

## **PS22265 – Social Housing Decarbonisation Fund (SHDF) and Home Upgrade Grant (HUG) Delivery Partner – Engagement Notice**

### **Introduction**

This notice is published to provide advance notice of a forthcoming Market Engagement Presentation in relation to a procurement by the Department for Business, Energy and Industrial Strategy (BEIS) to be undertaken through the CCS RM6172 Grant Administration Services Dynamic Purchasing System (DPS) for competition.

For the avoidance of doubt, this is not a Call for Competition.

### **Route to Market**

An Early Engagement Notice was issued on 4<sup>th</sup> October 2022 closing on 17<sup>th</sup> October 2022 requesting interested suppliers to register against the Grant Administration Services DPS under the Filters listed below to ensure access to the Invitation to Tender at the point of issue.

### **Sector**

- Central Government

### **Services**

- Full Programme Management

### **Market Engagement Presentation**

The Presentation will take place via Microsoft Teams on Friday 25<sup>th</sup> November 2022 at 14.00 and will last no longer than 2 hours. Microsoft Teams details will be shared directly with participants. A draft slide-deck will be issued prior to the session to provide early visibility of content, however, please note that some slides may be updated on the day.

To confirm, any slide deck and supporting Q&A document will be shared as part of the ITT pack.

### **Background & Overview of the Requirement**

#### **Social Housing Decarbonisation Fund (SHDF)**

The Social Housing Decarbonisation Fund (SHDF) was included in the 2019 Conservative Manifesto and committed £3.8bn over a 10-year period to improve the energy performance of social rented homes, with an Energy Performance Certificate (EPC) rating below C, on the pathway to Net Zero 2050.

The Heat and Buildings Strategy and Net Zero Strategy (October 2021) announced a further commitment for the SHDF as part of the 2021 Spending Review process. This means that Grant Applicants (Social Housing Landlords, including Local Authorities), will be eligible to bid for funding to upgrade their housing stock.

#### **Home Upgrade Grant (HUG)**

The Home Upgrade Grant (HUG) has been allocated £1.1bn for delivery between early 2022 and March 2025. The first phase of HUG (£218m) is already underway and due to be delivered by April 2023.

HUG provides energy efficiency upgrades and low-carbon heating to low-income households living off the gas grid, with EPC ratings between D and G in England. The scheme focuses on owner occupiers and private tenants. Grant Recipients will be allocated funding to carry out

home upgrade work, with up to 60% of funding directed to rural Grant Applicants (Local Authorities) to drive a phasing out of high carbon heating fuels.

### Salix Finance Ltd

The Buyer will be Salix Finance Ltd – an Executive non-departmental public body of BEIS. Salix Finance Ltd will be the contracting authority for this procurement, however, BEIS will lead on the procurement of the contract.

The role of the Buyer is to provide an intelligent client function; thereby providing the technical capability required by BEIS to enable the delivery of the SHDF and HUG Grant Schemes.

### Delivery Partner – hereafter referenced as the Supplier

The role of the Supplier is to build upon the technical advisory, assessment and evaluation capability and capacity of the Buyer. The requirement includes but is not limited to the areas outlined below:

- **Effective Project Support and Assurance:** to ensure that projects can draw on a pool of independent support within the Supplier so that projects are delivered to time, cost, and quality. To ensure that at appropriate stages, the progress of projects is being checked and validated.
- **Effective Data and Performance Management:** to ensure that high quality, accurate and accessible data is gathered for all projects and the performance of each project is regularly and accurately assessed, so that the necessary actions and decisions can be taken by all parties to ensure successful delivery
- **Effective Portfolio, Risk and Fraud Management:** to ensure that delivery against the overall scheme objectives is monitored and presented, and to present high quality and accurate information on the top risks and issues that impact the schemes, as well as recommendations for how these risks and issues can be mitigated or overcome. To ensure that fraud risk is being managed appropriately at project level and there is oversight to give confidence grant funding is being spent for its intended purpose, and holding parties that use or conduct fraudulent activities to account.
- **Effective Management of Grant Recipient Competitions:** to ensure the objectives and outcomes of the grant recipient competition processes for both schemes are achieved by completing the activities specified for the Supplier to time, cost and quality.
- **A Single Point of Access for Grant Recipients:** to ensure that Grant Recipients engage solely with the Supplier (except in very exceptional circumstances or if instructed otherwise by the Supplier) on all matters relating to the management and delivery of their projects and the scheme. To ensure that parties receiving grants from both schemes concurrently have a streamlined point of contact.
- **Collaboration with the Technical Assistance Facility (TAF) and Monitoring & Evaluation (M&E) providers:** to ensure that the TAF and M&E providers are able to meet their responsibilities by ensuring that any dependencies on the Supplier for these activities are effectively managed.
- **Clear Communication and Engagement:** clearly communicate to the Buyer the activities being undertaken by the Supplier and the live status of both each project and the schemes as a whole.

BEIS have already undertaken two engagement sessions with suppliers appointed against the Grant Administration Services DPS in January 2022 and June 2022. The slide packs and supporting Q&A documents have been uploaded to the attachment section for your reference.