Data Dictionary). This is called the Scheme Delivery data. The UK General Data Protection Regulation (GDPR) requires that organisations that collect personal data from individuals must provide detailed and specific information in their privacy notices.

Failure to sufficiently notify data subjects about the processing of their data could constitute a breach of UK GDPR. To ensure compliance with data protection principles, BEIS has provided LAs with a BEIS Privacy Notice that must be shared with data subjects on behalf of BEIS. Unless not processing any personal data, LAs are required to also share their own separate Privacy Notice with data subjects, covering LA processing of the data. In line with [ICO guidance](#), this should include:

- The contact details of their organisation, and their data protection officer (if applicable).
- The purposes of processing the data.
- The lawful basis for processing the data.
- The categories of personal data obtained.
- The recipients of the personal data and who it will be shared with.
- Details of any international transfers.
- The retention period.
- The rights available in respect of the processing.
- The right to lodge a complaint to ICO.

Using the privacy notice

As outlined above, all individuals (data subjects) participating in the Scheme must have BEIS and LA privacy notices made available to them in advance of any data collection or processing. Data subjects may include households, landlords, installers, sub-contractors and other third-party organisations.

The way in which the privacy notices are provided to data subjects may vary by LA delivery model. For example, privacy notices may be distributed directly to data subjects by LAs, or via installers and/or delivery partners. Regardless of the method by which the privacy notices are disseminated, LAs are responsible for ensuring that data subjects are shown valid privacy notices prior to the collection of their data.

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Purpose and processing of the personal data by BEIS

BEIS processing of the personal data will cover a range of different purposes, including specific processes that need to be followed. These are outlined below:

- **Scheme Delivery data:** This includes all data points included in the Data Dictionary (See MoU Annex 10), for example address, contact details, measures installed, etc. As processing of this data is essential for the delivery, administration and evaluation of the scheme as well as statistical, research and fraud prevention purposes, it falls under the legal basis of [Public Task](#). As such, consent is not required for processing of this data, and data subjects cannot opt out of having their data shared with and processed by BEIS if they want to participate in the scheme.
- **Consent to recontact data subjects:** BEIS and/or its contractors may want to recontact data subjects to invite them to take part in future research. Using personal data for this purpose falls under the legal basis of [Consent](#). As such, data subjects may opt in or out of being recontacted by BEIS and/or contractors in the future. Please note, this does not mean data subjects can opt in or out of having their data processed by BEIS and/or contractors – consent only applies to being recontacted.
 - **For Households:** all consumers should be asked via an explicit consent statement (provided in the Consent Statement section below) if they consent to being potentially recontacted to take part in research and evaluation, irrespective of whether the installation is carried out or not. Details of the consent (also provided below) should be recorded in the Scheme Delivery data that will be shared with BEIS, as required under the Consent legal basis.
 - **For Installers:** personal information for businesses is only relevant where an individual can be identified, this could be an email or phone number linked to an individual employee or details of sole traders. It will be essential to collect installer information to effectively deliver the scheme, and this may include personal data. Consent is only required when asking installers permission to be recontacted for further research. As with consumers, installer consent should also be recorded in the Scheme Delivery data shared with BEIS and the consent statement must be used.

Consent statement

Please note consent to recontact is not covered by the Privacy Notice alone. The below consent statement should be used and a record of the consent collected in line with the below instructions.

BEIS requires specified and informed consent to recontact participants for research and evaluation purposes. As such, the below consent statement must be used with participants when asking for their consent to be recontacted:

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To assist in the administration of the program <scheme name used by LA>, <LA Name> would like to process your personal data in order for <LA Name if relevant>, BEIS or their appointed contractors to contact you to participate in further research and evaluation activities.

Do you consent to <LA Name>, BEIS, or their appointed contractors, using your provided contact details to recontact you for the purpose of research and evaluation related to the installation received under <scheme name used by LA>. Your consent is not required for the installation to take place. You have the right to withdraw consent at any time by contacting <LA Name> or BEIS at any time, using the contact details provided in the privacy notices.

Yes ☐ No ☐

It is also necessary to keep a record of:

- participant consent (i.e. Yes or No),
- the date on which consent was given (keep records of dated documents; if consent is oral please keep a note of the time and date for conversations)
- how participants consented (i.e. orally or in writing)
- what they were told (i.e. confirmation the above consent statement was used, orally or in writing; if an alternative or altered consent form was used, please keep a master copy of the script or consent form)
- whether consent has been withdrawn and if so, the date.

The above information will be fed to BEIS via the monthly Scheme Delivery data report. The Scheme Delivery data report will contain fields where the above information can be input.

Sensitive data processing

Sensitive data is not expected to be shared with BEIS.

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Economic Growth Scrutiny Panel

Item
A.4

Meeting Date: 21/10/2021
Portfolio: Cross-cutting
Key Decision:
Policy and Budget Framework No
Public / Private Public

Title: Overview Report
Report of: Overview and Scrutiny Officer
Report Number: OS.26/21

Purpose / Summary:

This report provides an overview of matters related to the Scrutiny Panel's work. It also includes the latest version of the work programme.

Recommendations:

Members are asked to:

- Note the items within Panel remit on the most recent Notice of Key Executive Decisions
- Note the current work programme

Tracking

Executive:	Not applicable
Scrutiny:	EGSP 21/10/21
Council:	Not applicable

1. Notice of Key Decisions

1.1. The most recent Notice of Key Executive Decisions was published on 24 September 2021. This was circulated to all Members and is available on the CMIS section on the Council's webpages. The following items fall within the remit of this Panel:

Items that are included in the Panel's work programme:

- KD.10/21 Budget Process 2022/23 – 2026/27
- KD.21/21 Sustainable Warmth Competition (Local Authority Delivery (LAD) Phase 3 and Home Upgrade Grants (HUG)

Items that are not included in the Panel's work programme:

- KD.22/21 St Cuthberts Garden Village – Development Corporation Business Case
- KD.23/21 Citadels Project

2. References from the Executive

2.1. None

3. Progress on resolutions from previous meetings

3.1. The following table sets out the meeting date and resolution that requires following up. The status is presented as either "completed", "pending" (date expected), or "outstanding". An item is considered outstanding if no update or progress has been made after three panel meetings. All the completed actions will be removed from the list following the meeting.

	Meeting date	Minute ref	Action	Status
1	17/06/21	EGSP 37/21	3) That the Cycling and Walking Infrastructure Plan be circulated to Panel Members when it became available.	Pending
2	29/07/21	EGSP 46/21	4) That the Deputy Chief Executive provide the Panel with a written response regarding the funding for Carlisle Hawker Festival.	Complete
3	29/07/21	EGSP 47/21	4) asked the Corporate Director of Economic Development to provide further information to the Panel on the statistic that only 8% of business in the city centre retail core contributed to the evening economy as detailed in the report.	Complete
4	09/09/21	EGSP 55/21	2) The Panel asked that the suggested action to explore the opportunity for an independent / community-run cinema be reconsidered given the closure of a previous independent cinema in Carlisle.	Pending

	09/09/21	EGSP 55/21	3) That the Regeneration Manager provide the Panel with the following: (i) the supporting evidence report to the Economic Action Plan - responding to Covid-19 in Carlisle city centre report; (ii) information regarding the unemployment figures following the end of the furlough period; (iii) information regarding the expo in Leeds 2022	Complete
5	09/09/21	EGSP 55/21	4) That an Informal Council be arranged to receive a presentation from the Regeneration Manager on the Economic Action Plan - responding to Covid-19 in Carlisle city centre and the supporting evidence.	Pending
6	09/09/21	EGSP 56/21	6. Requested an update on the Regeneration Programme and Economic Development Management Office in six months time.	Complete Added to workplan March 2022
7	09/09/21	EGSP 58/21	2) That the following changes be made to the Work Programme: - Delivering St Cuthbert's Garden Village to move from October to December - Add the Regeneration Programme update to March 2022	Complete

4. Scrutiny Chairs Group

4.1. Scrutiny Chairs Group met on 16th September 2021, at their meeting they discussed future scrutiny arrangements and the work that Business and Transformation Scrutiny Panel planned to carry out on this through a Task and Finish Group. The Chairs of all Panels agreed that there should be cross panel engagement on this and a terms of reference is being drafted that will be shared with an email to all Members inviting them to participate in this group.

5. Contribution to the Carlisle Plan Priorities

5.1. The overview and scrutiny of the Carlisle Plan items that fall within the remit of this Panel contribute to ongoing policy development.

Contact Officer: Rowan Jones

Ext: 7257

**Appendices
attached to report:**

1. Draft Scrutiny Panel Work Programme 2021-22

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL –

PROPERTY SERVICES -

FINANCE –

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty

INFORMATION GOVERNANCE –

APPENDIX 1: Draft Scrutiny Panel Work Programme 2021-22

Date	Title	Type of Scrutiny	Lead Officer
17/06/2021	End of Year Performance Report	Monitoring	Gary Oliver
	Local Environment (Climate Change) Strategy	Policy develop't	Steven O'Keeffe
29/07/2021	Draft Carlisle Plan	Policy develop't	Steven O'Keeffe
	Events - planned events and how they can support city centre vitality	Policy update	Paul Walker/ Zoe Sutton
	Draft Economic Strategy and Action Plan	Monitoring	Steve Robinson
	High Street Task Force - quick wins for the City Centre	Policy develop't	Jane Meek
09/09/2021	Covid-19 Recovery Update - focus on Economic Growth	Policy update	Jane Meek
	Economic Development Programme Management Office	Policy update	Jane Meek
	Performance Report - Q1	Monitoring	Gary Oliver
18/10/2021	Site visit to Victorian Baths - joint with HWSP		Steve Robinson
21/10/2021	Housing Delivery and Partnerships	Policy update	Jeremy Hewitson
	Sustainable Warmth Competition (Local Authority Delivery (LAD) Phase 3 and Home Upgrade Grants (HUG)	Policy update	Emma-Kate Bishop
02/12/2021	Victorian Baths - Feasibility Study	Policy update	Steve Robinson
	Tourism - delivering this strand of the Economic Strategy	Policy develop't	Jane Meek
	Performance Report - Q2	Monitoring	Gary Oliver
	Delivering SCGV - ensuring the right resources and skills in Carlisle	Policy develop't	Jane Meek
	Budget	Budget	Alison Taylor
	Events and usage of the City Centre - update	Policy update	Paul Walker/ Zoe Sutton
	Infrastructure for connectivity	Policy develop't	Jane Meek
20/01/2022	High Street Task Force - quick wins for the City Centre update	Policy develop't	Jane Meek
	Diversifying the City Centre	Policy develop't	Jane Meek
	Kingmoor Park Update	Partnership	Steve Robinson
03/03/2022	Performance Report - Q3	Monitoring	Gary Oliver
	LEP - Partner Update	Partnership	Jane Meek
	Regeneration Programme Update	Policy update	Steve Robinson
	Economic Development Programme Management Office	Policy update	Jane Meek
14/04/2022	Scrutiny Annual Report	Policy develop't	Rowan Jones
	Riverside - regeneration of existing stock	Partnership	Jeremy Hewitson
	Economic Strategy Action Plan - performance monitoring	Monitoring	Steve Robinson
For info report	Flood Risk Management FCRM project update/ catchment approach, partnerships		Steven O'Keeffe/ EA

