



Department for  
Energy Security  
& Net Zero

# Green Home Finance Accelerator (GHFA)

Pilot Phase –

Competition Guidance Notes

**Deadline for Pilot Phase Applications: 12:00pm (noon) 03 October 2023**

August 2023

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# Part 1

## 1. Overview

These competition guidance notes set out the context, application process, eligibility and assessment criteria for the Pilot Phase of the Green Home Finance Accelerator (GHFA). This document should be read in advance of submitting any application and should be referred to throughout the GHFA Pilot Phase competition process.

The aim of the GHFA is to support organisations operating in, or interested in entering, the UK green home finance market. The GHFA Pilot Phase will support the development and piloting of a range of innovative green finance products, services and tools that incentivise domestic energy efficiency, low carbon heating and micro-generation retrofit, for both owner occupiers and private landlords.

The overall programme is supported by up to £20m of government grant funding; approximately £16m has been allocated for the Pilot Phase.

Pilot Phase grant awards are only available for green home finance projects which participated in the Discovery Phase competition and received grant funding to research and develop green home finance products and/or services during that phase of the programme.

The competition is open to applications between 11 August 2023 and 12:00 (noon) on 03 October 2023. Applications can be made online by following [this link](#) and all required documentation is also available on the GHFA – Pilot Phase GOV.UK [webpage](#).

PricewaterhouseCoopers (PwC), supported by The Carbon Trust, have been contracted by The Department for Energy Security and Net Zero (DESNZ) to support the delivery of the programme.

PwC will be the first point of contact in all cases. For any queries, please email [uk\\_ghfa@pwc.com](mailto:uk_ghfa@pwc.com).

The following indicative table outlines the milestones of the GHFA programme.

**Table 1: GHFA Indicative Programme Timetable**

<b>Milestone</b>	<b>Date</b>
Competition opens	11 August 2023
Competition Information Event	23 August 2023
Deadline for questions from applicants	25 August 2023
Deadline for publication of responses to all applicant questions	05 September 2023
Deadline for submission of Pilot Phase funding applications	12:00pm (noon) 03 October 2023
Pilot Phase funding applications assessed, and outcomes of Pilot Phase project selection communicated to applicants	10 November 2023
Pilot Phase grant funding agreements signed	15 December 2023
Pilot Phase Start	18 December 2023
Pilot Phase End	28 February 2025

## 2. Aims & Objectives

The aim of the GHFA Pilot Phase is to support the development and piloting of new green finance products, services and tools which can enable the uptake of home energy efficiency, low carbon heating and micro-generation retrofit measures.

Building on work achieved during the Discovery Phase, the competition continues to place an emphasis on novel products and services which the market is unlikely to deliver on its own, and which will target consumer segments typically less engaged with energy efficiency, low carbon heating and micro-generation retrofit.

Projects funded at Pilot stage will be expected to contribute toward achieving each of the following GHFA programme objectives:

- Pilot one or more innovative green finance products that enable home energy efficiency, low carbon heating, and/or micro-generation improvements.
- Develop capability among finance providers in the design, development, and commercialisation of green finance products.
- Develop partnerships between lenders, investors, energy efficiency, low carbon heating, micro-generation and property value supply chains.
- Investigate and understand the consumer barriers and motivators for energy efficiency, low carbon heating and micro-generation investment.
- Help to reduce consumer barriers to finance domestic low carbon heating, energy efficiency, and micro-generation measures.
- Establish an evidence base to enable effective design and development of further green finance propositions and inform future policy development.

## 3. Eligibility for Pilot Phase Funding

To be eligible to apply for GHFA Pilot Phase grant funding, applicants must meet all the following eligibility criteria:

### 1) Discovery Phase Completion:

All applications for Pilot Phase funding must include at least one applicant that was awarded a Discovery Phase grant.

All applications for Pilot Phase funding must be informed by the grant funded activities undertaken during the Discovery Phase. Any variation in project partners between phases must be clearly justified within Pilot Phase funding applications.

### 2) Types of Product(s) and/or Service(s) Funded:

All applications for Pilot Phase funding must be within competition scope as set out in Section 4 of these Guidance Notes.

### 3) Project Location:

At least 50% of the project activities, as measured by total eligible project costs, must be conducted in the UK, and any product pilot activities must take place in the UK with UK consumers.

### 4) Project Team Composition:

The project must be delivered by individual UK based<sup>1</sup> organisations (sole applicants) or by a consortium of UK based project partners led by a UK based organisation (consortium applicants).

Research organisations are eligible to lead projects and receive grant funding.

However, all Pilot Phase applications must demonstrate that the necessary finance provider relationships are in place to enable a pilot of a green finance product(s) or service(s).

### 5) Match Funding:

All grant recipients must provide evidence that their required match funding has been secured within 3 months of the commencement date of their grant funded activities.

In line with subsidy control principles, only a portion of the total eligible project costs can be funded by grant funding and applicants will need to have private funding in

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<sup>1</sup> UK-based is defined as an organisation that has an establishment or subsidiary registered in the UK.

place to cover the balance of the eligible costs. Such funding may come from an organisation's own resources or external investors, but it may not include funding attributable to any public authority (in the UK or elsewhere).

Please see Section 7 for grant intensity requirements which show the level of match funding required for different sizes of organisation and different types of innovation activity.

#### **6) Project Status:**

Applicants cannot request funding towards retrospective work on projects. The impact of retrospective work may however be considered in the assessment process.

The project must not be at market entry<sup>2</sup> at the start of the Pilot Phase.

The project must not include the development of any processes, technology or products which are already commercially or widely deployed in the UK or internationally.

#### **7) Additionality:**

The project can only be funded where justification can be provided that the innovation would not be taken forward (or would be taken forwards at a much slower rate) without public sector funding.

#### **8) Grant Size:**

The total requested grant for the Pilot Phase project must be a minimum of £200,000 and must not exceed £2,000,000.

#### **9) Eligible Project Costs:**

The project can only be funded for research and development (i.e., industrial research and experimental development) activities. Please read the applicable requirements in Section 4.

#### **10) Multiple Applications / Proposals:**

Organisations may participate (as either a project lead and/or consortium member) in a maximum of up to three applications / proposals only. Organisations must not apply for funding for the same piece of work more than once and organisations must not apply for funding for work that is already being funded via other public sources.

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<sup>2</sup> Market entry stage in the context of the Pilot Phase applies to any products that have already progressed to commercial readiness level 4a and above.

Please see Annex 1 of the Competition Guidance Notes which defines Commercial Readiness Levels.



### **11) Delivering Multiple Projects:**

Funding recipients must be able to deliver all proposed work if they are part of multiple successful applications.

### **12) Terms and Conditions:**

Applicants must agree to the published Terms and Conditions to be eligible (see GHFA – Pilot Phase GOV.UK [webpage](#) for T&Cs).

**Applications which fail the Eligibility Criteria will not be assessed further. It will therefore be essential to ensure that your project meets these criteria before you submit your application.**

## 4. Competition Scope

The GHFA programme aims to establish a diverse range of green lending products in the green home finance market. It will do this by stimulating and supporting pilots of innovative financing offers which incentivise domestic energy efficiency, low carbon heating, and micro-generation retrofit for owner occupiers and private landlords of existing homes.

As with Discovery Phase applications, GHFA pilot product proposals will be expected to target UK consumers that may be impacted by future energy efficiency and/or carbon reduction targets. Targeted consumers should ideally be those poorly served by the existing green financing market or those not eligible for support under government [Help to Heat](#) energy efficiency/low-carbon heating fuel poverty support schemes.

### 4.1. Product Design

The Department aims to fund a mixed portfolio of pilots through the competition, to ensure a range of novel green home finance products and approaches are tested, and diverse case-studies are produced. Products and services proposed at Pilot application stage should be broadly consistent with those developed by an applicant during the Discovery Phase.

In all cases, successful applicants will be required to demonstrate that product proposals, however novel, have commercial potential and address a genuine consumer need. Proposals will only be funded to progress to the Pilot Phase where clear market viability and consumer interest can be demonstrated, and where it can be shown that any necessary legislative frameworks are in place, or will be in place within the pilot timeframe. Projects were supported to build detailed evidence of commercial potential during the Discovery Phase and the Department expects applicants to reference this evidence within their applications.

However, the Department also acknowledges that some proposals supported through the Discovery Phase have a relatively narrow geographic reach, or may only appeal to a niche consumer group, at least initially. Therefore, the Department has not set hard customer sign-up targets for product pilots. Applicants are however required to determine and justify their own product/service pilot targets. This should include details of how targets will be achieved, how they will be measured and why they are appropriate.

## 4.2. Providing Energy Efficiency and/or Low Carbon Heating Advice

### Consumer Advice Requirements for Projects

In their Discovery Phase applications, projects were required to consider and propose advice services for their customers, and all applicants are expected to include firm proposals for this in their Pilot Phase applications. This could range from simple signposting to the new GOV.UK 'Find ways to save energy in your home' service (see below for further information), similar energy efficiency and/or low carbon heating advice sites such as the Energy Saving Trust<sup>3</sup> website, or the GOV.UK [Heat Pump advice page](https://www.gov.uk/check-heat-pump)<sup>4</sup>; through to the development of bespoke energy efficiency and/or low carbon heating advice to their customers. As with the finance product proposals, projects were supported at Discovery Phase to build evidence of the appropriateness of their proposed advice route. The Department expects applicants to set out this evidence within their application form responses, demonstrating why their chosen approach represents the best possible solution for their customers.

### Existing and Planned Government Energy Efficiency Advice Services

As noted above, Government has committed to launching a comprehensive and impartial energy advice service which will help consumers navigate what can be unknown territory in improving the energy performance of their homes. This includes the GOV.UK: '[Find ways to save energy in your home](https://www.gov.uk/find-ways-to-save-energy-in-your-home)'<sup>5</sup>, which launched in July 2022 (developed out of the earlier Simple Energy Advice online service) and there are plans to iterate and enhance its content over the coming years. The service provides bespoke recommendations on what energy efficiency measures can be made to a specific property, to make them more energy efficient and cheaper to run. During the summer of 2023, the Government will expand the functionality of this service to include digital eligibility checkers for government support schemes such as Phase 2 of the Home Upgrade Grant (HUG) and Great British Insulation Scheme (GBIS). This will create a streamlined process for determining the eligibility of homeowners for various schemes and connect them directly to key retrofitting service providers in their area. To support consumers who are digitally excluded or need additional support, in March 2023, the Government launched a free retrofit advice phonenumber service.

In addition to the GOV.UK energy advice tool and retrofit phonenumber, later this year, the Government will launch a series of local demonstrator projects which will test various approaches to delivering in-person advice, with a particular focus on harder-to-treat properties and harder-to-reach consumer groups (e.g., those less able to

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<sup>3</sup> <https://energysavingtrust.org.uk/tool/home-energy-efficiency-tool/>

<sup>4</sup> <https://www.gov.uk/check-heat-pump>

<sup>5</sup> <https://www.gov.uk/improve-energy-efficiency>

access on-line advice). Lessons learnt from these projects will inform further Government action, in this area, post-2025.

### 4.3. Installation Verification

A core element of the competition is a requirement that applicants explore and propose ways to verify standards of installation. Energy efficiency and low carbon heating measures can only realise their full energy and cost saving potential when installed correctly and in suitable circumstances (for instance, heat pumps installed in poorly insulated buildings will be less effective and more expensive to run). The installation of energy efficiency, low carbon heating and/or micro-generation measures therefore demands a level of verification to confirm that customers have used any green finance funding for its intended purpose and that any measure(s) installed were done so to a sufficient standard to ensure that the anticipated carbon and bill savings can be realised.

**Verification proposals submitted as part of Pilot Phase applications are expected to have been tested during the Discovery Phase, and the appropriateness of the method selected should be supported by evidence.**

### 4.4. Types of Innovation Activity

All projects funded through GHFA must fall within one or other of the following types of innovation activity: Industrial Research or Experimental Development, as defined below. All applicants will be required to set out within their application whether their innovation activities are industrial research and/or experimental development.

**Industrial Research** involves planned research or investigation aiming to gain new knowledge and skills for developing new products, processes, or services and/or significantly improving existing products, processes, or services. Work may include but isn't limited to; making component parts for complex systems, building prototypes in a lab, or with simulated interfaces to existing systems, and trailing short manufacturing runs (pilot lines) if relevant.

**Experimental Development** aims to develop new or improved products, processes, and services. It uses existing relevant knowledge and skills in fields including technology, science and business. Work involved in experimental development may include, but is not limited to prototyping, demonstrations, testing and validation, (including pilot tests). These could be completed in simulated or real-life situations.

Common results of experimental development include prototype and pilots (including versions which could be used commercially) and improvements to products or services.

Experimental development does not need to result in a final product. Routine changes to existing products, processes or services are not classed as experimental development.

## 5. Pilot Phase Overview

To be awarded funding through the Pilot Phase of the competition applicants must submit a complete Pilot Phase application form. It is expected that applicants will use the outputs of their Discovery Phase project to inform their application for Pilot Phase funding.

All Pilot Phase applications will be required to demonstrate they meet all eligibility criteria (see Section 3). Pilot Phase applications will be considered against all the assessment criteria (see Section 16), and it is intended to score, assess, moderate and rank Pilot Phase funding applications using the Scoring Methodology and Funding Allocation processes outlined in Section 8.

Successful funding applications will be awarded grant funding for the (up to) ~15-month Pilot Phase funding period. Examples of activities (non-exhaustive) that funded Pilot Phase projects will be expected to undertake include:

- Product market testing
- Customer journey validation
- Supply chain partnership development
- Green finance product development
- IT, systems, processes, etc. prototyping, upgrades & testing
- Customer interface development
- Customer advice provision and/or advice signposting
- Green finance product piloting
- Piloting of verification methods
- Marketing and piloting of alternate marketing and engagement strategies

## 6. Deliverables

### 6.1. Pilot Phase Reports and Presentations

The successful bid(s) that progress to the Pilot Phase will be expected to deliver periodic update reports throughout the up to ~15-month pilot period. They must prepare a publishable End of Pilot Phase project report plus an interim report<sup>6</sup> at the time of product pilot launch.

The End of Pilot Phase report will contain an overview of the project, the initial aims and objectives, the outcomes and key achievements, the barriers and challenges overcome, and the key learning and findings. More details regarding the content required in the above reports will be shared at a later date.

All Pilot Phase projects must submit a draft version of their End of Pilot Phase report by 31 January 2025. Monitoring Officers and departmental officials will review and provide feedback on draft reports by 12 February 2025. Any further necessary iterations of the End of Pilot Phase report must be completed by 28 February 2025.

All reports will be subject to Senior Civil Service (SCS) grade level review and approval prior to publication on GOV.UK. Standard grant agreement terms and conditions will apply, whereby the End of Pilot Phase report must be of sufficient content and quality to the reasonable satisfaction of the Secretary of State before relevant milestone grant claim invoices are accepted for payment.

Projects teams will also be expected to deliver up to three online presentations (no longer than an hour each including Q&A) on the progress and/or outcomes of their pilot(s) to showcase the innovation work to industry audiences and to the public. Alongside sharing learnings, this can help to attract new customers or partners, build brand recognition and increase visibility and awareness.

### 6.2. Data Sharing Agreements and Privacy Notices

The Department is committed to undertaking comprehensive, independent evaluations across policies and programmes to support programme improvements through learning and provide accountability of public spend. The Green Home Finance Accelerator will be subject to a thematic evaluation, delivered by an external evaluation contractor that identifies how the programme, and other relevant Net Zero Innovation Portfolio programmes (e.g. Heat Pump Ready), have impacted the broader sector. The focus will be on understanding whether and how these programmes have influenced the perspectives, intentions and actions of key participating and non-participating stakeholders, and the importance of this within the context of net zero targets. This includes assessing the impact of individual projects.

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<sup>6</sup> The interim report will not be published on GOV.UK.

All programme participants will be required to support and participate in the evaluation to ensure that evidence collection and analysis is comprehensive. This includes organisations delivering the projects, as well as 'secondary' stakeholders that projects work with and engage during the Pilot Phase, such as customers. It is crucial that the Department and the external evaluation contractor can communicate with these 'secondary' stakeholders and invite them to participate in data collection. All Pilot Phase projects will therefore be required to include in their data sharing agreements and privacy notices with these stakeholders the explicit reference that, personal data about the stakeholder, such as names, address and email address, will be shared with the Department and the external evaluation contractor.

## 7. Funding Levels

The overarching GHFA competition is supported by up to £20m of government grant funding and up to £16m has been allocated for the Pilot Phase.

The amount of grant funding which can be awarded to each successful Pilot Phase project **must be at least £200,000 and must not exceed £2,000,000**.

These amounts refer to grants available, and do not include match funding (see Section 7.3). The Department may allocate less than the maximum £16m Pilot Phase budget depending on the quality of the applications. The exact number of projects funded and the level of funding each successful bid receives will depend on the scale, scope and quality of the bids.

### 7.1. Use of Grant Award

Grant funding awarded to successful applicants in the Pilot Phase may be used to fund a variety of project activities, these may for example include:

- Product market testing
- Customer journey validation
- Supply chain partnership development
- Green finance product development
- IT, systems, processes, etc. prototyping, upgrades & testing
- Customer interface development
- Customer advice provision and/or advice signposting
- Green finance product piloting
- Piloting of verification methods

### Ineligible Uses of Funding

Applicants should note that the grant award may **not** be used for the green finance product itself (a green finance product being, any type of loan instrument made available to exclusively finance or re-finance, in whole or in part, new and/or existing, eligible green home upgrades<sup>7</sup>). This means the grant must **not** fund loans, offset interest rates/cashback rewards etc., this should be funded by the lender offering the product.

Applicants should also be clear that the programme will **not** fund the development of products that do not require the uptake of one or more energy efficiency and/or low carbon heating measures and/or micro-generation technologies.

Further details of eligible and ineligible costs can be seen in Annex 3.

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<sup>7</sup> [https://www.lma.eu.com/application/files/9716/1304/3740/Green\\_Loan\\_Principles\\_Feb2021\\_V04.pdf](https://www.lma.eu.com/application/files/9716/1304/3740/Green_Loan_Principles_Feb2021_V04.pdf)



## 7.2. Funding Levels and Subsidy Requirements

**DISCLAIMER:** *The Department may decide to offer lower levels of funding than the maximum permitted under the rules of this competition; additionally, the funding rules set out in this Guidance Document for the Green Home Finance Accelerator are specific to this Competition only.*

### Subsidy Control

The GHFA competition will support successful applicants through subsidies awarded in the form of grants towards the eligible costs of the proposal.

Since 4 January 2023, public authorities must comply with the UK's subsidy control regime.<sup>8</sup> The Subsidy Control Act provides the framework for the regime including the transparency requirements.<sup>9</sup> The Windsor Framework applies the EU State aid rules to measures affecting the trade in goods and wholesale electricity between Northern Ireland and the EU.<sup>10</sup> This scheme is limited to subsidies to the services sector and therefore the Windsor Framework does not apply and all subsidies fall within the Subsidy Control Act.

### Business Definition

A business is defined as an organisation undertaking economic activities. Businesses are categorised as micro, small, medium, or large determined by both their:

- staff headcount; and,
- either turnover or balance sheet total.

The businesses that fall into the categories defined by **Table 2** are classed as Small and Medium Enterprises (SMEs). A large business in this context means any enterprise which is not a SME.

**Table 2: Categories for business definitions**

Company Category	Staff Headcount		Turnover		Balance Sheet Total
Medium-sized	< 250	<b>AND</b>	≤ £45m	<b>OR</b>	≤ £39m
Small	< 50		≤ £9m		≤ £9m
Micro	< 10		≤ £2m		≤ £2m

<sup>8</sup> <https://www.gov.uk/government/collections/subsidy-control-regime>

<sup>9</sup> <https://www.legislation.gov.uk/ukpga/2022/23/enacted>

<sup>10</sup> <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/guidance-on-the-scope-and-application-of-article-10-of-the-windsor-framework>

## 7.3. Subsidy for Research and Development Projects

The GHFA competition is open to:

- All private sector organisations irrespective of size;
- Collaborative proposals; and,
- ‘Research organisations’ as defined below.

The maximum percentage of public funding that can be provided towards eligible project costs for different sized consortium partner(s) is summarised in **Table 3**: “Maximum public funding for ‘Subsidy for Research and Development’”.

### Research Organisation Definition

When referring to research organisations, the Department uses the following definition:

*“‘research and knowledge dissemination organisation’ or ‘research organisation’ means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such an entity also pursues economic activities, the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert a decisive influence upon such an entity, for example in the quality of shareholders or members, may not enjoy a preferential access to the results generated by it.”*

Within this competition, Research Organisations can include:

- Universities (higher education institutions);
- Non-profit research and technology organisations (RTOs), including Catapults;
- Public sector organisations (PSO);
- Public sector research establishments (PSRE);
- Research council institutes;
- Research organisations (RO); and,
- Charities.

This list is not comprehensive and is subject to change and exceptions.

### Maximum Subsidy Thresholds

GHFA provides grant support for industrial research and experimental development innovation activity.

The level of grant funding that a GHFA project can receive will depend upon the size and type of applicant and the type of innovation activity they are undertaking in the project.

**Table 3** indicates the maximum level of public funding that can be provided for a GHFA project, as a percentage of the project’s total eligible project costs.

**Table 3: Maximum public funding for ‘Research and Development’ projects**

Type of Innovation Activity	Organisation Size	Maximum amount of public subsidy as a percentage of total eligible project costs
<b>Industrial Research – Single Companies</b>	Small	70%
	Medium	60%
	Large	50%
<b>Industrial Research – Collaborations:</b> can be Business to Business where at least one Business is an SME; or Business and Research Organisation(s).	Small	80%
	Medium	75%
	Large	65%
<b>Experimental Development – Single Companies</b>	Small	45%
	Medium	35%
	Large	25%
<b>Experimental Development – Collaborations:</b> can be Business to Business where at least one Business is an SME; or Business and Research Organisation(s).	Small	60%
	Medium	50%
	Large	40%

**Please note:** to be eligible for ‘Subsidy for Research and Development Projects’, you will be required to demonstrate that your project activities meet the definition of industrial research or experimental development as defined in Section 4.

Research organisation applicants may be entitled to receive higher levels of funding for eligible project costs if they are not undertaking economic activities in the project. Note that universities cannot claim more than 80% of their full economic costs calculated using the Transparent Approach to Costing (TRAC) methodology.

### Multiple Innovation Activity Projects

Where a project involves a mixture of experimental development and industrial research activity, the project team must identify in their application the proportion of

total eligible project costs which falls into each of the innovation types. They must also provide a clear summary of the proposed division of project activity between the two innovation types and demonstrate that the activities align with the proposed innovation type.

For such projects the maximum grant funding available for the innovation activities will be based on the individual thresholds for the different activities.

For example, a small enterprise conducting a R&D project by itself, whose costs includes 40% industrial research and 60% experimental development. The maximum threshold, based on project out-turn costs, would be as given in **Table 4**.

**Table 4: Maximum subsidy thresholds for projects involving a mixture of research categories**

Innovation Activity	Maximum Subsidy Threshold (as a percentage of total eligible project costs)	Percentage of Project for Each Research Category	Effective Subsidy Threshold
Industrial Research	70%	40%	28%
Experimental Development	45%	60%	27%
<b>Maximum Project Subsidy Rate</b>			55%

## Consortium Applications

For collaborations containing different sized enterprises or Research Organisations, the funding intensity is related to the organisation receiving the subsidy.

For example, for a collaborative Industrial Research project: a large enterprise consortium member can only be reimbursed up to 65% of its total eligible costs, whereas a small enterprise collaborator can be reimbursed up to 80% of its total eligible costs.

Similarly, for a collaborative Experimental Development project: a large enterprise consortium member can only be reimbursed up to 40% of its total eligible costs, whereas a small enterprise consortium member can be reimbursed up to 60% of its total eligible costs.

## 7.4. Public Funding

When considering levels of subsidy (described above), public funding includes the grant and all other funding from, or which is attributable to, other government departments, UK public bodies, other Governments or Government organisations.

Such funding includes grants or other subsidies made available by those bodies or their agents or intermediaries (such as grant funded bodies).

In applying to this competition, you must state if you are applying for, or expect to receive, any funding for your project from public authorities (in the UK or elsewhere). Any other public funding will be cumulated with the Department's funding to ensure that the public funding limit and the subsidy intensity levels are not exceeded for the project.

Whilst the Department will check the information provided to try and ensure that applicants meet the requirements of the subsidy categories, it is the responsibility of applicants to establish that they fall within the competition rules before submitting applications. The Department requires applicants to notify them of any change to their situation or circumstance during the project.

It is essential to ensure that the total grant funding for the project from public sources does not exceed the permitted percentages stated for the relevant subsidy category.

For any breach of subsidy requirements, please consult the generic grant funding agreement that the Department will be providing with this Guidance. Grant recipients must adhere to all Subsidy Control obligations set out in Clause 15 of the Grant Funding Agreement. Failure to do so may result in termination and clawback of funding as per Clause 26.

As part of the assessment process, the added value and additionality of public funding will be tested. Applicants will need to demonstrate why public funding is required to deliver this project.

# 8. Pilot Phase Application Process and Assessment Criteria

## 8.1. Application Overview

Applicants must submit a competition [application form](#) for the Pilot Phase with supporting information by 12:00pm (noon) 03 October 2023. The notes below explain the details of the application process:

Applicants must ensure that the guidance, within the application form, is followed in regards to formatting and number of words per section. When doing so, refer to this guidance document where necessary and ensure that that the application complies with all the competition requirements.

**Questions about the Competition:** If you have any questions on the competition process after reading these guidance notes, please submit them to [uk\\_ghfa@pwc.com](mailto:uk_ghfa@pwc.com) by close on 25 August 2023. We will reply to questions and publish an anonymised list of all questions and answers submitted during the competition period by close on 05 September 2023.

All applicants should take these replies into consideration when preparing their own applications and we will evaluate applications on the assumption that they have done so.

**Application documents:** All application documents must be submitted via the online application form. In the form there are opportunities to upload relevant supporting documents. In some sections we specify the supporting information we would like to see uploaded. We will not accept any other format of the application.

**Submission Content:** Each online application must include the following documents:

- Completed [Application Form](#)
- Completed Pilot Phase Finance Form (this should be uploaded in the Costs section of the assessed criteria in the application form).
- Completed Pilot Phase Gantt chart or Outline Project Plan, organogram and CV package for the project proposed to be uploaded in the Deliverability section of the assessed criteria in the application form.
- Completed Pilot Phase risk register for the project proposed to be uploaded in the Deliverability section of the assessed criteria in the application form.
- Completed Pilot Phase Project Partners and Subcontractors Form (if applicable)
- Completed Pilot Phase Declarations

- Declaration 1 - Form of Bid
  - Declaration 2 - Conflict of Interest
  - Declaration 3 - Standard Selection Questionnaire (SSQ)<sup>11</sup>
  - Declaration 4 - General Data Protection Regulation (GDPR) Assurance Questionnaire
  - Declaration 5 - Statement of Non-Collusion
- Optional: additional information can also be submitted in the final section before you submit your online application form. Supporting documents should provide substantive information to the proposal. However, you should not assume that any additional information will be cross-referenced or reviewed as part of the application assessment process.

You should endeavour to answer all the questions on the application in full, some questions will be 'required fields' in the form and you will not be able to proceed to the next section until these questions are complete. Incomplete applications and any containing incorrect information may be rejected. However, the Department may, at its discretion, request clarification before making a final decision. Any applications or supporting documentation received after the application deadline will not be considered.

Submission Costs: You will not be entitled to claim from the Department any costs or expenses that you may incur in preparing your bid, whether or not your proposal is successful.

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<sup>11</sup> Applicants must submit a standard selection questionnaire on behalf of all consortium members and all sub-contractors involved in the delivery of the project.

## 8.2. Assessment and Moderation Processes

Applicants will be required to meet the eligibility criteria as outlined in section 3. All applications will be checked for eligibility. Only those that are considered to be eligible will be fully assessed.

The online application form and guidance notes are designed to inform you about the types of information you should provide to the Department for your proposal to be assessed.

All eligible proposals will be assessed in relation to the Assessment Criteria set out in Section 16.

### Scoring Methodology

All applications which meet the eligibility criteria will be scored against each of the assessment criteria. Each criterion will be scored out of 5 and the meaning of each score is outlined in the table below (see Table 5).

The total score will be calculated by applying a weighting set against each criterion; the maximum number of marks possible will be 50, with a final score out of 100%.

To be eligible for funding projects must meet the eligible minimum threshold of a total weighted score of 60% or above and a score of at least 3 or above against each of the assessment criteria.

Applications will be assessed by at least three assessors (these will include the Department's assessors and external assessors). All external assessors will be subject to a confidentiality agreement and all assessors will be screened for any potential conflicts of interests.

A moderation meeting will be held at the end of the assessment process to agree the overall combined scores for each of the projects to determine an overall ranking list which will be used by the Department to allocate the funding for the competition in order of merit from highest score – see below for details of funding allocations.



**Table 5: Scoring Methodology**

Score	Description
1	<b>Not Satisfactory:</b> There is no evidence to very little evidence that the question has been satisfactorily answered and major omissions are evident.
2	<b>Partially Satisfactory:</b> There is little evidence that the question has been satisfactorily answered and some omissions are evident. Much more detail is needed
3	<b>Satisfactory:</b> There is reasonable evidence that the question has been satisfactorily addressed but some omissions are still evident and further detail is needed.
4	<b>Good:</b> The question has been well addressed with a good evidence base with only minor omissions or lack of detail.
5	<b>Excellent:</b> There is clear evidence that the question has been completely addressed in all aspects, with questions answered clearly, concisely with a strong evidence base.

The assessment of proposals will be based only on the information contained within your application. You must not assume that the assessment team has any prior knowledge of your organisation or its work.

### **Funding allocation**

Applications which pass this minimum threshold will be placed in a ranked list with the highest scoring project first. The funding will be allocated starting with the highest scoring project. Remaining funding will be allocated to the next highest ranked projects in order, until the funding has been allocated or until no more projects meet the minimum funding criteria.

If the next ranked project is more expensive than the amount of funding left, that project will not be funded. The funding will be allocated to the next highest scoring project for which costs are within the amount of funding remaining. If two or more projects score identically overall, the ranking will be decided based on the following criteria, in priority order:

- Deliverability
- Addressing the competition objectives (highest assessed score first)
- Market Potential
- Skills and Expertise
- Project Finance
- Social Value

# 9. Project Finances

## 9.1. Financial Information

Applicants are requested to provide a capped/fixed price budget for the work. A detailed cost breakdown is required to enable assessment of the robustness of the proposed budget. A link to the template is provided within the application form and on the GHFA – Pilot Phase GOV.UK [webpage](#).

Financial information should include costs for the Pilot Phase detailing labour, (including manpower rates), material and capital equipment costs, and any travel and subsistence requirements.

Please note:

- Pilot Phase grant funding will only be available until 28 February 2025. All project activities, including dissemination, reporting and grant claims for product development activities need to be completed by this date.
- All costs should be provided excluding VAT, though where VAT applies, bidders should specify the amount.
- All budgets should be in British pounds sterling.
- Applicants should include all match-funding arrangements with other donors so that the Department's contribution can be seen as part of any wider project financing.
- The Department will not make payments in advance of need and typically makes grant payments in arrears on satisfactory completion of agreed milestones and deliverables following receipt of a correctly submitted and itemised invoice.
- Applicants should outline and disaggregate any intermediary transaction costs where your organisation is sub-contracting to partners.

Note: Nothing in this funding call requires the Department to award any applicant a grant agreement of any particular amount or on any particular terms. The Department reserves the right to not award any grant agreement, in particular, if the Department is not satisfied by the proposals received or if the funding assigned to the scheme is required for other, unforeseen purposes. The Department will not, under any circumstances, make any contribution to the costs of preparing proposals and applicants accept the risk that they may not be awarded a grant agreement.

# 10. Notification and Publication of Results

## 10.1. Notification

Applicants will be informed by email whether their Pilot Phase application has been successful, subject to compliance with the terms and conditions of the Conditional Grant Contract Offer (see GHFA – Pilot Phase GOV.UK [webpage](#)). Unsuccessful applicants will be provided feedback at the same time. Details of all awards will also be published on the Government Grants Information System.

The Department may wish to publicise the results of the scheme which may involve engagement with the media. At the end of the application and assessment process, the Department may issue a press release or publish a notice on its website. These public documents may, for example, outline the overall results of competitions and describe some of the projects to be funded.

Some organisations may want their activities to remain confidential and you will be given a chance to opt out of any involvement in media relations activity and further case study coverage of projects, should you see this as being absolutely necessary. However, as noted above, the public description of the project you provide in your Application Form will be made available in the public domain if your application is successful, and you are not able to opt out of the project description being published. In addition, all funded projects must include reporting and dissemination milestones, agreed with the Department, as part of their project deliverables.

Any organisation that wishes to publicise its project, at any stage, must contact the Competition Project Manager or their Project Monitoring Officer before doing so as formal approval will need to be sought.

## 10.2. Publication of Results

The Department also wishes to publicise details of the Pilot award recipients. Therefore, on or after issuing a grant award, the Department will publish the following information:

- Identity of the participant and its partners,
- Project summary information, including aims and expected outcomes of the project and technology area,
- Total award value.

Following completion of the funded projects, the Department will publish on its website a summary of the funded activities and the outcomes achieved. This will contain an overview of the project, the initial aims and objectives, the outcomes and key achievements, the barriers and challenges overcome, and the key learning and

findings (see Section 6). The Department may also revisit projects at a later date and publish an evaluation report for the scheme as a whole.

The Department however does recognise the need to maintain confidentiality of commercially sensitive information. The Department will consult applicants regarding the nature of information to be published, to protect commercially sensitive information.

### **10.3. Feedback, Re-application and Right of Appeal**

A short summary of key feedback regarding the applications will be provided to all applicants. This feedback will be based on the summary comments of the Assessment Stage. The feedback from the assessors is intended to be constructive. No additional feedback will be provided and there will be no further discussion on the application. The Department's decision on project funding is final.

# 11. Grant Award Processes

## 11.1. Consortium Projects

### **Lead Partner Role**

The Department specifies that there should only be one lead organisation assigned to each project proposal. Grant Offer Letters for successful applicants will be made out to the delegated lead company and as such the Department is only responsible for making claim payments to the delegated project lead. Payments to collaboration partners or sub-contractors are the responsibility of the lead company.

### **Collaboration Agreement**

The Department requires that all partners in a collaborative application have signed a Collaboration Agreement (CA) within one month of the commencement date of grant funded activities. The CA should as a minimum specify the work division, intellectual property arrangements and a dispute rectification process. The Department will, in event of a dispute between partners, look for that dispute to be resolved within the terms of the CA.

## 11.2. Project Cost Information

As part of their application, all applicants must complete the GHFA Pilot Phase Finance Form (see GHFA – Pilot Phase GOV.UK [webpage](#)) detailing their expected expenditure and spending profile for the project. You should complete a single form covering your entire project and, for consortium projects, including all of your partners, clearly identifying which costs relate to which partner.

During the assessment of applications, the project costs and plans that are submitted as part of the application process will be assessed along with the answers to the questions on the application form to ensure they are what might be reasonably expected.

The eligibility of all costs under subsidy rules and the financial viability of your organisation may be checked following the assessment and moderation process, but before a formal grant offer is made. Being contacted for this information does not indicate either success or failure in the assessment process.

While the Department understands that project costs are subject to change prior to agreeing a Grant award and throughout the course of the project, we do expect the final version of the Finance Form to be our guide to project expenditure through delivery and costs should not vary significantly from this without prior agreement from the Department.

## **Sub-Contract Use**

You will be expected to state and justify in your project application the amount of sub-contract funding (if any) within the expected spend of the project. You will be expected to explain the necessity for this spend as opposed to the addition of collaboration partners within the project proposal.

## **Overhead Rates**

The overhead rate must be agreed with the Department before the Grant award documents are issued and cannot be changed during the work.

## **Financial viability checks**

The Department (and our programme Delivery Partners) will undertake financial viability checks on all successful applicants, which will also include consortium members and sub-contractors responsible for carrying out significant aspects of the project. These checks may include looking at the latest independently audited accounts filed on the Companies House database.

Where a business is not required to file accounts with Companies House, other financial information may be requested to enable an appropriate financial viability review to be undertaken. We will be looking for evidence of your ability to resource the project appropriately, so the information we request will be focused on understanding how your business operates in this respect.

Before your project starts, you will be asked for evidence that you have the funding mechanisms in place to manage your cashflow across the life of your project. This could include letters of credit or other such mechanisms. Checks will also be carried out to determine whether the applicant is a 'company in financial distress' for subsidy control purposes. We do not expect you to have cash deposits to cover the entirety of your project at the start but if you do not complete your project due to cash flow problems that you could have anticipated and managed, we may request repayment of any grant already issued to you.

The Department will not make payments in advance of need and typically makes payments in arrears on satisfactory completion of agreed milestones and deliverables. The Department understands, however, the difficulties which small businesses may face when financing this type of project. The Department will explore cash flow issues with the applicant as part of developing the financial and milestone profile during the Grant Award process. The Department may offer flexibility in terms of profiles and payments, within the confines of the requirements for use of public money within which it operates.

## **Grant Use**

Companies should note that the grant may not be used to subsidise commercial activities.

# 12. Monitoring, Reporting, Evaluation, Key Performance Indicators, and Intellectual Property Requirements

## 12.1. Monitoring

PricewaterhouseCoopers (PwC), supported by The Carbon Trust, have been contracted by the Department to provide project monitoring services for this programme. All monitoring officers will be subject to robust Conflict of Interest checks and a confidentiality agreement. Successful applicants will be assigned a Monitoring Officer who will be their main point of contact with the Department during delivery of the project.

Projects will meet with their Monitoring Officer at the project start, potentially before grant award, to agree the delivery plan, the milestones, and the specific outputs that will be delivered, as well as an invoicing schedule.

Monitoring Officers will be the first point of contact for projects, and they will be responsible for reviewing project reporting, milestone claims and issue escalation.

## 12.2. Reporting Requirements

Applicants will undertake their own project management and will be overseen by their appointed Monitoring Officer.

Regular project monitoring and reporting will take two forms:

1. Project teams will be required to meet with their Monitoring Officer once per month to discuss project progress and highlight successes, issues, and risks.
2. Projects will be required to submit a project progress report every quarter. We expect this report to cover, as a minimum:
  - Progress against the project delivery plan and project milestones
  - Upcoming work over the next quarter
  - Financial information (including budget spend so far and budget forecast)
  - An updated risk register (including details of where risk ratings have changed, or new risks/issues have emerged)
  - Any key lessons learnt during delivery, and progress against relevant programme benefits.

Any changes to schedules or project plans will need to be approved by the Department and applicants should expect significant interaction with the Department's programme team throughout the duration of their projects.

## 12.3. Milestone Payments

Payments will be only made by the Department after an agreement has been signed between the applicant and the Department. Further details on payments and financial requirements will be provided by the Department as part of any funding agreement. These will include the requirement for detailed statements of expenditure and requests for funds in a specified format.

Applicants must satisfy the due diligence, financial and organisational checks required prior to receiving public funds.

Finance is released against work carried out rather than a lump sum on approval.

The Department will not make payments in advance of need and payments will be made on a milestone basis upon receipt of a detailed statement of expenditure. They will be subject to satisfactory progress against the project's milestone schedule.

Funds should be claimed against evidence of expenditure usually in the form of a receipted invoice accompanied by evidence or copies of work undertaken. A claim form will be issued with your letter of offer. After each milestone is completed, you will be expected to complete and submit a claim form. Claims should be submitted to the Monitoring Officer for processing and will be paid within 30 working days of a complete and satisfactory claim being received.

The Department recognises the importance of remaining flexible and pragmatic throughout project implementation and will consider changes to ensure the most effective use of funds. Approval from the Department should be sought for changes to overall impact and outcome of projects and any significant changes in outputs. Requesting a significant change may necessitate a re-examination of project purpose or implementation. The Department must approve any changes that require the movement of more than 5% of the total budget between budget lines. An updated work plan and budget may also be needed when requesting changes.

If circumstances outside the control of the project occur which impact on delivering the expected outputs, the project must inform their Monitoring Officer as soon as possible. The Monitoring Officer will consult with the Department to determine the best course of action.

Final Pilot Phase milestone claims must be invoiced in time to be processed by 31 March 2025.

## 12.4. Knowledge Sharing

Effective dissemination and knowledge sharing are key requirements of this Competition. All funded projects will be required to prepare a publishable End of Pilot Phase report plus an interim report at the time of product pilot launch (see Section 6.1) and to participate in programme evaluation (see Section 13.5).

We would also encourage funded projects to share useful data, lessons learnt and experience through relevant industry forums. Projects teams will also be expected to deliver up to three online presentations (no longer than an hour each including Q&A)



on the progress and/or outcomes of their pilot(s) to showcase the innovation work to industry audiences and to the public (see Section 6.1).

## 12.5. Programme Evaluation

The Department is committed to undertaking comprehensive, independent evaluations across policies and programmes to support programme improvements through learning and provide accountability of public spend.

The Green Home Finance Accelerator evaluation will focus on whether and how the programme has influenced the perspectives, intentions and actions of key participating and non-participating stakeholders, and the importance of this within the context of Net Zero targets. In addition to assessing this wider-reaching impact, the evaluation will also help the Department understand how the projects and resulting finance products are being delivered in practice, what was successful and unsuccessful, how programme delivery can be improved, and where performance can be improved in any future rollout, including any future role for government support.

All programme participants will be required to support and participate in reasonable evaluation activities to ensure that evidence collection and analysis is comprehensive. For successful applicants this will include, but is not limited to, providing Key Performance Indicator data (see section 12.6 below) and project progress reports, completing questionnaires or surveys, participating in interviews and workshops, and providing costs/sales/uptake data.

Stakeholders that projects work with and engage during the Pilot Phase, such as consumers, installers, and other stakeholders in the energy efficiency supply chain, are also essential to the evaluation. To ensure that the Department and the external evaluation contractor can communicate with these 'secondary' stakeholders and invite them to share their views about the project and programme, projects will be required to include in their data sharing agreements and privacy notices with these stakeholders the explicit reference that personal data about the stakeholder, such as names, address and email address, will be shared with the external evaluation contractor.

## 12.6. Key Performance Indicators (KPIs)

Projects will be required to report on the Department's Net Zero Innovation Portfolio (NZIP) Key Performance Indicators, a set of portfolio-level indicators that help the Department consistently track, measure, and report on results and progress achieved by NZIP.

Specific (relevant) NZIP KPIs for each individual project will be agreed before the start of the Pilot Phase. Templates for reporting KPIs and project progress will be provided to each project. More information can be found in Annex 3.

## 12.7. Intellectual Property

The Intellectual Property in all intellectual property rights material (IPR), such as materials expressed in any form of report, information, system or process, will be the property of GHFA grant recipients. The Department does require a non-exclusive irrevocable and royalty-free, sub-licensable, worldwide licence to use all IPR Material for the purpose of supporting the grant funded activities and other projects.

Full details of the proposed arrangements for IPR are set out within the Model Grant Agreement for this Competition (see GHFA – Pilot Phase GOV.UK [webpage](#)).

## 12.8. Ownership of Equipment

Grant recipients will retain responsibility and ownership for the technologies and related equipment developed and used during the delivery of the projects.

# 13. SME Acceleration Support

This section is for information regarding support for SMEs.

This scheme will offer acceleration support to successful applicants that meet the definition of Small & Medium Enterprise (SME) (see Table 6). This is highly recommended for SME grant awardees to help develop their business. Acceleration Support is 100% funded by the Department. This support will focus on helping the grant recipient to prepare commercial plans and actions that will increase the chance of successfully bringing the innovation to market or reduce the time to market.

**Table 6: Categories for business size definitions**

Company Category	Staff Headcount		Turnover		Balance Sheet Total
Medium-sized	< 250	<b>AND</b>	≤ £45m	<b>OR</b>	≤ £39m
Small	< 50		≤ £9m		≤ £9m
Micro	< 10		≤ £2m		≤ £2m

Carbon Trust will lead a consortium (Energy Systems Catapult, Eigen Ventures, Mott Macdonald and KPMG) to deliver the Acceleration Support Services on behalf of the Department. Specialist support will also be provided by clean tech investor Sustainable Ventures, technical consultancy E4tech, product development specialists High Value Manufacturing Catapult, international patent and trademark consultancy Novagraaf, marketing and communications experts Greenhouse and legal specialist dwf.

The starting point for acceleration support is to consider the current stage of commercial preparation and identify (with the grant recipient) critical next steps, business strengths and gaps, benchmarked for the stage of the individual business across all key Acceleration Support focus areas:

- Market engagement and proposition
- Strategy and sales
- Team and board
- Funding and investment
- Product-service design, development and launch
- Business processes and controls

Specialist advisers from Carbon Trust and its consortium will be assigned to support the company in the development of the appropriate knowledge and skills. Three types of support will be available dependant on company need:

1. Tailored support, including coaching and specialist support across the six focus areas.
2. Group training and learning resources, including sector specific masterclasses and techno-market workshops.
3. Access to industry and finance networks, providing companies with investor engagement opportunities, pitch training sessions, facilitated market engagement and networking opportunities.

All SME-led proposals that are awarded funding and wish to receive Acceleration Support will need to participate in an Acceleration Support Planning meeting. This planning session will be conducted by The Carbon Trust. Following the planning meeting an acceleration plan will be created outlining the task delivery plan. These plans will be bespoke and based on company needs identified.

The Department has historically offered Acceleration Support (previously named Incubation Support) to help grant recipients from the Energy Entrepreneurs Fund (EEF) to achieve maximum commercial impact from the grant. It is highly recommended that recipients of this funding take up the offer of Acceleration Support Services and co-operate with both the Acceleration Planning Session and the Acceleration Manager, who will oversee the delivery of the acceleration support. However, unlike the EEF scheme, receiving the identified acceleration support is not a condition of the grant award.

Participants will also be asked to collaborate in monitoring and evaluation activities and to provide feedback on support provided through the programme.

# 14. Confidentiality and Freedom of Information

If any request is made to the Department under the Freedom of Information Act 2000 (“FOIA”) for the release of information relating to any project or applicant, which would otherwise be reasonably regarded as confidential information, the Department will notify you of the request as soon as we become aware of it. An applicant must acknowledge that any lists or schedules provided by it outlining information it deems confidential or commercially sensitive are of indicative value only and that the Department may nevertheless be obliged to disclose information which the applicant considers confidential.

As part of the application process all applicants are asked to submit a public description of the project. This should be a public facing form of words that adequately describes the project but that does not disclose any information that may impact on Intellectual Property (IP), is confidential or commercially sensitive. The titles of successful projects, names of organisations, amounts awarded and the description of the project may be published once the award is confirmed as final. All assessors used during the assessment of applications will be subject to a confidentiality agreement.

The Pilot Phase report (see Section 6) should be a public facing document that describes the key outputs and lessons from the innovation work, but that does not disclose any information that may impact on Intellectual Property (IP), or is confidential or commercially sensitive. Any relevant commercially sensitive information should be provided in additional annexes which are clearly marked ‘Not For Publication’.

# 15. Privacy Notice

This notice sets out how we will use your personal data and your rights. It is made under Articles 13 and/or 14 of the UK General Data Protection Regulation (UK GDPR).

## **YOUR DATA**

We will process the following personal data:

- Names and contact details of employees involved in preparing and submitting the bid;
- Names and contact details of employees proposed to be involved in delivery of the grant; Names, contact details, age, qualifications, and experience of employees whose CVs are submitted as part of the bid.

### *Purpose*

We are processing your personal data for the purposes of the grant funding competition described within the remainder of these Guidance Notes, or in the event of legal challenge to such competition exercise. We will also process your personal data for the purposes of conducting an evaluation of the Green Home Finance Accelerator programme.

### *Legal basis of processing*

The legal basis for processing is necessary for the performance of the task of administering the Green Home Finance Accelerator carried out in the public interest.

### *Recipients*

Your personal data will be shared by us with other government departments or public authorities where necessary, for example for due diligence purposes, as part of the competition process. 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. We will also share your data with programme delivery partners (including [PricewaterhouseCoopers](#) and [The Carbon Trust](#)) and an external evaluation contractor who will be tasked with delivering an evaluation of the programme.

### *Retention*

All tenders will be retained for a period of six years from the date of contract expiry unless the contract is entered into as a deed, in which case, it would be kept for a period of 12 years from the date of contract expiry.

### *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 their 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 to write 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 in the UK and European Economic Area. Where it is the case that your personal data is stored outside the UK and EEA it will be subject to equivalent legal protection through the use of Model Contract Clauses

### *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  
Wilmslow  
Cheshire  
SK9 5AF

0303 123 1113

[casework@ico.org.uk](mailto: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 Energy Security and Net Zero (DESNZ).

You can contact the Department's Data Protection Officer at: DESNZ Data Protection Officer, Department for Energy Security and Net Zero, 1 Victoria Street, London, SW1H 0ET. Email: [dataprotection@energysecurity.gov.uk](mailto:dataprotection@energysecurity.gov.uk).

## Part 2

# 16. Completion of the Pilot Application and Finance Forms

## 16.1. Completion of the Pilot Application Form

This section aims to guide you through the completion of the online Green Home Finance Accelerator Pilot Phase Application Form. It is intended to explain what type of information applicants should consider providing to the Department to enable effective assessment of their application.

Applications will be assessed on the information provided in the application form and any supporting information provided. It is therefore important that a response is provided to every question. There will not be an opportunity to discuss your project proposals with the Department's assessors or the independent assessors.

These guidance notes are not intended to be exhaustive; applicants are expected to develop their own responses based on their own skills, knowledge and experience. Applicants are encouraged to be concise whilst providing all the necessary and relevant information.

A box is provided for each question on the form. To answer the question or provide information, simply click on the box and begin typing, or select from the drop-down menu. There are word limits for each answer and when the text has reached the word limit you will not be able to add any further text. When you are copying and pasting text into the online application form from any planning documents, please ensure that all text has copied across correctly and is within the word limit.

Any graphs, diagrams or additional evidence that you are providing to support your application should be uploaded to your submission.

**We advise applicants to familiarise themselves with the online application form in advance to ensure any technical issues can be resolved ahead of the deadline. Applications will not be considered if submitted after the deadline. Applications will only be accepted on the online application form, any other formats such as Word, will not be accepted. Any applications or any additional material submitted after the deadline will not be considered.**



## 16.1.1. Proposal Summary

The initial section of the application form asks you to provide high-level details about your proposal.

**Table 7: Application Form Proposal Summary Guidance**

<b>Section/Field</b>	<b>Guidance</b>
<b>1. Name of Applicant Organisation</b>	Provide the name of the lead applicant organisation for the proposed project.
<b>2. Project Name</b>	A brief title that can be used to summarise the project.
<b>3. Pilot Phase Estimated Project Start Date</b>	Please confirm date to start work assuming successful funding. Grant funding agreements are expected to be signed by 15 December 2023.
<b>4. Pilot Phase Estimated Project End Date</b>	Please confirm date to finish all Pilot Phase grant funded activities. This should be no later than 28 February 2025.
<b>5. Pilot Phase Total Grant Amount (£)</b>	This is the amount of grant funding you will be asking for from the Department for the Pilot Phase only, excluding VAT. You should ensure that you do not request a grant higher than the maximum allowed, taking into account all public-sector funding considerations for the project.
<b>6. Project Description</b>	This should be a summary description of the Pilot Phase project, intended to set the scene for assessors and introduce the proposed product(s) and/or service(s), as well as the project activities. You should use language that can be understood by people without specialist knowledge or expertise. This question is not scored but will be used by assessors to gain a high-level understanding of the project before they start their detailed assessment.

## 16.1.2. Eligibility Criteria

This section of the application form confirms whether the project meets the eligibility criteria of the Green Home Finance Accelerator.

Applicants should check all YES/NO boxes against each eligibility criterion.

Please note that all applications which state that they are compliant with eligibility criterion will be subject to further verification checks. This will include an assessment of relevant information submitted within assessment criteria responses. Eligibility will also be subject to satisfactory answers to any clarification questions issued by the Department.

**Applications which fail the Eligibility Criteria will not be assessed further, so it is essential to ensure that your project meets these criteria before you submit your application.**

Eligibility criterion	Response
<p><b>1. Discovery Phase Completion</b></p> <p>All applications for Pilot Phase funding must include at least one applicant that was awarded a Discovery Phase grant.</p> <p>All applications for Pilot Phase funding must be informed by the grant funded activities undertaken during the Discovery Phase.</p> <p>Any variation in project partners between phases must be clearly justified within Pilot Phase funding applications.</p>	<p><i>Does the Pilot Phase project grant funding application include at least one applicant that was awarded a Discovery Phase grant?</i></p> <p><b>Applicant response: Yes or No</b></p> <p>Is the Pilot Phase project funding application informed by the grant funded activities undertaken during the Discovery Phase?</p> <p><b>Applicant response: Yes or No</b></p>
<p><b>2. Types of product(s) and/or service(s) funded</b></p> <p>All applications for Pilot Phase funding must be within competition scope as set out in Section 4 of the Pilot Phase – Competition Guidance Notes.</p>	<p><i>Is the proposed product(s) and/or service(s) within scope of the Green Home Finance Accelerator – Pilot Phase competition?</i></p> <p><b>Applicant response: Yes or No</b></p>

<p><b>3. Project Location</b></p> <p>At least 50% of project activities (as measured by eligible project costs) must be delivered in the UK, and any product pilot activities must take place in the UK with UK consumers.</p>	<p><i>Are at least 50% of the project activities going to be delivered in the UK?</i></p> <p><b>Applicant response: Yes or No</b></p> <p><i>Will all green finance product(s) and/or service(s) piloting activities take place in the UK with UK consumers.</i></p> <p><b>Applicant response: Yes or No</b></p>
<p><b>4. Project Team Composition</b></p> <p>Projects must be delivered by individual UK based organisations (sole applicants) or by a consortium of UK based project partners led by a UK based organisation (consortium applicants) as described in the GHFA Pilot Phase – Competition Guidance Notes.</p>	<p><i>Can you confirm that the project is delivered by one of the above categories of applicants?</i></p> <p><b>Applicant response: Yes or No</b></p>
<p><b>5. Match Funding</b></p> <p>All grant recipients must provide evidence that their required match funding has been secured within 3 months of the commencement date of their grant funded activities.</p>	<p>a) <i>Is your project able to be supported by match funding?</i></p> <p><b>Applicant response: Yes or No</b></p> <p>b) <i>Do you have a credible plan to secure required match funding within 3 months of the commencement date of grant funded activities?</i></p> <p><b>Applicant response: Yes or No</b></p>
<p><b>6. Project Status</b></p> <p>Applicants cannot request funding towards retrospective work on projects.</p>	<p>a) <i>Can you confirm that your application does not seek funding for retrospective work on this project?</i></p> <p><b>Applicant response: Yes or No</b></p>

<p>The project must not be at market entry stage (i.e., Commercial Readiness Level - 4a) at the start of the Pilot Phase.</p> <p>The project must also not include the development of any processes, technologies or products which are already commercially deployed in the UK or internationally.</p> <p>Please see Annex 1 of the Pilot Phase – Competition Guidance Notes for definitions of Commercial Readiness Levels.</p>	<p>b) <i>Can you confirm that your project is not at market entry stage and not already commercially deployed in the UK or internationally?</i></p> <p><b>Applicant response: Yes or No</b></p>
<p><b>7. Additionality</b></p> <p>The project can only be funded where justification can be provided that the innovation would not be taken forward (or would progress at a much slower rate) without public sector funding.</p>	<p><i>Can you confirm that this project would not be taken forward (or would progress at a much slower rate) without public sector funding?</i></p> <p><b>Applicant response: Yes or No</b></p>
<p><b>8. Grant Size</b></p> <p>The total requested grant for the Pilot Phase project must be a minimum £200,000 and must not exceed £2,000,000.</p>	<p><i>Can you confirm the grant amount requested from the Department for your Pilot Phase project will be at least £200,000 but equal to or below £2,000,000?</i></p> <p><b>Applicant response: Yes or No</b></p>
<p><b>9. Eligible Project Costs</b></p> <p>The Department will only provide grant funding to cover eligible project costs which includes the applicant's own costs, eligible costs incurred by consortium members and eligible costs incurred by organisations connected to</p>	<p>a) <i>Can you confirm that requested funding is for eligible costs only?</i></p> <p><b>Applicant response: Yes or No</b></p>

<p>any of these incurred in delivery of the agreed Pilot Phase project.</p> <p>The project can only be funded for research and development (i.e., industrial research and experimental development) activities and must not exceed the maximum proportion of eligible project costs which can be funded via public funding.</p>	<p><i>b) Is the proposed project eligible under the subsidy requirements?</i></p> <p><b>Applicant response: Yes or No</b></p>
<p><b>10. Multiple Applications / Proposals</b></p> <p>Organisations may participate (as either a project lead and/or consortium member) in a maximum of up to three applications / proposals only.</p> <p>Organisations must not apply for funding for the same piece of work more than once and organisations must not apply for funding for work that is already being funded via other public sources.</p>	<p><i>a) If you are part of multiple applications, could you confirm that you are not involved in more than three applications / proposals?</i></p> <p><b>Applicant response: Yes or No</b></p> <p><i>b) Can you please confirm that you or any consortium members have not applied for funding for the same piece of work more than once?</i></p> <p><b>Applicant response: Yes or No</b></p> <p><i>c) Can you please confirm that you have not applied for funding for work that is already being funded via other public sources?</i></p> <p><b>Applicant response: Yes or No</b></p>
<p><b>11. Delivering Multiple Projects</b></p> <p>Funding recipients must be able to deliver all proposed work if they are part of multiple successful applications.</p>	<p><i>If you or your consortium are part of multiple successful applications, would you be able to successfully deliver all projects if necessary?</i></p> <p><b>Applicant response: Yes or No</b></p>

<p><b>12. Terms and Conditions</b></p> <p>Applicants must agree to the published Green Home Finance Accelerator Terms and Conditions.</p>	<p><i>Does your organisation agree to the Green Home Finance Accelerator grant terms and conditions?</i></p> <p><b>Applicant response: Yes or No</b></p>
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### 16.1.3. Contact and Lead Organisation Details

<b>1. Contact Details</b>	Name and details of the person who will be the main point of contact for the application process.
<b>2. Organisation Name</b>	The full registered name of the organisation applying for funding.
<b>3. Registered Address</b>	The address where the lead organisation is registered.
<b>4. County</b>	The county where the organisation is registered.
<b>5. UK Region</b>	The UK region where the organisation is registered.
<b>6. Country</b>	The country where the organisation is registered.
<b>7.A Project Location</b>	The project location indicates where the main activity of the proposed project will be carried out.
<b>7.B Pilot Delivery Location(s)</b>	The Pilot delivery location refers to the location(s) where the green finance product and/or related services and tools are expected to be available to customers. This could range from UK wide, to England only, to specific geographic locations such as a city or district.
<b>8. Lead Organisation Type</b>	Please select from the drop-down menu.
<b>9. Lead Organisation Size</b>	Please select your organisation size from the drop-down menu.
<b>10. Number of employees (including directors)</b>	Number of staff in your organisation (this will help us confirm the nature of your company).
<b>11. Lead Organisation Registration Number</b>	Your business registration number as listed by Companies House, or equivalent.

<b>12. Turnover (in most recent annual accounts)</b>	Your most recent turnover figure from annual accounts and the date of those accounts.
<b>13. Turnover Date (in most recent annual accounts)</b>	The date of the annual accounts from which your most recent turnover figure is taken.
<b>14. Balance Sheet Total (total assets net of depreciation)</b>	Your most recent balance sheet total (total assets net of depreciation).
<b>15. Balance Sheet Date (total assets net of depreciation)</b>	The date from which your most recent balance sheet total was calculated.
<b>16. Value-added tax (VAT)</b>	Please confirm whether the lead organisation is permitted to recover VAT.
<b>17. Lead Organisation Maturity</b>	Please select the age of the business since its formal formation from the drop-down menu. This includes any periods of dormancy with Companies House.
<b>18. How is the organisation currently funded?</b>	Please select all the types of funding that are applicable.
<b>19. Which subsidy category are you applying under?</b>	<p>You must select one (or both) of the subsidy categories from the drop-down menu. The options are:</p> <p><i>Support for Research and Development projects – Industrial Research</i></p> <p><i>Support for Research and Development projects – Experimental Development</i></p> <p>For more details on the subsidy requirements, see Section 8 of these Guidance Notes. You must indicate that you comply with the financial obligation rules by providing the relevant information.</p>
<b>20. Is this a collaborative project?</b>	<p>If you are applying collaboratively, please provide details of the partner organisations in the Green Home Finance Accelerator Application Form.</p> <p>The Department requires that all partners in a collaborative application have signed a Collaboration Agreement within one month of the commencement date of grant funded activities.</p> <p><b>Sub-contracting work to a third party does not classify as a collaboration.</b></p>

<b>21. Lead Organisation Status</b>	This should be a summary description of your company which should set the scene for the assessors. You should use language that can be understood by people without specialist knowledge or expertise. This question is not scored but will be used by assessors to gain a high-level understanding of the company before they start their detailed assessment.
<b>22. Does the lead organisation have a parent company?</b>	If you have a parent company, or are more than 25% owned by another enterprise, you must provide the details of that enterprise here.

### 16.1.4. Assessment Criteria

The assessment criteria in the application form are broken down into 6 separate criteria and sub-criteria. Each criterion and sub-criterion will be scored independently and will be given a scoring between 1-5. Please see Section 8 for further information.

Following eligibility checks, all eligible Pilot Phase applications will be further assessed against the assessment criteria detailed below.

**Table 8: Pilot Phase Assessment Criteria**

Criterion	Description	Weighting
1	Addressing the Competition Objectives	15
2	Market Potential <i>2(a) Innovation (5%)</i> <i>2(b) Market Potential (5%)</i> <i>2(c) Carbon Reduction (5%)</i>	15
3	Deliverability <i>3(a) Project work plan (15%)</i> <i>3(b) Project management structure (5%)</i> <i>3(c) Project success factors, target outcomes, and risks (10%)</i>	30
4	Project Finance <i>4(a) Project costs and match funding (10%)</i> <i>4(b) Additionality (5%)</i>	15
5	Skills and Expertise	15
6	Social Value	10



Pilot Phase applications will be considered against each of the following assessment areas. Applications will be scored, assessed, moderated and ranked using the Scoring Methodology and Funding Allocation processes outlined in Section 8.

Please note that each point listed under each criterion and sub-criterion do not constitute assessment sub-criteria. However, applicants should provide responses to each individual point as they constitute key factors that will be considered in assessing each proposal.

**Criterion 1 - Addressing the competition objectives (Weighting – 15%)  
(Maximum 1750 words)**

For all responses, provide evidence to support your design choices and assumptions either from referenced, credible external sources or from internal sources that were held before the Discovery Phase or from your own Discovery Phase activities.

**How will the project address the competition objectives?**

- Describe how your innovative product/service would enable domestic energy efficiency, low carbon heating, and/or micro-generation technology retrofit and reduce consumer barriers to uptake.

Please support this with data or evidence, including any evidence gathered during the course of your Discovery Phase activities.  
(Maximum 500 words)

- Describe your approach to the provision of retrofit advice enabling customers to make the right product choices.

In your response, provide justification to demonstrate the suitability of the approach. If your product/service is not expected to include an advice element, please set out the evidence you have used to justify that decision. (Maximum 250 words)

- Outline the installation verification methodology your pilot will use.

In your response, provide justification to demonstrate the suitability of the approach. If your product/service is not expected to include a verification element, please set out the evidence you have used to justify that decision. (Maximum 250 words)

- Explain how your pilot will encourage and/or help embed partnerships between diverse market players, for example, between lenders, investors, energy efficiency, low carbon heating, micro-generation and property value supply chains. (Maximum 250 words)
- Explain how the project will widen the evidence base on consumer demand, barriers and enablers, etc as applicable to establishing and delivering a range of green home finance products. (Maximum 250 words)
- Detail how project and pilot learnings and insights will be disseminated to the wider industry to:
  - support the effective design and development of future green finance propositions (and related services), and
  - encourage effective lender/supply chain integration. (Maximum 250 words)

**Criterion 2 - Market Potential (Weighting – 15%)**

For all responses, provide evidence to support your design choices and assumptions, either from referenced, credible external sources or from internal sources that were held before the Discovery Phase or from your own Discovery Phase activities.

**2(a) How is the proposed product(s) and/or service(s) innovative? (5%) (Maximum 900 words)**

- Describe the problem that your innovation overcomes and the consumer value proposition. (Maximum 250 words)
- Demonstrate how your understanding of the innovation of the product/service has evolved since the Discovery Phase application stage. (Maximum 250 words)
- Identify any existing market solutions that would compete against your innovative product/service. Describe how your product/service differs and what advantages, including commercial advantages, it offers against existing market solutions and provide specific, quantified examples of value add. (Maximum 400 words)

**2(b) How will the outcomes for the project and Pilot be commercially exploited? (5%) (Maximum 1250 words)**

- Outline the business opportunity for the proposed green finance product/service beyond the end of the Pilot Phase grant funding period. (Maximum 250 words)
- Describe the business model and intended route to market and how this will sustainably generate value / revenue beyond the end of the project grant funding period. (Maximum 250 words)
- Describe the overall target market for your product/service and identify the size of this market. (Maximum 250 words)
- Describe the specific market subsectors that will be the initial target markets for your product/service post-pilot. (Maximum 250 words)
- Describe and quantify the potential sales pipeline for your product/service based on the target markets in the first three years of commercialisation. (Maximum 250 words)

**2(c) How will the proposed green finance product/service impact on carbon targets and energy bill reduction and over what timescale? (5%) (Maximum 500 words)**

- Define expected energy, cost and carbon savings for a typical customer accessing your product/service and demonstrate the robustness of your approach toward benefits quantification. (Maximum 250 words)
- Define the overall carbon/greenhouse gas emissions savings that your product/service could enable once it is established in the marketplace and over what timescale. Outline any market penetration and sales volume assumptions you have used and demonstrate the credibility of these figures. (Maximum 250 words)

**Criterion 3 Deliverability (Weighting – 30%)**

**3(a) What are the project work packages, milestones, deliverables and dependencies? (15%) (Maximum 1500 words)**

- Describe the over-arching approach which is being taken to pilot the product and/or service. Include a justification as to why this is the most suitable approach. (Maximum 250 words)
- Describe the key work packages, project milestones and deliverables for the Pilot Phase. Provide a detailed, robust and realistic delivery plan with associated timelines (including a Gantt chart) which identifies key activities, milestones, intended duration of the product service/pilot and any stages within that. Provide details of the resources (for example, total person days) allocated to key activities. Include a justification as to how the project can be successfully delivered within the stated timeframes. (Maximum 750 words)
- Describe the key dependencies within the project plan. (Maximum 250 words)
- Provide explanation to demonstrate that a finance provider is in place to enable piloting of the proposed product(s) and or service(s). (Maximum 250 words)

**3(b) What is your proposed project management structure and how will roles and responsibilities be divided between the lead organisation, any consortia members, subcontractors, and key stakeholders? (5%) (Maximum 1250 words)**

- Provide an organogram outlining the project management structure you are proposing.
- Describe how roles and responsibilities will be assigned between the lead organisation, consortia members, subcontractors, and key stakeholders (as applicable). (Maximum 500 words)
- In reference to the organogram, describe the role each organisation and/or key project team members would play during the Pilot Phase. (Maximum 250 words)
- Provide a description of your intended project management approach, explaining how it will effectively enable you to deliver the project to the identified timescales. (Maximum 250 words)
- If any necessary partner, sub-contractor, stakeholder or supply chain relationships are not already in place, please identify them and outline the steps for effectively establishing these within reasonable timescales during the Pilot Phase. (Maximum 250 words)

**3(c) What are the project success factors, target outcomes and risks? (10%) (Maximum 1500 words)**

- Describe the top three project critical success factors and outline why they are critical to the success of the project. Describe how each success factor will be measured. (Maximum 500 words)
- Outline key targets for measuring Pilot Phase outcomes, how they will be achieved, how they will be measured, and why they are appropriate. Target outcomes should include an estimate of the number of homeowners expected to take-up the product/service over the duration of the pilot, with evidence to support justification of this estimate. (Maximum 500 words)
- Identify the key risks associated with the project and how these will be mitigated. Describe the processes to ensure project risks will be effectively monitored and managed. (Maximum 250 words)
- Provide a risk register covering at minimum: key commercial, regulatory operational, and technical risks.

The Risk Register should describe the main risks, and then rate as High/Medium/Low (H/M/L) for both impact and probability. Define whether each described risk can be accepted, transferred, or mitigated. Describe treatment actions and assign the residual risk to the project as: Red, Amber-Red, Amber, Amber-Green or Green.

- Please set out details of all approvals which you have secured that allow you to commence this pilot (such as necessary FCA approvals). Identify any outstanding and potentially emerging external factors (such as legislative frameworks) that may impact your ability to deliver the project by 28 February 2025. Please include details of any necessary mitigating actions within your response. (Maximum 250 words)

**Criterion 4 Project Finance (Weighting – 15%)**

**4(a) What are the anticipated project costs and match funding requirements? (10%) (Maximum 1000 words)**

- Provide a description of the anticipated project costs. Describe how your costs have been calculated with reference to the delivery of the milestones and justify them, providing evidence where possible. (Maximum 500 words)
- Describe or explain the steps you have taken to minimise these costs to ensure that your proposal costs are proportionate and represent value for money. (Maximum 250 words)
- Provide details of the level of match funding (for all consortium members). Include details as to the origin of the match funding. (Maximum 250 words)

- Complete the Finance Form. It must be sufficiently disaggregated to enable assessment of whether the proposed costs are eligible, accurate, realistic and justified in terms of the proposed plans, sufficient to provide the deliverables sought and represent fair market value.

**4(b) Why is public funding needed to take this innovation forward? (5%)  
(Maximum 500 words)**

- Outline why the Pilot activities supported by the GHFA would not be taken forward (or would be taken forward at a much slower rate) without public sector funding. (Maximum 500 words)

**Criterion 5 Skills and Expertise (Weighting – 15%)**

**What are project team member roles/responsibilities and to what extent does the delivery team have the right skills and experience to deliver the project? (Maximum 1500 words)**

- Describe how any partner(s), sub-contractor(s), stakeholder(s) or supply chain organisations participating in your project bring the necessary range of skills and expertise to effectively support a piloting of your product/service. (Maximum 500 words)
- Define and describe key team member roles and responsibilities and identify the individuals who will carry out these key roles, where already known. Identify any recruitment which will be required for key roles and explain how this recruitment will be completed within the project timescales. (Maximum 500 words)
- Outline how each individual team member demonstrates the appropriate skills and capability to deliver the project. Present your response in the form of short single- paragraph biographies of team members. (Maximum 500 words)

**Criterion 6 Social Value (Weighting – 10%)**

**How will the project contribute towards achieving the Government social value policy objective of: Increasing supply chain resilience and capacity<sup>12</sup>? (Maximum 1500 words)**

- Provide a 'Method Statement' stating how you will ensure opportunities under this grant will deliver the policy outcome (increase supply chain resilience and capacity) and Award Criteria (Effective measures to deliver any/all of the following benefits: Model Award Criteria (MAC) 3.4: Demonstrate collaboration throughout the supply chain, and a fair and

<sup>12</sup> Please see Annex 4 for further information.

responsible approach to working with supply chain partners in delivery of the grant). (Maximum 500 words)

- Provide a timed project plan and process, including how you will implement your social value commitment and by when. (Maximum 250 words)
- Define how you will monitor, measure and report on your commitments/the impact of your proposals. Your answer should include but not be limited to: use of metrics, timed action plan, tools/processes used to gather data, reporting, feedback and improvement, transparency. (Maximum 500 words)
- Explain how you will influence staff, suppliers, customers and communities through the delivery of the grant to support the Policy Outcome, e.g. engagement, co-design/creation, training and education, partnering/collaborating, volunteering. (Maximum 250 words)

### 16.1.5. Completion of GHFA Pilot Phase Finance Form

As part of their application, all applicants will need to submit project financial details and complete the Finance Form as part of **Criterion 4: Project Finance**. The project cost data stated within application form responses should match the data submitted within the Finance Form.

You should only submit one project cost breakdown form for the project and, for consortium projects, including all of your partners, clearly identifying which costs relate to which partner.

The GHFA Pilot Phase Finance Form consists of nine worksheets:

- Summary
- Labour & Overheads Costs
- Material Costs
- Capital Equipment
- Subcontractor Costs
- Travel & Subsistence
- Other Costs
- Subsidy Control
- Project Location

Each of these sheets can be accessed by using the scroll bar at the bottom of the worksheets.

The spreadsheet contains blue and grey cells. Please only input data into the blue cells, which consist of both manual entry boxes and drop-down menus. Please do not input data into the grey cells, which will auto-populate based on data entered into the manual entry cells. Each tab provides example in the first row on how to fill out the form. Some cells contain additional guidance, which can be found by clicking on the cell.

Guidance on eligible costs is provided in Annex 3 of these guidance notes.

Worksheets only need to be completed if you have costs in those categories, so for example, if your project has no planned capital equipment or sub-contract costs, the form will assume these entries are £0 and calculate without them.



<b>Section/Field</b>	<b>Guidance</b>
<b>Total match funding</b>	This is the amount of total eligible project costs that you (and any partners / collaborators) will be paying from your own resources/private sector investment into the project.
<b>Source of contribution</b>	Please state the source of your organisation's contribution to the total costs (your match funding). If you have partners / collaborators, include their contributions here as well.
<b>Grant Amount</b>	This is the amount you will be asking for from the Department. You should ensure that you do not request a grant higher than the maximum permitted. The grant amount requested should take into consideration any other public sector funding that you are currently applying for or have already applied for or received in relation to this project. Any other public sector support is counted as part of the grant you can receive for the project and total subsidy contribution.
<b>Total project value</b>	Please add total organisation contribution, amount of grant applied for and other public sector funding applied for to give the total value of the project.
<b>Grant Intensity</b>	Grant funding requested as a percentage of total funding.  Note that this figure must be compliant with the relevant subsidy category under which you are complying.

## 16.1.6. Public Statement

This requires all applicants to provide a public statement that the Department can use for publicity purposes.

Section/Field	Guidance
Public statement	<p>This should be a brief summary of the project which should describe your company and project. You should use language that can be understood by people without specialist knowledge or expertise. It should explain why the project is innovative and describe the key aims and objectives. The Department reserves the right to amend the description before publication if necessary but will consult you about any changes.</p> <p>This should not contain reference to any intellectual property as this description will be made available in the public domain if the application is successful.</p> <p>This question is not scored.</p>

## 16.1.7. Additional Information – Public Funding Considerations

This section requires applications to confirm whether they are receiving, or planning to apply for, funding from the Department or any other sources of public funding for similar or relevant technology, process or product development.

<b>Public sector project funding</b>	<p>Please provide full details of other sources of public funding that you are receiving, or applying for, for similar or relevant technology, process or product development.</p> <p>This data is important as other public sector support is counted as part of the grant you can receive for the project and total subsidy contribution.</p> <p>Do not include grants that have been used to reach this point in the development process and are now completed.</p>
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# Annex 1: Commercial Readiness Levels

The following definitions should be used when responding to Eligibility Criterion 6 - Project Status and stating Pilot Phase project start and expected project close Commercial Readiness Levels within responses to the relevant Application Form question.

Commercial Readiness Level - Definitions	
1	Concept (Idea to exploit new technology or product - service concept. Explore market interest, commercial potential)
2	Seed stage (Market research and engagement: Product requirements (market validated). Product/service R&D, component tests. Initial product specification. Business planning. Fundraising for the next stage.)
3a	Resource and plan (Resource. Customer value proposition and route to market plan. Refine product spec in line with market/client requirements. ""Complete"" development team (incl. tech sources & partners)
3b	Validate market, build venture (Build. Re-validate requirements & refine specifications. Start lead generation for trial clients. Approach suppliers viable for initial (& long-term) volumes. Investigating channel partners)
3c	Prepare route to market & supply chain (Test. Refine market positioning/price. Approach selected channel partners, outline terms for initial volumes, plan to involve in beta. Sales person on team)
4a	Market Entry (First customer shipment (of planned repeat product or service); repeated sales)
4b	Proven (First profitable quarter)
4c	Growth (Minimum 18 months profitability)

# Annex 2: Net Zero Innovation Portfolio

## Key Performance Indicators

The Department requires all funded projects under the Net Zero Innovation Portfolio (NZIP) to report on key performance indicators (referred to as NZIP KPIs) to provide a consistent approach to reporting evidence, and to track and measure key outputs, outcomes and impacts. The evidence collected is used to demonstrate the impact of the NZIP on achieving the government's Net Zero ambitions and is necessary to be able to run future competitions.

Project lead organisations will be required to report on KPIs at various intervals for each project, including at the start of the project, during project delivery, at project closure and for three years after project closure. The Department will supply funded projects with a reporting template to complete at set intervals, and recipients are expected to return the template to their Monitoring Officer upon completion, who will review and quality assure it. At project start, your Monitoring Officer will provide further details about the calculation of these KPIs and assist with the initial completion and measurement.

Please note that it may at times be necessary to make changes to the NZIP KPIs, data collection modes or frequencies. We will endeavour to keep all changes to a minimum and communicate any implications to you via the Monitoring Officers in advance of collection.

Beyond these NZIP KPIs, the Department conducts independent evaluations of many of its programmes. The funded project organisation will be required to collaborate in reasonable evaluation activities, including, but not limited to, providing programme-specific KPIs, completing questionnaires or surveys, participating in interviews and workshops, communicating the learnings from the project, providing costs/sales data and elaboration of any of the measures covered in the NZIP KPIs.

The Department will be collecting the following KPIs, with data provided by Monitoring Officers marked in *italics*. Not all data will be collected annually. Specific (relevant) NZIP KPIs for each individual project will be agreed before the start of Discovery and Pilot Phase grant funded activities.

<b>KPI</b>	<b>KPI description</b>	<b>Metrics</b>
<i>KPI 1</i>	<i>Number of NZIP projects supported</i>	<i>Project start and completion.</i>
<i>KPI 2</i>	<i>Number of NZIP projects that have met objectives</i>	<i>Extent to which project objectives have been met to date</i>  <i>Change in objectives and reasons for change</i>
<i>KPI 3</i>	<i>Number of organisations supported to deliver the project</i>	<i>Lead partner delivering the project: name, organisation size and number of jobs supported within the organisation to deliver the project.</i>  <i>Other partner organisations involved in delivering the project as named on the Contract or Grant: name, organisation size and number of jobs supported within the organisation(s) to deliver the project.</i>
KPI 4	Number of active contractual and non-contractual business relationships supported	Number of contractual relationships: name and type of contractual relationship.  Number of formal non-contractual business relationships: name and type of non-contractual relationship  Extent to which your organisation expanded its network of business relationships as a result of the project
KPI 5	Technology Advancement	Commercial Readiness Levels (current and anticipated)  Other technology improvement indicators: patents applied for or granted; academic, technical or non-technical publications generated and knowledge exchange events attended (such as conferences)

KPI 6i	<i>Initial Financial Leverage to deliver project</i>	<i>Project funding structure: Amount in £m of DESNZ, Other Public Sector and Private Funding.</i>
6ii	Follow-on Funding secured	Amount of follow-on funding raised and the source (public or private).
KPI 7i	Reduction in energy costs	Scope and scale of impact on reducing energy costs Route to reducing energy costs
7ii	Increased energy efficiency/ Reduced energy demand	Scope and scale of impact on reducing energy demand/ increasing energy efficiency
7iii	Increase in energy system flexibility	Scope and scale of impact on energy system flexibility Route to increasing energy system flexibility
KPI 8	Commercialisation advancement	Technology readiness levels (current and anticipated)  Steps towards commercialisation incl. licensing agreements, commercial partnerships, product certifications etc.; national/ international standards passed  UK and International sales secured and their value (£m)
KPI 9	CO2 emissions reductions	Scope and scale of project impact on carbon emissions  Route to achieving carbon emissions reductions
KPI 10	Policy impact	Whether, how, and to what effect evidence from the project has informed policy development  Whether projects have engaged in activities with industry or civil society

# Annex 3: Eligible Costs

The Department will only provide the grant to cover eligible project costs incurred and defrayed in the period between acceptance of the Department's grant and the deadline specified in the grant offer letter for completion of the project.

The definition of eligible costs includes the applicant's own costs, eligible costs incurred by consortium members and eligible costs incurred by companies connected to any of these incurred in delivery of the agreed Green Home Finance Accelerator (GHFA) project. The cost of work contracted to connected companies, to consortium members or to companies connected to consortium members should be on the basis of eligible costs.

Costs must be denominated in GB pounds. Applicants should indicate where conversion has been made to GB pounds from other currencies and indicate the rate and assumptions used.

## List of Eligible Costs

Eligible costs are defined as the following:

- Personnel costs: researchers, technicians and other supporting staff to the extent employed on the project, including participation in any required dissemination and knowledge sharing activity;
- Costs of the capital purchase of instruments and equipment to the extent and for the period used for the project. Any remaining value at the end of the project must be recorded for each capital item. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible;
- Costs for buildings and land, to the extent and for the duration period used for the project. With regard to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible.
- Costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;
- Additional direct overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project.

## Guidance on Rates for University Consortium Partners

Universities are eligible to participate in Green Home Finance Accelerator funding applications, however, all Discovery Phase applicants must demonstrate how their project will lead to a pilot of a commercially viable green finance product.

Where higher education institutions are carrying out non-economic activities, they can claim 80% of the Full Economic Costs (FEC) of their project work, calculated

using the Transparent Approach to Costing (TRAC) methodology. This is in line with the approach taken by other Government funding bodies which are funding higher education institutions.

If higher education institutions are carrying out economic activities on a Green Home Finance Accelerator project, they will be allocated grant funding at the relevant grant intensity level for the size of the organisation and the type of innovation activity undertaken (see Section 8 for guidance on grant intensity levels).

## **Guidance on Overhead Rates**

Overheads are additional, indirectly incurred costs that are necessarily incurred by the applicant in undertaking the work. The Department normally calculate overheads as a fixed percentage of all direct labour costs at 20%, but in exceptional circumstances, that must be fully detailed in the application, the Department will generally pay overhead rates between 10% and 40% of labour rates. The overhead rate is agreed with the Department before the grant award documents are issued and cannot be changed during the work.

## **List of Ineligible Costs**

The grant recipient may not in any circumstance claim the following non-exhaustive list as eligible expenditure:

- Payments for activities of a political or exclusively religious nature.
- Input VAT reclaimable by the grant recipient from HMRC.
- Statutory fines, criminal fines or civil penalties, damages or any associated legal costs.
- Using the grant to petition for additional funding.
- Giving of gifts to individuals, other than promotional items with a value no more than £10 a year to any one individual.
- 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).
- In respect of costs reimbursed or to be reimbursed by funding from other public authorities.
- In connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money).
- Interest payments or service charge payments for finance leases.
- Payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources.
- The grant is paid on the basis of re-imburement of costs only. Project teams are not permitted to include profit in the eligible project costs.
- Depreciation, amortisation or impairment of assets owned by the grant recipient (other than those assets that are used for delivery of the funded activity).



## **Guidance on Costs of Key Senior Staff**

The Department would not normally expect to see staff in key, most senior positions, e.g. CEO, FD, etc, included in applications as core project staff. Exceptionally, where the Department is willing to provide a grant which covers the cost of staff in key senior positions, the day rate attributed to each member of key staff within the project must be agreed with the Department at the outset and cannot be varied without written agreement.

# Annex 4: Social Value – Tackling economic inequality<sup>13</sup>

## **Policy Outcome: Increase supply chain resilience and capacity**

### **Why is this a priority?**

Growing and diversifying supply chain opportunities is at the heart of government's Industrial and Civil Society Strategies. An economy with diverse, resilient and innovative supply markets is a cornerstone of prosperity. It provides the best environment to start and grow a business. Markets with a broad range of suppliers of different types can offer better value for money, promote innovative solutions and give public services access to expertise and knowledge on complex issues.

### **Model Award Criteria (MAC)**

Effective measures to deliver any/all of the following benefits:

- MAC 3.4: Demonstrate collaboration throughout the supply chain, and a fair and responsible approach to working with supply chain partners in delivery of the grant.

### **Model Evaluation Question**

Using a maximum of [to be confirmed] characters describe the commitment your organisation will make to ensure that opportunities under the grant deliver the Policy Outcome and Award Criteria. Please include:

- your 'Method Statement', stating how you will achieve this and how your commitment meets the Award Criteria, and
- a timed project plan and process, including how you will implement your commitment and by when. Also, how you will monitor, measure and report on your commitments/the impact of your proposals. You should include but not be limited to:
  - use of metrics
  - timed action plan
  - tools/processes used to gather data
  - reporting
  - feedback and improvement
  - transparency
- how you will influence staff, suppliers, customers and communities through the delivery of the grant to support the Policy Outcome, e.g. engagement, co-design/creation, training and education, partnering/collaborating, volunteering.

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<sup>13</sup> The Social Value Model -

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/940826/Social-Value-Model-Edn-1.1-3-Dec-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940826/Social-Value-Model-Edn-1.1-3-Dec-20.pdf)

## Model Response Guidance

The award criteria (listed above) and sub-criteria (shown below) will be used to evaluate the response.

### Sub-Criteria for MAC 3.4: Collaboration throughout the supply chain

Activities that demonstrate and describe the applicant's existing or planned:

- Understanding of opportunities to drive greater collaboration in the supply chain.
- Measures to ensure supply chain relationships relating to the grant will be collaborative, fair and responsible. **Illustrative examples:** engagement; co-design/creation; training and education; partnering/collaborating; secondment and volunteering opportunities.

### Reporting Metrics

For each of the following categories: start-ups, SMEs, VCSEs; and mutuals:

- The number of contract opportunities awarded under the grant.
- The value of contract opportunities awarded under the grant in £.
- Total spend under the grant, as a percentage of the overall grant spend.

# Annex 5 – Declaration 1: Form of Bid

This annex can be found on the GHFA – Pilot Phase GOV.UK [webpage](#).

Please note that you must complete your Declaration 1: Form of Bid using the online application form. If you are using the offline document to draft your responses ahead of submitting them in the online application form, please ensure that you allow sufficient time for the transfer of information from the offline version to the online application form.

# Annex 6 – Declaration 2: Conflict of Interest

This annex can be found on the GHFA – Pilot Phase GOV.UK [webpage](#).

Please note that you must complete your Declaration 2: Conflict of Interest using the online application form. If you are using the offline document to draft your responses ahead of submitting them in the online application form, please ensure that you allow sufficient time for the transfer of information from the offline version to the online application form.

# Annex 7 – GHFA Declaration 3: Standard Selection Questionnaire (SSQ)

This annex can be found on the GHFA – Pilot Phase GOV.UK [webpage](#).

Please note that you will need to upload your Declaration 3: Standard Selection Questionnaires (SSQ) to the relevant section of the online application form.

# Annex 8 – GHFA Declaration 4: General Data Protection Regulation (GDPR) Assurance Questionnaire

This annex can be found on the GHFA – Pilot Phase GOV.UK [webpage](#).

Please note you must complete your Declaration 4: General Data Protection Regulation (GDPR) Assurance Questionnaire using the online application form. If you are using the offline document to draft your responses ahead of submitting them in the online application form, please ensure that you allow sufficient time for the transfer of information from the offline version to the online application form.

# Annex 9 – GHFA Declaration 5: Statement of Non-Collusion

This annex can be found on the GHFA – Pilot Phase GOV.UK [webpage](#).

Please note that you must complete your Declaration 5: Statement of Non-Collusion using the online application form. If you are using the offline document to draft your responses ahead of submitting them in the online application form, please ensure that you allow sufficient time for the transfer of information from the offline version to the online application form.



# Annex 10 – GHFA Terms and Conditions (Grant Funding Agreement)

This annex can be found on the GHFA – Pilot Phase GOV.UK [webpage](#).