



Department for
Business, Energy
& Industrial Strategy

WHOLE HOUSE RETROFIT INNOVATION COMPETITION

Questions and answers

July 2019

Funding

1) **Are the grants being paid in arrears based on actual delivery?**

Yes, grant payments will be paid in arrears (please refer to section 10b of the guidance document).

2) **Is there a minimum grant award amount?**

No, there is not minimum grant award amount. However, maximum of grant receivable is £4.7 million

3) **Can the project blend the competition fund with other incentives such as ECO for match funding?**

Please see section 5c.

4) **Are you expecting any match funding from bidders?**

Yes, please see section 5.

5) **Our understanding is that in addition to the basic 25% funding level, where universities are involved in a consortium (and receive 10% of the total funding) the amount that can be claimed is given a 15% uplift. Does this mean therefore that we would be able to claim for 40% of all our costs as a University if we joined a consortium or is this the rate that the other consortium members would be able to claim (plus any SME uplifts) and is there actually a different rate for Universities?**

Please refer to section 5. BEIS recommends seeking legal advice on the state aid uplifts as bidders are responsible for insuring they comply with state aid requirements.

6) **Can the match funding consist of a budget for installing the retrofit measures, or is it only to be used to "deliver the post-installation monitoring if these activities occur post March 2021?**

The match funding applies to the project as a whole. Once awarded the successful applicant can utilise the money over the appropriate timescale.

7) **With regard to the public funding section of the guidance notes (page 16/17), can Local Authority funding be counted as match funding or is this included as part of the aid intensity % to a maximum as described in the document? Does the same apply for an arms' length management organisation?**

Local Authority funding can be counted as match funding as this is not central government funding.

8) **Does each member of the consortia have to have the same aid intensity % or is this measure at a total project level only?**

In a consortia, the aid intensity is reviewed at partner level. Some partners (e.g. SMEs) are entitled to a higher aid intensity due to SME uplifts.

- 9) **Does 25% aid intensity mean if we received a grant of £1 million, we'd have to put down £3 million to meet the requirements of the grant?**

25% aid intensity would mean that on a project of £4m total costs, only £1m could be funded by BEIS.

- 10) **Can BEIS clarify how RHI will be affected by using WHR funding? Do state aid rules mean that RHI can't be claimed?**

If state aid funds are used to purchase technology that would be used to apply for RHI, the money must be repaid before applying to RHI, as the RHI tariffs are designed to recoup some of the purchase costs of the technology.

- 11) **To gain the 20 or 10% uplift, does the lead applicant have to be an SME? If the lead is an SME does the uplift apply to the whole project (including non-SME costs)? What if the bid includes an SME partner but they are not the lead bidder?**

The SME uplift can be applied to an SME partner or SME lead, but only on the proportion of costs that are being delivered by the SME.

- 12) **In relation to the uplift of funding intensity by 15% (3):**

a. *Is uplift satisfied if the project meets the last requirement: 'The results of the project are widely disseminated through conferences, publication, open access repositories, or free or open software'?*

Yes, only one of the conditions under point 3 has to be fulfilled

b. *If this is met, are the 70% spend from one partner and the 10% minimum spend with a dissemination partner unnecessary?*

Yes, only one of the conditions under point 3 has to be fulfilled.

c. *Can more details be provided on compliance with the dissemination activity required?*

The list of potential dissemination activities is provided in the guidance document. 5% of the scoring for assessment of proposals is the dissemination plan, so bidders should prove compliance with the State Aid uplift through their response to the relevant question in the application form.

- 13) **In other BEIS bis universities and public bodies such as Local Authorities or the GLA are entitled to claim 100% of funding, is this the case for this competition?**

Other funding programmes may have different funding rules. For the Whole House Retrofit competition, all bidders are subject to the State Aid intensities as set out in the Guidance Document. If any bidder wishes to propose an alternative, based on their status, we advise you seek legal advice and present your case to BEIS.

- 14) **Can time in kind be used when matching revenue costs?**

In-kind contributions are non-cash contributions to a project, typically donated goods and services, which are necessary for the project and would otherwise have to be purchased for the project to go ahead. For WHR, the only in-kind contribution that will be treated as eligible expenditure is the provision of land or real estate and this applies only where all of the following apply:

- there is a direct link between the land acquisition and the objectives of the project to be funded;
- they are not already owned by the applicant or a project partner;
- they have been identified and valued by an independent, qualified valuer or duly authorised official body, which has then provided a certificate confirming that the valuation price does not exceed the market value;
- the value of the land / real estate does not represent more than 10% of the total, other eligible expenditure of the project; (value in excess of 10% would be ineligible)
- national or European Community grants have not previously contributed towards their purchase and / or development.

Staff or other costs are not eligible as in-kind contributions, but may be counted as eligible project costs.

15) **Can RHI be claimed in addition to the grant funding from this competition?**

If state aid funds are used to purchase technology that would be used to apply for RHI, the money must be repaid before applying to RHI, as the RHI tariffs are designed to recoup some of the purchase costs of the technology.

16) **Could the element of the grant for the heat technology be removed from the claim during the project (once the costs are known), so that the RHI can be claimed instead?**

Yes. So long as public funds have not been used to purchase the technology, this should be eligible for RHI.

17) **For local authorities, would funding provided for capital works and/or repairs and maintenance budgets would be eligible match funding?**

Funding provided for capital works would be eligible match funding. Repair and maintenance past the end of the implementation project would not count as eligible match funding, as the capital grant from BEIS does not cover ongoing repair and maintenance.

Project Scope

- 1) **If we're looking for heating season data, monitoring in the existing homes would need to be installed by the end of October 2019. Then capital installation by October 2020, with data monitored over the heating period in time for March 2021.**

For timescale of the competition please refer to section 7b of the guidance document.

- 2) **Do we have to stick strictly to retrofit measures currently included in SAP or can we consider technologies such, as, batteries connected to solar PV?**

The focus of the competition should be in a fabric-first retrofit approach (refer to section 4 of the guidance document for competition scope).

- 3) **Referring to health and well-being of occupants, what about the Well building standard?**

Bidders should propose the approach they plan to take to cover the well-being of occupants of the project's dwellings.

- 4) **What's the baseline for demonstrating cost reduction?**

Proposals will be assessed on the quality and justification of the proposed baseline (refer to section 4a).

- 5) **Is pre-installation building performance evaluation required?**

Bidders can propose alternatives to pre-installation performance monitoring.

- 6) **Is there a recommendation on the ideal length of time for pre and post monitoring?**

Bidders should select what is appropriate for their project in order to demonstrate the energy demand reduction has been achieved.

- 7) **What are the consequences if less retrofits are delivered than originally bid for (e.g. due to tenant refusal or unforeseen circumstances)?**

Projects will be closely monitored throughout the delivery phase – there is no opportunity to fund alternative projects. Grant payments will be made in arrears.

- 8) **Would you consider technologies which save energy but do not contribute to SAP ratings such as thermostatic hot water systems?**

Yes, however projects should be approached from a fabric first principal (see section 4b).

- 9) **Are you looking for a single housing archetype or mixed archetype approach?**

BEIS does not have a housing archetype preference, and either single or mixed archetype approaches are acceptable. A whole area approach would be beneficial, but this needs to be balanced against what is achievable within the project timescales.

- 10) **What is more important in the short term. Getting a property improvement of 25 SAP points or achieving a B rating?**

Please refer to section 4b.

- 11) **Can projects target blocks of flats?**

The project must only use four storey buildings or under, or buildings under 18 meters in height.

- 12) **Can BEIS clarify that a basement property counts as a storey?**

No, basements do not count as a storey, the height limit is specified to avoid tower blocks being retrofitted.

- 13) **Are properties that are let on licence for students for 39 weeks then leased during the remaining periods other tenants eligible for the competition?**

There are no restrictions on the types of domestic properties which can be included within the competition. The key consideration is that the bidder can deliver the required scale of improvements.

- 14) **What information is going to be needed in quarterly monitoring reports?**

Please see section 10a.

Policy

- 1) **Presumably, the ambition to raise as many homes as possible to EPC C by 2035 will now be raised to take account of the recent CCC report?**

The Government welcomes the CCC report and is continuing to work towards the Clean Growth Strategy 2035 aspiration for as many homes as possible to be upgraded to EPC Band C by 2035 where practical, cost-effective and affordable. This provides a good basis for our legally binding carbon targets, providing a cost-effective level of energy efficiency to provide the basis for decarbonisation of heating systems.

- 2) **Many potential bidders will feel this leans into 'energiesprong as an approach', can you comment on this? or at least provide a perspective.**

The competition aims to demonstrate a domestic retrofit cost reduction, and BEIS welcomes any proposals which can deliver these objectives. The competition does not prescribe or favour any one solution, and there are no preconceptions on what successful approaches will look like – indeed we welcome a range of different technical approaches and solutions from bidders.

- 3) **What influence will you have on policy for example Minimum Energy Efficiency Standards (MEES) - Private Rental?**

BEIS are currently considering options for a long-term energy efficiency trajectory for the private rented sector, alongside options for introducing efficiency standards in the social rented and owner occupier sectors. Energy efficiency cost reductions, alongside technological innovations, will be taken into account when considering any spend requirements which may be placed on property owners in the future.

Application

- 1) **What kind of technical evidence is necessary to submit, would SAP calculations be enough, are dynamic energy simulations, thermal bridging simulations, ventilation simulations recommended?**

No required minimum of evidence, although bidders should present the best available evidence of the credibility of their proposed approach.

- 2) **Timescales suggest you would need planning permissions in place (where necessary) very quickly. This could prove difficult for some schemes that are otherwise ideal for this competition. Pushing completion date back to March 2022 might help.**

Please see section 7b, installation must be completed by March 2021.

- 3) **Who are the KPI's set by?**

The Key Performance Indicators are set by BEIS, from the BEIS Energy Innovation Portfolio KPI Performance Metrics. These will be adjusted, if necessary, by a BEIS project officer once grant funding has been awarded.

- 4) **The capital works (the vast majority of costs) will be delivered by a contractor employed by the client, yet to be procured. On your finance form would you like to see this reflected as a sub-contractor cost or in the other costs section? Because this is yet to be procured, the actual costs of the works may differ from our estimates. How do you anticipate dealing with variations on this?**

- 5) **Can you advise if this competition is open to local authorities who still own/manage their own housing stock?**

Yes, this competition is open to local authorities.

- 6) **What sort of projects are BEIS specifically interested in?**

BEIS are most interested to see how the cost of retrofit can be reduced, specifically this is aimed at the general UK housing stock. It is up to the applicant to show the rationale behind the type (or types) of dwelling selected for the bid and why it would be beneficial in supporting this programme.

- 7) **Due to tight timelines, would the application be accepted with less detail, that would be identified over the assessment period?**

So long as the applicant demonstrates the viability and credibility of the proposed project.

- 8) **Do you need a list of properties with people signed up before you can submit the application?**

Projects must be complete by end of March 2021, and successful proposals must demonstrate how this milestone will be comfortably achieved. While it is not a requirement that applicants must have properties signed up from the outset, proposals which are well advanced in terms of property sign-up, and which demonstrate that

milestone delivery risks are well managed, will be assessed more favorably (for the relevant part of the assessment schedule) than those which are less advanced, or which raise milestone concerns in other respects.

9) **Could the term 'innovative solutions' be defined?**

We do not want to define the term too rigidly, as we do want applicants to think creatively about how they approach the project, but 'Innovative solutions' could mean new or novel materials, new or novel technical, installation, procurement, or project/programme management approaches, or new ways of using established materials and approaches. These could also be supported by elements of fresh applications of behavior change techniques, and other softer solutions.

Technical

- 1) **Will consideration be given to embodied energy / carbon sequestered by materials? i.e high capital cost but lower £/ tco2 saved?**

The project is primarily concerned with demonstrating retrofit cost reduction, and with energy savings rather than carbon savings. Demonstration of carbon savings is desirable, but proposals which prioritise carbon savings over cost are less likely to be successful.

- 2) **Is it possible to change the minimum fabric requirements? Achieving them would require extensive works, U-values too low go way beyond EPC B and should look at CO2 not SAP.**

Please see section 4b.

White Paper

This publication is available from: www.gov.uk/guidance/whole-house-retrofit-whr-competition

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