



Green Homes Grant Local Authority Delivery Scheme: FAQ Document

Q.1 What is the Green Homes Grant Local Authority Delivery (LAD) scheme?

Under the £2bn funding announced by the Chancellor on 8th July to save households money, cut carbon and create green jobs, £500 million has been earmarked for Local Authority delivery to ensure those in low-income households, who may be less likely to take up a demand-led voucher scheme, will be able to benefit from energy efficiency upgrades.

Under the first phase of funding, launched on 4th August 2020, £200 million is available to Local Authorities in England to upscale existing and new proposals that will deliver home upgrades to low-income, fuel poor households in their local areas.

The remaining £300 million will be allocated to Local Energy Hubs in due course, to procure services that support upgrading eligible homes.

Q.2 How are the Green Homes Grant Voucher Scheme and LAD Scheme linked?

The Voucher Scheme is aimed directly at homeowners and landlords to help them upgrade the energy efficiency of their properties. More information on the Voucher Scheme will be announced in due course, following which consumers will be able to use the [Simple Energy Advice \(SEA\)](#) website to see if they are eligible for a voucher to fund up to two thirds of the cost of energy efficient home improvements.

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

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

Q.3 Who can apply for the LAD Scheme?

This scheme is only open to Local Authorities in England.

This first phase is open to all tiers of Local Authority in England. BEIS will be making grants using [Section 31](#) of the Local Government Act (LGA) 2003, which enables BEIS to make a grant to a Local Authority in England with the consent of HM Treasury. [Section 33](#) of the LGA 2003 states who is considered a Local Authority for the purposes of making a grant under Section 31.



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Bids will therefore need to be from a Local Authority in England, or a nominated Local Authority as part of a consortium bid.

Social Housing providers will not be able to submit a bid directly for the LAD scheme. However, they may be included under a Local Authority bid, provided that the registered Social Housing Provider has a commercial agreement in place with the bidding Local Authority.

Q.4 What are the timeframes for proposal awards?

The deadline for applications is at noon on 1st September 2020. After this date, BEIS officials will first review bids through an initial sift compliance check, followed by a full review of compliant applications.

All assessments, including the initial compliance sift, will be quality assured and moderated for consistency purposes. Bids recommended from the review process will be required to be approved by the GHG Programme Board before being sent to the BEIS Secretary of State for final approval.

We intend to notify bidders of the outcome of their application by the 28th of September 2020. In the case of successful bids, BEIS will set out the level of funding being approved, and a MOU will need to be agreed with the lead LA.

Work must be completed by 31st March 2021.

Q.5 Can a Local Authority submit a direct bid and one as part of a consortium?

Where a Local Authority submits a proposal for their own area and as part of a consortium, both bids will be assessed individually. If both bids meet an acceptable standard, to avoid duplication of funding, or the need to remove Local Authorities from successful consortium, the consortium bid will be funded as a priority.

Where a Local Authority is making a bid that is intended to be complementary to a consortium bid, e.g. treating different housing stock, Local Authorities should make this clear in the application and clarify how the policy would be deliverable if both the Local Authority bid and consortium bid are successful, so that these bids can be assessed on a case by case basis. BEIS reserves the right to agree a revision or propose a partial grant offer to any bid submitted.

Q.6 How does a consortium bid work? What are the key responsibilities for the lead Local Authority for this type of bid?

Where proposals cross Local Authority boundaries a consortium bid should be submitted. Where a bid is from a consortium, a lead Local Authority should be agreed, and this Local Authority should submit the proposal on behalf of the consortium and expect to be the first point of contact between the application and BEIS. When drafting the application, the lead



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Local Authority must list all the Local Authorities involved in the proposal. The lead Local Authority for a successful project will also be expected to enter into a Memorandum of Understanding (MOU) with BEIS and sign a Grant Offer Letter before the grant may be paid.

Q.7 What type of income checks will Local Authorities need to carry out to ensure the household income is no more than £30,000?

Funding must be targeted at households with a combined household annual low-income of no more than £30,000 gross, before housing costs. Benefits are counted towards this figure.

There is no regional difference with the eligibility of £30,000 as low-income criteria. This approach has been taken to ensure simplicity of funding criteria for Local Authorities and to allow as many low-income households as possible to be in scope. We have been mindful of differing incomes and housing costs in some areas of England in determining the threshold, whilst recognising the average income for fuel poor households is significantly lower than £30,000.

BEIS does not expect Local Authorities to follow a particular method to ensure that household income is below the £30,000 gross threshold. However, the bid submitted by the Local Authority will need to evidence (as part of the 'Strategic Fit' assessment) how they have ensured combined household income does not exceed £30,000 gross. Examples may include using receipt of means tested benefits as a proxy for low income, or Local Authority held data such as existing processes on Council Tax reductions for those on lower incomes, or by using more innovative approaches such as health based referrals of advanced statistics and machine learning where Local Authorities can demonstrate these will target low income households.

Q.8 What are the eligible measures under this scheme?

Eligible measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve the energy efficiency rating of E, F or G rated homes. This includes, but is not limited to, measures such as wall, loft and underfloor insulation, as well as low carbon technologies. To clarify, there are no requirements for primary and secondary measures as under the Green Homes Grant Voucher scheme – but Local Authorities should outline the mix of measures they are intending to install and why they are considered the appropriate measures to upgrade the targeted properties and represent good value for money.

The core objectives of this scheme are to support progress for the UK to reach its Net Zero target by 2050. Therefore, fossil fuel measures, such as the installation of a new fossil fuel-based heating system, or the replacement or repair of an existing fossil fuel-based heating



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system with another fossil fuel-based heating system, are not in scope. See guidance under question 22 in Annex A of the guidance document for more information.

Any proposed measure will be assessed on Value for Money and Strategic Fit as outlined in the guidance.

Q.9 Is there a minimum Energy Performance Certificate rating that must be achieved?

Although there is no minimum EPC rating that must be achieved, Local Authorities must evidence the expected EPC band improvement once the works have been carried out and that households will be expected to benefit from energy cost reduction as a result of the energy efficiency improvements. Those that propose EPC band improvements to EPC C and above will score more highly within the ‘Strategic Fit’ part of the score. Bids should target homes that have an energy efficiency rating of E, F and G.

If successful, LAs will be required to keep records of housing stock EPC ratings prior to installations and these will form part of the Reporting, Monitoring and Evaluation commitments as set out in the Guidance document.

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

Any installer carrying out works under the Local Authority Delivery Scheme must follow government guidance and any other relevant COVID-19 guidance when undertaking installations. We expect Local Authorities to ensure installers are compliant with COVID-19 guidelines.

In the event that COVID-19 impacts the delivery of projects as set out in the draft MOU published on [gov.uk](https://www.gov.uk), BEIS and the Local Authority will work together to agree how the Local Authority will spend any unspent Grant funding in line with the expected outcomes of the GHG LAD. If BEIS and the Local Authority are unable to reach an agreement, the Local Authority can either request an extension in writing to the BEIS Secretary of State or agree to repay the unspent Grant within 30 days of 31 March 2021.

Q.11 Can the funding be used to fund project management costs of an external delivery partner?

Local Authorities may also use up to 15% of grant funding to fund administrative, delivery and ancillary works to support delivery and this is at the discretion of the Local Authority. Applicants should be mindful that administrative and ancillary costs should be clearly outlined in their application form and this will form part of the ‘Value for Money’ assessment.



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Please find below some examples of what administrative or ancillary support can be used for:

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

Q.12 What standards do installers undertaking the upgrades need to comply with in order to be eligible for the Local Authority Delivery Scheme?

Installers for low carbon heat measures must be certified under the Microgeneration Certification Scheme (MCS) or a scheme that the Secretary of State is satisfied is equivalent.

If installing other measures, it is not required for contractors to be Trustmark registered under this first phase of funding (£200m). However, bids using Trustmark registered installers or those that are complaint with PAS 2030 standards will score higher in the 'Delivery Assurance' assessment.

If not using Trustmark, Local Authorities will need to ensure that installers specify how they will ensure good quality work will be undertaken, the steps taken to ensure consumer protection and consumer redress.

We intend for projects under the next LAD delivery phase via the Local Energy Hubs (remaining £300m) to be required to be installed by a Trustmark-registered installer to qualify for funding and installations will need to be PAS 2030-compliant.

The arrangements will largely mirror the Energy Company Obligation (ECO) standards that will be in place as of 1st April. For heat measures to be eligible the installation contractor must be MCS certified, use MCS certified products, and undertake the installations according to the relevant MCS installation standard for that technology or a scheme that the Secretary of State is satisfied is equivalent.

Q.13 Can this scheme be blended with other Government schemes such as the Renewable Heat Incentive (RHI) scheme or the Energy Company Obligation (ECO) scheme?

As LAD intends to provide up to £10,000 of grant funding without requiring contributions from low income households, the LAD scheme cannot be blended with other government schemes that provide funding for the upfront costs of measures, such as ECO for the same



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individual measure. It is, however, possible for installations to be undertaken for the same property where the installation measures are not the same.

As LAD funding provided up to full grant funding, we do not expect that households will be supported under the RHI. In order to claim the Domestic RHI, households must have contributed towards the cost of their installation – so if they received a grant for 100% of the cost of the installation, they are not eligible. Where a household is making a contribution, for example a landlord, then a claim may be made for the DRHI. It should be noted that the DRHI and LAD have different eligibility criteria, so eligibility for LAD does not mean that the installation will automatically be eligible for the DRHI. LAD funding is a grant from a public source for the purposes of the RHI - so grant funding would be deducted as per the DRHI rules on grant funding. LAs will therefore need to ensure that where low carbon heating is installed data is collated and provided so that Ofgem can be notified for the purpose of DRHI administration

LAD funding can, however, be blended with other third-party finance or Local Authority budgets, to deliver additional support to communities (e.g. Disabled Facilities Grant). If Local Authorities do plan to blend LAD funding with other relevant funding (such as LA low-income household support, retrofitting or green energy initiatives), proposals will need to evidence this in the application form and will form part of the 'Strategic Fit' assessment.

Q.14 Can Local Authorities use the funding to upgrade their own housing stock?

It is at the Local Authority's discretion as to what housing stock they wish to upgrade. Local Authorities are able to use the funding to improve their own housing stock, but this would fall under the landlord eligibility criteria, whereby we would expect a minimum contribution of 1/3, and for the subsidy on average not to exceed £5,000 per property.

Local Authorities should also be mindful of State Aid when upgrading their own housing stock, and in particular to de minimus maximum limits for each Local Authority (less than €200,000 over 3 rolling years – to be given to an undertaking for a wide range of purposes).

Q15. Are park homes or new builds in scope for upgrades under the GHG LAD scheme?

New build and self-build properties are not eligible to be upgraded under the Green Homes Grant Local Authority Delivery scheme due to the current requirements of minimum energy efficiency standards for [The Building Regulations 2010](#).

As park homes typically do not have an EPC, Local Authorities looking to upgrade park homes will need to outline why the stock is energy inefficient and high cost to the homeowner or tenant and how the LA intends to capture the improvements in energy performance from measures installed.



Q16. Can Local Authorities apply to upgrade a block of flats/terraced/maisonettes, if not all of the owners earn less than £30k?

Where there is strong evidence for doing so, we would accept the average income across the block of flats/houses/maisonettes to be below £30k per year or, where the majority of households have a combined income no more than £30,000 per annum. However, this will form part of your “Strategic Fit” score in the application form and it may be more suitable for households earning above a combined income of £30k a year to apply for the [Voucher Scheme](#).

Q17. How does the LAD Competition interact with the MEES regulations?

Local Authorities are able to apply to the scheme with proposals that include energy efficiency upgrades for Landlords (private or social) of EPC E, F or G homes with tenants of a combined annual income of no more than £30,000, in line with reaching [MEES](#). As part of implementing a LAD project we expect that Local Authorities will use this as an opportunity to enforce the existing regulations for existing F&G rated properties and seek to use available grant funding as an incentive for landlords to further that their statutory duties.

Q18. What are the cost expectations per household and how does this differ between owner occupied and landlord properties? Can this funding be used on currently void homes?

Where housing is owner occupied (private homeowners) there is no expectation for there to be a contribution to the costs of upgrades for the property and we expect the costs of upgrades on average to not exceed £10,000 per property. Where a property is void or rented to a tenant (social or private), including Local Authority owned property, we expect there to be a minimum contribution to the cost of upgrades of 1/3, with the average subsidy cost not to exceed £5,000 per property. This will all be scored against a ‘Value for Money’ assessment in the application form. Where housing is void LAs should clearly outline expectations that the next tenant will be living on a lower oncome, for example if the property is social housing.

Q.19 Why does this only apply to England?

As fuel poverty is a devolved issue the geographic policy scope for the Green Homes Grant Local Authority Delivery is for England only. The Devolved Administrations have existing support schemes in place for tackling fuel poverty.