

SCHEDULE 20

DELIVERY PARTNER REQUIREMENTS

Warm Homes: Social Housing Fund Wave 3 (WH: SHF W3)

Warm Homes: Local Grant (WH:LG)

Please note that the following requirements are in DRAFT.

The purpose of sharing these DRAFT requirements is to inform DESNZ's understanding of the market's perception of these DRAFT requirements.

Feedback is requested solely via the MS Forms included in the DP2 Requirements **Supplier** Questionnaire document attached to the PIN – further information can be found in that attached document. Any responses received as part of this engagement will not be evaluated as part of a tender response and will not prejudice any involvement in a future procurement process.

The Authority reserves the right:

- To amend these requirements in advance of the formal ITT publication, which will be no earlier than May 2025;
- Not to proceed with the DP2 procurement.

Suppliers are not entitled to claim from the Authority any costs or expenses that you may incur if you decide to start preparing your tender.

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DRAFT

1. Introduction, Key Principles and Common Requirements

1.1 Introduction

1. In December 2023, the UK Government announced new capital funding for two energy efficiency schemes:
 - a. The Warm Homes Local Grant (WH:LG) – funding of £500m, and
 - b. The Warm Homes: Social Housing Fund Wave 3 (WH: SHF W3) – funding of £1.25bn
2. Initial policy guidance and eligibility criteria for Grant Recipients (GRs) was issued on 23rd September 2024 on GOV.UK.
3. WH:LG and WH:SHF W3 are expected to run from April 2025 and both schemes aim to tackle fuel poverty and make progress towards Net Zero 2050.
4. The Department for Energy Security & Net Zero (DESNZ), the **Buyer**, is seeking a Delivery Partner, the **Supplier**, to facilitate delivery of the WH:SHF Wave 3 and WH:LG Funded Programmes through management of our Grant Recipients (GRs).
5. The following requirements are common to all Services to be delivered by the **Supplier** and for the avoidance of doubt, unless otherwise stated, the costs of the **Supplier** meeting these and all requirements of this Order Specification are deemed to be included within the Total Annual Charge.

1.2 Scheme Alignment

6. **General obligations:** The **Supplier** must provide programme management and grant compliance oversight services for both Schemes, as outlined in the following sections. The **Supplier** acknowledges that while many activities will be parallel across the two Schemes, certain systems, processes and procedures will require adaptation to suit Scheme-specific requirements.
7. **Compliance oversight:** The **Supplier** must oversee the delivery of all GR Projects within each Scheme, ensuring Grant Recipients comply with their respective grant conditions and regulatory requirements, as set out in either the Memorandum of Understanding (MoU), for WH:LG, or Grant Funding Agreement (GFA), for WH:SHF. This includes; maintaining records of all oversight activities, decisions, advice and support deployed to GR projects, and associated outcomes.
8. **Reporting:** The **Supplier** must maintain separate records and documentation for each scheme, ensuring that all compliance oversight and reporting activities reflect the distinct requirements of each Scheme. The **Supplier** must provide regular updates and reports to

the **Buyer** on each of the Schemes, as specified in the following sections of this service area, demonstrating adherence to the Scheme-specific processes.

1.3 Key Principles

9. The **Supplier** shall meet the requirements of the **Buyer** as set out in this Order Contract, which describes the nature and level of Services to be performed by the **Supplier** throughout the period of the Order Contract.
10. The **Buyer** wishes to build a strong and trusted partnership with the **Supplier**, operating across organisational boundaries to foster a single team culture, united around a shared commitment to the delivery of the intended Schemes' outcomes, to maximise the realisation of benefits. This encompasses building effective working relationships with the **Buyer's** subcontractors and third parties.
11. The **Buyer** and the **Supplier** must remain committed to fostering a collaborative relationship where empowering GR delivery, within the policy guidelines set out by the Schemes and by the guiding principles of the Order Contract, alongside utilisation of sound judgement, remains the key focus of activities to fulfil both GR needs and respective business needs. The **Supplier** should remain alert to the differing needs of GRs and understand that they have unique strengths and perspectives.
12. The **Supplier** must adhere to the following key principles to oversee and manage the Schemes:
 - a. **Flexibility and Adaptability**
 - i. **Principle:** solutions and operations must be adaptable to changing circumstances and the evolving needs of the Schemes and funding models, building on effective mechanisms for continuous learning and improvement.
 - ii. **Application:** this means that management and operational approaches must allow for adjustments in response to new information, risks or opportunities, ensuring actual delivery remains aligned with the Schemes' strategic objectives. To this end, the **Supplier** must:
 - Commit to delivering adaptable solutions, embracing necessary changes promptly with an approach that is rooted in flexibility, ensuring operations can pivot swiftly and effectively in response to evolving Scheme and funding model needs.
 - Where instructed by the **Buyer**, prioritise agility, adjusting practices to align with new evidence and respond to delivery challenges or issues promptly.
 - Ensure the provision of resilient services, committing to readily redirecting efforts without discouragement on the basis of emerging insights and priorities,

and to pivot without remorse where new evidence or data, evolving needs, or strategic decisions render some activities abortive work.

- Implement regular reviews, as set by the requirements across all service areas of this Order Contract, feedback loops – internally and with the **Buyer** and GRs, and lessons learnt structures to help refine products and processes, and improve **Supplier**, Schemes and GR Project performance over time.

b. Value Delivery

i. **Principle:** the primary goal of the **Supplier's** responsibilities is to maximise the delivery of value and benefits for the Schemes and GR Projects.

ii. **Application:** this means ensuring that GR Projects' practices, activities and considerations remain focused on delivering maximum benefits throughout their life cycles. This involves:

- Proactively developing and maintaining collective organisational knowledge of the Schemes' guidance, grant conditions, quality and technical standards, and policy determinations.
- Controlling GR Project delivery in accordance with these conditions, standards and determinations set by the Schemes.
- Developing understanding of the Schemes' expected benefits and monitoring actual delivery progress towards realising these benefits.
- Deploying advice and support to GR Projects that drives the maximisation of benefits, ensuring all reasonable endeavours and corrective actions are explored to prevent the erosion of Scheme benefits in the face of risks and issues.
- Mitigating the need for changes to the agreed scope of GR Projects' works, deliverables, timelines, or costs.

c. Proactive Risk and Issue Management

i. **Principle:** the **Supplier** acts as proactive risk and issue manager to identify, assess, advise on, and mitigate risks and issues impacting the Schemes.

ii. **Application:** implement a risk management framework that helps to anticipate potential issues and develop strategies to address such threats before they become critical. This involves:

- Actively managing risks, issues and changes throughout the life cycle of the Schemes.
- Proactively monitoring risks and issues impacting each GR Project to inform the management of risks at the Scheme and funding model levels – proactively here

means considering not only the risks and issues identified by GRs' own risk assessments, but that the **Supplier** carries out their own reflections on the circumstances affecting GR Projects to surface and advise on response to risks that may be overlooked by GRs themselves.

13. This Order Specification is not intended to be prescriptive or exhaustive as to the detailed operational processes that the **Supplier** will deploy. The **Supplier** is encouraged to develop innovative and cost-effective solutions for each of the service requirements outlined in this Order Specification, building on the requirements set out by the **Buyer**, and remain alert and flexible to the notion that the **Buyer's** requirements may change over time and exhibit the necessary agility to adapt efficiently.
14. The **Buyer** and **Supplier** must both remain committed to the sharing and recording of insight and intelligence, with a focus on robust knowledge and information management practices, underpinned by utilisation of the **Buyer's** digital platforms to store all knowledge. Likewise, the **Buyer** and **Supplier** must both aim to be data driven and use the information available, via the **Buyer's** digital platforms, to drive effective decision making, building a commitment to learning lessons and continuous improvement. The **Buyer** invites the **Supplier** to ensure they are continually sharing their views and learnings to provide the best possible service for GRs.
15. The **Supplier** must continually remain abreast of the wider energy efficiency and fuel poverty landscape in which WH:LG and WH:SHF are an integral part of and remain acutely aware of wider changes and challenges in the policy and delivery ecosystem.
16. The eligibility criteria for GRs as specified in the initial Policy criteria published on GOV.UK on 23rd September 2024 are subject to change and review by the **Buyer** over the period of this Order Contract based on ongoing learning, market conditions, regulatory factors. The **Supplier** will be expected to administer any changes within 10 working days via their normal working practices and touch points with GRs.
17. The **Supplier** will deliver the Services to the highest professional standards, aligned to the KPIs and SLAs detailed in *Annex XX*, to achieve:
 - a. Continuous improvements in the quality of Services provided
 - b. Services which are sufficiently planned and resourced
 - c. Customer satisfaction
 - d. Value for money and optimum efficiency within the overall level of resources available.
 - e. Maximum delivery of scheme outcomes, ensuring optimum opportunity for benefits to be realised.
18. Unless explicitly stated otherwise, all requirements outlined in this Schedule relate to both WH:SHF and WH:LG, referred to as 'the Schemes'. Where a requirement is specific to

either the WH:SHF or WH:LG scheme only, this has been made clear within the specification.

19. During the period of the contract, the **Buyer** may require the **Supplier** to support additional projects from DESNZ Net Zero Buildings – Domestic Schemes Portfolio. Additional projects will be limited to a reduced number of high-profile projects derived from a specific initiative to meet changing government needs, such as Devolution Deals, or a prior scheme, such as, but not limited to Social Housing Decarbonisation Fund (SHDF) Demonstrator, SHDF Wave 1 and 2 and Home Upgrade Grant (HUG2). The scope will be specified by the **Buyer** and agreed with the **Supplier** in advance of these projects going live.

1.4 Intelligence Led

20. At the heart of this Order Specification is the need for **Supplier's** services to be designed, prioritised and delivered based on sound and comprehensive intelligence. This intelligence must be built upon and developed progressively, through interaction with GRs and leveraged through knowledge of the GR projects, associated risks and support needs throughout the duration of the Schemes. Lessons learned should be captured, including both internal lessons sharing within the **Buyer**, **Supplier** and partners to help develop future schemes, and lesson sharing between GRs in continuous feedback and improvement loops.
21. The **Supplier** will deliver this intelligence led approach across all aspects of the Services. This is vital to ensure resources are targeted to support Grant Recipients based on their competence, experience and capacity to deliver their grant funding commitments.

1.5 Additional Contract Services

22. As the **Buyer** will be continually reviewing its service requirements, there may be potential future opportunities for the **Supplier** to take on Additional Services within the permitted scope of the Order Contract.
23. If the opportunity for Additional Services arises, the **Buyer** will inform the **Supplier** of its intentions and discuss these in more detail.
24. The inclusion of Additional Services will be subject to the **Buyer's** governance procedures and Variation Procedure. The **Supplier** shall return their costed impact assessment in response to a formal Variation within 10 working days of receiving the Variation from the **Buyer**. All impact assessments shall be subject to the 10-working day requirement, except where the **Buyer** explicitly agrees alternative timescales.
25. Where the **Supplier** is required to comply with a **Buyer** policy or procedure, these are attached. However, where a **Buyer** policy or procedure is not specified, the **Supplier** may

submit its own policy or procedures and can use these, with the prior written approval of the **Buyer**.

26. It is important to note that this Order Specification is a schedule to the Order Contract and should be complied with in conjunction with the Order Contract and its other schedules in accordance with the order of precedence clause.

1.6 Accountability, Leadership and Capabilities

27. The **Supplier** is responsible for the Grant Administration Service and will be accountable to DESNZ for oversight of the day-to-day management of both Schemes and is required to provide DESNZ with assurance that each Scheme is being run successfully.
28. The **Supplier** must ensure that they have sufficient and suitably qualified and experienced personnel to carry out the **Supplier's** obligations on a continuous basis, to realise the contract aims, objectives and specific provisions to a level approved by the **Buyer**.
29. In addition, it is essential that the **Suppliers** service provision is operational within business hours of 09:00-17:00 on Monday – Friday, on all working days throughout the year.
30. Leadership and programme management resource must be in place to effectively fulfil all **Supplier** obligations under the Order Contract and to ensure that all activity referred to in this Specification and in the Original DPS Specification are resourced appropriately to ensure accurate oversight alongside timely and high-quality delivery of all workstreams as specified in the contract.
31. The **Supplier** must ensure full integration across all the workstreams identified within this Specification and that an effective programme management plan is put in place and reviewed/approved as required by the **Buyer**. The **Supplier** will regularly (as specified by the **Buyer**) update the agreed-owned obligations RAG ratings in the Contract Toolkit environment.

1.7 Management and Implementation of Order Contract

32. The **Supplier** is responsible for the following Order Contract Management activities in addition to the requirements set out in Schedule XX - Order Contract Management - including but not limited to:
- Meeting monthly with the **Buyer** to discuss performance of the Order, progress of services and status of KPIs in Schedule XX- Service Levels. The **Supplier** is to provide a report of these items at the monthly Delivery Partner Progress Board.
 - Managing scope changes to the Grant Recipient Memorandum of Understanding (MoU) WH:LG and/or Grant Funding Agreement (GFA) (WH:SHF W3) where requested by the **Buyer**.

- c. Gathering, recording and maintaining all relevant data, in the **Buyer's** GMS, required for the successful delivery of the Services as specified in all Service Areas of this Schedule.
 - d. Holding and maintaining the project plan for the delivery of the Schemes. The project plan will be updated monthly or as otherwise instructed by the **Buyer** and stored in a shared area, to which both parties will have access.
 - e. Supporting and facilitating information handovers, giving the **Buyer** appropriate rights to use the data in accordance with Schedule XX - Processing Data. The **Supplier** is responsible for ensuring effective (functional and regular bipartite) knowledge transfer between the **Buyer** and GRs.
 - f. Conducting analysis where required by the **Buyer** for policy and delivery development. The **Supplier** is required to provide insights and analysis on factors impacting delivery of the Schemes, which includes but is not limited to, GR capability and capacity, supply chain and labour costs, demand for measures, strategic challenges) to the **Buyer**. The **Buyer** will work with the **Supplier** during the Implementation period to agree a framework for this insights and analysis provision.
 - g. These insights are to be shared with the **Buyer** as both detailed insights, with accompanying recommendations, during regular engagement with the **Buyer** as well as underlying data set which will be accessible within the **Buyer's** GMS.
33. In a rapidly changing energy efficiency and housing retrofit environment, the **Supplier** must adapt to and implement change and proactively seek ways to continuously improve Services, performance and Scheme delivery.
34. The **Supplier** is required to continuously improve and support independent assessment, including through engagement with evaluation research for the delivery of the Schemes.

1.8 Employment, Staff Development and Training

35. The **Buyer** recognises that the **Supplier's** staff are key to providing excellent Services. The **Supplier** must implement an organisational structure which will best deliver the objectives and outcomes as set out in this Order Specification.
36. The **Supplier** must ensure that a full Target Operating Model (TOM) is in place no later than the end of the Implementation period. The TOM must include, but not be limited to, the TOM requirements as set out in the *Annex XX – Implementation Plan*).
37. The TOM must be reviewed, at a frequency agreed with the **Buyer** during Implementation, and maintained throughout the duration of the Order Contract.
38. The **Supplier** must ensure the TOM is flexible and scalable to respond to the differing demands of needs of the Schemes throughout the delivery lifecycle. For example, the

Supplier should ensure that contingency resourcing is in place to ensure there are no gaps in service provision that would negatively impact delivery of the Schemes whilst also ensuring the ability to rationalise resourcing, in line with any reduction in the total number of GR projects.

39. The **Supplier** shall:

- a. Be responsible for all staffing and employment requirements necessary to meet the Order Contract.
- b. Provide an organisation structure chart in the tender submission which clearly identifies the functions being delivered by the **Supplier** and any consortium partners and/or sub-contractors. The organisation structure chart submitted with the tender must also show team structures and **Supplier** reporting hierarchies. The organisation structure chart must be updated and submitted to the **Buyer** at least annually and whenever significant changes are made to the structure.
- c. At all times employ, or otherwise ensure the employment of, sufficient Staff (including all relevant grades of managerial and supervisory Staff) to ensure that the Services are always provided and in all respects.
- d. Ensure that there is sufficient Staff to cover periods of holiday, sickness, other absence, and anticipated and actual peaks in demand for each of the Services.
- e. Employ appropriately skilled and qualified Staff, at the applicable grade/career level, for the operation of the Services and to ensure that all **Supplier** Staff and every Subcontractor shall act in a manner to promote a positive image and not bring the **Buyer** into disrepute.
- f. Ensure that all subcontractors are made aware of Order Contract obligations and can adhere to all **Supplier** KPIs as stipulated within the Order Contract.

40. The **Supplier** must identify the training, development and support needs of all Staff to deliver the objectives of Services and ensure that the relevant training is provided to meet the identified Staff training, development and support needs. The **Supplier** must have mechanisms in place to support and upskill staff members who are underperforming and the **Buyer** reserves the right to request removal of underperforming staff.

41. The **Supplier** must ensure all, and any specialist staff hold appropriate industry standard qualifications in their respective specialist areas.

42. The **Supplier** shall ensure all staff involved in the delivery of the Order Contract have Baseline Personnel Security Standard (BPSS) pre-employment screening as a minimum.

43. The **Supplier** shall keep a record of its BPSS checks to ensure that these have been carried out to the required standards. Costs associated with pre-employment screening shall be borne by the **Supplier**.

44. The **Supplier** must, where appropriate, consider apprenticeship opportunities for Staff, and utilise the skills of existing Staff to coach and support others, including apprentices.
45. The **Supplier** must ensure Staff equality, diversity and inclusion policies and practices are up to date and reflect best practice in:
- a. Fair recruitment, selection and training
 - b. Provision for disabilities and cultural needs
 - c. Work life balance
 - d. One-off issues, such as bad weather policies, pandemic impacts, etc.

1.9 Freedom of Information Act 1998 As Amended (FOIA)

46. The **Supplier** acknowledges and agrees that all information held by the **Buyer**, or by another person on behalf of the **Buyer**, is covered by FOIA. In principle all information held by the **Buyer** in relation to the contract is accessible unless one of the exemptions in FOIA applies.
47. The **Supplier** shall comply with the Order Contract which contains full details on FOIA requirements.
48. The **Buyer** has twenty (20) calendar days to respond to a request for information, including securing the appropriate internal approvals before the release of any response. Therefore, the **Supplier** shall respond to requests for information immediately, to ensure all necessary steps can be taken within the allocated timescale.
49. In no event shall the **Supplier** respond directly, or allow its sub-contractors to respond directly, to a request for information, unless expressly authorised, in writing, to do so by the **Buyer**.

1.10 Complaints Management

50. The **Supplier** shall:
- a. Ensure that all GRs know when and how to make a complaint about Services provided by the **Supplier**, and that all such complaints are dealt with at first point of contact, and in line with the **Supplier's** Complaints Policy, and any relevant regulations.
 - b. Inform and liaise with the **Buyer** within three (3) working days of any complaint being received which may have a detrimental impact to the **Buyer** and/or delivery of their Schemes. When informing the **Buyer**, the **Supplier** must provide an overview of the complaint, any existing complaints relating to this, and any action taken to date to resolve the complaint. This should be sent to the **Buyer** via email with the relevant parties included and the scheme mailbox in copy.

- c. Publish a clear and accessible complaints procedure, to be approved by the **Buyer**, and ensure that complaints are logged and responded to within seven (7) days of receipt and in accordance with the **Supplier's** Complaints Policy. If a complaint cannot be resolved within seven (7) working days of receipt, the **Supplier** must keep the complainant informed of the complaint status and provide an expected date for complaint resolution.
- d. Record and analyse complaints to identify key themes and ensure that any lessons learnt help drive continuous service improvement, sharing these lessons with the **Buyer**.
- e. Ensure that the complaints log is accessible, easy to navigate, and shared with the **Buyer** at an interval to be agreed with the **Buyer** during Implementation.
- f. Resolve complaints informally wherever possible, utilising the Project Support Office (PSO) engagement and other touchpoints as detailed in Service Area 3 – Scheme Performance and Management.

1.11 Handover from Interim Delivery Model (IDM)

- 51. The **Buyer** is exploring the option of deploying an Interim Delivery Model (IDM) to support management of both schemes to support GR delivery until the **Supplier** is appointed and fully mobilised.
- 52. The **Buyer** and any associated third parties that the **Buyer** appoints to engage in the delivery of the IDM will facilitate a handover from the IDM arrangements to the **Supplier**, in accordance with the Implementation Plan defined in *Annex XX*.
- 53. During implementation, the **Buyer**, or other parties and suppliers on the **Buyer's** behalf, will hand over to the **Supplier** the details, templates and records associated with all interim processes implemented for the management of the Schemes before the **Supplier's** takeover.
- 54. The **Supplier** must:
 - a. Acknowledge receipt, in writing, of each and all of the documents and records handed over.
 - b. Review the received records to gain an understanding of the interim processes in place and of overall Scheme performance to date.
 - c. Review records to assess the status of each GR Project, as well as future delivery forecasts and plans, and inform the **Supplier's** own new processes, ensuring seamless continuity of service and support for GRs and the Schemes. The **Supplier** should note that each Scheme and each participating GR within that Scheme will have bespoke

delivery and project timelines and GRs may be at different stages of the mobilisation and delivery journey. Detail for each GR Project will be included in the handover.

55. To expedite the design of the new processes and the **Supplier's** own co-ordinated solutions, and to ensure seamless continuity, the **Supplier** can utilise handed over templates, documentation or standard operating procedures from interim processes as a starting point or transitional solutions for a phased implementation. However, the **Supplier** is responsible for further developing, updating and adapting these, and submitting revised versions for the **Buyer's** approval, as the implementation of the **Supplier's** own PMP progresses.
56. The **Supplier** must present handover updates to the **Buyer** as part of Monthly Performance Review Board meetings (Please see Service Area 03 – Scheme Performance and Management for more detail). This update should follow the relevant board related cadences for presentation and submission and must as a minimum include bespoke details of:
 - a. For WH: LG, Mid-Mobilisation Review status for all GRs (including any updates on and details of procurement milestones), This will primarily include status update or changes from when the Mid-Mobilisation review details were handed over to the **Supplier** by the **Buyer** and any of the **Buyer's** suppliers.
 - b. For WH: LG, GR DACs (including assessment for DAC readiness).
 - c. For WH: LG, Changes to the agreed DAC month (including new dates and rationale for change, upfront payment status, Batch forecasts, Batch drawn down/ spend to date and any change requests made and/or processed).
57. The **Supplier** is responsible for capturing and storing intelligence gathered during the handover period, disseminating common knowledge/findings with PSO networks and other relevant project management teams and driving continuous improvement to the process and capability development of GRs.

2. Allocation of Funding- Phase Requests, Batch Submissions & Delivery Assurance Checks (DACs)

58. The draw down of allocated funding by Grant Recipients (GRs) will be approved at different points in the delivery lifecycle, once proof of progress against certain milestones has been submitted by the GR and approved by either the **Supplier** or the **Buyer** (*roles and responsibilities and delegated authorities are defined below*). Each scheme has a different process for drawing down of funding:
 - a. For WH:LG, GRs will be supported to pass a Delivery Assurance Check (DAC) to ensure they are in a position to carry out successful delivery. Once the DAC is complete, they

will then submit Batch Submissions to draw down funding against 'batches' of ready to retrofit homes.

- b. For WH: SHF, Challenge Fund (CF) GRs have already been assessed as ready to carry out successful delivery at application stage, so may submit Phase Requests from when the schemes go live. Phase Requests detail the 'phase' they are due to carry out and request draw down of funding for.

59. The **Supplier** is required to manage both processes independently. A comprehensive outline of the WH: SHF Phase Request requirements are detailed in Section 2.1 whilst the outline of WH:LG DACs and Batch Submissions are detailed in Section 2.2.

60. Whilst the WH:SHF Phase Request and WH:LG Batch Processes are unique to each scheme, there are commonalities in the outcomes required and the **Supplier** must ensure that learnings are shared between Schemes as well as within a Scheme (See Service Area 06 – GR Knowledge Management and Capability for more information on sharing lessons).

2.1 WH: SHF Wave 3 Phase Requests (Challenge Fund only)

2.1.1 Phase Requests Process

61. On the Challenge Fund, GRs will be required to submit Phase Requests to the Scheme after the GFA is signed. The number of Phase Requests to be submitted, timing of these submissions and number of homes in each submission were estimated by the GRs during application stage. Further detail on the Phase Request Policy is contained in *Annex XX*.

62. The aim of Phase Requests is to ensure that the **Supplier's** tracking and delivery confidence assessments as delivery proceeds will be more accurate, that plans are deliverable within the timeframes agreed and ensure support is given to GRs at the right times. Phase Requests will facilitate this by requiring the GR to submit realistic phase/detailed baselines and complete critical planning, design and dwelling assessment activities before a delivery phase commences:

- a. The **Supplier** will be asked to assess the deliverability of these plans when approving them, and funding draw down is attached to an approved phase request. GRs may carry out more than one phase concurrently.
- b. The **Supplier** is responsible for receiving Phase Request submissions, supporting the GR to fill in all Sections of the request in full, evaluating the information in the application and recommending approval decisions of all Phase Requests submitted by Challenge Fund Grant Recipients to the **Buyer**, during the term of the Order Contract. The **Buyer** will provide additional policy information during Implementation.

2.1.2 Phase Request Submission Form

63. During Implementation, the **Buyer** will provide the **Supplier** with a template for the Phase Request Submission Form. The form is to be provided to GRs by the **Supplier** and will be an electronic form for submission via the **Buyer's** GMS.
64. The information requested from GRs as part of a Phase Request will include, but is not limited to:
- a. An assessment of progress against KPIs, including tenant engagement and sign up, and no. of retrofit assessments completed for that Phase.
 - b. A plan for delivery of that Phase, which sets out KPIs, total number of homes included in the Phase, measures to be installed on these homes and overall timelines for delivery of that Phase including forecast of drawdown of funding for the Phase.
 - c. Commercial strategy and/or plans for procurement activity for that Phase.
 - d. Description of the starting condition of homes in that Phase and an assessment by the GR on the level of confidence in the accuracy of this information (e.g. based on surveys only/recent upgrade works concluded/remedial or enabling works plan).
 - e. Performance outcomes for that Phase.
 - f. Notification and detail of any infill properties in that Phase.
 - g. Information on measure costs for that Phase including justification.
 - h. Resourcing plan for the Phase and any impacts on overall GR Project.
 - i. A Fraud Management Plan.
 - j. An update to the risk and issues register submitted during application stage.
65. The **Buyer** reserves the right to adapt and/or update the Phase Request Submission Form during delivery to align with the evolving needs of the Scheme or the Challenge Fund route. The **Supplier** must then notify the GRs and commence supporting them to complete the new version no later than 5 working days of receipt from the **Buyer**.
66. Where the **Supplier** initiates updates or amendments to the design of the Phase Request Process, or its parts, of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are deployed. The **Buyer** will provide a decision on deployment of the new form within ten (10) working days.

2.1.3 Phase Request Submission and Evaluation

67. Following the deployment of the phase request process during Implementation, the **Supplier** is expected to operate and maintain the process as part of BAU activities. This must comprise of the following elements and activities:

- a. Forecasting and Scheduling of when Phase Requests will occur. This must include:
 - i. Monitoring submission progress against the milestones provided at application stage for the timing of each Phase Request. (Please review Service Area 03 – Scheme Performance and Management for GR Monthly engagement activities)
 - ii. Management of the GR Project risk of failing to meet Phase Request milestones and outcomes, to inform the **Supplier's** confidence assessment in Grant Recipients keeping to these milestones.
68. Updating the **Buyer** on GR Project progress against these milestones, risk management and delivery confidence considerations, as well as a whole scheme view of progress, monthly via the *Delivery Status Review* and *Scheme Performance Review* meetings (*Please review Service Area 03 – Scheme Performance and Management for further detail on the forums cadence*).
69. Provide a forward look to the **Buyer** every 10 working days by correspondence, of Phase Requests expected to be submitted by GRs over the coming 10, 20 and 60 working day periods, showing source of estimated timeframes (e.g. applications and/or GR interactions) and confidence rating of timing of submission. The **Supplier** or **Buyer** may add other details if they are considered helpful to drive outcomes of the scheme.
70. Support digital submission of Phase Requests by GRs and ensure appropriate record-keeping of all submissions. The **Buyer** will provide a digital GMS solution to enable GRs to submit Phase Requests for approval. The **Buyer** will grant the **Supplier** access to this system, during the term of this Order Contract, and will provide the **Supplier** with the required training on the use of this digital solution during Implementation. The **Supplier** must ensure attendance to the training provided by the **Buyer** as well as the development of a robust understanding of the system, its applicability and expected outcomes with regards to the scheme policy guidance. The **Supplier** must record all requests submitted with details of dates and applicants on the system provided, if this is not done automatically. The GMS must also be used by the **Supplier** to store/archive all requests submitted by GRs, as well as all other documentation submitted in support of the Phase Request or generated/utilised to inform the Phase Request process (e.g. evaluation criteria, outcome recommendation records, outcome notification or feedback forms, etc.). The **Supplier** must also ensure version control mechanisms are in place to track evolution of all documents, resources and artefacts, as well as secure storage on the **Buyer's** GMS platform.
71. The **Supplier** must aid the GRs to guide them in their completion of Phase Request forms which fulfil the standards set by the Phase Requests Form. This includes:

- a. reviewing draft submissions and providing feedback to the GR within two (2) working days.
 - b. answering GR questions within two (2) working days of the questions receipt to ensure submissions are comprehensive and aligned with Phase Request requirements.
72. The **Supplier** must ensure that the GR's respective PSO (personnel responsible for BAU/regular engagement with the GR – see Service Area 3 - Scheme Performance and Management) leads all endeavours to support their GRs, to ensure the process can leverage the PSO's in-depth knowledge of the GR Project's history, baseline commitments, risks and wider circumstances. In addition, PSOs must be able to engage the support from subject matter experts in the wider **Supplier** team, as required to address GR capability gaps in the production of Phase Requests if required.
73. The **Supplier** is responsible for supporting the GR to submit a Phase Request form which meets the criteria for evaluation (i.e. review drafts; provide feedback, advice and support; GR revision and re-submission; review again) for all submissions until the Phase Request fulfils the standards set by the Phase Requests Form. If the phase request still does not meet required standards after two subsequent re-drafts have been submitted by GR, it must be escalated to the **Buyer** for resolution.
74. The **Supplier** is responsible for all guidance and communications to GRs on the Phase Request process. The **Supplier** must draft and distribute all required notification and guidance documents and resources to manage GRs' interaction with the Phase Request Process, using the **Buyer's** GMS digital platform, as required to fulfil the **Supplier's** obligation to ensure accurate completion of phase request forms by the GR.
75. The **Supplier** is responsible for evaluation of the correctly completed Phase Request form. The **Supplier** must ensure evaluation is conducted by the GR's PSO who must understand all WH:SHF scheme rules and guidance. The PSO must review each submission against Scheme conditions, policy determinations, Initial Baseline milestones, GFA determinations and commitments, or any subsequent updates agreed via change control to identify any errors (see fraud and error Section for reporting any relevant errors). PSOs must be able to engage the support from subject matter experts in the wider **Supplier** team if required (i.e. the DAS support function.), and **Supplier** senior officials, as required via a risk-based approach, to assess submissions as per the evaluation criteria, which will be defined and agreed with the **Buyer** during Implementation.
- a. The definition of 'risk-based' in this context means that if, through the **Supplier's** BAU/regular engagement and monitoring of GRs, issues or concerns emerge regarding a particular GR Project, additional scrutiny will be deemed warranted and evaluation of a Phase Request must adapt to include the advice of appropriate experts and/or seniors to enable more thorough review of risk areas identified. From the point of submission of a phase request that is deemed to have met the required standard, the

PSO must complete their evaluation and provide their recommended outcome to the Lead PSO within three (3) working days.

76. The **Supplier** is responsible for provision of a recommendation for each GR Phase Request. The **Supplier** must ensure that the Lead PSO is responsible for reviewing and signing off the recommended outcome by the PSO, within two (2) working days of receiving the recommended outcome.
- a. Thresholds for delegated authority will be agreed between the **Buyer** and **Supplier** during Implementation. Decisions within the **Supplier's** delegated authority must be recorded on the digital GMS system provided by the **Buyer** within two (2) working days. For those above delegated thresholds, a recommendation must be provided to the **Buyer** by the **Supplier** at a 'Decision-Making meeting'.
 - b. The recommendation will be based on the submission's overall quality and alignment with Scheme conditions, policy determinations, and GFA commitments, using the evaluation criteria and scoring rubrics/instructions agreed with the **Buyer** and set out the PSO and Lead PSO's justification for the recommendation.
 - a. Following a decision, the PSO must use the content of the Phase Request to inform their recommendation on GR Project's positioning at the most appropriate monitoring regime tier and assigned Delivery Confidence Assessment (DCA) rating. (Please see Service Area 3 – Scheme Performance and Management for further detail on monitoring and Delivery Confidence).
 - c. If the recommendation on the outcome of a Phase Request cannot be reached the **Supplier** must escalate the issue to the **Buyer** for a resolution.
77. The **Supplier** is responsible for the administration of all 'Decision-Making' meetings. The **Supplier** must set up a 'Decision-Making' meeting within two (2) working days of an escalation being identified by the Lead PSO and held within three (3) working days of set up. The **Supplier** must facilitate Phase Request decision-making meetings with the **Buyer** to present the PSOs recommendations, discuss the outcomes of evaluation and reach consensus on decisions with the **Buyer**.
78. The **Supplier** is responsible for GR notification of all outcomes on submitted Phase Requests. The **Supplier** must notify GRs of final decisions agreed with the **Buyer** within one (1) working day, providing clear explanation for the outcomes. Trigger arrangements for additional submission support and/or training for any GRs where the Phase Request has not approved, or where instructed by the **Buyer**, to help them develop more robust submissions.
79. The **Supplier** is responsible for the continuous improvement of the Phase Request process. The **Supplier** is responsible for engaging with the Technical Assistance Facility (TAF) and Retrofit Information, Support and Expertise (RISE) functions on a monthly basis (Further

details can be found in Service Area 06 - Knowledge Management) and the WH:SHF Delivery Team to capture lessons learnt and insight on best practice from past provision of assistance and training to GRs in order to strengthen the support provided as part of the Phase Request Process. The **Supplier** must record all such instances of support and feedback provided on the digital GMS platform provided by the **Buyer**. The **Supplier** must review and develop an understanding of the products produced by the TAF and RISE functions to sign-post GRs to off-the-shelf content on a range of capability domains, as appropriate according to the identified GR advice needs, leveraging these ready-made advice products to minimise duplication of efforts to re-create similar solutions.

80. The **Supplier** is responsible for the provision of training sessions/workshops and resources for GRs (as a group or on an individual GR Project basis) to develop their skills in writing up robust submissions, if it is identified by a risk-based approach, that a number of Grant Recipients have weaknesses in the same themes/areas which will prevent them submitting an adequate phase request. And, if TAF or RISE does not have an existing training product which would resolve it.
 - a. The definition of 'risk-based approach' in this context means that if, through the **Supplier's** BAU/regular engagement and monitoring of GRs, blockers, weaknesses or common challenges are identified which the **Supplier** reasonably believes will prevent adequate Phase Requests from being submitted, then enhanced training or resources beyond standard guidance and communication issued to date will be deemed required and must be provided by the **Supplier**. The **Supplier** must agree with the **Buyer** before providing any such training or workshops. The **Supplier** must maintain records of all such instances of training required and provided and who attended on the **Buyer's** GMS platform.
81. Prior to contract award, all support to GRs in the Challenge Fund for the development of Phase Requests will be provided by the **Buyer** or its existing **Suppliers**. Records of all Phase Requests submitted and evaluated before takeover by the **Supplier** will be included in the handover pack to the **Supplier** during Implementation. The **Supplier** will use the information provided as a starting point for the services to be provided by the **Supplier**.
82. The **Buyer** will provide the **Supplier** with further detail on the required data, forms, evaluation criteria and scoring rubrics/instructions for Phase Requests during Implementation to support the final design of the Phase Requests Process to be implemented.

2.1.4 Phase Request Forums and Reports

83. A quarterly Phase Request Process Performance Review to address the effectiveness of the process in the past quarter, including (but not limited to) metrics on number of Phase Requests handled in the period (including volumes, turnaround times, backlog, resource utilisation, number of revisions required as part of submission support loop, number and

content of training sessions/workshops held, progress/decision status of Phase Requests handled, etc.) and review the **Supplier's** performance reflections, lessons learnt and recommended responses for implementation in the following quarter. The **Supplier** will present how they will proactively address any identified risks or opportunities in the process. The **Supplier** must provide the **Buyer** with the quarterly Phase Requests Process Performance Reports, no later than five (5) working days before the quarterly Performance Review meetings. This report will include:

- a. A self-assessment of the **Supplier's** performance against the agreed Phase Requests Process during the past quarter, including justifications and identifying key strengths, weaknesses and planned responses, and areas for improvement.
 - b. An assessment of the effectiveness of the Phase Request process in the past quarter, including justifications and identifying key strengths, weaknesses, and areas for improvement.
 - c. Recommendations on responses to the improvement needs identified. No changes to the Phase Requests Process are to be implemented or communicated to GRs without the explicit agreement of the **Buyer** in writing.
 - d. Lessons on the provision of submission support and training provided to GRs in the past quarter, including an assessment of the effectiveness of the assistance provided in view of GR performance in the production of quality Phase Request submissions during the period, and insights on GR capability against the TAF readiness-to-deliver indicators to inform the TAF learning loop.
 - e. The **Buyer** reserves the right to require that the **Supplier** includes additional considerations for this report. The turnaround times for inclusion of additional considerations requested will be agreed between the **Buyer** and the **Supplier** at the point when such a request is raised, depending on the circumstances (e.g. there is enough time/critical need for additional considerations to be included in the report for the current quarter; timing of request dictates that new considerations can only be included in reports from the next quarter onwards; etc.).
84. The **Supplier** is responsible for all governance and administrative activities to plan, arrange and continuously run all meetings for the above forum. This includes, but is not limited to:
- a. Drafting and maintenance of the forums' Terms of Reference and standing agendas in consultation with the **Buyer**
 - b. Management of attendees list in consultation with the **Buyer**
 - c. Issuing of calendar invites and management of access to remote/digital meeting rooms

- d. Consultation with the **Buyer** on ad hoc agenda items or critical questions to be addressed
 - e. Drafting and advance circulation of agendas and papers at least two (2) full working days prior to the meeting
 - f. Production and presentation of meeting slides
 - g. Chairing of meetings on the day
 - h. Note-taking and minuting of meeting discussions, post-meeting circulation of minutes within five (5) working days, and management of meeting records for audit trail
 - i. Production, implementation and maintenance of any associated logs, etc.
85. Where His Majesty's Government (HMG)/DESNZ policy or guidelines are changed, the **Supplier** must update and/or amend products, documents, logs and/or artefacts associated to these forums, as instructed by the **Buyer**, within 10 working days from date of receipt of the **Buyer's** instruction. Updated products and artefacts must be submitted to the **Buyer** for approval before being deployed as part of the Phase Request process.
86. The **Supplier** must submit the proposed design and content of Phase Requests forum documentation for the **Buyer's** approval during Implementation, as part of the wider design for the overall Phase Requests Process.

2.2 WH: LG – Allocation Model

87. WH: LG Grant funding will be allocated to all potential GRs who submit a validated Expression of Interest (EOI) form and meet a minimum criterion for successful delivery. The WH: LG Allocation model has three stages as outlined below:
- a. Expression of Interest (EOI) Stage.
 - b. GR Mobilisation Stage, including a compulsory Mid-Mobilisation Review and Delivery Assurance Check (DAC).
 - c. Batch Submission Stage.
88. An upfront payment will be provided to the successful GR at the Mobilisation Stage to support that stage, they must then successfully pass both the Mobilisation stage and the Delivery stage before being able to draw down the remainder of the allocated funding.

2.2.1 WH:LG Expression of Interest Stage

89. The WH:LG Expression of Interest (EOI) window opened on 16 October 2024 and closed on 01 December 2024. The EOI stage is being managed by the **Buyer** in entirety.
90. The **Buyer** reserves the right to carry out further EOI windows should additional money be made available for allocation at any point during Scheme delivery. This process would

be carried out by the **Buyer**, but it could change the size of GR projects or change the number of GRs that the **Supplier** will be required to manage. Any changes will be managed using the process outlined in Section 1.4 and the **Supplier** must be willing to manage additional GR projects.

2.2.2 WH:LG Mobilisation Stage

91. The Grant Recipient Mobilisation stage will take place before the **Supplier** is onboarded and will be led by the **Buyer** and any associated third parties that the **Buyer** deploys to support the IDM.

- a. Once the **Supplier** is mobilised, they will take responsibility for any outstanding DACs, which will be documented in *Annex XX – Implementation Plan*.

92. There are two stages for GRs during the Mobilisation stage:

- a. Mid Mobilisation Review (undertaken entirely by the **Buyer** and any existing **Suppliers**). Further details are available publicly on GOV.UK: <https://assets.publishing.service.gov.uk/media/66f1573cbd3aced9da489bcf/Warm-Homes-Local-Grant-guidance.pdf>)
- b. Delivery Assurance Check (DAC). Undertaken by the **Buyer** until the **Supplier** is onboarded. Estimated number of DACs to be completed by the **Supplier** is detailed in *Annex XX – Implementation Plan*. Further details on the DAC process are contained in Section 2.2.2.2

2.2.2.1. Completing the Mid-Mobilisation Review

93. The Mid-Mobilisation Review will be carried out by the **Buyer's** existing **Supplier** (TAF2) who will recommend to the **Buyer** if GRs are eligible to move forward for DAC consideration, and if the spend forecast needs to change.

94. The **Supplier** will need to engage with **Buyer** and TAF2 on individual project timelines and spend forecasts, as these may fluctuate.

2.2.2.2. WH:LG Delivery Assurance Check

95. Once onboarded, the **Supplier** must manage and facilitate the DAC process. DACs can take place once the GR indicates they are ready to proceed to delivery and has undertaken a Mid-Mobilisation Review which confirms the timing of the DAC meeting, based on when the GR is expected to be ready to begin delivery.

96. The DAC process (Further details on the DAC process are available publicly on GOV.UK: <https://www.gov.uk/government/publications/warm-homes-local-grant>) will assess whether GR are ready to begin delivery and draw down further funding via the Batch Process. Specifically, the DAC process will assess if:

- a. The GR has appropriate resource in place.

- b. Contractors have been procured and are in place to begin upgrades immediately.
 - c. The required documentation meets the minimum criteria set out in the WH:LG scheme guidance – these include the fraud risk assessment, fraud management plan, escalation contacts, eligibility verification approach, and delivery forecasts.
97. The **Supplier** must provide a team of DAC assessors who will be trained by the **Buyer** to administer the DAC process once the **Supplier** is mobilised.
- a. The **Supplier** must ensure that the DAC assessments are run by an impartial team of assessors with the capability to facilitate interviews who fully understand WH:LG scheme rules and guidance and are able to access subject matter expertise and apply that advice.
 - b. The **Supplier** team size will be agreed with the **Buyer** during Implementation and must be proportionate to the number of GR projects.
 - c. The **Supplier** must maintain the agreed number of assessors for every DAC interview and is responsible for retraining assessors should there be a need for change or a replacement in personnel and must ensure that assessor efficiency is maintained throughout the scheme.
98. The **Supplier** will ensure that DAC assessors will be responsible for:
- a. Daily monitoring of the WH:LG Help Inbox (Refer to Service Area 06 – GR Knowledge Management for further details on Help Inboxes) for DAC applications and subsequent filing of the DAC submissions within GR specific folders created and managed by the **Supplier**.
 - b. Acknowledging receipt of DAC submissions by the GRs by email within one (1) working day of receiving the DAC submission.
 - i. If information has been omitted by the GR, the DAC assessor must follow up with the GR to notify them of this within two (2) working days of receipt.
 - ii. The DAC assessor must respond to all GR DAC related queries within two (2) working days of receipt and provide an expected resolution time if the query cannot be answered within this timeframe.
 - c. Assessing the submitted DAC applications and documentation using the Scoring Criteria (Further details on the Scoring Criteria will be to be provided by the **Buyer** during Implementation), collating scores and preparing interview questions using the DAC interview Script (also provided by **Buyer** during implementation).
 - i. The **Supplier** must note that interview script is not intended to be prescriptive and they will leverage their knowledge of the scheme, consult and gather intelligence from the dedicated GR PSO and develop pertinent, relevant interview questions for

the DAC process in order to assure that the GR is ready to effectively deliver scheme funding in line with scheme rules and guidance.

- d. Confirming the proposed DAC date by email with the GR and arranging/agreeing any alternative dates should there be unavailability from the GR DAC interview panel and checking progress to ensure that the agreed DAC date is met.
- e. Scheduling DAC interviews to avoid delays in the transition of GR into delivery where the GR is ready to proceed earlier than the expected DAC month.
- f. Conducting the DAC interview, including administrative and secretarial duties, moderating and collating scores post interview and relaying outcome to GR by email within two (2) working days of the DAC interview.
 - i. The **Supplier** must ensure that the assigned PSO for each GR Project attends the DAC interview and is sighted on all correspondence with their GR Projects.
 - ii. The **Supplier** must ensure the PSO has full knowledge and understanding of the outcomes of the DAC interview to ensure smooth continuity of the project performance monitoring during delivery.
- g. Escalate queries, issues and concerning trends regarding the DAC which sit beyond the agreed delegated thresholds, which will be agreed between the **Buyer** and **Supplier** during Implementation, in writing to the **Buyer**, with a clear recommendation to the **Buyer** for approval.
 - i. The **Buyer** will aim to respond to these within two (2) working days to ensure the DAC process is not delayed, allowing the GR to move into Batch delivery as soon as possible.
 - ii. The **Supplier** will be required to attend meetings with the **Buyer**, when requested, to further support the **Buyer's** decision-making.
- h. Ensuring that GRs adhere to the DAC dates provided during the EOI stage and agreed during Mobilisation.
 - i. The **Supplier** must be proactive in reminding GRs of their planned DAC date during their regular engagement sessions (Refer to Service Area 03 – Scheme Performance and Management for further details on PSO engagement).
 - ii. The **Supplier** must be proactive in making referrals to the necessary advisory support (Refer to Service Area 03 – Scheme Performance and Management) and guidance documentation, which will be provided by the **Buyer** during Implementation.
 - iii. The **Supplier** must ensure prompt escalations to the **Buyer**, when necessary, to ensure that the GR can meet their planned DAC date.

- i. Monitoring GR progress towards their DAC date. The **Supplier** must challenge any perceived issues, either reported directly by the GR, or identified by the **Supplier** to ensure that the DAC is not delayed.
99. In instances where the GR does not meet the DAC assessment criteria and has not demonstrated that they are ready to start batch delivery, the **Supplier** must:
- a. Arrange a further engagement session or utilise an already planned session (Refer to Service Area 03 – Scheme Performance and Management) to discuss DAC conditions and remedial actions with the Grant Recipient.
 - b. The session must take place within five (5) working days after an unsuccessful DAC interview and must be aimed at clarifying understanding of any associated DAC conditions and agreeing dates for remedial actions.
100. Where a GR has not met the DAC assessment criteria, remedial actions to be taken by the **Supplier** include but are not limited to:
- a. Reviewing DAC documentation and requirements and supporting the GR to refine in line with DAC guidance.
 - b. Signposting the GR to TAF2 to complete a critical friend review, if one has not yet been undertaken, to ensure documentation and requirements are amended to meet the DAC assessment criteria.
 - c. Scheduling the nearest date for another DAC interview and ensuring the GR resits the DAC interview.
 - d. Inform the **Buyer** and TAF2, in writing within one (1) working day of facilitating the DAC remediation discussion with the GR of all agreed plans, dates and actions.
 - e. Provide the necessary level of Direct Advisory Support needed by the GR (Refer to Service Area 03 – Scheme Performance and Management). The **Supplier** must signpost the GR to the appropriate resource, support contact point(s) and/or support material.
 - f. Continue with regular BAU engagement activity with GR (Refer to Service Area 03 – Scheme Performance and Management) including documenting and saving all correspondence and support provided to GRs on the digital GMS platform provided by the **Buyer**.
101. The **Supplier** is also responsible for the following engagement and correspondence activities:
- a. GRs must be reminded during every engagement session of their agreed DAC month.
 - b. Ensuring the DAC date is agreed by email at least one (1) calendar week before the DAC month begins.

- c. DAC documentation should be submitted by the GR within five (5) working days ahead of the agreed DAC interview date for the **Supplier** to review. This includes documentary evidence of contracts and resourcing.
 - d. Sending out DAC confirmation letters, which are to be sent via the **Buyer's** Digital GMS platform.
 - e. Ensuring DAC meeting minutes are sent within two (2) working days of the DAC meeting, including any conditions associated with the outcomes and next steps clearly documented.
102. The **Supplier** must ensure that GRs have confirmed that they have appropriate contracts in place to deliver their GR Project commitments (i.e. Delivery Partners, Retrofit Coordinators, Retrofit Installers, etc.), as per the WH:LG Scheme guidance and DAC Assessment Criteria, which will be provided by the **Buyer** during Implementation.
- a. The **Supplier** should ensure that the GR contracts have sufficient capability and capacity to fully deliver the funding & agreed homes, or that robust plans are in place to make up the remaining gap in capacity, and that sufficient resource has been hired by the GR.
 - b. Where GR contracts and/or documents have been transferred from the predecessor scheme Home Upgrade Grant 2 (HUG2), the **Supplier** must ensure that follow-up checks are scheduled with the GR to validate any new contracts that are required after the HUG2 contracts have expired. Further detail on transferring documents or contracts from HUG2 to WH:LG is contained in *Annex XX*.
 - c. The **Supplier** must use the **Buyer's** Digital GMS platform to capture all correspondence and email these to the GRs, including a written summary of the next steps that have been agreed and must be sent after the GRs are informed of the outcome and any required conditions or actions.
103. The **Supplier** must prepare a recommendation for the outcome of all DACs. The following should be noted:
- a. Award recommendations are to be prepared and recorded by the **Supplier** using a standard template provided by the **Buyer** and stored in the digital GMS platform provided by the **Buyer**.
 - b. The **Supplier** will present DAC recommendations to the **Buyer** for approval in a format agreed with the **Buyer** during Implementation.
104. The **Supplier** must carry out quality assurance checks on statements made by the GR during the DAC process and interview (i.e. checking that contractual documents and resourcing arrangements align with what the GR has stated regarding their existing, new or renewed contractual agreements) on a 15% of all GR Projects.

- a. The **Supplier** must inform GRs in writing prior to the DAC interview that they may be required to comply with quality assurance checks and must provide documentary evidence of Contracts and resourcing to be reviewed at the DAC.
105. The **Supplier** must collate and manage evidence provided for the quality assurance checks. Any gathered evidence must be made accessible to the **Buyer** and stored on the **Buyer's** Digital GMS Platform.
106. The **Supplier** is required to use the **Buyer's** Digital GMS Platform to monitor, record, report and retain data on GR progress through the DAC process within one (1) working day of each DAC interview, or of any intelligence relevant to the DAC being received. This will include, but is not limited to:
- a. Grant Recipient Mobilisations Stage status
 - b. Grant Recipient agreed DAC dates.
 - c. Grant Recipient actual DAC dates including reasons for any discrepancies.
 - d. DAC conditions including a brief overview of the reasons for the conditions and links to the actual DAC forms.
 - e. Repurposed DAC interview and associated reasons
107. For a GR Consortium Project, the **Buyer** does not require all consortium members to sit the DAC at the same time. If consortia projects will be ready to sit the DAC at different times, this should be indicated by the GR in the EoI form by completing *Annex XX*.
- a. For consortia projects that require multiple DACs, the GR project lead will need to participate in the first DAC to confirm that it is ready to 'project manage' the GR Project.

2.2.3 WH: LG Batch Submission Stage

108. Once GRs have passed their DAC, they are approved to enter the Batch Submission Stage. This stage runs throughout the Delivery period of the scheme. GRs are required to submit batches of 'Ready to Retrofit' homes to draw down scheme funding to upgrade those homes. 'Ready to Retrofit' means homes that have been confirmed by the GR and their Retrofit Coordinator (RC) to have:
- a. Signed up and validated
 - b. Assessed against PAS standards
 - c. Verified as eligible and has agreed with the measures selected
 - d. Costs have been obtained and finalised with installers or other contractors

- e. Any other approvals received (e.g. planning permission) that would be necessary for upgrades.
109. A **digital Automated Batch Solution (ABS)**, provided by the **Buyer**, to enable submission, management and processing of Batch Submissions will be made available to the **Supplier**.
- a. The solution will enable GRs to submit batches of homes that are 'Ready to Retrofit' for approval to allow funding to be drawn down to upgrade home according to need.
 - b. The solution provides full visibility of delivery pipelines to monitor GR spending trends against WH:LG Policy rules including cost caps, measure price limits, tenures, archetypes, etc. It should be noted that all rules must be met by Scheme closure and therefore the tool should not initially be used to ensure policy compliance of cost caps for measure prices for each individual batch.
 - c. The ABS has capability to introduce controls to ensure compliance with WH:LG Policy rules for GR Projects which are underperforming (e.g., by blocking the submission of new batches that exceed a cost cap or measure price limit by a given percentage cumulatively across all batches approved to date)
 - d. Approval of a batch will then enable the draw down of scheme funding to upgrade those homes.
110. The **Buyer** will facilitate **Supplier** training on the use of the ABS during Implementation, the format and length will also be agreed between **Buyer** and **Supplier** during Implementation. The **Supplier** must ensure training attendance and that they have a robust understanding of the system, its applicability and expected outcomes with regards to the scheme policy guidance.
111. The **Supplier** must ensure the GR Project PSO is an SME on the ABS process and keeps abreast of GR Project batch submission progress to provide information and guidance on issues regarding batch submission, blockers to batch delivery and planned next steps for GRs as part of regular engagement activities (See Service Area 03 – Scheme Performance and Management).
112. The **Supplier** is responsible for monitoring scheme level and individual GR Project Trends through the ABS, in conjunction with other intelligence to monitor Scheme and GR Project performance.
- a. Where the **Supplier** identifies that GR batch trends are unlikely to be compliant by scheme closure, these must be flagged to the GR during their monthly engagement activities (See Service Area 03 – Scheme Project and Performance Management).

- b. The **Supplier** must provide advice and support to ensure GRs remain within scheme guidance as part of their monthly engagement activities (See Service Area 03 – Scheme Performance and Management)
 - c. The **Supplier** must escalate to the **Buyer** if a GR Project continues to show alarming trends for a consecutive three (3) months. The **Supplier** should use their discretion to escalate earlier if an emergent trend has significant impacts. The Escalation route will be defined during Implementation.
 - d. The **Buyer** reserves the right to instigate batch-level compliance, if concerning trends are observed or in response to changing wider priorities.
113. The **Supplier** must ensure the PSO supports GRs to submit batches and to support GRs with re-submitting Batch Submissions that have not been approved and require amendments due to errors by supporting GRs via the BAU engagement activities (see Service Area 03 – Scheme Project and Performance Management). PSOs will be required to:
- a. Ensure that all required elements (Please refer to *Annex XX – ABS* for further details) of the Batch Submission form are completed correctly. This will be automated by the system, the PSO will check any errors flagged by the system or proactively identified by the PSO, including any incomplete Sections and notify the GR with one (1) working day and request rectification within three (3) working days of notification.
 - b. Handle all clarifications of batches from GRs and support GRs to amend Batch Submissions where an application has not been ‘approved’ and requires amendments. Further guidance on supporting GRs with completing and amending Batch Submissions is outlined in *Annex XX - ABS*.
 - c. Work collaboratively with GRs to help them understand how to use and complete a Batch Submission including how to submit a batch using the AB and how to amend a Batch Submission if the submission is returned with a request to re-submit with amendments.
 - d. Work collaboratively with GRs where they wish to amend a previously approached batch (i.e. update the measures, costs or homes within the approved batch) to ensure the Batch log is correctly updated with these amendments.
 - e. Track trends of how Grant Recipients are performing against cost caps and measure price ranges (that must be met by scheme end only) monthly throughout scheme delivery
 - f. Approve the batch and batch funding requested within one (1) working day of the request being submitted. When the **Supplier** identifies that a Batch Submission does not meet the validation criteria, they should communicate to the GR and request that

identified errors are corrected within three (3) working days of the batch validation exercise.

- g. Inform both the GR and the **Buyer** of the validation outcome, within one (1) working day via the Automated Batch Solution. It is anticipated that the **Buyer's** Digital GMS platform may automatically perform notification of the validation outcome.
 - h. Add the approved and validated Batch Submission to the payment list to be sent to the **Buyer** for payment. Further Information on this process is outlined in Service Area 08 – Grant Spend Compliance and Forecasting requirements.
 - i. Mark approved batches as 'closed' in the batch log once all homes have been completed.
 - j. This is not an exhaustive list of the information the PSO is to be abreast of and the intent is that the relevant PSO has an in-depth working knowledge of each GRs batch status in a meaningful way to present back to the **Buyer** (Please refer to Service Area 03 – Scheme Performance and Management for further information on the PSO role).
 - k. PSOs must be copied into every correspondence regarding their GR Batch Submissions. This must include all approvals, rejections, iterations, queries, clarifications and escalations.
114. Where Batch Submissions are received prior to **Supplier** implementation, this will be included in the handover and will be readily available on the 'batch system' for the **Supplier** to view and manage (Please refer to Service Area 01 – Introduction, Key Principles and Common Requirements for details on the Handover).
115. The **Buyer** will provide training to GRs on the ABS system as detailed in Service Area 07 – Technology and Data. The **Supplier** should identify where GRs are experiencing issues in the day-to-day operation of the system. The **Supplier** will work collaboratively with GRs to problem solve the issues they are facing and report on any significant themes to the **Buyer** as part of continuous improvement.
116. Details on an Interim Batch Solution, in the event of the ABS system not being available, can be found in *Annex XX – Interim Batch Solution*. In the event an Interim Batch Solution is deployed, the Interim Batch records will need to be transferred by the **Supplier** to the ABS once it is available.

2.2.3.1. WH:LG Batch Validation Requirements

117. The **Supplier** requirement for Batch Validations are detailed in Section 2.2.3 above.
118. The **Supplier** must ensure each Batch Submission is validated by PSOs who have good working knowledge of the WH:LG scheme. Further details on the PSO role are in Service Area 03 – Scheme Performance and Management. Such knowledge should fully cover but is not limited to:

- a. WH:LG policy determinations and Grant conditions
- b. WH:LG Batch Management and Change Control Processes.
- c. Retrofit/energy efficiency/net zero buildings policy & processes,
- d. Funding assessment and management including fraud management and prevention.
- e. Full understanding of the Automated Batch Solution (ABS)

119. 3. The **Supplier** should note that:

- a. Batch validations are expected to take place until 31 December of the final financial year of the WH:LG Funding Period.
- b. The **Supplier** must ensure that Batch Submissions can be submitted by Grant Recipients for the duration of the scheme, except during the Christmas period (25-31 December).

120. X

2.2.3.2. WH:LG Batch Submission Approvals and Trends Monitoring

- 121. The **Supplier** must monitor and report to the **Buyer** monthly on GRs' spend, including but not limited to, trends on scheme cost caps per home, costs per measure, and measure mix both at a project and scheme-wide level using the ABS, as well as any cumulative trends and qualitative insight gathered at relevant governance boards (Please refer to Service Area 03 – Scheme Performance and Management for further detail on boards and Service Area 06 – GR Knowledge Management for further detail on trends).
- 122. GRs will be given price limits for selected high-risk measures under Non-disclosure Agreements (NDAs) as part of MoU signing led by the **Buyer**, before they mobilise and will be required to be under those price limits for the selected measures by scheme end only. Similarly, GRs must fall within scheme cost caps per home by scheme end only in line with the policy guidance for the scheme.
- 123. The **Supplier** must closely monitor, as part of their regular engagement and oversight of how GRs perform against these 'by scheme end' rules and recommend when intervention may be required should a GR be consistently over the limits and time becomes limited for further delivery to bring the average back within these parameters. Service Area 03 – Scheme Performance and Management has further detail on how PSO engagement should support GR delivery.
 - a. Reports on how each GR is performing against these rules should be readily accessible and shared each month with the GR, at least one (1) week prior to the GR monthly meetings with the PSO from the **Supplier's** team.

- b. Similarly, GRs should also be able to easily see how they are performing against policy rules and should regularly discuss this with the PSO from the **Supplier's** team when over price limits or cost caps as part of the regular engagement sessions.
124. WH:LG must comply with National Audit Office (NAO) and HMT in-year spend rules that stipulate that funding given to GRs must be used within the financial year that it is transferred. The **Supplier** must support the GRs to use upfront payments within the financial year and comply with in-year spend rules. Further detail on spending requirements is contained in Service Area 08 – GR Forecasting, Spending and Compliance. This may include, but is not limited to:
- a. Ensuring the GRs use any unused Upfront Payments before drawing down any funds from subsequent batches.
 - b. Following the submission of a Batch Submission where the delivery of that Batch crosses financial years, the **Supplier** must inform the **Buyer** at the next monthly reporting cycle, that payments should be split into two (one to cover each financial year of Batch delivery) to ensure in-year spend requirements are met.
 - c. Actively monitor GR budget management during delivery at regular PSO engagement sessions, including current spend position and payments made/received, as well as any unspent funds and their schedule for their use.
 - d. The **Supplier** must escalate to the **Buyer** where funding is not being spent in line with batch payment draw down (i.e., where a GR has unspent upfront funding, which represents up to 20% of grant funding for any given FY, whilst seeking to draw down batch payments).
125. The **Supplier** must assess the GR's forecasted projections. If the potential actions noted above do not reduce Batch payments accordingly, the **Supplier** must either recommend the GR submit a change request (Please refer to Service Area 04 – Change Control) to update the delivery forecast to notify of any underspend, or if this route would not solve the issue, they will escalate to the **Buyer**.

2.2.3.3. Freezing WH:LG Batches

126. The **Supplier** may use the ABS to freeze Batch submissions, approvals, and payments for specific Grant Recipients if it considers they are consistently underperforming. Serious underperformance may include, but is not limited to;
- a. 2-3 months of unspent Batch funding/payment, including GR upfront payment held within GR Bank account.
 - b. Under-delivery over a 2-3 month reporting period after batch payments have been made to GR
 - c. Suspected fraud, error and non-compliance associated with delivery and/or batches

127. Freezing entails refusal to process any further Batch Submission from GRs. The **Supplier** should freeze the Batch process if a GR is consistently underperforming and is not committing a large proportion of the funding already transferred for previous batches to the delivery of upgrades. The **Supplier** can unfreeze the Batch process if it considers a GR to subsequently be delivering appropriately.
128. If the **Supplier** freezes a Batch Submission, the **Buyer** must be informed within one (1) working day. The **Buyer** reserves the right to instruct that this decision is amended.
129. The **Supplier** must inform the GR in writing of the consistent underperformance, including possible remediation plan activities, the possibility of pausing payments and next steps, which entail escalation to the **Buyer** as part of BAU engagement with GRs.
130. The **Supplier** must thereafter facilitate Remediation Plan activities (Please Refer to Service Area 03 - Scheme Performance Management) to enable GRs to get back on track regarding unspent funds.
131. The **Supplier** must escalate to the **Buyer** if unspent Batch payments, (including upfront payments) and under-delivery after Batch payments continues consistently for three (3) calendar months, following the escalation process that will be defined during Implementation.

2.2.3.4. WH:LG Batch Record Keeping using the Automated Batch Solution (ABS)

132. The **Supplier** must use the ABS provided by the **Buyer** to:
- a. Analyse data on the number and profile of Batch Submissions submitted by GRs. This system will be updated when each application is received, and at each stage of processing. This will include but is not limited to, reviewing the batch data to ensure that GRs do not exceed the cost caps and identifying the average amount of funding per batch and per home to aid scheme performance reporting.
 - b. Review the Batch Submission pipeline based on delivery forecasts submitted at DAC as well as via regular engagement meetings held between GRs and the PSO. The **Supplier** will capture, using the ABS platform provided by the **Buyer** all Scheme level information required to inform the Batch forecast. The required information includes but is not limited to:
 - i. Anticipated number of WH:LG Batch Submissions overall, and broken down by month
 - ii. Numbers of Applications receiving 'pass', 'escalate', 'clarify', 'return for changes' (due to 'further iteration required'), or 'reject' overall, and broken down by month
 - iii. Any themes that are arising with Applications that receive a 'return for change' or 'rejected' status, and

- iv. Elapsed time to resolve Applications that receive a 'return for changes' status.

2.2.3.5. WH: LG Batch Escalation and Quantitative Thresholds

133. The **Buyer** may choose to introduce quantitative checks and limits on costs per upgraded home or per measure, or on measures chosen, to the ABS at a later point during the delivery period.

2.2.3.6. WH:LG Review of Accumulated Batch Submissions

134. Where applicable, the **Supplier** must use the ABS to escalate Batch Submissions that do not adhere to the scheme policies and remain unresolved after three (3) calendar months to the **Buyer**. The following should be noted:

- a. The **Supplier** must carry out a stock take of all GR batch submissions quarterly, assessing forecasted projections and ensuring in-year spend requirements are maintained. The **Supplier**, through this process should identify if/where funds will not be spent, either within the funding period or the relevant financial year and inform the **Buyer** of their findings via existing governance routes (Please Refer to Service Area 08 – Grant Spending Compliance and Forecasting).
- b. In the final quarter of FY25/26 and FY26/27, the **Supplier** shall calculate how much funding each GR has used against the forecasted projections. With these analyses, the **Supplier** must recommend to the **Buyer** which GRs require reduced batch payments because:
 - i. the GR has unused Upfront Payments that can be drawn on,
 - ii. or to apportion payments across financial years to ensure that the available funding across all projects for each financial year is not exceeded and inform the **Buyer**, via existing governance routes (Please Refer to Service Area 03 – Scheme Performance and Management)
- c. Funding will not be carried over financial years and should be spent within the allocated financial year. If the GR's forecasted batch payments are not likely to meet baselined funding projections, the GR must be advised via their respective PSO to submit a change request as outlined in Service Area 04 – Change Control.
- d. For any Batch Submissions submitted within three (3) months to the end of a FY, the **Supplier** must ensure that GRs state in writing, if delivery of the batch will cross financial years, and if so, how much funding is estimated to be spent in the following financial year. In those instances, the batch payment must be split in two by the **Supplier** in line with the GR's financial year forecast (the first payment to be received upon batch approval and the second to be received at the start of the following financial year) to ensure in-year spend requirements are met.

- e. Resolvable issues will be those where a passable Batch can be resubmitted in a short time frame. Examples of resolvable issues include, but are not limited to:
 - i. Minor errors in the administration/submission of the Batch.
 - ii. Spend has been put into the wrong cell or table.
 - f. Unresolvable issues include those where a passable Batch Submission cannot be resubmitted in a short time frame. Examples include but are not limited to:
 - i. Core mandatory data is missing or not completed.
 - ii. Cost breaches on cost caps or measure price limits towards the scheme end, where it is expected that the GR will not be able to meet our 'by scheme end' rules if approved.
135. The **Supplier** must escalate unresolvable issues and undecided cases to the **Buyer** within two (2) working days for a final decision. Once a decision is made the **Supplier** is responsible for communicating the outcome to the GR within (1) one working day of being notified of it by the **Buyer**.

2.3 WH:LG and WH:SHF Application Process Management (Optional Service Package)

2.3.1 Application Process Contextual Background

136. WH: SHF W3 Applications and WH:LG EOI processes are not within scope of this Order Specification.
137. WH:SHF W3 Applicants and WH:LG EOI assessment processes are not within scope of this Order Specification.
138. However, the **Supplier** is required to support the assessment of Applications (WH:SHF) and EOI (WH:LG) processes for future funding waves of either or both of the Schemes, and if requested must follow this Section of the Order Specification which outlines the requirements of the **Supplier** in managing and executing the Application or EOI and assessment stages of the Schemes if required by the **Buyer**.
139. The key objectives of the Application (WH:SHF) and EOI (WH:LG) stages are to ensure that only GR Projects that both meet the Schemes' minimum criteria thresholds and are deemed deliverable, are awarded a Grant, and that the process for assessing and awarding Grants is completed in a fair, transparent, and timely manner.
- a. Assessment criteria setting out what these minimum criteria thresholds are, and how they will be assessed as deliverable, will be provided to the **Supplier** by the **Buyer** at the point they are deemed as required.

- b. As the Schemes are different in nature, the **Supplier** must meet the two different Scheme requirements and policies for WH: SHF W3 and WH:LG.

140. WH: SHF Application and WH:LG EOI windows may run concurrently and the **Supplier** must ensure suitably qualified resource to meet demand.

2.3.2 Application Process – Requirements Overview

141. Where required by the **Buyer**, the **Supplier** must meet the following requirements as part of the Application (WH: SHF) and EOI (WH:LG) processes of future waves for the Schemes.

142. The **Supplier** will be responsible for running the Grant Applications and EOI Assessment Process. The execution of this process will include but is not limited to the following activities:

- a. Mobilising a panel of appropriate Assessors to assess Grant Applications for each Application or EOI window.
- b. All secretarial activity to facilitate the process, such as:
 - i. Coordinating and managing Assessors to carry out assessment of Grant Applications and EOIs
 - ii. Ensuring all Grant Applications and EOIs are reviewed and scoring against pre-defined criteria, to be provided by the **Buyer**, by all allocated Assessors.
 - iii. Ensuring all initial scores, ratings and comments from Assessors are quality assured and stored on the **Buyer's** digital GMS platform.
 - iv. Ensuring all Assessors attend a moderation meeting for each Application/EOI which will be facilitated by the **Supplier**.
 - v. Ensuring all finalised scores/ratings and comments for each Application/EOI from the moderation meeting are aggregated and stored on the **Buyer's** digital GMS platform.
 - vi. Submission of scores and attendance at moderation meetings.
 - vii. Aggregating, moderating, justifying, and summarising the scores given to each Application/EOI for each question.
 - viii. Based on pre-determined thresholds, giving a recommendation to the **Buyer** on which Grant Applicants should be awarded a Grant.

143. For WH:SHF, the **Buyer** will receive Applications through an online portal, which will be downloaded and saved to a secure SharePoint site, which the **Supplier** will be granted access to.

144. For WH:LG, the **Buyer** will receive EOIs via a dedicated mailbox which will be downloaded and saved to a secure SharePoint site, which the **Supplier** will be granted access to.
145. A list of the total number of Applications/EOIs will be sent to the **Supplier** within 5 (five) working days of the close of the Application/EOI window to enable mobilisation and robust Conflict-of-Interest management.
146. Using this list, the **Supplier** will allocate applications to assessors according to their skills, experience and impartiality (i.e. informed by the Conflict-of-Interest responses). The **Supplier** must send the **Buyer** a list of the named assessors allocated to each Application/EOI.
147. Training will be provided by the **Buyer** to the **Supplier's** assessor team. The training length, format and content will be agreed between the **Buyer** and **Supplier**. Assessor Guidance will also be produced by the **Buyer** and distributed to assessors to supplement the training.
148. The **Buyer** will ensure the **Supplier** is fully equipped to assess Applications/EOIs by providing access to all documentation required for assessment (e.g. scoring guidance, scoring templates etc).

2.3.3 Application Assessment

149. Grant Applications require an assessment form to be completed by all Applicants, with questions on their strategic fit, delivery plans and commercial plans, as well as company information and descriptions of the properties due to be retrofitted. The Grant Application will be tailored to the needs of each Scheme to include:
 - a. Mostly assessed questions, although some questions will be for information and others will be pass/fail.
 - b. Annexes, including a project plan, risk and issues register and other pieces of supporting evidence.
150. Draft Applicant Guidance and Application Forms for WH:SHF waves will be published on the WH:SHF GOV.UK page before application windows are launched.
151. Draft Applicant Guidance and EOI Forms for WH:LG will be published on the WH:LG GOV.UK page before EOI windows commence.
152. An assessment timetable will be produced by the **Buyer**, specifying which applications need to be assessed on which day.
153. Assessors will independently review the **Buyer**-specified Section(s) of their allocated Grant Applications and use their judgement alongside the scoring matrix and guidance to give a score or rating to each question. They will also need to give the reasoning behind their score and note any concerns or red flags. Whilst pre-assessment checks will

have been done by the **Buyer**, Assessors will be expected to flag any missing information or ineligible applications that have been overlooked.

154. For WH:LG, past delivery capacity, which considers average funding released and number of homes delivered per month in previous retrofit schemes, must be Quality Assured by a separate assessor (to be confirmed by the Scheme upon notification to the **Supplier** of a future wave EoI to assess).
155. Assessors will submit their scores/ratings and comments to the **Supplier** before the end of each day, who will quality assure them to ensure all scores are entered and reasoning is detailed and in line with the score given. The **Supplier** will then collate the quality assured scores/reasoning and submit to the **Buyer** at the end of the same day.

2.3.4 Moderation and Feedback

156. Assessors will attend and lead moderation meetings with the **Buyer** and internal assessors, where scores from different Assessors will be discussed and a final score/rating agreed for each question/application. Assessors will only need to attend moderation sessions for the applications they have assessed. It is anticipated that to meet the pace desired for moderation, that moderation meetings will be held daily during a moderation period.
157. Following the moderation meeting, the **Supplier** will be required to write feedback for each applicant based on the scoring and discussion from the moderation meeting, summarising all the key points. According to pre-determined criteria set by the **Buyer**, the **Supplier** will make a recommendation for each application as to whether it should pass or fail and therefore whether it should receive funding.
158. At the end of the assessment period, the **Supplier** will be expected to collate and present all scores, feedback and recommendations to the **Buyer**. They will also need to produce individual feedback sheets for each applicant using templates from the **Buyer**, filled in with the feedback and scoring written following moderation. This will need to be done within three (3) working days of the assessment window closing.
159. The **Buyer** will consider the final moderated scores given to each Application/EoI and make the final decision on which projects are awarded Grant funding as part of the Grant Award Process.

2.3.5 Administration

160. The **Supplier** must provide an Assessment Lead as the first point of contact for the **Buyer**. The Assessment Lead will be responsible for coordinating and managing the external assessors, including guaranteeing submission of all assessments on time and fully completed. They will be responsible for allocating external assessors with appropriate expertise to the applications based on the list of applications received from the **Buyer**

and flagging any missing information/ineligible applications discovered as part of the application assessment (see below). They will also be required to report daily and weekly on the progress of the assessments and give an overall report categorising the scores for each assessment, how many passes/fails etc.

161. Secretariat function will also be required, including file management of Applications and relevant documents, scheduling, chairing (where appropriate), and minute taking for all meetings including moderation panels, diary management, and resource and matrix management of Application Assessors.

2.3.6 Provision of Application Assessors

162. The **Supplier** will be responsible for providing Suitably Qualified and Experienced Personnel (SQEP) to undertake the assessment of Grant Applications. The **Supplier** will need to actively manage any Conflict of Interest across the Assessors they have provided, including reassigning or substituting Assessors where direct or indirect conflicts could prejudice the results.
163. Two **Supplier** Assessors will be needed per application (an additional assessor will be provided internally by the **Buyer**). The **Supplier** will need to ensure that applications are assessed by assessors with sufficient knowledge and experience (see below). WH:LG requires additional Quality Assurance of past delivery capacity Section of the EoI form.
164. The SQEP will possess good knowledge of the sector, as well as expertise in the technologies covered by the WH:SHF and WH:LG e.g. insulation, low-carbon heating etc. This knowledge includes but is not limited to the retrofit process, PAS2035, project management and commercial expertise. They should have project management expertise and the ability to effectively judge the delivery feasibility of a project. Commercial acumen is also necessary to allow them to judge the robustness of applicants' supply chains and delivery plans with regards to contracting. Experience with grant funding schemes is desirable but not required.
165. The **Supplier** will share the final details of shortlisted candidates for the assessment roles, as well as a contingency plan in case any shortfall occurs for any unexpected reason. The **Buyer** reserves the right to approve and review the recruitment plan and selection of candidates. Appropriate technical resource to assess all applications received will be shown as part of this plan.

3. Scheme Performance and Management

3.1 Overview

166. This service area defines the requirements for the **Supplier's** role in the overall programme management of the Schemes (WH:LG and WH:SHF), setting out the processes the **Supplier** is required to design, implement and manage.

3.1.1 Programme Management Plan

167. The **Supplier** is responsible for implementing a programme management plan (PMP) for the overall oversight of the Schemes, ensuring effective co-ordination, sequencing and integration of all **Supplier** responsibilities, processes, forums, reports and activities across all service areas of this Order Contract.

168. The **Supplier** is also responsible for the individual and aggregate oversight and co-ordination of delivery by all GR Projects for each the Schemes.

169. The **Supplier** must implement programme oversight and management methodologies that are in accordance with recognised industry professional standards and the Government Functional Standard for Project Delivery, aligning practices, activities and considerations with those described by the Infrastructure and Projects Authority's *The Teal Book*¹ guidance for effective project delivery in government.

170. Before the **Supplier** can implement these processes, the **Supplier** must submit the PMP and proposed designs for the **Buyer's** approval. The **Buyer** reserves the right to request clarifications from the **Supplier** on parts or the whole of the proposed processes, as well as set requests or conditions for revision of the proposed design, and which must be fulfilled by the **Supplier** before the **Buyer** issues approval for deployment by the end of implementation.

171. The PMP must include a 'Delivery, Monitoring & Control Framework' and a 'Performance Management approach' both tailored to the scheme guidance, policy determinations and grant conditions of the relevant Scheme and funding model.

- a. A Delivery, Monitoring & Control Framework describes how the **Supplier** will ensure that GR Projects stay on track and achieve objectives agreed in their baselined delivery plans, including how they will maintain delivery oversight and support, how they will manage aggregate risks and issues and how they will support GR projects to get back on track should issues arise.

1. _____

¹Infrastructure and Projects Authority. (2024) 'The Teal Book: Project delivery in government', *Government Project Delivery Hub* (published online). Available at: <https://projectdelivery.gov.uk/teal-book/home/> (Accessed 07 March 2025).

- b. A 'Performance Management Approach' describes how the **Supplier** will monitor performance metrics and track deviations in GR Project actual delivery and outputs against agreed baselines and forecasted KPIs and delivery targets, and provide insights and advice on these to the **Buyer**. It includes Delivery Confidence Assessments (DCAs).

172. The sections below detail the **Supplier's** responsibilities for Delivery Monitoring & Control, and Performance Management.

3.2 Delivery support and GR engagement

3.2.1 Regular Check-in Meetings

173. The **Supplier** must ensure that PSOs hold Regular Check-in meetings with all Grant Recipients, according to the following approach:

- a. For WH:LG and WH:SHF Challenge Fund – Regular Check-in meetings are to be held with all Grant Recipients no less than once every calendar month, with potential need for increased frequency to be informed by a risk-based approach.
- b. For WH:SHF Strategic Partnerships – Regular Check-in meetings are to be held with all Grant Recipients once every quarter, with potential need for increased frequency to be informed by a risk-based approach.
 - i. Risk-based here means that for GR Projects with poor DCA and/or Performance Status ratings (see 3.2.3 below), the **Supplier** must consider whether a temporary increase in the frequency of engagement would be appropriate to enable more effective oversight of delivery progress, deployment of support measures, resolution of live issues, or monitoring of remediation actions being implemented. Where this is the case, the **Supplier** must recommend the increase in frequency as part of the monthly Scheme Performance Update meetings with the **Buyer**, including justifications for the recommendation.
 - Potential need for increased frequency of touchpoints with GR Projects (e.g. additional check-in meetings; dedicated critical path review calls; subject-based calls or site visits; etc.) must be informed by the risk-based Performance Status tiering of GR Projects.
 - See the template Performance Status tiering methodology in *Annex XX – DP2 SP&M diagram* for additional detail.
- c. On any given month and according to the approach above, standard procedure must be that Regular Check-in meetings with each GR Project be held after the GR Project has submitted their monthly report, to enable check-in meeting discussions to be informed by actual delivery data reported that month and already reviewed by the PSO ahead of these meetings.

- i. Where a GR Project fails to submit the monthly report by the regular submission deadline on the 10th working day of every month, the PSO must follow the process outlined in section 3.5.3 Review of Monthly Reports below to address the outstanding report.
 - Where this is the case, the PSO must carry out the Regular Check-in meeting after the submission deadline has expired, even in the absence of the monthly report, and ahead of the monthly Scheme Performance Update meeting.
 - d. On any given month and according to the approach above, all Regular Check-in meetings must be held ahead of the monthly Scheme Performance Update meeting.
 - i. The **Supplier** must ensure that PSOs update the GR Project standardised dashboards after Regular Check-in meetings and that these are circulated to the **Buyer**, along with any other relevant documentation for that month, no later than 1 working day ahead of the monthly Scheme Performance Update meetings.
174. The **Supplier** is responsible for all governance and administrative activities to plan, arrange and continuously run all Regular Check-in meetings for the above forums. This includes, but is not limited to: drafting and maintenance of the forums' Terms of Reference and standing agendas in consultation with the **Buyer**; management of attendees list; issuing of calendar invites and management of access to remote/digital meeting rooms; consultation with the **Buyer** on ad hoc agenda items or critical questions to be addressed; drafting and advance circulation of agendas; production and presentation of meeting slides; chairing of meetings on the day, note-taking and minuting of meeting discussions; post-meeting circulation of minutes; management of meeting records for audit trail; production, implementation and maintenance of any associated logs, etc.
175. The agenda for Regular Check-in Meetings must be issued to Grant Recipients, and any other attendees as required when instructed by the **Buyer**, no later than 1 working day before the meeting date.
- a. See template standing agenda in *Annex XX – Regular Check-in Meetings Standing Agenda*.
176. The aims of Regular Check-in meetings will be to critically review Grant Recipient delivery progress and spend against plans and inform assessment of GR Project performance during the period since the last regular check-in, as well as to forward look and assess confidence against upcoming milestones and expected Batch/Phase Request submissions.
- a. As such, these meetings must review existing and emerging risks or issues, their causes, impacts, planned GR responses, and any associated support needs.

- i. GR Projects' risk of need for change must also be reviewed by these meetings, where appropriate, to enable the development of insights regarding the nature, cause and justification of any live or expected change requests.
 - b. Monthly Reports due in the current month must be addressed during these meetings to confirm timely submissions, check that data being received aligns with progress and performance considerations being discussed and to review any discrepancies, along with their causes and justification.
 - c. In addition, these meetings must also be used to celebrate delivery successes and gather best practice insights and lessons from Grant Recipients.
177. For WH:LG, the PSO must ensure to have reviewed records held on the previous month of Batch submissions and approvals ahead of Regular Check-ins, to inform discussions during the meetings. This includes understanding any trends, risks or issues impacting or blocking Batch submissions from being ratified as per the agreed forecasts for the GR Project, to inform advice dispensed by the PSO during the meeting, agreement of corrective actions or escalation of unresolved concerns to the **Buyer**.
178. For WH:SHF Challenge Fund, the PSO must ensure to have reviewed records held on the previous month of Phase Request submissions and approvals ahead of Regular Check-ins, to inform discussions during the meetings. This includes understanding any trends, risks or issues impacting or blocking Phase Request submissions from being ratified as per the agreed forecasts for the GR Project, to inform advice dispensed by the PSO during the meeting, agreement of corrective actions or escalation of unresolved concerns to the **Buyer**.

3.2.2 Regular Guidance, Support and Communications

179. The PSOs must provide Grant Recipients with guidance on all the delivery processes, according to the Scheme (e.g. Batch/Phase Request submission; Change Control; Grant Payment Claims/Drawdowns; Spend Reconciliation; Fraud, Error and Compliance Checks; etc.), as part of BAU/regular engagement and according to the requirements outlined for the relevant delivery processes in the dedicated service areas of this Order Contract.
180. This includes issuing associated documentation, forms and instructions; addressing Grant Recipient queries and questions; issuing clarification regarding the aims and steps of the processes; signposting Grant Recipients to written guidance or pre-existent support resources; capturing the detail of any queries or concerns that cannot be resolved by the PSO and seeking advice from **Buyer** to address them.
181. The PSOs must provide Grant Recipients with advice and support for the development of quality submissions for all the relevant delivery processes (e.g. Batch, Phase Request, Change Request, Grant Claim/Drawdown, etc.) as part of BAU/regular engagement and

according to the requirements outlined for these processes in the dedicated service areas of this Order Contract.

182. The PSOs must provide Grant Recipients with advice and support for the compilation of appropriate and eligible Spend Reconciliation and Fraud, Error and Compliance Checks evidence as part of BAU/regular engagement and according to the requirements outlined for these processes in the dedicated service areas of this Order Contract.

3.2.3 Project Support Officer (PSO) role

183. The **Supplier** shall keep an up to date record of all personnel fulfilling the PSO role, including all changes (and the reason) in staffing for the PSOs at Grant Recipient level.
184. The **Supplier** must ensure that each GR Project has an appointed dedicated Project Support Officer (PSO), who must lead on all Performance and Management activities set out by the processes in this service area for their respective GR Projects, and act as a proactive delivery enabler by fulfilling the following two essential functions:
- a. **Interface with GRs** – PSOs must act as the face of the Scheme, being responsible for all BAU/regular engagement with GRs. This means they must carry out and monitor all regular communication between GRs and the Scheme, serving as the repository of expertise, information and knowledge for all GR queries, and who provides guidance, advice, clarification and steer on all GR capability domains (i.e. Grant Administration – GFA, Co-funding, Finances, Dwelling Eligibility, etc.; Tenant/Resident Engagement; Contractor Management; Technical Expertise – PAS Standards, Retrofit Assessments, etc; Project Management Expertise; Data Management; etc.). In addition, where the required advice exceeds the expertise of PSOs, PSOs must seek, facilitate engagement with, and signpost GRs to subject matter expert advice on these capability domains by other **Supplier** and/or **Buyer** subject matter experts (SMEs), or existing RISE function content/products, making sure to track these instances and the advice provided to develop their own knowledge for continuous improvement in their role, and to share with the wider team of PSOs to leverage learnings from one instance across all GR Projects.
 - b. **Grant and Delivery Performance** – PSOs must act as a representative of the **Buyer's** interests who is responsible for holding GRs to account, as per MoU/GFA commitments to the respective Scheme. This means PSOs must monitor delivery against plans, as well as manage GR compliance with grant conditions and policy determinations, ensuring performance as per agreed baselines and signed MoUs/GFAs. To this end PSOs must present as a critical friend to the GRs, providing a balance of support and challenge, whilst acting as a critical assessor, performance evaluator and proactive risk manager of GR Projects for the Schemes. Through this work, and leveraging insights developed through BAU/regular engagement activities, the PSOs must manage risks and issues at both the GR Project and Scheme levels; carry

out Delivery Confidence Assessments (DCA), and assign, track, review and update DCA ratings for GR Projects; lead the performance management of GR Projects, and recommend Performance Status through a tiered system, to inform appropriate levels of support and recommend Remediation Plan action where needed; maximising the realisation of benefits at both the GR Project and Scheme levels.

185. The purpose of the PSO is to guide, advise and support GRs to comply with Scheme obligations and processes, enabling delivery as per commitments established by the Schemes' Policy determinations and grant conditions.
186. The PSO must monitor GR delivery, assessing delivery confidence and performance on an ongoing basis, as set out by the monitoring regime outlined in this service package, to anticipate risks and identify where a GR has challenges fulfilling these obligations. The PSO must provide regular support, lead the deployment of Direct Advisory Support and, where consistent underperformance is evidenced, guide GRs through the development and implementation of remediation plans to recover GR performance and support delivery as per the established commitments.
187. The PSO is required to proactively review risks and issues for each Grant Recipient in order to develop up-to-date and thorough understanding of GR Project progress, performance, key and common risks, and issues which impact the likelihood of the GR Project successfully delivering its objectives. The PSO will use this information to provide GRs with a balance of support and challenge to drive the development and implementation of fit for purpose mitigations and contingencies through BAU/regular engagement with GRs, including Regular Check-in meeting discussions.
188. A GR cannot avoid or diminish their Scheme obligations simply because they are supported by the PSO. The responsibility for the GR to comply with their continuing Scheme obligations remains the responsibility of the GR. However, the PSO is responsible for the accuracy and appropriateness of the advice they dispense in relation to relevant Scheme conditions and processes. The PSO must also act proactively in identification of GR advice and support needs, accessing SME support to address challenges where specialist advice on GR capability domains is required.
189. The **Supplier** must ensure that there is knowledge sharing, retention, and support networks between PSOs, so that Scheme issues can be identified and escalated (for example, if a large number of Grant Recipients are raising Change Requests or needing Remediation Plans for the same reasons), and PSOs can continuously improve the service they are providing.
190. The **Supplier** must also apply a management approach that ensures Grant Recipients are always able to contact the PSO with any questions, clarifications, and escalations. The PSO must ensure responses to these queries adhere to the turnaround times set out in this Order Contract for the different service packages and processes for each Scheme.

191. The PSO must also be available to communicate with the **Buyer**, responding to any queries as per the turnaround times set out in this Order Contract, and taking action to ensure questions or issues raised by the **Buyer** are promptly forwarded to the appropriate resource, escalated and addressed by the **Supplier**.
192. The **Supplier** must ensure that if PSO duties must change hands, that all knowledge of the relevant GR Project is smoothly transferred to the new PSO, with a sufficient handover period to ensure the Grant Recipient feels comfortable and familiar with the new PSO. The **Supplier** must also ensure sufficient cover during periods of absences or planned leave for any given PSO.
193. The **Supplier** must carry out quarterly performance reviews of PSOs against role expectations to assure the **Buyer** that service standards are being met, and to inform corrective action should underperformance be identified. The **Buyer** reserves the right to instruct the **Supplier** to carry out additional reviews where concerns exist regarding the performance of PSOs.

3.2.4 PSO Expertise and Experience

194. A PSO must fully familiarise themselves with the Schemes' processes (e.g. Batch Management and Change Control), Policy determinations (including policy rules for Batches), and grant conditions, and have the appropriate knowledge, experience, qualifications to assist and guide a GR to comply with their continuing Scheme obligations.
195. A PSO must have demonstrable experience in providing advice on grant/funding compliance - ensuring the funds are being used as intended, continuous reporting responsibilities, transparency and accountability - delivery performance, and fraud and error prevention and identification and risk management.
196. A PSO must have the ability to visit their assigned GR's sites, where required.
197. A PSO must also:
- Be experienced at detecting and assessing delivery risks;
 - Become at ease with the demands of the Schemes' processes, Policy determinations, and grant conditions and regulations;
 - Develop a close and collaborative relationship with their assigned GR, whilst representing the **Buyer**, and get to know GR Projects in sufficient detail to enable understanding of Project-specific context and risks;
 - Act assertively and confidently when raising concerns to challenge and/or make recommendations to the GR in an unbiased and honest manner.

198. The **Supplier** must provide each Scheme with a dedicated group of PSOs, to ensure Scheme-specific conditions, processes and guidance are not confused or conflated and that advice dispensed to GRs is always tailored to the correct Scheme.
199. The **Supplier** should take a risk-based approach to allocation of PSO resource. This means assigning the most experienced PSOs to the GR Projects with the most severe levels of inherent risk.

3.2.5 Direct Advisory Support role

200. The **Supplier** must design, implement and manage a Direct Advisory Support provision process to identify the need for, deploy, monitor and evaluate the impact of SME Direct Advisory Support for GR Projects.
- a. Direct Advisory Support must be deployed as a proactive intervention, responding to risks before issues materialise or, at the latest, at the first instance of underperformance being evidenced for a GR Project in their monthly reports.
 - b. The provision of Direct Advisory Support must aim to proactively drive mitigation of GR Project risk of failing to meet forecast baselines, KPIs and delivery targets, and to address early indications of underperformance to proactively drive recovery of GR Projects, preventing further performance deterioration and need for Remediation Plan action, as well as driving mitigation of GR Project risk of need for change control.
 - c. Direct Advisory Support must be deployed only where:
 - i. the complexity of the support required by the GR Project exceeds PSOs' own expertise and capability regarding the relevant GR capability domains.
 - ii. where relevant and appropriate pre-existent support resource produced by the **Buyer**, or any other partner or **Supplier** on the **Buyer's** behalf, is not in place.
 - iii. where the complexity of the risk or case means support cannot reasonably be provided via PSO regular support as part of BAU/regular engagement activities only (i.e. the case is too technical, too complex and/or too time consuming to support and advise on via BAU).
 - d. A GR cannot avoid or diminish their obligations simply because they are supported by the **Supplier**. The responsibility for the GR Project to comply with their continuing Scheme obligations remains the responsibility of the GRs throughout the whole lifecycle of their projects. However, the **Supplier** is responsible for the timeliness, accuracy and appropriateness of the advice and guidance deployed by SMEs via this Direct Advisory Support function in relation to the relevant GR capability domains:
 - i. SMEs providing Direct Advisory Support are responsible for:

- utilising their experience and capability to fully understand the circumstances impacting the GR Project which are relevant to the risk or case in question for the instance of Direct Advisory Support being deployed.
- supporting GR Projects refine their assessment and awareness of these circumstances and associated risks or issues.
- reviewing GR Project outputs, data, documentation and management information associated to risk or case in question for the instance of Direct Advisory Support being deployed.
- reflecting on the GRs' actions to date, positions and justifications to inform advice on what successful mitigation approaches would look like and recommend corrective action or change of course where appropriate.
- providing GRs with best practice, alternative or expertise-based innovative recommendations on how to mitigate or resolve these risks to drive successful performance.
- Reviewing GR Projects' mitigation plans, assessing their effectiveness and monitoring their implementation.

ii. SMEs providing Direct Advisory Support are not responsible for acting as contingent labour for GR Projects to carry out GR work or fulfil responsibilities on their behalf.

201. GR capability domains for which the **Supplier** must deploy Direct Advisory Support, where needed, include but are not limited to:

- a. **Financial management** – implementing robust financial management practices to ensure that grant funds are used appropriately and efficiently. This includes maintaining accurate financial records and forecasts, providing Schemes with the required regular financial reporting, submitting clear and complete spend (grant and co-funding) reconciliation evidence.
- b. **Compliance with the principles of Managing Public Money** – ensuring proper and eligible use of grant funds whilst maintaining transparency and accountability. Implementing appropriate fraud, error and compliance controls as agreed via the GR Projects' Fraud Risk Assessments (FRA) and Fraud Management Plans (FMP) signed off by the respective Scheme. This includes maintaining FRAs and FMPs by carrying out the required updates, according to the Scheme conditions.
- c. **Project planning and execution** – developing and maintaining a detailed project plan outlining objectives, timelines, milestones, deliverables, dependencies and assumptions. This includes ensuring the GR Project is executed according to the plan and that any deviations are documented, justified and accurately reported to and agreed with the Schemes via the relevant process.

- d. **Monitoring, Control and Reporting** – implementing robust monitoring of actual delivery to ensure objectives are met and grant funds are being used appropriately. Maintaining comprehensive records and documentation throughout the lifecycle for regular reporting and audit purposes and to demonstrate compliance. This includes maintaining transparent communication with the Schemes, submitting timely and accurate reports as required, and keeping the Schemes informed of any significant developments or issues.
- e. **Compliance with legal and regulatory requirements** – ensuring compliance with all relevant legal and regulatory requirements, including planning permission, building regulations, procurement rules, data protection laws and health and safety regulations.
- f. **Compliance with quality assurance requirements** – ensuring complete understanding of the PAS Standards and Trustmark requirements. This includes ensuring appropriate levels of technical expertise are in place to execute plans and deliver in accordance with these requirements.
- g. **Risk management** – ensuring effective management of risks and developing strategies to mitigate them. This includes financial risks, operational risks and compliance risks, as well as the management of issues and opportunities.
- h. **Ethical conduct** – adhering to high standards of ethical conduct, including avoiding conflicts of interest and ensuring transparency and accountability.
- i. **Tenant/Resident Engagement** – implementing robust tenant engagement plans and having sufficient and capable tenant liaison officers in place. Establishing multiple communication channels, collecting and acting on tenant feedback, developing in-depth understanding of tenant experience, and encouraging tenant participation in decision-making where possible. This includes maintaining transparency and offering support services to help build strong, supportive communities, resolve tenant queries or issues, and effectively manage tenant satisfaction with the Schemes at the different stages of the GR Project life cycle, all the way to post-handover support.
- j. **Contractor Management** – implementing transparent procurement process, clear contractual agreements, and regular performance monitoring. This includes identifying and mitigating risks, maintaining open lines of communication with contractors to ensure smooth project execution and prompt resolution of any issues, and ensuring contractors meet agreed standards and timelines.
- k. **Data Management** – implementing robust data management practices, accurate data collection, secure storage, and compliance with data protection regulations. Informing decision-making with insights from effective data analysis. This includes maintaining

up-to-date and effective data management practices by ensuring continuous improvement and appropriate training practices for staff are in place.

202. Not all support provided to GR Projects constitutes Direct Advisory Support. Direct Advisory Support comprises guidance and advice that is authored/developed by the **Supplier** to be tailored to the GR Project's circumstances and support GRs address an existing delivery risk, issue, blocker or challenge.

- a. This does not include advice deployed to merely clarify Scheme conditions, processes or policy to the GR, or to provide guidance or feedback on GR Projects' submissions for one of the Schemes' delivery processes (e.g. feedback and advice to improve quality of monthly reports, change requests, phase requests, batch submissions, etc.).
- b. Direct Advisory Support relates to the provision of SME direction and advice to drive the implementation of best practice or expertise-based innovative solutions to mitigate and/or resolve a live material risk or issue impacting the GR Project:
 - i. A material risk here means a potential event or condition that, if it occurs, could have a substantial negative effect on the GR Project's objectives, scope, schedule, cost, or quality. For example:
 - Financial Risks: Budget overruns or co-funding shortfalls.
 - Technical Risks: Failure of critical retrofit measure technologies or installations.
 - ii. A material issue here means an existing problem or obstacle that is currently affecting the GR Project and requires immediate attention to prevent further negative impact or performance deterioration. For example:
 - Resource Issues: Shortage of necessary materials or equipment.
 - Compliance Issues: Non-compliance with regulatory requirements.
 - Contractor Issues: Contractual challenges or conflicts and miscommunication with primary contractor.
- c. All other support constitutes regular support and must be provided by PSOs as part of BAU/regular engagement activities.

203. Where advice and guidance provided by the **Supplier's** own team of PSOs and SMEs has failed to resolve GR Project support needs, and/or address identified capability gaps, or the nature of the support required exceeds the expertise of the **Supplier's** team, the **Supplier** must notify the **Buyer** with a request for the deployment of additional support by SMEs in the **Buyer's** team.

- a. This request must include a description of the support being sought, a summary of the risks and/or issues associated, and a brief justification for why this instance of Direct

Advisory Support need cannot be addressed by the **Supplier's** own team of SMEs. In this instance, the **Supplier** remains responsible for:

- i. Administrative support for the deployment of the **Buyer's** advice – this includes collating the advice, issuing it to the GRs, arranging and holding any meetings to walk GRs through the detail of recommended actions, where required and according to the complexities of the case.
- ii. Taking action to resolve any follow up queries from GRs regarding the support provided – this includes ensuring that the **Supplier's** PSO and/or appropriate SME resource, according to the nature and complexity of the case, reviews and develops accurate understanding of the advice deployed by the **Buyer** to enable the issuing of clarifications to GR queries.
- iii. Monitoring the GR's implementation of the advice provided to evaluate the impact of the **Buyer's** support deployed.
- iv. Ensuring that advice deployed by the **Buyer** is recorded, stored and shared with the wider team of **Supplier's** PSOs, SMEs, to leverage the value of these solutions across the whole Scheme, minimise duplication of effort and improve response times for similar instances of Direct Advisory Support need that may arise in future for the other GR Projects.

3.2.6 Other engagement

204. The PSOs must also be available to attend and contribute to:

- a. Grant Recipient's Governance or Assurance Boards, including Project Boards - to ensure sufficient oversight of GR Projects – regular.
- b. **Buyer's** Governance or Assurance Boards, including Project and Programme Boards – regular.
- c. GR Learning Community sessions – regular.
- d. Site visits for delivery progress review and/or communications purposes – where instructed by the **Buyer**.

3.3 Risk Management overview

205. Risk management should be happening throughout the lifecycle of the project and DESNZ takes a risk-based approach to our monitoring, control and interventions. Risk is covered in detail throughout the requirements, but at a high level, the **Supplier** must:

- a. Develop a risk management strategy to identify and manage the risks and issues at Schemes and funding model levels, that could lead actual delivery to deviate from

forecast Scheme outcomes and GR Projects' baselined plans, as per signed MoUs/GFAs. This includes:

- i. Assessing any uncertainties that could compromise delivery to time, cost and scope as per agreed milestones, KPIs, grant and co-funding intensity and overall spend, benefits targets, approved Batch or Phase Requests, and strategic objectives.
 - ii. Managing opportunities as well as threats, developing responses for exploitation to drive efficiencies and maximise the realisation of benefits
 - iii. Actively managing assumptions and dependencies at the GR Project, funding model and Schemes levels.
- b. Provide guidance, support and challenge, as appropriate, to GR Projects in their development and updating of risk management plans, as well as response strategies to address risks and issues and manage assumptions and dependencies at the GR Project level.
- i. This includes tracking the implementation of responses by GR Projects, their recording of progress of mitigations and outcomes and developing insights based on the progress and impact of these responses, and capturing data to inform the **Supplier's** Delivery Confidence Assessment and Performance Management of GR Projects.
- c. Report to the **Buyer** on the status, progress and outcomes of risk and issue responses, via the relevant monthly or quarterly Performance and Management Forum, and associated reports or documentation.

3.4 Delivery Monitoring and Reporting

206. The **Supplier** must hold GR Projects to account for their responsibilities towards the Schemes, as per grant conditions, policy determinations, agreed baselines and signed MoU/GFA commitments. They must do this via means such as; regular engagement, maintaining delivery oversight of GR projects and assessing performance (Delivery Confidence Assessment), supporting projects to follow processes (such as Batch and Phase requests), quality assuring GR reporting, identifying where GRs may be deviating from their plan and helping them to get back on track. This section details **Supplier** responsibilities for delivery monitoring and control.

3.4.1 Review on Monthly Reports

207. The PSOs must verify that all GR Projects have submitted their monthly reports on time by the 10th working day of every calendar month.
- a. This includes querying any outstanding reports with relevant Grant Recipients within 1 working day from the submission deadline date, asking probing questions to

determine the associated causes and justifications for the delay, and agreeing a forecast date for when the late monthly reports will be submitted.

208. The PSOs must act as first point of contact for technical issues raised by the Grant Recipients when submitting their monthly report via the Data Management System.

- a. As such, PSOs must work with the GRs to understand the technical issue being experienced and provide guidance to address it, if it becomes clear to the PSO that the issue is a result of user error.
 - i. The **Supplier** must ensure all PSOs undertake sufficient training on the GMS to enable them to carry out this initial advice function.
- b. Where a system issue is identified, PSOs must escalate the issue to the **Buyer's** IT Helpdesk for resolution. See Resolving Technical Issues section, within the Data Collection, Visualisation and Reporting service area.

209. The PSOs must notify the **Buyer** of any outstanding monthly reports within 1 working day from the submission deadline date. The PSOs must also update the **Buyer** on the causes and justifications for this delay, as informed by the Grant Recipients, including the agreed date for when the late report is forecast to be received by, within 1 working day following receipt of this information from the Grant Recipient.

- a. Where a forecast date for late monthly report submission exceeds 7 working days from the original standing submission date, the PSO must flag this to the **Buyer** as part of these updates.
- b. Where a response to PSOs' queries regarding outstanding monthly reports is not received from the relevant GR within 5 working days following original submission deadline date, the PSO must escalate the issue to the **Buyer**.
 - i. Where this is the case, the PSO may still be required to continue to chase the submission from the GR Project, as part of steps for the issue resolution, where instructed to by the **Buyer**.

210. The PSOs must ensure the quality of all monthly reports received by carrying out the completeness and data validation checks, as well as follow-up feedback and correction actions where required, as set out above in the Monitoring and Control section of this service area. This includes, but is not limited to:

- a. Ensuring that all scheme reporting requirements are met and completed
- b. comparison against baselines and confirming that all deliverables are accounted for
- c. Financial information must match figures from MOUs and GFAs
- d. reports have been signed off by GR governance

- e. Validate that reports correlate to work completed
 - f. Ensure that progress reports are logical and feasible given the baselined schedule, agreed timelines and Batch or Phase Request
 - g. Check for anomalies or outliers that may indicate errors. Anomalies must be recorded in the GMS and notified to the **Suppliers** Fraud, Error and Compliance team
211. The PSOs must review all monthly reports, studying the data submitted along with information and insights gathered from Regular Check-in Meeting discussions. The PSO must compare these insights against GR Project delivery plans and forecasts for the respective reporting period, to inform Performance Status and DCA considerations and preparations for the monthly Scheme Performance Update meetings, including the production of the associated forum documentation (see section 3.6 Performance and Management Forums below for full details).

3.4.2 DCAs and Performance Status

3.4.2.1. Delivery Confidence Assessment (DCA)

212. The DCA is a forward-looking evaluation that gauges the likelihood of a project successfully delivering its intended outcomes within the agreed time, cost, and quality parameters and standards. This informs the level of support and intervention required. To this effect, PSOs must consider various factors, including:
- a. **Current performance status:** How well the GR Project is progressing against its baseline plan.
 - b. **Risks and issues:** Identification and management of potential obstacles.
 - c. **Resource availability:** Adequacy of resources (financial, human, capability, etc.) to carry out upcoming delivery.
 - d. **Tenant engagement:** Level of support for and buy-in from tenants for planned delivery.
 - e. **Governance and controls:** Effectiveness of the GR Project's management practices and oversight.
 - f. **Performance:** Monthly GR reporting, KPIs and spend.
 - g. **Qualitative insight:** PSO, DAS and Scheme insight
 - i. These qualitative insights must be developed throughout the monthly cycle using regular reporting submissions and BAU engagement/ meetings with GRs, via review of regular reporting submissions and BAU/regular engagement exchanges and check-in meeting discussions with GRs.
213. The **Supplier** must ensure that the monthly DCA of each GR Project is considered by PSOs and that an updated rating is recommended to the **Buyer** at the monthly Scheme

Performance Update meeting. This must be evidence-informed using data, performance and insights to justify recommendations. The DCA rating, and associated justification, as one of the factors informing the PSOs' BAU/regular engagement exchanges with GRs, and the levels of probing and challenge to be employed in discussions about delivery plans, scope levels, upcoming milestones, adherence to reporting commitments and deadlines, and risks and issues, as well as the GRs' own views regarding the health of their Projects.

214. Where a GR fails to provide regular reporting returns or to attend BAU/regular engagement and/or check-in meetings, the **Supplier** must consider whatever quantitative metrics and qualitative insights are available at that point to attribute a DCA rating as effectively as possible, noting any blockers and gaps as part of the DCA justification. The **Supplier** must ensure that the GRs acknowledge that repeat instances of failure to submit regular reporting returns will negatively impact DCA ratings, as a result of lack of data transparency.
215. The **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates the DCA methodology, and its ratings or rating thresholds, at any point during the term of this Order Contract, to align with the needs of the Schemes or funding models. Where such a request is raised by the **Buyer**, the **Supplier** must update the DCA methodology accordingly. Turnaround times for the implementation of any updates will be agreed between the **Buyer** and the **Supplier** where a request is raised and according to the agreed scope of changes to be implemented. Where the **Supplier** initiates updates or amendments to the DCA methodology of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new approaches are implemented.

3.4.2.2. Assessment of Performance to Date (Performance Status/Performance Tier)

216. This assessment is retrospective and focuses on how well the GR Project has performed up to the current point. To this effect, PSOs must analyse data on various factors, including:
- a. **Schedule adherence:** Whether the GR Project is on track with its timeline.
 - b. **Budget management:** How well the GR Project is performing against their financial responsibilities (e.g. whether spending (grant and co-funding) is on track with financial forecasts (amounts and timing); whether financial forecasts submitted by GR Projects are accurate and adhere to data quality assurance standards, as set out in Service Area 7 - Data Collection, Visualisation and Reporting).
 - c. **Quality of deliverables:** The extent to which GR Project outputs meet the required standards.

- d. **Risk management:** Effectiveness of the GR Project in identifying and mitigating risks.
- e. **Tenant satisfaction:** Feedback from tenants on the GR Project's progress and outputs.

3.4.2.3. Relationship between DCA and Performance Status

217. The relationship between these two assessments is crucial for the effective programme management of the Schemes, contributing to:

- a. **Informing the DCA:** The performance assessment provides valuable data that informs the DCA. For example, if a GR Project has consistently met its milestones and managed risks effectively, the DCA is likely to be more positive.
- b. **Identifying Trends:** By comparing past performance data with current project status, PSOs can identify trends and patterns. This will inform PSOs' ability to assess future performance, identify the GR Project's support needs, and develop recommendations to inform adjustment to GR delivery plans where needed.
- c. **Risk Management:** Historical performance data highlights areas where the GR Project has faced challenges. This information will inform PSOs' ability to analyse risks, both at the GR Project and Scheme level, and refine mitigation strategies, which directly impact the DCA.
- d. **Continuous Improvement:** Monthly performance assessments drive continuous improvement by enabling PSOs to identify and share lessons learnt and best practices with regularity. These insights contribute to a more accurate and realistic DCA.
- e. **Reporting:** Both assessments are essential for transparent communication with the **Buyer**. They provide a comprehensive view of the Schemes and GR Projects' health, combining past performance with an informed forward look, justifying predictions and forecasts and informing the need for and nature of effective corrective action to help maximise the realisation of Scheme benefits.

218. In summary, while the DCA focuses on future delivery, it heavily relies on the assessment of past performance to provide a realistic and informed prediction. Together, these indicators form a holistic view of the Schemes and GR Projects' status and prospects, enabling better decision-making and management, and more targeted and effective deployment of support to GR Projects.

3.4.3 Supporting Successful Performance

219. Another aim of the Performance Management activity is to inform the support to GR Projects in the mitigation of risks and resolution of issues and blockers. To ensure the deployment of effective support and advice to help maintain or improve GR Project performance, the **Supplier** must:

- a. **Assess GR Projects' support needs** by considering both their performance to date and their DCAs and identifying capability gaps and readiness shortcomings to inform deployment of the appropriate advice and guidance to address these needs.
- b. **Provide GR Projects with PSO regular support** as part of BAU/regular engagement, sharing recommendations to GRs on actions or approaches to take to improve/maintain DCA rating, maintain adherence to Scheme processes and conditions, and ensure delivery as per agreed baselines.
 - i. This includes providing GR Projects' with pre-existent support resources produced by the **Buyer**, or any other partners and **Suppliers** on the **Buyer's** behalf, on any of the GR capability domains. This involves signposting, facilitating access to and monitoring GR use of these resources, providing clarification and addressing GR queries where these arise. To this effect, PSOs must be able to engage with any other partners and **Suppliers** acting on the **Buyer's** behalf where required.
 - ii. The **Supplier** must review and develop an understanding of the pre-existent advice, guidance and support resources produced by the TAF and RISE functions (i.e. Toolkits, Essential Courses, Masterclasses, Case Studies, Articles, Webinars, Podcasts, etc.) during implementation. The **Supplier** is also responsible for seeking clarification from the **Buyer** regarding the breadth and detail of the resources reviewed, to strengthen the **Supplier's** understanding of pre-existent support resources and inform the deployment of relevant and appropriate support to GR Projects.
 - iii. Upon identifying support needs for a GR Project, the PSO must cross-reference the capability gap identified against the library of TAF and RISE pre-existent resources, which should be explored and utilised, where possible, ahead of deploying Direct Advisory Support. In this instance the PSO is responsible for:
 - Facilitating GR access to the pre-existent resources identified – this includes capturing and confirming the appropriateness of the advice with the TAF and RISE functions; issuing the advice to the GRs; arranging and chairing any meetings to walk GRs through the detail of recommended actions, where required and according to the complexities of the case.
 - Taking action to resolve any follow up queries from GRs regarding the support provided – this includes reviewing and developing an understanding of the pre-existent resource issued to the GR Project, to enable clarification of GR queries; and seeking further advice or steer from the TAF and RISE functions where unresolved questions or concerns remain.
 - Monitoring the GR's implementation of the advice provided to evaluate the impact of the support provided – this includes recording these impacts to inform

feedback loops to the **Buyer**, the TAF and RISE functions and **Supplier's** own continuous improvement activities.

- Ensuring that the advice provided, and the evaluation of its impact, are recorded, stored and shared with the wider team of PSOs to leverage the value of these solutions across the whole Scheme, minimise duplication of effort and improve response times for similar instances of support need that may arise in future for the other GR Projects.
- c. **Provide Subject Matter Expert (SME) Direct Advisory Support** on one or more GR capability domains, where pre-existent support resources are not in place and the complexity of cases exceeds the expertise of PSOs. In this instance, the **Supplier** must:
- i. Utilise performance and DCA considerations to inform assessment of GR Project exposure to risk of failing to meet forecast baselines, KPIs and delivery targets.
 - The PSO must reflect on the outcomes of this risk analysis to determine and justify the need to deploy SME Direct Advisory Support, where the complexity of support needed by the GR Project exceeds PSOs' own expertise or cannot be addressed via PSO regular support as part of BAU/regular engagement activities.
 - ii. Utilise PSO risk analysis and Direct Advisory Support need considerations and justification to inform SME planning of the Direct Advisory Support to be provided.
 - iii. Ensure SMEs produce any supporting documents, templates and reference guides required to issue the required support to the GRs, ensuring clarity and accuracy of the advice provided.
 - The **Supplier** must also ensure that any such newly developed support resources are stored and shared with the wider team of PSOs, SMEs and the **Buyer**, to leverage the value of these solutions across the whole Scheme, minimise duplication of effort and improve response times for similar instances of support need that may arise in future for the other GR Projects.
 - iv. Deploy the Direct Advisory Support, responding to risk indications of deteriorating performance trajectory early on and proactively driving mitigation to prevent GR Project underperformance.
 - v. Monitor the deployment of the planned support, tracking and recording all engagement with GR Projects, as well as all the advice/best practice and steer provided by PSOs and/or SMEs in the deployment of Direct Advisory Support.
 - vi. Evaluate the impact of all instances of Directory Advisory Support deployed against the following success factors:
 - GR Capability Building

- Awareness: whether advice/steer deployed successfully influenced GR Project's perception and understanding of risk exposure levels and need for proactive mitigation.
- Buy-in: whether approach/methodology deployed successfully persuaded GR Projects to adopt recommended mitigations or develop mitigations in alignment with advice/steer provided.
- GR Action Effectiveness: whether there is evidence of GR Project actions/steps having successfully addressed the capability gaps identified during the planning of Directory Advisory Support.
- Contingency Planning: whether there is evidence of GR Project plans to monitor potential for and respond to similar gaps/blockers/challenges in future.
- Risk Mitigation Effectiveness
 - DCA Improvement: data-driven improvement to GR Project DCA rating.
 - Risk Reduction: evidenced decrease in GR Project exposure to risk of failing to meet forecast baselines, KPIs and delivery targets.
 - Issue Resolution: evidenced effective contingency against blockers/issues already materialised.
- GR Satisfaction
 - Feedback and Surveys: evidenced GR positive feedback on effectiveness of support deployed (i.e. GR perception on whether the support made a difference to their ability to ensure/improve health and delivery confidence of their Project).
 - Engagement Levels: evidenced GR attendance and active participation in engagement sessions and activities deployed as part of the planned support
 - include reflection on participation of appropriate seniority level/expertise/specialism GR representatives/stakeholders.
- Innovation and Learning
 - Best Practice: evidenced **Supplier** actions to identify and disseminate best practice, including lessons learnt from Direct Advisory Support instances to the wider team of PSOs and SMEs, leveraging learnings to strengthen support provision and performance across all GR Projects.
 - Continuous Improvement: evidenced **Supplier** action for the continuous improvement of the Direct Advisory Support service provision.

- vii. The **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates these success factors, at any point during the term of this Order Contract, to align with the needs of the Schemes or funding models. Where such a request is raised by the **Buyer**, the **Supplier** must update success factors accordingly. Turnaround times for the implementation of any updates will be agreed between the **Buyer** and the **Supplier** where a request is raised and according to the agreed scope of changes to be implemented. Where the **Supplier** initiates updates or amendments to success factors for evaluation of Direct Advisory Support impact of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new approaches are implemented.
- d. **Determine the need for and recommend GR Projects for Remediation Plan action** – where the GR Project is evidenced to be consistently underperforming against agreed baselines and forecast KPIs and delivery targets for three consecutive monthly reporting cycles, in spite of Direct Advisory Support deployed, or otherwise simply not meeting Scheme conditions as per the **Buyer's** evaluation.
 - i. Provide GR Projects with PSO and/or SME support on one or more GR capability domains for the production, submission and implementation of Remediation Plans.
 - ii. Evaluate the impact of all instances of Remediation Plans implemented by Grant Recipients under the **Supplier's** support and utilise evaluation considerations to inform the update of GR Projects' Performance Status following the full implementation of Remediation Plans, according to the level of improvement in performance evidenced by the outcomes of actions taken by the Grant Recipient.
 - iii. The **Buyer** reserves the right to instruct the **Supplier** to initiate Remediation Plan action before the consistent underperformance threshold is triggered, where the **Buyer's** evaluation of the severity of early instances of underperformance, or any wider issues or circumstances impacting that GR Project, deems it necessary. See section 3.3.4 Performance Remediation for details on the complete Remediation Plan process.

3.4.4 Performance Remediation

220. Where the deployed regular and Direct Advisory Support are evidenced to have been unable to drive GR Projects to effectively mitigate against risks and consistent underperformance is evidenced for three consecutive monthly reporting cycles (see exceptions below), the **Supplier** must:
- a. Notify the **Buyer**, in writing, that consistent underperformance threshold for the deployment of Remediation Plan action has been triggered by the GR Project, no later than 5 working days after the receipt date of the GR Project monthly report which

evidenced underperformance for the third consecutive monthly reporting cycle. This notification must include:

- i. A summary of the 3 consecutive monthly reports' metrics/data categories which evidence the consistent underperformance issue, contrasting the actual figures reported against the agreed baselines, forecasts and/or targets.
- ii. A justification from the **Supplier**, explaining their interpretation of the data evidence, and other qualitative information about the relevant GR Project's current circumstances, that support the recommendation to deploy Remediation Plan action. This justification must include:
 - Nature of Problems: Clearly define the delivery problems and blockers encountered, including their impact on the GR Project.
 - Timeline of Events: Provide a chronological account of when the issues arose, and the steps taken to date by the GR Project to address them.
 - "Do-nothing" impact assessment: Outline the potential impact on the Scheme if the issues remain unresolved.
 - Rationale: Summarise rationale for the recommendation to escalate the case to Remediation Plan action.
 - This must also include a version of this justification adapted for issuing to the GR Project, for the **Buyer's** sign-off ahead of GR notification.
- iii. Justification for why BAU/regular engagement and Direct Advisory Support have proved insufficient to prevent the evidenced underperformance issues identified. This justification must include:
 - Actions taken by the **Supplier**
 - BAU/regular engagement: Outline the efforts made to date by the respective PSO as part of regular support to help mitigate the issues.
 - Direct Advisory Support: Outline the efforts made to date by SMEs as part of Direct Advisory Support deployed to help mitigate the issues.
 - Response impact analysis
 - Root cause analysis: Identify the causes for why the PSO regular support and SME Direct Advisory Support provided by the **Supplier** did not translate into effective mitigation against the delivery problems and blockers by the GR Project.
 - External Factors: Highlight any external factors beyond the **Supplier's** control that may have contributed to the GR Project failing to recover performance.

- iv. Outline a proposed schedule for Remediation Plan Development engagement, in addition to BAU/regular engagement activities, that the **Supplier** will undertake to monitor and support the relevant GR Project throughout the development of the Remediation Plan. This must include a justification from the **Supplier** for the proposed schedule (i.e. type, volume and frequency of engagement activities – e.g. meetings; update calls; support sessions; etc.), which explains the intensity of the engagement levels proposed in relation to the:
- Severity of the evidenced underperformance.
 - Complexity of the associated causes of consistent underperformance issue.
 - GR level of expertise on the capability domains relevant to the causes of the evidenced underperformance.
- v. The **Buyer** will review the above recommendation and provide approval to proceed to the **Supplier** in writing. The **Supplier** will not notify GR Projects of need to develop a Remediation Plan before receiving the **Buyer's** approval.
- b. Notify the relevant GR, in writing, that that the consistent underperformance threshold has been triggered by their Project and that, as a result, this GR Project must now develop a Remediation Plan, under the support of their assigned PSO, to address the consistent underperformance issue. This notification must:
- i. Be issued no later than 2 working days after the **Buyer's** approval.
 - ii. Include a summary of the 3 consecutive monthly reports metrics/data categories which evidence the consistent underperformance issue, contrasting the actual figures reported against the agreed baselines, forecasts and/or targets.
 - iii. Include a brief justification from the **Supplier**, explaining their interpretation of the data evidence, and other qualitative information about the relevant GR Project's current circumstances, that support the need to develop a Remediation Plan.
- The **Supplier** is responsible for ensuring that PSOs remain aware that, although this justification is in nature and substance the same as that issued to the **Buyer**, nuances regarding the form of this communication to GR Projects is likely to have impacts on levels of cooperation throughout the development and implementation of the Remediation Plan, as well as on the wider relationship between GRs and the Scheme. These ramifications must be taken into consideration by PSOs, to ensure the tone and delivery of communication issued to GRs regarding consistent underperformance issue takes a solution-oriented approach and is able to translate the benefits and value of efforts employed on remediation action.

- iv. Include guidance to the GR, outlining the next steps for the development of the Remediation Plan under the support of their assigned PSO, and the subsequent approval of the Remediation Plan by the **Buyer**.
- v. Include arrangement of a Remediation Plan Development kick-off meeting between the GR Project and their assigned PSO.

221. **Exception 1:** The **Buyer** reserves the right to instruct the **Supplier** to initiate Remediation Plan action before the consistent underperformance threshold is triggered, where the **Buyer's** evaluation of the severity of early instances of underperformance, or any wider issues or circumstances other than delivery performance impacting that GR Project, deems it necessary. Where this is the case, unless otherwise advised by the **Buyer**, the **Supplier** must:

- a. Follow the same turnaround times and processes outlined in section 3.3.4 Performance Remediation.
- b. Utilise information provided by the **Buyer** on the circumstances surrounding the specific case to record the required justifications and rationale for escalation to Remediation Plan action. The **Supplier** is responsible for seeking clarification from the **Buyer** wherever queries remain regarding the circumstances, cause and rationale for an instruction to commence Remediation Plan action, to ensure records are accurate and complete.

222. **Exception 2:** Where the **Supplier** has serious concerns regarding a GR Project and determines the need to recommend immediate escalation to Remediation Plan action, due to the severity of an issue, circumstance or event, the **Supplier** may submit a recommendation for the **Buyer's** approval before the consistent underperformance threshold is triggered. Where this is the case, the **Supplier** must:

- a. Follow the same turnaround times and processes outlined in section 3.3.4 Performance Remediation.
- b. Ensure that justifications and rationale for the recommendation convey the severity of concerns and sense of urgency determined by the **Supplier** by providing, where available:
 - i. Evidence: Include any relevant documentation, such as emails, meeting minutes, PSO notes and/or reports, to support the justification.
 - ii. Metrics and Data: Provide any metrics and data available that can demonstrate the extent of the issues identified and support recommendation to bypass Direct Advisory Support and escalate to Remediation Plan action immediately, before consistent underperformance threshold is triggered.

3.4.4.1. Remediation Plan Development

223. The **Supplier** must guide and advise GR Projects on the development of the Remediation Plan, providing the GR a balance of direction and collaboration to secure agreement for a deliverable plan.
- a. The GR Project will be responsible for authoring the main body of the Remediation Plan, defining the issues and blockers, setting out the objectives of the plan and providing detail on the actions and activities to address issues and improve delivery performance.
 - b. The **Supplier** will be responsible for producing the annexes to the Remediation Plan which relate to the **Supplier's** support planned for deployment during the execution of the Remediation Plan and the evaluation of the outcomes once the plan has been executed.
224. The Grant Recipient is responsible for producing the Remediation Plan within X working days from the date of issue of the **Supplier's** notification. The PSO must support the Grant Recipient throughout the development of the Remediation Plan by:
- a. Leading a Remediation Plan Development kick-off meeting to agree the scope of the plan with the Grant Recipient, as well as that of the support to be provided by the **Supplier** during the development and execution of the Remediation Plan. This includes reviewing all associated metrics and data related to the case, the causes of any underperformance identified and associated circumstances, to inform the focus of the responses to be implemented via the Remediation Plan.
 - b. Providing guidance and clarification to GR Projects with regards to the aims and content requirements of the Remediation Plan, as well as on the GR and **Supplier** roles and responsibilities during the development and implementation stages of the Remediation Plan. This includes guidance on the Remediation Plan process itself to ensure GRs understand the steps and procedures involved in the production, submission, approval, implementation, evaluation and closure of Remediation Plans.
 - c. Ensuring oversight of the progress in the development of the Remediation Plan by the Grant Recipient, and provide the required support, advice and guidance. Where BAU/regular engagement activities are deemed insufficient, the PSO must set out a schedule for additional Remediation Plan Development engagement between the **Supplier** and the Grant Recipient.
 - d. Arranging, planning and facilitating all the engagement activities scheduled. This includes ensuring the required input and attendance from the wider team of **Supplier's** PSOs and SMEs, the **Buyer**, and the TAF and RISE functions, where required, according to the Grant Recipient's support needs.

- e. Attending all the scheduled engagement activities and conducting discussions with the Grant Recipients to clarify queries, understand any blockers, deep dive risks and issues, and gather information from the Grant Recipients to monitor the progress in the production of the Remediation Plan and to identify any capability gaps and support needs that should be addressed during the subsequent implementation stage of the Remediation Plan to drive performance improvements.
- f. Providing feedback on the actions being considered by the Grant Recipient for implementation as part of the Remediation Plan, with regards to their potential effectiveness in addressing the evidenced performance issues. To that effect the PSO must utilise insights from the wider team of **Supplier's** PSOs and SMEs, and pre-existing L&D material published on the RISE website.
- g. Reviewing drafts, parts and versions of the Remediation Plan being developed by the Grant Recipient and recommending, through written communication or the scheduled engagement activities, on relevant best practice actions and approaches identified through the consideration of insights from the wider team of **Supplier's** PSOs and SMEs, and pre-existing L&D material published on the RISE website. This includes identifying weaknesses in the actions being planned and providing feedback to the Grant Recipient with recommendations on how to address them, to ensure the robustness of the Remediation Plan and support its approval by the **Buyer**.
- h. Producing a Remediation Support Proposal, utilising insights from the wider team of **Supplier's** PSOs and SMEs, and pre-existing L&D material published on the RISE website, which must set out all the support recommended by the **Supplier** to be deployed, where needed, by the PSO and relevant SMEs during the implementation of the Remediation Plan to maximise its effectiveness. This must include:
 - i. The **Supplier's** assessment of the GR Project's exposure to risk of need for change.
 - ii. An outline of the activities planned (e.g. targeted training, production of guidance resources, SME support on one or more GR capability domains, or other forms of targeted or enhanced support identified by the **Supplier** as required for the successful implementation of the Remediation Plan).
 - iii. Roles and responsibilities for the **Supplier** resource required for the provision of the outlined support activities (e.g. SMEs).
 - iv. Justification for each of the proposed support activities included, explaining how these will aid Grant Recipients in addressing the performance issues being responded to.
 - v. A schedule of the recommended Remediation Support engagement activities to be deployed in addition to BAU/regular engagement during the implementation of the

Remediation Plan, including timelines, frequency, resources required, and key milestones.

- vi. An analysis of the potential beneficial impact of the proposed additional support activities on the GR Project's Performance Status and DCA.
- i. Gather progress updates from Grant Recipients on the development of the Remediation Plan on a weekly basis. The PSO must escalate any progress issues to the **Buyer** via correspondence at the end of every week during this period.
- j. Reviewing the final version of the Remediation Plan's main body produced by the Grant Recipient, and the associated annexes produced by the **Supplier**, against the content requirements, as outlined in *Annex XX - Remediation Plan Contents*, to ensure completeness and quality, ahead of submitting it for the **Buyer's** approval.

3.4.4.2. Remediation Plan Approvals

- 225. Upon receipt of the Remediation Plan, the **Buyer** will acknowledge receipt of the submission, in writing, and carry out an evaluation of the plans. The **Buyer** reserves the right to request clarification from the **Supplier** on parts or the whole of the proposed plans, as well as set requests or conditions for revision of the proposed remediation actions or remediation support, and which must be fulfilled by the Grant Recipient and/or the **Supplier** before the **Buyer** issues approval for implementation of the Remediation Plan. The turnaround times for the resolution of the **Buyer's** clarification questions or conditions will be agreed between the **Buyer** and the **Supplier** at the time of these requests, according to the complexity of the case.
- 226. As part of this evaluation and according to the complexity of the case, the **Buyer** reserves the right to instruct the **Supplier** to arrange a Remediation Plan Presentation meeting. This meeting, where required, must be arranged by the **Supplier** between the GR Project, the **Buyer** and the **Supplier's** PSO. The aim of this meeting will be to have the Grant Recipient, and the **Supplier** present the detail of the plan to the **Buyer** and address any queries and clarifications the **Buyer** deems essential to inform decision-making.
- 227. The **Buyer** will notify the **Supplier** of the outcome of this evaluation, in writing, confirming the Remediation Plan is approved to be implemented.
- 228. The **Supplier** must notify the GR Project of the outcome of the **Buyer's** decision on the Remediation Plan submitted no later than 2 working days after the date of the **Buyer's** decision being issued.
- 229. The **Buyer** reserves to right to inform the **Supplier** to revisit the Remediation Plan Development stage, where the submission is deemed by the **Buyer** to be incomplete, substandard or simply not sufficient to inform approval for its implementation. Where this is the case, the **Buyer** will inform the **Supplier** of the identified weaknesses, advising

what areas of the Remediation Plan require further development to inform approval decisions.

3.4.4.3. Remediation Plan Implementation

230. Once the Remediation Plan has been approved, the PSO must work closely with the Grant Recipient to support them through the implementation of the Remediation Plan, as per the approved Remediation Support Proposal.
231. The **Supplier** must update the **Buyer**, in writing, on the progress of a Remediation Plan's implementation every 10 working days. This must include an update on the GR Project's overall adherence to the Remediation Plan submitted, the progress on the deployment of GR remediation actions and **Supplier** remediation support against the approved Implementation Plan, and the immediate impacts of the actions deployed to date, in relation to how these progressively contribute to realising the Impact Analysis discussed in the submitted plans. This Remediation Plan Implementation Update must also include an outline of any risks, blockers and concerns the **Supplier** has identified and that threaten the successful implementation of the approved plans, alongside a delivery confidence status RAG rating for the Remediation Plan being implemented.
232. According to the complexity of the case and length of the implementation period, the **Buyer** reserves the right to inform the **Supplier** to arrange and lead a Remediation Mid-point Review meeting during the implementation of the approved Remediation Plan, to discuss progress updates and current status of the planned remediation actions and support with the Grant Recipient. Where this is the case, the **Buyer** will notify the **Supplier** of this requirement as part of the Remediation Plan Approvals stage described above.
233. Where the need for changes of scope, time or remediation action strategy are identified for a Remediation Plan during its implementation, the **Supplier** must notify the **Buyer** in writing within 2 working days of identifying this need or being notified by the GR Project. Where this is the case:
- The **Buyer** will review the **Supplier's** notification and decide on whether an actual update of the Remediation Plan for re-evaluation is required. The **Buyer** reserves the right to issue clarification questions to the **Supplier** and to withhold decision until the **Buyer** is satisfied that all questions have been clarified.
 - According to the **Buyer's** decision, where instructed the **Supplier** must advise and support the GR Project through updating and re-submitting the Remediation Plan for re-evaluation by the **Buyer** within 7 working days of the date when the **Buyer's** decision and instruction is received by the **Supplier**. Where this is the case, the process described above, in section 3.3.4.2 - Remediation Plan Approvals, will be revisited and the **Buyer** will issue written decision on the re-submission to the **Supplier** upon completing re-evaluation of the updated Remediation Plan.

- c. Where the **Buyer** decides the change is tolerable and an update of the Remediation Plan for re-evaluation is not required, the **Supplier** must note and record the decision, notify the GR Project and amend any milestones or targets for the Remediation Plan accordingly, to enable effective onwards monitoring.

3.4.4.4. Remediation Plan Closure

- 234. A Remediation Outcomes Report must be submitted to the **Supplier** by the Grant Recipient within 5 working days following the end date of the implementation/execution stage of the Remediation Plan, as outlined in *Annex XX - Remediation Plan Contents*.
- 235. The **Supplier** must review the GR's Remediation Outcomes Report to produce the **Supplier's** own evaluation of the Remediation Plan implemented by no later than 10 working days after the end date of the implementation/execution stage of the Remediation Plan.
- 236. The **Supplier** must issue the Remediation Outcomes Report to the **Buyer**, along with the **Supplier's** own evaluation, no later than 12 working days after the end date of the implementation/execution stage of the Remediation Plan.
- 237. The PSO must arrange a Remediation Plan Closure Meeting with the Grant Recipient and the **Buyer**, to be held no later than 5 working days following the date of issue of the Remediation Outcomes Report and **Supplier's** evaluation to the **Buyer**.
- 238. The agenda for the Remediation Plan Closure Meeting must include, but not be limited to, the following topics:
 - a. Review of Objectives and Success Factors: A review of the objectives and intended outcomes set out in the Remediation Plan, as well as of the agreed success factors utilised to evaluate actual outcomes.
 - b. Performance Assessment: An assessment of the performance improvements achieved by the Grant Recipient against the initial underperformance issues identified. This must include a discussion of the Grant Recipient's own assessment, provided via the Remediation Outcomes Report, and that of the **Supplier**, to address any divergence of opinions and agree a final post-remediation performance status and delivery confidence rating for the GR Project.
 - i. The **Supplier** is responsible for acknowledging the Grant Recipient's own assessment and ask probing questions to clarify justifications. However, where the **Supplier's** evaluation of outcomes against the originally agreed success factors continues to diverge from that of the Grant Recipients, the PSO must deploy a balance of challenge and support to attribute the final post-remediation performance status and delivery confidence rating in line with metrics agreed. Where this is the case, the PSO must advise the Grant Recipient that the assessment from their Remediation Outcomes Report will be escalated, along with the **Supplier's**

recommended ratings, for the **Buyer's** arbitration before the GR Project's Performance Status and DCA ratings are formally updated by the **Buyer**.

- c. Documentation Review: Verification that all documentation related to the Remediation Plan, including progress updates, outcome report, and any other relevant documents are in place.
- d. GR Feedback: Collection and discussion of feedback from the relevant stakeholders regarding the Remediation Plan process itself, and the support provided by the **Supplier** to support remediation.
- e. Learning from Experience: Discussion and recording of lessons identified during the implementation of the Remediation Plan.
- f. Next Steps: Agreement of final Remediation Plan Closure status and discussion of any further actions required (e.g. agree successful closure; any additional final actions by the GR; recommend extension to the Remediation Plan to address lingering issues identified; recommend development of new Remediation Plan due to change in circumstances; agree remediation efforts have been exhausted and recognise essential need for change control due to enduring performance issues that cannot be remedied; agree impacts on financial or delivery forecasts where remediation outcomes include need for change control and/or recovery of funds; etc.), including any ongoing monitoring or additional support for the Grant Recipient, where appropriate.

239. The **Supplier** must ensure the attendance of the following key stakeholders at the Remediation Plan Closure Meeting:

- a. **Supplier** representatives: PSO and any other key members of the team responsible for the deployment of the remediation support provided (e.g. SME).
- b. GR representatives: Lead Project Manager and any other key representatives from the Grant Recipient delivery team, where indicated by the GR.
- c. Representatives from the **Buyer's** Scheme management team, where instructed by the **Buyer**.
- d. Any other relevant stakeholders as deemed necessary and instructed by the **Buyer**.

240. The **Supplier** is responsible for documenting the outcomes of the Remediation Plan Closure Meeting, which shall include:

- a. A summary of the discussions held during the meeting.
- b. A final update on the performance status and delivery confidence improvements identified and the post-remediation status agreed and attributed to the GR Project.

- c. A list of any follow-up actions required, including the responsible parties and forecast completion dates for each action. This must also include a short schedule of follow-up action updates to be provided to the **Buyer** by the **Supplier**.
 - d. A record of any lessons identified and recommendations for future Remediation Plans.
241. The PSO must distribute the documented outcomes to all meeting attendees within 5 working days following the Remediation Plan Closure Meeting.
242. The **Supplier** is responsible for ensuring that any follow-up actions identified during the Remediation Plan Closure Meeting are tracked and completed within the agreed timelines.
- a. The **Supplier** must provide updates on the status of Remediation Plan follow-up actions to the **Buyer**, via the monthly Scheme Performance Update meetings, until all actions are completed.

3.5 Performance Management

243. The **Supplier** must define and monitor performance metrics and track deviations in GR Project actual delivery and outputs against agreed baselines and forecast KPIs and delivery targets. They must utilise the insights derived from critically reviewing the monitored performance metrics to assess GR Projects' performance to date.
- a. The **Supplier** must use information gathered from effective delivery monitoring and control to create monthly performance statuses to provide the **Buyer** with a data-driven evaluation of delivery performance at Scheme, funding model and GR Project levels.
 - b. This section details the forums and reporting the **Supplier** must provide.

3.5.1 Performance Status tiering

244. The **Supplier** must employ a Performance Status tiering methodology, whereby a set of tiers with defined descriptions, indicators and thresholds, is utilised to attribute GR Projects the appropriate Performance Status transparently and consistently.
245. The template Performance Status tiering methodology can be found in *Annex XX – DP2 SP&M diagram*.

3.6 Performance and Management Records

246. The **Supplier** must utilise the GMS provided by the **Buyer** to track progress of and record all activities, GR submissions, advice and support provided, and outcomes related to the Performance and Management processes set out in this service area. This includes:
- a. Recording activity relating to processing, assessing, reviewing and/or evaluating any and all GR submissions associated to these processes, including the outcomes of these

steps, any recommendations made to the **Buyer**, decisions made within the **Supplier's** delegated authority, decisions made by the **Buyer**, any follow-up actions and their updates, etc.

- b. Storing/archiving all associated supporting documentation and correspondence with GRs and the Schemes related to these processes.
- c. Capturing engagement activities, meeting notes, process status updates, exchanges and correspondence for BAU/regular engagement with Grant Recipients for both Schemes and funding models.

247. The **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates processes and/or logs to align with the evolving needs of the Schemes or funding models. Where such a request is raised by the **Buyer**, the **Supplier** must action the requested updates accordingly. Turnaround times for the implementation of updates to the information management process and associated products and logs for this Performance and Management service area will be agreed, between the **Buyer** and the **Supplier**, once the scope of the work is set, according to the circumstances of the Scheme at the point of a request being raised.

248. Where the **Supplier** initiates updates or amendments to the design of processes and/or logs of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are implemented.

249. All data submitted to the **Supplier** by Grant Recipients as part of any submissions and all decisions/outcomes reached as part of Performance and Management processes must be accurately recorded to inform reporting individually and in aggregate for Schemes and funding models.

3.7 Performance and Management Forums

250. As part of the management of Performance and Management processes for the Schemes, the **Supplier** is required to manage, or contribute to, the following forums/meetings between the **Supplier** and the **Buyer**:

	Meeting title	Frequency	Chair and Secretariat	Supplier's role
1	Scheme Performance Update	monthly	Supplier	Accountable + responsible
2	Scheme Performance and Management Review	quarterly	Supplier	Accountable + responsible
3	Annual Performance Review	annually	Supplier	Accountable + responsible
4	Scheme Delivery Board	monthly	Buyer	Contributor + attendee
5	Scheme Programme Board	monthly	Buyer	Contributor + attendee

Table 1 - Performance and Management Forums Overview

3.7.1 Scheme Performance Update

251. A monthly Scheme Performance Update meeting, to be held no later than the 18th working day of every month, where the **Supplier** will take Scheme representatives through a high-level overview of the overall Scheme status and performance, and a review of current GR Project status and progress against plans and reporting commitments.

- a. High-level here means the **Supplier** will focus meeting discussions on key indicators of GR Projects' health by exception, focusing on indicators for which status deviates from plans and forecasts (i.e. where there are delays to delivery or forecast submissions; discrepancies to spend forecasts; at risk/overdue milestones, deliverables or priority actions; new, high-severity or near proximity risks and issues; required/pending key decisions; delay/failure to submit monthly reporting returns; etc.).
- b. To maximise the efficiency of these meetings, the **Supplier** will utilise a risk-based prioritisation approach to decide the list of GR Projects on which to focus updates and discussions.
- c. Risk-based here means the **Supplier** will prioritise for presentation the GR Projects that are facing the highest severity risks or issues, failing to meet critical path milestones and/or delivery targets, having issues meeting monthly reporting return commitments, or on which a key decision, recommendation or steer is required to resolve a critical challenge or unblock delivery.
 - i. This includes GR Projects for which there is a recommendation for the temporary increase to the frequency of monthly engagement.
- d. GR Projects considered to be on track, and which present no critical risks or issues (i.e. those in Performance Tier 3, and least concerning in Tier 2), do not require lengthy discussion during these meetings. However, the **Supplier** is responsible for ensuring that the GR Project standardised dashboards for these are also produced by the relevant PSOs and included in the slide pack for these meetings, enabling **Buyer** oversight.
- e. Scheme Performance Update meetings must address all GR Projects, covering updates at different levels of detail and according to the risk-based prioritisation approach mentioned above, after all Regular Check-in Meetings have already been conducted by the PSOs. This is to ensure updates and discussions are informed by both the quantitative metrics submitted via GR monthly reports and qualitative PSO insights derived from the BAU/regular engagement with their assigned GR Projects.

252. To fulfil the above, the **Supplier** must utilise artefacts/visuals such as the ones recommended below to cover the following elements:

a. Scheme Overview

- i. Purpose: provide a high-level summary of entire Scheme target metrics, confirming the up-to-date total scope, budget (grant and co-funding), and timelines (including key milestones) overall and for current financial year, at the Scheme level, resulting from the aggregate impact of any Batch/Phase Requests, and Change Control outcomes processed during the period.
- ii. Artefacts/Visuals: Scheme brief/charter in dashboard format, high-level timeline/roadmap, milestones chart.

b. Overall Scheme Status

- i. Purpose: update on the current delivery status of the Scheme and funding model, accordingly, including what has been achieved since the last meeting. Relevant topics include:

- Completed Scheme-level key tasks and milestones (including Batch/Phase Requests)
- Upcoming Scheme-level key tasks and milestones (including Batch/Phase Requests)
- Aggregate number of dwellings by stage of treatment (e.g. pending Batch/Phase Request approval, Batch/Phase Request approved, on-site works ongoing, works completed, handed over to tenant, etc.)
- Aggregate spend to date (grant and co-funding) overall and within current financial year, balance of forecast spend (grant and co-funding) overall and for current financial year, overall grant to co-funding intensity
- Overview of Change Control stats (e.g. number of change requests by stage and status of approval – open change requests pending decision, change requests being re-worked by GRs, change requests approved, change requests rejected, etc.)
- For WH: LG – Overview of GR Projects' rate of utilisation of the DESNZ CAI Eligibility Checker and Referral Portal
 - This includes overview of GR Projects' adherence to required turnaround times for contact with eligible households after receiving referral (i.e. within/out the required 10 working days)
- Scheme-level Delivery Confidence Assessment rating and justification

- ii. Artefacts/Visuals: Scheme Gantt chart, progress dashboard, scope and spend charts.

c. Overall Scheme Performance

- i. Purpose: compare actual progress against Scheme planned outcomes, forecast indicators, and baselines (i.e. Initial Baselines – baselines set by Application stage data utilised to monitor deviations from original delivery ambitions; and Current/Detailed Baselines – latest agreed baselines set by Batch/Phase Requests data or Change Control decisions used to track current live delivery for the period). This includes reporting on current levels of PSO resource in place, any PSO personnel changes which took place in the period or anticipated – highlighting the GR Projects impacted, and any variances in PSO resource levels compared to the previous reporting period. Relevant topics include:
 - Scope variance
 - Schedule and milestones variance
 - KPIs variance
 - Batch/Phase Requests variance
 - Budget/spend variance (grant and co-funding) including progress of spend evidence and reconciliation checks in the period (see Service Area 08 - Grant Spending Compliance and Forecasting for the detailed metrics).
 - PSO resource levels, changes and variances
- ii. Artefacts/Visuals: Earned Value charts, variance charts, forecast vs. actuals tables.
- d. GR Project Performance Status and Delivery Confidence Updates
 - i. Purpose: compare actual progress against GR Project planned outcomes and forecast indicators, and baselines (i.e. Initial Baselines – baselines set by Application stage data utilised to monitor deviations from original delivery ambitions; and Current/Detailed Baselines – latest agreed baselines set by Batch/Phase Requests data or Change Control decisions used to track current live delivery for the period). Recommend GR Projects' updated Performance tier and DCA for the **Buyer's** sign-off. Recommend GR Projects for Remediation Plan action for the **Buyer's** approval, where required.
 - ii. Artefacts/Visuals: GR Project standardised dashboards (see Design and Content of Performance and Management Forum Documentation below for details).
- e. Risk Management
 - i. Purpose: discuss current risks and issues at both the Scheme and GR Project levels, their impacts and mitigation strategies. Relevant topics include:
 - New and emerging risks/issues identified
 - Status of existing key/high-severity/near-proximity risks/issues

- Priority mitigation/contingency action – status of ongoing and forward-look upcoming actions
- ii. Artefacts/Visuals: risk/issue heat maps, extract risk/issue log in dashboard format.
- f. Key Decisions, Approvals and Actions
 - i. Purpose: review decisions made, approvals issued, key actions taken and any outstanding key action items for the period. Relevant topics include:
 - Decisions made since last meeting
 - Approvals issued since last meeting – includes overview of approved Batch/Phase requests, approved Change Requests and agreed variations to MoUs/GFAs, approved remediation recommendations and remediation plans
 - Status of key actions items from last meeting
 - Agree new key action items
 - ii. Artefacts/Visuals: extract decision log in dashboard format, extract approvals log in dashboard format, key actions tracker.
- g. GR Feedback
 - i. Purpose: address feedback from GRs and address concerns or questions. Relevant topics include:
 - Critical GR concerns
 - GR feedback on Scheme processes
 - ii. Artefacts/Visuals: feedback summary, extract engagement session notes.

3.7.2 Scheme Performance and Management Review

253. A quarterly Scheme Performance and Management Review meeting where the **Supplier** will take Scheme representatives through the key findings from the Quarterly Monitoring and Performance Patterns and Trends Review's report. See section Quarterly Monitoring and Performance Patterns and Trends Review for the detail.

3.7.3 Annual Performance Review

254. An Annual Performance Review meeting where the **Supplier** will take Scheme representatives through the key findings from the Annual Performance Review outcomes report. See section Annual Performance Review for the detail.

3.7.4 Governance of Scheme Performance Update, Performance and Management Review, and Annual Performance Review Forums

255. The **Supplier** is responsible for all governance and administrative activities to plan, arrange and continuously run all meetings for the monthly Scheme Performance Updates, quarterly Scheme Performance and Management Reviews, and Annual Scheme Performance Reviews.
- a. This includes, but is not limited to: drafting and maintenance of the forums' Terms of Reference and standing agendas in consultation with the **Buyer**; management of attendees list in consultation with the **Buyer**; issuing of calendar invites and management of access to remote/digital meeting rooms; consultation with the **Buyer** on ad hoc agenda items or critical questions to be addressed; drafting and advance circulation of agendas; production and presentation of meeting slides; chairing of meetings on the day, note-taking and minuting of meeting discussions; post-meeting circulation of minutes; management of meeting records for audit trail; production, implementation and maintenance of any associated logs, etc.
256. The **Supplier** must circulate meeting agendas and slides to attendees no later than 1 working day before the meeting date.
257. The **Buyer** reserves the right to require that the **Supplier** designs, implements and maintains other specific products, documents, logs and/or artefacts associated to these forums. Development of new products requested must take place in consultation with the **Buyer**, with implementation turnaround times agreed with the **Buyer** once objectives and scope of these is set.
258. The **Buyer** reserves the right to request follow-up ad-hoc discussions with the PSOs responsible for GR Projects not prioritised for detailed discussion at any of the above forum meetings. Where this is the case, the relevant PSO must, within 1 working day of receiving the request, take action to agree appropriate date, time and agenda to arrange a follow-up discussion directly with the Scheme representative who raised the request.

3.7.5 Scheme Delivery and Programme Boards

259. The **Supplier** must also provide summarised Scheme level high-level updates on delivery and key actions progress, Scheme performance, and risks and issues through presentations at the Schemes' Delivery Board and Programme Board meetings on a monthly basis.
260. To maximise efficiency, consistency and continuity, the **Supplier** is encouraged to leverage content, artefacts, visuals or dashboards produced for Scheme Performance Update meetings for presentations at Delivery and Programme Board meetings. However, the **Supplier** is responsible for ensuring that artefacts and visuals are updated

accordingly to reflect delivery progress, new information and any emerging circumstances that arise after original artefacts have been prepared. The **Buyer** will confirm the terms of reference of Delivery and Programme Boards with the **Supplier** during implementation.

3.7.6 Design and Content of Performance and Management Forum Documentation

261. In addition to the Scheme/funding model level details described above, for GR Project-specific delivery status and performance updates, the PSOs must produce, for each GR Project within a Scheme, a dedicated slide (or set of slides) in the relevant Delivery Status/Scheme Performance Review meeting slide pack.
262. The slides must include standardised dashboards for each GR Project, using the templates that can be found in **Buyer's** GMS. These dashboards must be developed to ensure continuity month after month, as well as consistency with the Monitoring and Performance reports produced by the **Supplier** for submission to the **Buyer**. The standardised dashboards must cover the details below:
- a. Project Overview
 - i. Project Name and ID: name and unique identifier of the GR Project.
 - ii. Project Manager: name and contact information of the respective Project Manager.
 - iii. Project PSO: name and contact information of the respective **Supplier's** PSO.
 - iv. Project Status: current status of the GR Project, including DCA rating and Performance Status, along with respective summary justifications.
 - v. Regular Check-ins: current frequency of Regular Check-in Meetings with PSO, noting any recommendation for temporary increase in frequency, where required, including summary of justifications.
 - b. Key Metrics and Indicators
 - i. Scope: agreed number of dwellings (overall and for the period) versus actuals treated, highlighting variances to date.
 - ii. Funding: agreed grant and co-funding figures (overall and for the period) versus actual spend, highlighting variances to date.
 - iii. Schedule Adherence: forecast milestones versus actual milestones achieved to date.
 - iv. KPIs: forecast KPI levels versus actual KPI figures achieved to date.

- v. Risk and Issues: summary of key risks and issues, including brief description of key mitigation actions and their status (e.g. open, complete).
- c. Monthly Report Status
 - i. Timely: GR monthly reports received on time as per submission deadline dates for the reporting period.
 - ii. Delayed: GR monthly reports received after submission deadline dates for the reporting period. Must include brief description of corrective action taken by the **Supplier** to date and GR justification for the delay.
 - iii. Overdue: GR monthly reports not yet received for the reporting period. Must include brief description of corrective action taken by the **Supplier** to date and GR justification for the delay.
- d. Batch/Phase Status
 - i. Forecast: number of upcoming Batch/Phase Requests and risk/confidence levels on forecasts.
 - ii. Submitted: number of Batch/Phase Requests under evaluation for decision and any key concerns/blockers.
 - iii. Live: number of approved Batches/Phases in delivery and succinct progress status (e.g. on track, delayed, blocked/issue, etc.).
 - iv. Closed: number of delivered Batch/Phase Requests and closure status (e.g. completed to time/budget/scope, delayed by “x” time range, budget/scope variances, etc.).
- e. Change Control Status
 - i. Open: number of change requests under evaluation for decision and any key concerns/blocker.
 - ii. Closed: number of evaluated change requests now closed, including closure status (e.g. approved, rejected, withdrawn, etc.).
 - iii. MoU/GFA variations: status of MoU/GFA following latest change control decision (e.g. variation/amendment letter issued, signed variation/amendment letter returned, issue of variation/amendment letter due, etc.).
- f. Remediation Plan Status
 - i. Recommended: GR Project recommended for Remediation Plan action by the **Supplier** and for decision by the **Buyer**.

- ii. Live: GR Project currently implementing approved Remediation Plan. Must include brief update on how implementation is progressing against the plan's measures of success.
 - iii. Closed: Remediation Plan fully implemented by GR Project. Must include brief update on outcomes of implementation against the plan's measures of success.
263. The layout of each slide must be clear and concise, ensuring that key information is easily accessible to meeting attendees. Use visual aids such as charts, graphs, and tables to enhance the presentation of data. Ensure consistency in the design and formatting of all slides to facilitate easy comparison and review.
264. The **Supplier** is responsible for designing Performance and Management Forum slide packs, and associated template dashboards, and submitting these for the **Buyer's** approval during implementation. The **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates the slide packs and dashboards to align with the needs of the Schemes or funding models. Where such a request is raised by the **Buyer**, the **Supplier** must update the slides accordingly. Turnaround times for the implementation of new versions will be agreed between the **Buyer** and the **Supplier** where a request is raised and according to the agreed scope of changes to be implemented. Where the **Supplier** initiates updates or amendments to the design of Performance and Management Forum slide packs of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are implemented.

3.8 Quarterly Monitoring and Performance Patterns and Trends Review

265. The **Supplier** must conduct one quarterly Monitoring and Performance Patterns and Trends Review for each Scheme, to be submitted to the **Buyer** no later than 5 working days before the quarterly Scheme Performance and Management Review meeting.
266. Every quarterly Monitoring and Performance Patterns and Trends Review must include the following elements:

3.8.1 Analysis of GR Monthly Reporting

267. The DMS system provided by the **Buyer** will house records of all GR Projects' monthly reports, including dashboards for data visualisation of:
- a. Total number of monthly reports received by Scheme and funding model, and by Lead GR and by GR Project (GRs may act as Lead GR on more than one GR Project).
 - b. Total number of monthly reports received by number of re-work/re-submission instances required to satisfy quality checks (i.e. quality reports accepted at very 1st

submission and substandard reports which required 2nd/3rd/etc. submission after quality checks – completeness and data validation).

- c. Total number of monthly reports expected in the period but not submitted, if any (i.e. overdue backlog).
268. The **Supplier** must analyse the data held in the DMS, to report on any common factors identified as impacting GR Projects adherence to monthly submission deadlines; common causes of substandard reports, and support required to enable corrections/improvements; common GR issues, complaints, asks and suggestions regarding the DMS or submission process; any other patterns identified by funding model, organisation type (LAs, HAs, etc.) and size, Project scope, property archetype, etc., including references to the data and evidence that supports these findings.
269. The **Supplier** must analyse the data held in the DMS, to report on monthly reporting trends identified through the comparative analysis of current and past quarters' reports and associated factors (volumes, turnaround times, backlog, support provided, etc.). The **Supplier** must leverage existing DMS and GMS dashboards, and produce new tables, charts and/or dashboards, to provide data visualisation that evidences and supports findings.

3.8.2 Analysis of Delivery Confidence and Milestone Progress

270. The GMS system provided by the **Buyer** will house records of all GR Projects' Delivery Confidence Assessments (DCA) trajectory and progress against forecast milestones, including dashboards for data visualisation of:
- a. Total number of GR Projects per latest attributed DCA rating.
 - b. Total number of GR Projects per achieved milestone.
 - c. The trajectory of the total number of GR Projects through changing DCA ratings over time.
271. The **Supplier** must analyse the data held in the GMS, to report on any common factors identified as impacting current GR Project DCAs; common factors influencing the DCA changes witnessed in the period; common factors influencing the achievement of milestones to time; common GR issues, complaints, asks and suggestions regarding the DCA rating process/approach; any other patterns identified by funding model, organisation type (LAs, HAs, etc.) and size, Project scope, property archetype, etc., including references to the data and evidence that supports these findings.
272. The **Supplier** must analyse the data held in the GMS, to report on DCA ratings and milestone achievement trends identified through the comparative analysis of current and past quarters' records. The **Supplier** must leverage existing DMS and GMS

dashboards, and produce new tables, charts and/or dashboards, to provide data visualisation that evidences and supports findings.

3.8.3 Analysis of GR Key Performance Indicators (KPIs) and Performance Rating

273. The DMS and GMS provided by the **Buyer** will house records of GR Project Performance trajectory, the status of GR-reported KPI, and KPI evidence checks carried out by the **Supplier**, including dashboards for data visualisation of:

- a. Total number of GR Projects per latest attributed Performance Status tier/stream (e.g. Tier 1, Tier 2, Tier 3).
- b. The trajectory of the total number of GR Projects through changing Performance Status tiers/streams over time.
- c. Total cumulative number of GR Projects per performance remediation status (e.g. remediation not required, remediation recommended, agreed remediation plan underway/delayed/on track, remediation plan complete, GR Project Performance recovered/not recovered following implementation of remediation plan).
- d. Total cumulative figures reported to date against each KPI and must be checked by the **Supplier**.

	Description	Definition	Evidence Data to be checked
KPI 1	No. of homes identified as suitable for retrofit	All stages in the PAS2035 process up to and including Whole Dwelling Assessment have been completed.	Pre-installation SAP score rating – one data point per property (figure between 1 and 100+).
KPI 2	No. of homes ready for installations to start	The Design and Co-ordination stage in the PAS2035 process has been completed and tenants have been signed up	Tick box declaration that tenants are signed up and that Design and Co-ordination stage completed – one ticked box per property
KPI 3	No. of homes with installations started	The installation of measures being installed using WH:SHF funding has started	Trustmark Project Reference Number – one reference number per property
KPI 4	No. of homes with installations completed	The installation of measures being installed using WH:SHF funding has completed	Installation completed date – one completion date per measure
KPI 5	No. of homes completed	All measures have been completed and lodged on Trustmark and the Handover stage in the PAS2035 process has completed	All Trustmark lodgement certificate numbers for measures installed – one certificate number per measure

Table 2 - KPI evidence data

274. For KPI 4 and KPI 5 above, the number of measures to be installed per property, and which must inform the completeness and data validation checks of the corresponding KPI Evidence Data, must be cross-checked against:
- a. Challenge Fund: detailed baseline figures for the relevant phase, as agreed and set out following the approval of phase requests.
 - b. Strategic Partnerships: total number of GR self-reported measures, as submitted via regular monthly reporting returns at the point of installations starting (KPI 3 stage) or upon installations being completed (KPI 4 stage).
275. The **Supplier** must analyse the data held in the DMS and GMS, to report on any common factors identified as impacting current GR Project Performance Status; common factors influencing the Performance Status changes witnessed in the period; common factors influencing the achievement of forecast KPI figures to time; common GR issues, complaints, asks and suggestions regarding the Performance Status tiering/streaming process/approach; correlations between DCAs and Performance Status; any other patterns identified by funding model, organisation type (LAs, HAs, etc.) and size, GR Project scope, property archetype, etc., including references to the data and evidence that supports these findings.
276. The **Supplier** must analyse the data held in the DMS and GMS, to report on Performance Status and achievement of forecast KPI trends identified through the comparative analysis of current and past quarters' records. The **Supplier** must leverage existing DMS and GMS dashboards, and produce new tables, charts and/or dashboards, to provide data visualisation that evidences and supports findings.

3.8.4 Development of Response Strategies and Approaches

277. Based on the insights derived from the analysis above and the identified commonalities/patterns/trends, the **Supplier** must develop recommendations for strategies or approaches to strengthen the management of the risk of GR Project underperformance and low delivery confidence. The strategies/approaches developed must be informed and shaped by the evidence on actual delivery progress and performance, adapting to the insights identified. Relevant areas to consider for changes and/or improvements, where appropriate, include but are not limited to:
- a. The **Supplier's** approach to BAU/regular engagement with GRs.
 - b. The topics, focus and/or delivery style of advice and support deployed on GR capability domains.
 - c. The methods, operations and procedures employed in the management of the Monitoring and Control, and Performance Management processes themselves.

278. The developed strategies/approaches must aim to address identified common factors/patterns/trends in an overarching manner, ensuring best practice and/or lessons learnt from individual performance challenges can be leveraged to benefit all GR Projects across the Scheme.

3.8.4.1. Response Strategy Proposal

279. The **Supplier's** recommendations must be submitted to the **Buyer** in the form of a proposal, including the following elements:

- a. Executive Summary: overview of the proposed strategies and their intended outcomes.
- b. Proposed Strategies and Approaches: description of the strategies or approaches to be implemented in subsequent quarters, including objectives, scope and outline of expected benefits.
- c. Implementation Plan: step-by-step plan for implementing the strategies, including work breakdown, timelines, resource responsibility matrix or RACI, and key milestones.
- d. Risk Assessment: identification and assessment of any risks the strategies aim to respond to, and any risks associated with the actual implementation of the proposed strategies or approaches, along with mitigation plans for the latter.
- e. Impact Assessment: evaluation of the potential impact of the proposed strategies on the Scheme and GR Projects, further detailing the expected benefits outlined under the description of the strategies. These must be informed by the nature of the proposed strategies, adapting to the risks being responded to, but must, as a minimum, consider impacts to effectiveness of mitigation for risk of underperformance and low delivery confidence at the Scheme level, and impacts to GR capability on one or more capability domain (i.e. Grant Administration, Tenant/Resident Engagement, Contractor Management, Technical Expertise, Data Management, etc.).
- f. Monitoring and Evaluation Plan: framework by which the **Supplier** will monitor the implementation of and evaluate the effectiveness of the strategies proposed.
- g. Evaluation of Implemented Strategies: evaluation of strategies and approaches previously approved by the **Buyer** and implemented and monitored by the **Supplier** in past quarters, including a comparative analysis of actual impacts against the original expected benefits for implemented strategies. This should include an articulation/text narrative for how learnings from implemented strategies are being considered to inform continuation or strengthening/changes for strategies and approaches being proposed in the current quarter.

3.8.5 Quarterly Performance and Management Review Meeting

280. The **Supplier** must arrange a dedicated quarterly Performance and Management Review meeting with each Scheme, to be held within 5 working days from the date of submitting the Scheme's Monitoring and Performance Patterns and Trends Review report, to present key findings and proposed strategies to the **Buyer**.
281. The **Buyer** reserves the right to issue clarification questions to the **Supplier** following the quarterly Performance and Management Review meeting and to withhold decision on approval of the strategies proposed until the **Buyer** is satisfied that all questions have been clarified. The **Supplier** must acknowledge receipt of the **Buyer's** clarifications questions in writing no later than 2 working days from their issue date. Turnarounds for the resolution of queries must be agreed with the **Buyer** on a case-by-case basis, according to the complexity and scope of the query.
282. The **Buyer** reserves the right to set requests for changes to parts or the whole of the strategies proposed by the **Supplier**, or to approve them on condition that these requests are met. Where this is the case, the **Buyer** shall do this in writing before approval of the proposed strategies is issued. The **Supplier** must amend plans and proposals to align with the **Buyer's** requests and resubmit these to the **Buyer's** for approval once the requested changes have been actioned.
283. The **Supplier** will not implement the proposed strategies before receipt of approval in writing from the **Buyer**.

3.9 Annual Performance Review

284. The **Supplier** must conduct one Annual Performance Review for each Scheme, at the end of every financial year during the term of this Order Contract, to:
- Assess actual delivery outputs and progress towards the realisation of the overall benefits for the Schemes.
 - Assess the overall performance of the Scheme against its set goals and strategic objectives.
 - Provide a detailed account of the financial performance of the Scheme for that year.
285. The **Supplier** must analyse all performance data held in the GMS system regarding delivery in the current financial year, to develop comprehensive insights for the Annual Performance Review.
- The **Supplier** must leverage existing GMS dashboards and artefacts from the past quarterly patterns and trends reviews, and produce new tables, charts and/or dashboards, to provide aggregate data visualisation that evidences and supports these findings, as part of an Annual Performance Review outcomes report.

286. The Annual Performance Review must include, but not be limited to, the following key elements:

- a. Benefits realisation update – evaluate whether the anticipated benefits outlined in the Scheme’s business case are being achieved by:
 - i. Verifying if the benefits defined in the business case are being achieved.
 - ii. Measuring the actual benefits against the planned benefits.
 - iii. Identifying any new benefits that may have emerged as a result of actual delivery.
- b. Identification of variances – detect any deviations from planned benefits and understand the reasons behind them by:
 - i. Comparing actual benefits with expected benefits for the period to spot any discrepancies.
 - ii. Analysing the causes of any identified variances to understand underlying issues.
 - iii. Providing data visualisation of actual benefits for the review period, and trending on to subsequent financial years, against business case minimum targets and overall ranges for each Scheme benefit.
- c. Financial summary – evaluate the financial performance of the Scheme:
 - i. Verifying if the spend (grant and co-funding) agreed via GFA/MoU are being achieved.
 - ii. Comparing actual spend (grant and co-funding) to date (including reported and evidence-checked spend) with spending profiles, forecast figures and grant vs co-funding intensity agreed for the period to spot any discrepancies.
 - iii. Outline financial forecast for the next financial year.
- d. Optimisation recommendations – recommend actions to enhance the realisation of benefits by:
 - i. Suggesting improvements or changes to maximise benefit realisation for the Schemes.
 - ii. Proposing response strategies and approaches to further support Grant Recipients address barriers or challenges that are hindering the achievement of expected benefits.
 - iii. Recommend, where feasible, potential adjustments to the allocation of the Scheme’s grant funds across the pool of Grant Recipients (i.e. are there any GR Projects able to effectively scale up agreed levels of delivery for the current Scheme).

- This includes justifying recommendations with evidence of the GR Projects' high performance to date, and delivery confidence assessment of scaled up delivery, taking into consideration the GR Project's potential, capability and appetite to deliver beyond originally agreed plans/expand scope of delivery, if additional funding were made available.
- iv. For WH:SHF, recommendations must also include, where feasible, adjustments to the assignment of Grant Recipients for delivery under the most appropriate funding model (i.e. are there any Challenge Fund GR Projects able to effectively deliver as a Strategic Partnership GR Project).
- This includes justifying recommendations with evidence of the GR Projects' high performance to date, and delivery confidence assessment of GR Project maintaining high levels of performance if delivering under Strategic Partnership conditions (i.e. strategic alignment requirements, self-conducted evaluation and overall reporting commitments, etc.), taking into consideration the GR Project's potential, capability and appetite to transition, if invited to move onto the Strategic Partnership funding model by the Scheme.
- e. Provide data-driven insights to inform decision-making – forward look data-based scenarios for the realisation of Scheme benefits by:
- i. Providing qualitative insights and quantitative data on Scheme performance, total scope and spend figures for the review period, earned value, risks, issues, assumptions and dependencies to support strategic decisions regarding the recommendations made by the Annual Performance Review report.
 - ii. Forecasting the realisation of benefits for the Schemes in each of the subsequent financial years and overall, considering the rate of actual delivery and spend experienced in the review period and the associated trending of the same average rate of delivery and spend on to subsequent years. This forecast scenario must be accompanied of a delivery confidence rating and associated justification.
 - iii. Forecasting the realisation of benefits for the Schemes in each of the subsequent financial years and overall, considering the expected rate of delivery and spend in subsequent years if the benefits optimisation recommendations made by the **Supplier** were adopted. This forecast scenario must be accompanied of a delivery confidence rating and associated justification.
- iv. For WH:SHF, forecasting and trending must be reported both at the Scheme and at the funding model levels.
287. The outcomes of the Annual Performance Reviews must be submitted to the **Buyer** via an outcomes report, no later than 15 working days after the end date of every financial year.

288. The **Supplier** must arrange a dedicated Annual Performance Review meeting with each Scheme, to be held no later than 6 working days following the submission date of the Scheme's Annual Performance Review outcomes report. The aims of the Annual Performance Review meeting are to:
- Present key findings and recommendations to the **Buyer** and other stakeholders, where instructed by the **Buyer**.
 - Discuss the findings and recommendations with the **Buyer** and other stakeholders, where instructed by the **Buyer**, ensuring the **Buyer's** team have the opportunity to ask questions and provide feedback.
 - Agree the Scheme benefits figures for the review period and make all associated evidence available to the **Buyer**, to inform departmental corporate reporting, and Scheme Analysis and Evaluation functions benefits realisation activity.
 - Agree a follow-up process to monitor the implementation or further development of the **Supplier's** recommendations.
 - Schedule the subsequent Annual Performance Review and agree any continuous improvement changes to the review process or report, based on the **Buyer's** feedback.
289. The **Buyer** reserves the right to issue clarification questions to the **Supplier** following the Annual Performance Review meeting and to withhold decision on approval of recommendations until the **Buyer** is satisfied that all questions have been clarified. The **Supplier** must acknowledge receipt of the **Buyer's** clarifications questions in writing no later than 2 working days from their issue date. Turnarounds for the resolution of queries must be agreed with the **Buyer** on a case-by-case basis, according to the complexity and scope of the query.
290. The **Buyer** reserves the right to set requests for changes to parts or the whole of the **Supplier's** recommendations, or to approve them on condition that these requests are met. Where this is the case, the **Buyer** shall do this in writing before approval for the recommended actions is issued. The **Supplier** must amend plans and proposals to align with the **Buyer's** requests and resubmit these for the **Buyer's** for approval once the requested changes have been actioned.
291. The **Supplier** will not implement any of the recommended actions before written approval is received from the **Buyer**.

3.9.1 Annual Re-baselining Exercise (for WH:LG only)

292. For WH:LG, as part of the Annual Performance Review, where there has been indication of significant underspend, the **Buyer** may formally commission a re-baselining exercise in conjunction with the WH:LG Memorandum of Understanding (MoU) in which Grant Recipients will have the opportunity to re-baseline their projects to ensure that delivery

forecasts are realistic for the remainder of the Scheme and do not result in a large underspend in future.

- a. The **Supplier** must utilise performance data from GR Project reporting, and insights obtained from the Annual Performance Review and BAU/regular engagement with the GR Projects, to assess the viability of continued delivery and recommend options for managing underperformance, including issuance of recovery plans and grant recovery recommendations to the **Buyer**.
- b. The **Supplier** must consider the Delivery Confidence Assessment ratings, risks and fraud information available to inform this exercise, as well as consulting the Scheme and considering regarding opportunity for additional funding that may be available to the Grant Recipient, and which could impact future delivery.
- c. The **Supplier** must include a projection of the likely under-delivery/spend at Grant Recipient and Scheme level, with accompanying recommendations for correct action, as part of the Annual Performance Review outcome report.
- d. The **Supplier** will present this to the **Buyer** at the Annual Performance Review meeting for the WH:LG Scheme, with a recommendation for the **Buyer** to 'Accept' or 'Reject' the revised forecast for each GR Project for the remainder of the Scheme.
- e. The **Supplier** will be responsible for working with the **Buyer** and GR Projects to ensure that both understand the full scope of the re-baselining exercise, roles and responsibilities, setting up, coordinating and attending meetings with both the Grant Recipients and subsequently the **Buyer** to approve re-baselining recommendations.
- f. The **Supplier** will be responsible for communicating the outcomes of the Annual Performance Review to the Grant Recipients via the PSOs.

3.9.2 Annual Strategic Partnerships Review (for WH: SHF only)

293. As part of the Annual Performance Review, the **Supplier** must design, implement and manage an annual Strategic Partnerships Review process to receive end-of-year Strategic Partner Annual Report submissions, critically review reports, carry out dip-sample checks, assess delivery confidence on the subsequent financial year's plans for each Strategic Partnership GR Project, and advise the **Buyer** on the overall delivery confidence for the entire funding model.
294. The **Supplier** must design the annual Strategic Partnership Review process and submit it for the **Buyer's** approval during implementation, to enable early agreement regarding communication and guidance for Grant Recipients on the objectives and requirements for the production of the end-of-year Strategic Partner Annual Report.
295. The **Supplier** must conduct one annual Strategic Partnerships Review for the WH:SHF W3 Scheme, in the last quarter of every financial year during the term of this Order Contract,

to assess actual delivery outcomes against strategic priorities, as agreed at application stage, and delivery confidence in the relevant GR Projects for delivery in the subsequent financial year. The key objectives of the annual Strategic Partnerships Review are to:

- a. Assess current financial year performance – evaluate whether delivery outputs and outcomes set for GR Projects at application stage will be achieved for the current financial year by:
 - i. Aggregating outcomes and insights from the quarterly performance reviews carried out to date, as well as delivery confidence and forecast for delivery and spend up to the 31st of March of the current year, to provide the **Supplier's** overall assessment of Strategic Partnerships delivery performance for the entire current financial year.
 - ii. Reviewing the Strategic Partner Annual Reports submitted to understand GR Projects' self-assessment of performance against agreed baselines, KPIs, delivery targets and strategic priorities.
 - iii. Comparing the **Supplier's** assessment with that of GR Projects to spot any discrepancies, with particular attention to the justifications provided by Grant Recipients, and providing insights based on these considerations. This includes holding meetings with each GR Project, once initial comparison is concluded, to address spotted discrepancies and agree a final assessment to inform attribution of Performance Status for the current financial year.
 - iv. Analysing the cause and justification of any identified variances between actual delivery and agreed outputs and outcomes to understand underlying issues and providing data visualisations to summarise these variances at the overall funding model level.
 - v. Considering the insights above to attribute a final Performance Status to each Strategic Partner for the overall delivery achieved in the current financial year.
- b. Assess delivery confidence on the next financial year's plans – conduct a Delivery Confidence Assessment of the delivery plans, risks and issues, assumptions and dependencies, and overall readiness (e.g. Co-funding, Tenant Engagement, Procurement, Contractor Management and Planning Permission, Devolved Evaluation arrangements, etc.) of each Strategic Partnership GR Project for the subsequent year of delivery by:
 - i. Reviewing the Strategic Partner Annual Reports submitted to understand updated delivery plans of each Strategic Partnership GR Project for the next financial year.
 - ii. Comparing the updated delivery plans for the subsequent year with the GR Projects initial plans submitted at application stage to spot any discrepancies. This includes holding meetings with each GR Project, once initial comparison is concluded, to address spotted discrepancies, discuss associated causes and justifications, and

determine whether Change Control will be required to formally agree change in delivery plans for the subsequent financial year.

- Where the need for Change Control is determined, the **Supplier** must notify the **Buyer** within 1 working day, ensuring to include a brief description of the causes and justifications identified through these discussions.
 - The **Supplier** must then proceed to support the GR Project through the development of the required Change Request, as per the processes outlined in the Change Control service area of this Order Contract.
- iii. Analysing the cause and justification of any identified variances between updated delivery plans and initial plans submitted at application stage and providing data visualisations to summarise these variances both at the GR Project and overall funding model levels.
- iv. Following the same methodology utilised for monthly DCAs to critically review quantitative metrics and qualitative insights to assess the health of GR Projects and their readiness to deliver in line with agreed targets in the next stage, considering in this instance the agreed plans and delivery timelines, co-funding levels, scope, baselines, milestones, KPIs, outcomes and strategic priorities for the whole of the next financial year.
- v. Attributing a data-supported start-of-year DCA rating to each of the Strategic Partnership GR Projects.
- vi. Attributing a data-supported start-of-year aggregate DCA rating to the overall funding model.
- c. Confirm deployment of self-conducted evaluation – check that Strategic Partnership Grant Recipients have carried out devolved evaluation on their Projects, as per the funding model conditions, by:
- i. Reviewing the Scheme conditions for the Strategic Partnership to understand the devolved evaluation requirements on Strategic Partners, both in terms of the activities to be carried out and the reporting commitments to share outcomes of these activities with the Scheme. This includes producing a SP Evaluation Log, comprising all required evaluation activities and reporting commitments across all Strategic Partnership GR Projects, to serve as a checklist that will ensure checks are carried out on all the relevant GR Projects and that outcomes of these checks are shared with the **Buyer** via a comprehensive and unified document.
 - ii. Reviewing the Strategic Partner Annual Reports submitted, along with all devolved evaluation evidence annexed, to confirm whether GR Projects have carried out all

the required devolved evaluation activities planned for the current financial year, providing a record of the outcomes of these checks via the SP Evaluation Log.

- iii. Verifying that the relevant GR Projects have met all devolved evaluation reporting commitments for the current financial year, providing a record of the outcomes of these checks via the SP Evaluation Log.
 - iv. Ensuring the quality of devolved evaluation reporting returns by carrying out completeness and data validation checks on the submission of every Strategic Partnership GR Project.
 - v. Where any of the devolved evaluation requirements (i.e. deployment of activities or reporting on evaluation outcomes) have not been met by a GR Project, the **Supplier** must record it as part of the checklist and query these with the Grant Recipient to understand the causes and justifications for why this was the case. Root-cause and justification insights must also be recorded as part of the checklist to be shared with the **Buyer** and inform end-of-year Performance Status of the relevant GR Project.
- d. Conduct dip-sample checks on delivery costs – review the actual costs of retrofit measures installed by Strategic Partnership GR Projects in the current financial year to ensure compliance with the benchmarks set by WH:SHF W3, identify cost overruns and inform future cost estimates by:
- i. Reviewing the policy for the Strategic Partnership funding model to understand the cost benchmarks set by WH:SHF for retrofit measures.
 - ii. Selecting sample: Choose a representative sample of GR Projects to ensure a comprehensive review.
 - iii. Collecting data: Gather relevant financial records and documentation from the selected GR Projects to extract data on actual spend. These may include invoices, purchase orders, receipts, timesheets, contracts and/or financial statements.
 - iv. Comparing costs: Match the actuals costs incurred against the cost benchmarks to spot any variances and analyse the reasons behind any significant differences. This may include holding discussions with GR Projects, once matching is concluded, to address identified variances and capture associated causes and justifications.
 - v. Identifying Patterns: Determine if there are recurring issues or trends affecting multiple GR Projects and record the nature and/or cause of any patterns identified (i.e. GR Project location/region or size, property archetype, supply chain or contractual arrangement, etc.), including the identification of Value for Money risks that could impact future delivery in subsequent financial years. This may include holding discussions with GR Projects to address identified patterns and risks and confirm or clarify the associated causes.

- vi. Compiling a report summarising findings from this review, including any variances and patterns, and the associated reasons and/or justification. The report must also include the **Supplier's** assessment of how effective the Strategic Partnership GRs have been at controlling costs, as well as recommendations on potential Direct Advisory Support to help the relevant GR Projects respond to any Value for Money risks identified by this review in the subsequent years of delivery.
- e. Survey GR satisfaction and identify lessons – gather and review GR feedback and lessons identified on topics including, but not limited to:
 - i. Delivering retrofit projects as a Strategic Partner – any economies of scale achieved, best practice on commercial arrangements with supply chain, experience managing consortia, etc.
 - ii. Delivering against innovation and social value strategic objectives.
 - iii. The funding model itself - did it drive the expected levels of autonomy/flexibility, does the approach drive any efficiencies or create any challenges.
 - iv. Satisfaction with the **Supplier's** support during that year (e.g. PSO regular support and engagement, SME Direct Advisory Support, etc.).
- 296. The outcomes of the annual Strategic Partnerships Reviews must be submitted to the **Buyer** via a Strategic Partnerships Review Report, along with the wider Annual Benefits Review outcomes report.
- 297. The **Supplier** must leverage the activities and outcomes of the annual Strategic Partnership Reviews to inform the monthly DCA and Performance Status review processes, for Strategic Partnership GR Projects, in the months when the annual review is carried out to avoid duplication of efforts and ensure consistent reporting.

4. GR Change Control

- 298. This Service Area outlines the requirements for the **Supplier's** role in the GR Change Control process for both Schemes. The **Supplier's** responsibilities relating to Change Control include but are not limited to:
 - a. Implementing and managing a culture of Change Control by exception amongst the Grant Recipients (GRs). This means advising and influencing GRs to develop an open and transparent relationship with the **Supplier** and Schemes, whereby the risk of need for change can be identified and mitigated as early as possible, to maximise actual delivery outputs against agreed baselines and forecast KPIs and delivery targets.
 - b. Guiding and supporting GRs through the development of mitigation strategies in response to this risk, acting as a critical friend and challenging where needed to ensure

these are robust, as well as through the implementation of these responses and mitigating actions to minimise or avoid the need for change as much as possible.

- c. Mitigating the risk of change by deploying accurate guidance to GRs, regarding Scheme conditions and processes, as well as provide a combination of challenge, advice and support, including Direct Advisory Support (DAS), to GRs on one or more of the GR capability domains.
- d. Upholding overall delivery targets and timelines for each of the Schemes and minimising the impact of individual and/or aggregate change control outcomes on their overall scope, cost and delivery time. This means working with GRs to minimise levels of change and maximise delivery, as well as monitoring and actively risk managing potential impact on the trigger points for intolerable scope reductions, time extensions and/or budget reductions (grant and/or co-funding) because of change, both at individual GR Project and at the overall Scheme level. At all times, the **Supplier** must be able to advise the **Buyer** on the status of the risk of breaching these trigger points for each Scheme, funding model and GR. This includes, but is not limited to, risk exposure levels/scores, trend, proximity, mitigation strategies, planned response, and evaluation of mitigation impacts.
- e. The **Buyer** will confirm the tolerance levels and associated trigger points for intolerable change for each Scheme and funding model with the **Supplier** during implementation.
- f. Understanding GR Project conditions and risks, to advise, challenge and influence GRs to minimise the instances where change control is sought for changes that could be minimised or avoided, or where all reasonable alternative resolutions/mitigations have not been exhausted (Further details on supporting GRs is contained in Service Area 03 –Scheme Performance and Management). This will involve developing in-depth knowledge of GR Projects across GR capability domains to inform assessment of GR exposure to risk of failing to meet baseline commitments, as well as type/intensity of challenge and support to be deployed.
- g. Fulfilling the above responsibilities in such a way that enables the **Supplier** to demonstrate and justify to the **Buyer** that they have employed efforts to assess, challenge, support with, minimise and avoid change sought by GRs, in keeping with the Change Control by exception culture they must implement and manage. This will involve, but is not limited to, tracking and recording evidence, on the **Buyer's** Digital GMS platform, of all advice, guidance, challenge and support deployed in their engagement with GRs regarding the management of risk of need for change, as well as of individual instances of change requests raised by GRs.
- h. Managing and executing the actual GR Change Control process as outlined in Section 4.2.

- i. Working with GRs to ensure a high-quality change request submission that provides clear and comprehensive rationale and impacts of the change in sufficient detail to enable decision-making, where the need for change could not be mitigated and last resort cannot be prevented as outlined in Section 4.3
- j. Monitoring GR Project changes, conducting analysis on each change request and making a decision within agreed delegated authority thresholds, where appropriate, including notifying the **Buyer** of the outcome of this decision. Where the change is outside of agreed thresholds, the **Supplier** must escalate to the **Buyer** with a recommendation. Thresholds for the **Supplier's** delegated authority to make decisions on change requests will be set by the **Buyer** - the **Supplier** will receive written confirmation of the defined thresholds, process outlines, escalation routes and governance structures from the **Buyer** during Implementation. The **Buyer** retains the right to review and amend these thresholds during delivery of the Order Contract – where such a review is due to take place, the **Supplier** will be notified and will later receive updated written confirmation from the **Buyer** on the amended thresholds.
- k. Providing guidance, advice, support and clarification to GRs regarding all aspects of the Change Control process through BAU/regular engagement (as a standing agenda item – see Service Area 03: Scheme Performance and Management) with GRs2. The **Buyer** will confirm as part of implementation with the **Supplier** the processes and the **Supplier's** delegated authority thresholds for Change Control in each Scheme and funding model. This will include tolerance levels and triggers points specific to each the schemes (WH:SHF and WH:LG).

4.2 Change Control Process

299. The **Supplier** is required to manage and execute the Change Control process (*The Change Control Process is outlined in *Annex XX*). The process will be used when a GR wishes to alter their Project baseline. It will also cover changes that affect the signed MoU (WH:LG) or GFA (WH:SHF). Instances where the GR must submit a PCR include, but are not limited to:

- a. For WH:LG and WH:SHF Challenge Fund (CF) GRs:
 - i. A reduction or increase to the total number of forecasted homes to be upgraded, i.e. scope.
 - ii. A reduction or increase in the total grant funding or co-funding (N.B. co-funding is for WH:SHF only) required to upgrade the homes, including changes to grant intensity, i.e. cost.
 - iii. Changes to an approved WH:LG Batch Application (scope, delivery time, or cost).

- iv. Changes to an approved WH:SHF Phase Request baseline (scope, delivery time, or cost).
 - v. Changes to the delivery forecast across the delivery period (moving forecasted WH:LG Batches/WH:SHF Phases between financial years, changes to agreed milestones).
 - vi. Changes to WH:LG income verification methodology.
 - vii. Requests for WH:LG income threshold changes.
 - viii. Amendments to MoU/GFA terms
 - ix. Changes to a GRs' primary **Supplier** and/or new primary **Supplier** procurement.
 - x. Changes to the composition/membership of a Consortium.
- b. For WH:SHF Strategic Partnership (SP) GRs:
- i. Changes to agreed outcomes or milestones.
 - ii. Changes to agreed baseline.
 - iii. A reduction or increase in the total grant funding or co-funding required to upgrade the homes, including changes to grant intensity, i.e. cost.
 - iv. Changes to the composition/membership of a Consortium.
300. The **Supplier** must adhere to the timeframes and cut-off dates set by the Change Control Process for the correct Scheme and funding model to enable proportionate resource allocation for the assessment of change requests by the **Buyer** and informed decision-making and discussions at the Change Panels/Change Board meetings.

4.2.1 Change Control Forums

301. Management of the Change Control Process will include the management of two distinct forums for each Scheme (WH: SHF and WH:LG) for a total of four forums:
- a. A Delegated Decision Change Panel to address PCRs decided within the **Supplier's** delegated authority thresholds. The **Supplier** should ensure that the frequency of the Delegated Decision Change Panel enables the **Supplier** to meet the timescales and turnarounds for decision-making on PCRs and enables flexibility to meet oscillating demand for PCRs, as agreed with the **Buyer** during Implementation.
 - b. An Escalated Decision Change Panel to address PCRs escalated for decision by the **Buyer**. The **Supplier** should ensure that an Escalated Decision Change Panel is held as and when required and should liaise with the **Buyer** to ensure a forum is set up promptly, with the **Buyer's** representatives that have the right delegated responsibility

for approving PCRs and that meets the timescales and turnarounds for decision-making on PCRs

302. The **Supplier** is responsible for all governance and administrative activities to plan, arrange and continuously run all meetings for the above forums. This includes, but is not limited to: drafting and maintenance of the forums' Terms of Reference and standing agendas in consultation with the **Buyer**; management of attendees list in consultation with the **Buyer**; issuing of calendar invites and management of access to remote/digital meeting rooms; consultation with the **Buyer** on ad hoc agenda items or critical questions to be addressed, drafting and advance circulation of agendas, production and presentation of meeting slides, chairing of meetings on the day, note-taking and minuting of meeting discussions, post-meeting circulation of minutes, management of meeting records for audit trail, production, implementation and maintenance of any associated logs, etc.
303. The **Buyer** expects that all products, documents, logs and artefacts associated with these forums will be held on the **Buyer's** digital GMS platform. The **Buyer** reserves the right to require that the **Supplier** designs, implements and maintains other specific products, documents, logs and/or artefacts associated to these forums. Development of new products requested must take place in consultation with the **Buyer**, with implementation turnaround times agreed with the **Buyer** once objectives and scope of these is set.

4.2.2 Design and Content of Change Control Forum Documentation

304. The PSOs must produce, for each GR Project within a Scheme, a dedicated slide (or set of slides) in the relevant Change Panel/Change Board meeting slide pack. The slides must include standardised dashboards for each GR Project. These dashboards must be developed to ensure continuity month after month, as well as consistency with the Change Control reports produced by the **Supplier** for submission to the **Buyer**, utilising the **Buyer's** GMS. The template for the standardised dashboards will cover the key elements defined in *Annex XX – Change Control Supporting Material* and will be further defined by the **Buyer** during Implementation.
305. The layout of each slide must be clear and concise, ensuring that key information is easily accessible to meeting attendees. The **Supplier** will use visual aids such as charts, graphs, and tables to enhance the presentation of data. Ensure consistency in the design and formatting of all slides to facilitate easy comparison and review.
306. The **Supplier** is responsible for designing the Change Forums' slide packs, using the **Buyer's** outline template and submitting these for the **Buyer's** approval during implementation. The **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates the slide packs and associated dashboards to align with the needs of the Schemes or funding models. Where such a request is raised by the **Buyer**, the **Supplier** must update the slides accordingly and use of the new versions must

commence no later than five (5) working days from date of receiving the request. Where the **Supplier** initiates updates or amendments to the design of Change Control Forum slide packs of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are implemented.

4.3 Processing Project Change Requests

307. The **Supplier** is required to conduct Quality Assurance (QA) of every PCR submitted by GRs, critically reviewing its contents to assess whether it provides sufficient detail on the rationale and impacts of the change to enable informed decision-making in full knowledge of the justifications for change. The outputs of the QA process must be stored on the **Buyer's** digital GMS platform.
308. The **Supplier** must notify the **Buyer**, in writing, of the receipt of all initial PCRs, within one (1) working day of the submission date, confirming the start of the QA process that will advise GRs, where needed, of any revisions and amendments required for the development of a final PCR that will be progressed to decision-making stage. This notification must also include the **Supplier's** initial indication of whether this PCR is likely to fall within the **Supplier's** delegated authority or will have to be escalated for decision-making by the **Buyer** – the **Supplier** will confirm this through the final threshold assessment at the point when the final PCR is progressed to decision-making stage.
309. The **Supplier** must ensure that all final PCRs progressed to decision-making stage meet the quality criteria defined in *Annex XX – Change Control Supporting Material*.
310. The **Supplier** must design, implement and manage a QA process to review and validate the quality of all initial PCRs before progressing the final PCR on to decision-making stage and reaching a decision, for PCRs within the **Supplier's** delegated authority thresholds, or escalating PCRs which fall outside of these thresholds for the **Buyer's** decision-making.
311. Before the **Supplier** can deploy the PCR QA process, the **Supplier** must submit the proposed design for the **Buyer's** approval during implementation. The **Buyer** reserves the right to request clarifications from the **Supplier** on parts or the whole of the proposed process, as well as set requests or conditions for revision of the proposed design, and which must be fulfilled by the **Supplier** before the **Buyer** issues approval for deployment. The **Supplier** can suggest amendments to the process as outlined in the Continuous Improvement Section.

4.3.1 Quality Assurance of Project Change Requests

4.3.1.1. Definition of a High-Quality Project Change Request

312. To justify the need for change, a high-quality PCR must cover all of the key rational considerations that are contained in *Annex XX – Change Control Supporting Material*.

313. The type and depth of the information required to justify a change will differ depending on the specific instance of change being sought, and the **Supplier** must make a judgement as to how much detail is sufficient to enable understanding of and to justify the need for change. This must be done by utilising the PSOs in-depth knowledge of the GR Project, its objectives, risks and baseline/GFA/MoU commitments, and balancing it against the severity/impact of the change on the baselines and expected benefits of the GR Project, and the overall Scheme in question (i.e. Major change – change with great/severe impact on baselines, will necessitate more detailed information to be justified than Minor change – change with minimal/tolerable impact on baselines).
- a. The **Supplier** must consult the **Buyer** whenever this balance cannot be established internally by the Change Control QA team. The **Supplier** must ensure the **Buyer's** advice and direction in these instances are captured for input in the **Supplier's** continuous improvement activities to upskill PSOs and the PCR QA team.
314. Where a PCR fails to meet the high-quality standards set out in *Annex XX – Change Control Supporting Material*, the **Supplier** must work with Grant Recipients, interrogating the causes for the change proposed and raising probing questions to address any gaps in the rationale provided before progressing the PCR to decision-making stage by the **Supplier**, for a PCR that is within the **Supplier's** delegated authority thresholds, or escalating it to the **Buyer**, when a PCR falls beyond these thresholds.
315. The **Buyer** reserves the right to request additional information and additional QA activity on any PCRs progressed to decision-making stage but for which the **Buyer** deems justification provided by the GR to be insufficient. The **Supplier** must re-start QA process of any such PCRs, including the provision of additional advice and support to the GR in question to improve their submission, whenever instructed by the **Buyer**.

4.3.1.2. Quality Assurance Process

316. The **Supplier** must ensure that the GR's respective PSO (personnel responsible for BAU/regular engagement with the GR) leads the QA of that GR's PCRs to ensure the process can leverage the PSO's in-depth knowledge of the Project's history, baseline commitments, risks and wider circumstances. The Quality Assurance requirements for PCRs are documented in *Annex XX – Change Control Supporting Material*.
317. The PSOs must be able to access support from the **Supplier's** team of subject matter experts on GR capability domains, to quality assure and evaluate PCRs, whenever the PSO lacks subject matter knowledge that is relevant to the nature of the specificities within the PCR. This team will be responsible for both this requirement and similar requirements within the Direct Advisory Support, as described in Service Area 03 – Scheme Performance and Management. PSOs must take all reasonable measures to assess and resolve PCRs before escalation.

318. The **Supplier** must provide feedback to GRs on the outcomes of a PCR QA review and request revisions from the GRs, including guidance/advice/recommendations/support from the PSOs on how to improve the submission, for any PCRs that do not meet the quality standards.
319. All PCRs revised/re-submitted by GRs must go through a QA review again, to ensure the PCR meets the defined quality criteria and can progress to decision-making stage. The **Supplier** is responsible for conducting this QA loop (i.e. QA; provide feedback, advice and support; GR revision and re-submission; QA again) for all submissions until the PCR meets the defined quality criteria and before the final PCR, revised by GRs where required, can progress to decision-making stage. If PCR is redrafted on three occasions by the GR and cannot meet QA standards it must be escalated to the **Buyer**.
320. The **Supplier** must maintain records of all QA reviews and feedback provided to the GR Projects and share these with the **Buyer**, whenever required to do so or at regular intervals agreed with the **Buyer** as part of the Change Control process. The **Supplier** is responsible for notifying all Grant Recipients of the outcome of their request. Section 4.5 has further detail on Change Control record keeping processes.

4.3.2 Change Control Resource Management

4.3.2.1. Resource Allocation and Management

321. The **Supplier** must ensure that sufficient personnel are allocated to manage and process all change requests within the turnaround times specified by the **Buyer**.
322. The **Supplier** must maintain a flexible and scalable workforce capable of handling fluctuations in the volume of change requests, including but not limited to surges that may occur at various points in the project lifecycle or financial year. The **Buyer** will provide historic data to demonstrate volumes of change control requests during legacy scheme delivery, i.e. derived from SHDF W2 and HUG2.
323. Details on Surge Capacity Planning can be found in Service Area 03 – Scheme Performance and Management

4.3.3 Change Control Monitoring and Reporting

324. The **Supplier** must use the **Buyer's** digital GMS platform to monitor and track the processing and quality of PCRs. The GMS will allow for monitoring of key metrics such as volume of PCRs handled, actual turnaround times to achieve decision on PCRs, backlog, resource utilisation, the number of revisions required as part of PCR QA process by GR, primary causes for PCRs handled, progress/decision status of PCRs handled. The **Buyer** reserves the right to update the GMS platform with additional metrics and the **Supplier** must monitor these additional metrics.

325. The **Supplier** must provide the **Buyer** with a Monthly Change Control reports for each Scheme, no later than two (2) working days before the monthly Performance and Management Board (Please refer to Service Area 03 – Scheme Performance and Management for further details on governance). Reports must detail the records held on all monitored metrics, including charts/visualisations to summarise data, and any instances where target turnaround times were not met, along with corrective actions taken.

4.3.4 Continuous Improvement

326. The **Supplier** must provide the **Buyer** with a Quarterly Change Control Overview for each Scheme with an overview of the **Supplier's** performance during the past quarter, detailing any issues being experienced in the processing of PCRs, along with planned responses, and identifying opportunities for improvement, along with recommendations on how to exploit these opportunities. The Change Control Overview will be contained within the Quarterly report produced for each scheme. (Please refer to Service Area 03 – Scheme Performance and Management for further details on reporting).

327. The **Supplier** must engage in continuous improvement activities to enhance the efficiency and effectiveness of the Change Control process, including capture of feedback from the **Buyer** and GRs on areas for improvement, regular training for personnel and the adoption of best practices recommended by the **Buyer**:

- a. The **Supplier** must use the **Buyer's** digital GMS platform to track the PSOs' (personnel responsible for BAU/regular engagement with the GR) instances of reliance on the QA team of subject matter experts when conducting QA of submitted PCRs, to identify gaps in PSOs knowledge regarding GR capability domains. The **Supplier** must submit their findings to the **Buyer** as part of the Quarterly Change Control reports.
- b. The **Supplier** must consult with the **Buyer** on the need for providing PSOs with training on GR capability domain topics, including making recommendations based on the knowledge gaps identified. The **Supplier** must design, deliver and evaluate the impact of training packages for PSOs on topics agreed with or requested by the **Buyer**, to support the efficiency and effectiveness of the PCR QA process. The **Supplier** must submit findings from evaluating the impact of training packages on PSOs' knowledge to the **Buyer** as part of the Quarterly Change Control Overview.
- c. Before the **Supplier** can implement the monitoring process of PSOs for the identification of knowledge gaps and before the **Supplier** can deliver training to PSOs on GR capability domain topics agreed with or requested by the **Buyer**, the **Supplier** must submit the proposed design for the process and for all training packages for the **Buyer's** approval. The **Buyer** reserves the right to request clarifications from the **Supplier** on parts or the whole of the proposed process and/or training packages, as well as setting requests or conditions for revision of the proposed designs, and which

must be fulfilled by the **Supplier** before the **Buyer** issues approval for deployment of the process and/or delivery of the training packages.

4.4 Change Threshold Assessment and Decision

328. Each of the Schemes and funding models will have a specific set of Change Control Principles, Policy Red Lines and Thresholds to be defined by the **Buyer**, and which are subject to review during the delivery of the Order Contract. The **Buyer** will confirm these with the **Supplier** for Change Control in each Scheme and funding model during Implementation.

329. The **Supplier** is responsible for reviewing all final PCRs and assessing these against a set of change thresholds to confirm whether the final PCR falls within the **Supplier's** delegated authority or must be escalated for decision-making by the **Buyer**. The **Supplier** must make this assessment within one (1) working day of receipt of the revised final PCR from the GR, following the QA of the initial PCRs.

330. Based on the outcome of the assessment, one of two actions must be undertaken:

- a. If the final PCR is within the threshold of the **Supplier's** delegated authority, the **Supplier** must carry out the final QA review of the PCR within five (5) working days, securing any lasting required additional information/revision from the GR within this period. Following the final QA review, the **Supplier** must reach a decision on whether to accept or reject the PCR within one (1) working day.
 - i. The **Supplier** must record the outcomes of the PCRs assessed with the **Supplier's** delegated authority thresholds on the **Buyer's** digital GMS platform, before notifying GRs of these outcomes. The **Buyer** reserves the right to conduct checks on any delegated PCRs to affirm the quality and accuracy of PCR decision making by the **Supplier**.
- b. If the final PCR is above the threshold of the **Supplier's** delegated authority, the request will be escalated to the **Buyer** for decision. Before progressing the PCR onto decision-making stage, the **Supplier** must carry out the final QA review of the PCR within five 5 working days, securing any lasting required additional information/revision from the GR within this period. The **Supplier** must present the escalated PCRs to the relevant Scheme at the Escalated Decision Change Panel, before notifying GRs of these outcomes.
 - i. To escalate a PCR for decision by the **Buyer**, the **Supplier** must submit, along with the final PCR, a PCR Escalation Form summarising the case and explaining how the case exceeds the **Supplier's** authority, within one (1) working day from the end date of the QA review. The **Buyer** will provide the **Supplier** with the PCR Escalation Form during Implementation, and it will be stored on the **Buyer's** digital GMS platform. The **Buyer** reserves the right amend, adapt and/or update the PCR Escalation Form

to align with the needs of the Schemes or funding models. Where the **Supplier** wishes to initiate updates or amendments to the design of the PCR Escalation Form of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are implemented.

- ii. The **Supplier** will also be responsible for presenting the PCR to the Escalated Decision Change Panel. The presentation of a PCR must summarise all Key Rationale Considerations that justify the change being sought. As part of the presentation, the **Supplier** must also provide their independent view, including justification for it, on the likely impact of the change and whether the requested change supports the resolution of any underlying issues or challenges identified with the GR Project in question. "Independent view on the likely impact of the change" means that the **Supplier** must critically review the justification and impact for the change that was provided by the GR, and consider it against the **Supplier's** own understanding of the GR Project's circumstances, as well as that of the Scheme's overall circumstances, to arrive at a judgement on whether the GR's own impact assessment of the requested change can be deemed realistic or if any other factors identified by the **Supplier** mean the likely impact of the change differs from the GR's assessment as described in the PCR. The **Supplier** must always consider the impacts of the requested changes against the relevant baselines to understand the PCR's impacts to the intended benefits for the GR Project, the overall Scheme and funding model, and to time, cost and scope targets within the current financial year, for the whole life cycle of the GR Project, for the respective agreed Batch (WH:LG only) and for the respective agreed Phase (WH:SHF Challenge Fund only).
- c. The PSOs are required to be responsible for presenting PCRs to the Escalated Decision Change Panel. Where the nature of the PCR dictates, the PSOs must be able to access support for these presentations from the **Supplier's** team of subject matter experts on GR capability domains.
- d. Further detail on the what the **Supplier's** recommendations must address at a minimum can be found in *Annex XX – Change Control Supporting Material*.
- e. The **Buyer** reserves the right to require that the **Supplier** addresses additional elements as part of their presentations and/or recommendations for outcome of escalated PCRs to the Escalated Decision Change Panel. Inclusion of additional elements requested to presentations and/or recommendations must be actioned no later than ten (10) working days from request submission date.
- f. The **Supplier** must maintain records of all presentations and recommendations and the outcome of decisions made to the Escalated Decision Change Panel and store these on the **Buyer's** digital GMS platform.

4.5 Change Control Records

331. The **Supplier** must record all Change Control decisions, activity relating to processing PCR submissions, and storing/archiving all PCRs submitted by GRs on the **Buyer's** digital GMS platform. This process must include the management of a Change Control Log for each Scheme and funding model which the **Buyer** will handover to the **Supplier** during implementation.
332. The **Buyer** reserves the right to adapt and/or update the process and/or logs to align with the needs of the Schemes or funding models. Where such a request is raised by the **Buyer**, the **Buyer** will update the digital GMS platform and the **Supplier** must implement the updated process no later than 15 working days from date of receiving a request, and use of updated version of Change Control Logs commencing no later than five (5) working days from date of receiving a request. Where the **Supplier** initiates updates or amendments to the design of the process and/or logs of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are implemented.
333. All data submitted to the **Supplier** by Grant Recipients as part of PCR submissions and all decisions made on PCRs at all levels must be accurately recorded to inform reporting individually and/or in aggregate for Schemes and funding models. Change Control reporting will be subject to the provisions of [Order Schedule XX – Change Control].
334. Change Control Log records and any associated data visualisations for reporting purposes must be independent by Schemes (WH:SHF and WH:LG) and, within Scheme-specific records, allow filtering by funding models (WH:SHF), by individual GR and by individual GR Project. Change Control Log records must also ensure that PCR records allow for further breakdown by all the relevant dimensions required to fulfil the **Supplier's** requirements to conduct the below quarterly review and analysis of change patterns and trends for both Schemes and funding models.
335. The **Supplier** must also ensure that all approved changes to the Project baseline relating to the instances outlined in Section 4.2 and further confirmed by the **Buyer** with the **Supplier** during implementation are captured and reflected in the DMS portal (Please refer to Service Area 07 - Data Collection, Visualisation and Reporting Section) within two (2) working days of the change request decision being made. The process for capturing this information, including access rights to the **Supplier**, will be provided by the **Buyer** to the **Supplier** during implementation.

4.6 Quarterly Change Patterns and Trends Review

336. The **Supplier** must conduct one quarterly Change Patterns and Trends Review for each Scheme, to be submitted to the **Buyer** no later than 15 working days after the end date of every quarter. Every quarterly Change Patterns and Trends Review must include:

a. Analysis of Change Requests:

i. A report of all change requests handled in the period, including tables, charts and/or dashboards for data visualisation of:

- Total number of change requests by Scheme and funding model, and by Lead GR and by GR Project (GRs may act as Lead GR on more than one GR Project).
- Total number of change requests submitted by status and by outcome where closed, including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
- Total number of change requests by region/geographic spread, including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
- Total number of change requests submitted by primary cause category and sub-category (i.e. Grant Administration (Co-funding, Finances, Dwelling Eligibility, etc.), Tenant/Resident Engagement (Drop out, Access refusal, etc.), Contractor Management (Change, Resource, Challenge, etc.), Equipment/Measures/Materials (Quality, Availability/Delays, etc.), Technical Expertise (PAS standards, Design, Retrofit Assessments, etc.), Data Management, Retrofit Enabling Activity (Planning Permission, Enabling/Remedial works, etc.) and Other), and by outcome where closed, including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
- Total number of change requests closed by primarily impacted baseline factor (i.e. Scope, Time and Cost) and by outcome, including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
- Total number of change requests closed by resolution turnaround times and by number of re-work/re-submission instances required to enable resolution (i.e. quality change requests resolved at very 1st submission and substandard change requests which required 2nd/3rd/etc. submission), including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
- Total number of change requests rejected by primary reasons for rejection, including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
- Total number of change requests deferred for any reason, including the ability to filter and visualise by Scheme and funding model, and by Lead GR and by GR project.

- Overall impact of approved changes on change tolerance levels and advancement/proximity to trigger points for intolerable change following resolution, including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
 - Overall impact of approved changes on scope, grant and co-funding levels, including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
 - Overall impact of rejected changes on scope, grant and co-funding levels, including ability to filter and visualise these by Scheme and funding model, and by Lead GR and by GR Project.
- ii. An articulation/text narrative of the insights derived from the analysis of the above data, including common factors identified as impacting multiple GR Projects, common risks and/or issues, any patterns identified by region, funding model, organisation type (LAs, HAs, etc.) and size, Project scope, property archetype, etc., including references to the data and evidence that supports these findings.
- iii. An articulation/text narrative of change trends identified through the comparative analysis of current quarter's changes and associated factors (numbers, causes, categories, outcomes, turnaround timeframes, etc.) against that of previous quarters, including tables, charts and/or dashboards for data visualisation that evidences and supports these findings – "current quarter" here refers to the quarter in question for which the Change Patterns and Trends Review is being conducted, not the quarter in which the review outcomes are submitted to the **Buyer**.
- b. Development of Response Strategies and Approaches:
- i. Based on the insights derived from the Analysis of Change Requests and identified commonalities/patterns/trends, the **Supplier** must develop strategies or approaches to strengthen the management of the risk of need for change across all GR Projects. The strategies/approaches developed must be informed and shaped by the nature of the analysed changes, adapting to the insights identified, but must, as a minimum, cover changes and/or improvements to:
- The **Supplier's** approach to BAU/regular engagement with GRs.
 - The topics, focus and/or delivery style of advice and support deployed on GR capability domains (i.e. Grant Administration, Tenant/Resident Engagement, Contractor Management, Technical Expertise, Project Management Expertise, Data Management, etc.).
 - The methods, operations and procedures employed in the management of the Change Control process itself.

- ii. The developed strategies/approaches must aim to address identified common factors/patterns/trends in an overarching manner, ensuring best practice and/or lessons learnt from individual instances of change can be leveraged to benefit all GR Projects across Schemes.
- c. Response Strategy Proposal:
- i. The **Supplier's** proposal must include the following elements:
 - Executive Summary: overview of the proposed strategies and their intended outcomes.
 - Proposed Strategies and Approaches: description of the strategies or approaches to be implemented in subsequent quarters, including objectives, scope and outline of expected benefits.
 - Implementation Plan: step-by-step plan for implementing the strategies, including work breakdown, timelines, resource responsibility matrix or RACI, and key milestones.
 - Risk Assessment: identification and assessment of any risks the strategies aim to respond to, and any risks associated with the actual implementation of the proposed strategies or approaches, along with mitigation plans for the latter.
 - Impact Assessment: evaluation of the potential impact of the proposed strategies on the Scheme and GR Projects, further detailing the expected benefits outlined under the description of the strategies. These must be informed by the nature of the proposed strategies, adapting to the risks being responded to, but must, as a minimum, consider impacts to effectiveness of mitigation for risk of need for change at the Scheme level, and impacts to GR capability on one or more capability domain (i.e. Grant Administration, Tenant/Resident Engagement, Contractor Management, Technical Expertise, Data Management, etc.).
 - Monitoring and Evaluation Plan: framework by which the **Supplier** will monitor the implementation of and evaluate the effectiveness of the strategies proposed.
 - Evaluation of Implemented Strategies: evaluation of strategies and approaches previously approved by the **Buyer** and implemented and monitored by the **Supplier** in the past quarter, including a comparative analysis of actual impacts against the original expected benefits for implemented strategies. This should include an articulation/text narrative for how learnings from implemented strategies are being considered to inform continuation or

strengthening/changes for strategies and approaches being proposed in the current quarter.

d. Quarterly Change Review Meeting

- i. The **Supplier** must arrange a dedicated Quarterly Change Review Meeting with each Scheme, to be held within 6 working days from the date of submitting the Scheme's Change Patterns and Trends Review, to present key findings and proposed strategies to the **Buyer**.
- ii. The **Supplier** is responsible for all admin arrangements to plan, arrange and hold the meeting, including confirmation of attendees list with the **Buyer**, issuing of calendar invites and managing access to remote/digital meeting rooms on the day, consultation with the **Buyer** on expected key agenda items or critical questions to be addressed that quarter, drafting and advance circulation of agendas, production and presentation of meeting slides, chairing of meeting on the day, note-taking and minuting of meeting discussions, post-meeting circulation of minutes, etc.

337. The **Buyer** reserves the right to issue clarification questions to the **Supplier** following the Quarterly Change Review Meeting and to withhold decision on approval of the strategies proposed until the **Buyer** is satisfied that all questions have been clarified. The **Supplier** must respond to the **Buyer's** clarifications questions regarding the Quarterly Change Review Meeting or the submitted Change Patterns and Trends Review no later than 2 working days from their issue date.

338. The **Buyer** reserves the right to set requests for changes to parts or the whole of the strategies proposed by the **Supplier**, or to approve them on condition that these requests are met. Where this is the case, the **Buyer** shall do this in writing before approval of the proposed strategies is issued. The **Supplier** must amend plans and proposals to align with the **Buyer's** requests and resubmit these for the **Buyer's** for approval once the requested changes have been actioned.

339. The **Supplier** will not implement the proposed strategies before receipt of approval in writing from the **Buyer**.

4.7 Change Control and Reallocation of Funds

340. If the outcome of a PCR leads to a GR's grant funding being reduced, the Clawback, Reduction and Reallocation of Grant Funding process must be initiated, as outlined in *Service Area 08 - Grant Spending, Compliance and Forecasting*.

5. Fraud, Error and Compliance Management

5.1 Introduction and Background

341. Both WH: LG and WH:SHF require a proactive fraud, error and compliance management function that will minimise mis-spend of scheme funding, i.e. through fraud/error, and ensure compliance with scheme policy rules. It will be operated to deter, prevent, detect, and resolve cases of fraud, error, and non-compliance in the administration and delivery of home upgrades by the GRs. The function will also assure fraud, error and compliance management conducted by GRs, enabling driving corrective action and improvement as needed to support the delivery of value for money in policy outcomes. The requirements listed below must be applied to each scheme, unless specified otherwise.
342. Fraud, error and non-compliance risks can arise for instance, in administration, around beneficiary eligibility, from the supply chain (gaming, ineligibility, non-compliance, fraud, etc), and around measure and property characteristics. There are many areas of fraud, error and compliance risk. A capable approach is needed which addresses current risks and recognises and adapts to future ones to ensure misspends are minimised, compliance with policy rules is maximised and activities aren't undertaken where there is known to be little risk.
343. Example risk areas and management approaches include, but are not limited to, the following. A full description of the tasks and requirements are set out in Sections 5.2 to 5.6:
- a. Payment and pricing
 - i. The **Supplier** is required to review and assure samples of grant spending receipts against Scheme rules and policy criteria to routinely check for a range of malpractices, including payments to non-eligible **Suppliers**, payments to non-existent businesses, payments for incomplete, absent, or pre-existing goods and services, potential price gouging, incorrect pricing, and any attempts to manipulate pricing by either collusion or cartels. Samples are to be primarily risk based with a smaller element of random sampling.
 - The **Supplier** must undertake monthly assurance of GR spend oversight and governance. Assurance includes reviewing capability for managing and overseeing financial transactions, as well as reviewing the evidence trail for payments. The Sample size needs must be sufficient to allow for identifying and controlling problems and providing deterrence without being wastefully large. It needs to be risk based but there needs to be enough coverage through random sampling to make sure new issues have a reasonable chance of being found and to ensure Fraud Risk Assessment keeps pace with and reflects reality.

- ii. The **Supplier** is required to carry out a combination of full payment check reviews and a sample check of properties for each GR. Feedback on check results must be provided by the **Supplier** to GRs and as part of regular engagement with the **Buyer** and within the monthly reporting on reviews along with analysis and control responses to any themes identified.

b. Eligibility and Thresholds

- i. The **Supplier** is required to assure that GRs apply the correct Scheme rules when spending Grant funds and reporting. The **Supplier** must also assure that beneficiaries are eligible for Grants at the application stage (where required) and remain so throughout delivery.
- ii. The **Supplier** is required to add cross-cutting scale to managing eligibility and fraud and error through, for instance, use of data across GRs and through additional screening and sharing of insights such as around threats, pricing, or bad actors. The **Supplier** will need data analytics capabilities suited to the delivery model, policy requirements and range of risks needing to be controlled.

c. Contracting and Competition

- i. The **Supplier** is required to assure that GRs undertake checks on all contracts relating to the expenditure of the grant using appropriate procedures and due diligence.
- ii. The **Supplier** is also required to assure that GRs have declared any potential conflicts of interest and have processes in place to manage any potential Conflicts of Interest between GRs and their supply chain.
 - The **Supplier** will conduct dip sampling and targeted checks and investigations where anomalies have been identified e.g. discrepancies in awarding contracts etc. The **Supplier** will be responsible in feeding back to GRs and the **Buyer** with corrective actions which must be undertaken.

d. Delivery and quality

- i. The **Supplier** is required to assure that work funded by the GR is being completed to Specification and within timelines agreed with installers, using appropriate techniques (such as audits, contract management and oversight and through the application of the controls identified in the Fraud Risk Assessment e.g. measures/installers lodged with TrustMark so meet scheme eligibility rules) to evaluate ongoing and completed works.
- ii. The **Supplier** must ensure public funds are correctly managed in line with the **Buyer's** policy to tolerate at most 2% losses to fraud, error and non-compliance (i.e. losses that remain even after the application of controls).

- The **Buyer** reserves the right to change the fraud, error and non-compliance tolerances, in response to changing Scheme or DESNZ policies at any time throughout the duration of the Order Contract.
- iii. The **Buyer's** fraud management strategy (which is based on the government counter fraud standard - GovS013) includes that the focus of risk management activity and application of fraud controls is weighted towards deterring and preventing fraud; therefore, minimising the levels of fraud left to be detected once a loss has been incurred. This is to avoid losses that may be unrecoverable and avoid the harm arising from having people and businesses becoming indebted. The **Supplier** must support the **Buyer's** fraud risk strategy as outlined in Section 5.2
- iv. Elements of this function will sit across the **Buyer**, and the **Supplier**, the GRs and their supply chain. The core tasks and the requirements on the **Supplier** are set out below. The **Supplier** is responsible for ensuring that there is sufficient alignment between Fraud teams and Delivery Teams (i.e. PSOs) to operate a single, holistic service.
- v. The **Buyer** will assess **Supplier** performance against the fraud KPIs and SLA outlined in Scheduled XX – KPIs/SLAs

5.2 Implementation and Operation of a Fraud, Error and Compliance Management Framework

344. The **Supplier** will be responsible for running a fraud, error, and compliance function across the administration of both Schemes (WH:SHF and WH:LG) and is required to have the capability and capacity to proactively prevent fraud, errors, and non-compliance and to identify and investigate potential fraud, errors, and non-compliance.
345. The **Supplier** is required to provide cross cutting expertise and capability to drive down error and fraud as a whole and to support GRs in their capability to understand and control error, fraud and non-compliance effectively.
- a. This could include, but is not limited to, the **Supplier** providing support to the GRs in the form of running forums, publishing guidance's on best practice etc.
 - b. The **Supplier** is required to capture this in an engagement action plan to be approved by the **Buyer**. Once approved, the **Supplier** must include this document within their Fraud Management Plan.
346. The **Supplier** must use data, audit and other information to steer proactive identification of risks, and to then review, investigate and understand those risks and how to control them. The **Supplier** must carry out this activity proactively, independent of referrals received. To achieve this the **Supplier** will provide a function that routinely examines:

- a. Project Data (e.g. financial data on transactions/contracts, etc)
- b. delivery data on number/types of properties/measures,
- c. eligibility/compliance data on properties/measures/beneficiaries/**Suppliers** and other reporting)
- d. Any other sources of data deemed relevant.

347. The **Supplier** must use appropriate, comprehensive and effective techniques for data analysis to prevent fraud, error, and non-compliance. This includes but is not limited to:

- a. Management Information (MI) insights
- b. Energy Efficiency Installation Checker (EEIC), (Please Refer to Section 5.3 - Use of Digital Tools provided by the **Buyer** for additional details.)
- c. Dip sampling data
- d. Site visits
- e. Proxy site visits (e.g., a Grant Recipient filming the site in a video call)
- f. The use of **Supplier** sourced and open-source data sources such as company accounts, maps, EPC and other datasets and threat, risk and intelligence analysis.

348. The **Supplier** will operate in line with the **Buyer's** Fraud Management Strategy for Net Zero Schemes, which requires each of the following to be in place:

- a. Fraud Risk Owner: The **Supplier** will be required to provide a named senior point-of-contact who is accountable for the **Supplier's** operation of fraud risk management throughout the duration of the Scheme. The fraud risk owner is expected to engage directly with the SRO and senior governance boards. This individual must be included in the Schedule XX.
- b. Fraud Risk Appetite/Tolerance: The **Buyer** will set a fraud/error tolerance for each Scheme as part of implementation, which the **Supplier** will be expected to align its fraud/error risk management and reporting to. The **Buyer** reserves the right to review the tolerance, as required, during the delivery of the Schemes and may be adjusted as appropriate to account for changes in priorities or fraud risk assessment.
- c. Scheme Fraud Risk Assessments (FRA): The **Supplier** will compile and proactively manage a scheme-level Fraud Risk Assessment for each Scheme using the template provided by the **Buyer** during Implementation. The Scheme Fraud Risk Assessment will identify the key risk areas, their corresponding mitigations, and any residual risks.
 - i. The **Supplier** will be required to undertake a minimum of a monthly review and update of the Fraud Risk Assessment, where appropriate in collaboration with the

Buyer, in line with operational findings, threat intelligence and a forward look on changes to circumstances or requirements.

- ii. The **Supplier** will send an updated scheme fraud risk assessment to the **Buyer** on a quarterly basis, as a minimum, however more frequent if any major revisions are made (e.g. for new significant risks or controls coming to light or for major amendments to risk scoring for recorded risks).

349. Scheme Fraud Management Plan (FMP): The **Supplier** is required to produce, proactively maintain and deliver against, a Fraud Management Plan (FMP), approved by the **Buyer**, as set out in the Order Schedule XX - Implementation Plan. The **Supplier's** Fraud Management Plan will set out the approach and processes that the **Supplier** will implement to manage the fraud, error and non-compliance risks associated with the delivery of the schemes that have been identified within Scheme Fraud Risk Assessments. The Fraud Management Plan will set out how fraud operations are to be managed, resourced, and instances of suspected fraud are to be investigated and resolved. The Fraud Management Plan will include, but is not limited to:

- a. What the Roles and responsibilities of the **Supplier's** staff will be in relation to fraud and the processes the **Supplier** will follow in conducting its functions.
- b. How Data is broadly to be used to identify fraud risks indicators (through data analysis and hypothesis testing).
- c. How Intelligence will be sought and used to inform fraud/error/non-compliance controls.
- d. How Suspected fraud/error/non-compliance will be referred and then investigated (including case triage, evidence gathering, outcome determination).
- e. How Appeals against decisions will be managed.
- f. How sanctions will be applied where fraud, error or non-compliance are found
- g. How Debt will be recovered; and
- h. How Record keeping will be managed for supporting onward prosecution or other sanctions and potential appeals if needed.

350. The **Supplier** will regularly review its alignment with the **Buyer's** Fraud Management Strategy to ensure that its approach remains compliant,

351. In addition to the assurance activities the **Supplier** conducts to ensure fraud is being managed appropriately and effectively by the GRs, the **Supplier** will:

- a. Participate fully in assurance reviews/audits commissioned by the **Buyer** and undertaken by the **Buyer** or their nominated partners.

- b. Undertake/participate as required in residual fraud measurement exercise(s) commissioned by the **Buyer** and undertaken by the **Buyer** or its nominated partners to assess effectiveness of fraud controls.

5.3 Operation and Assurance of Compliance Controls

- 352. GRs are responsible for ensuring that the funding they receive is spent for the intended purposes and to manage fraud and error risks in their supply chain. Obligations on GRs are set out in the MoU (WH: LG) and the GFA (WH:SHF W3), as applicable.
- 353. The **Supplier** will provide oversight and assurance of GRs' fraud management processes, and their operation of fraud controls as set out in the GRs' Fraud Risk Assessment and Fraud Management Plans.
- 354. The **Supplier** will undertake assurance activities which will involve systematic and random checks of GRs' fraud management processes and controls within the GRs' own organisation and between the GR and the supply chains they use. This includes assurance that GRs are compliant with their fraud, error and compliance management obligations as set out in the MoU (WH:LG) and the GFA (WH:SHF W3). It will include reviewing Management Information to direct remedial action in the event of weaknesses or failures in relation to fraud risk management.

5.3.1 Eligibility Screening

- 355. The **Supplier** will ensure that GRs are meeting their obligations for eligibility screening, including ensuring that installers, measures, properties, and households meet the Scheme's eligibility criteria. This will be done throughout the life of the scheme. The **Supplier** will provide assurance through oversight and checking of the application of fraud and error controls by GRs; and through monitoring GRs' capability and driving improvement – driving remedial activities where required.
- 356. For WH:SHF Wave 3 only, the **Supplier** will be responsible for managing fraud, error and compliance risks during:
 - a. Assessing application for future rounds of SHF funding (if required),
 - b. Assessing Phase Requests (Challenge Fund only) and
 - c. Delivery monitoring. Where required, the **Supplier** will verify that Grant Applicants are eligible for the funding and will complete eligibility screening checks during delivery.
 - d. Please refer to Service Area 02 – WH:SHF Phase Requests Application Process Management for detailed requirements & responsibilities on the **Supplier**.
- 357. For WH:LG only, the **Buyer** is responsible for assessing Expression of Interest Applications. The **Supplier** will be responsible for managing fraud, error and compliance risks while:

- a. assessing Batch Submissions,
- b. undertaking Delivery Assurance Checks,
- c. delivery monitoring and conducting eligibility spot checks.
- d. Please refer to Service Area 02 – WH:LG Application Management for detailed requirements & responsibilities on the **Supplier**.

358. For WH:LG only, The **Supplier** must ensure that the GR capability and capacity in relation to fraud management is assessed as part of the WH:LG DAC to ensure overall delivery readiness (Please Refer to Service Area 02 – WH:LG Application Management for more information on DACs) using the Fraud Management Plan provided by the Grant Recipient, where applicable, for the Schemes.

5.3.2 Completion and Execution of Works

359. For WH:SHF Wave 3 only, The **Supplier** will conduct checks as per the controls set out in the **Supplier's** Fraud Risk Assessment/Fraud Management Plan.

- a. This will be through a mix of desktop reviews and site audits, of 5% of installations per annum, (where 3% are desktop only and 2% are desktop and site audits) and will be organised as both random and risk directed reviews.
- b. The **Supplier** must conduct desktop and site audits throughout the schemes lifecycle and should cover pre, during and post installation.
- c. The **Supplier** should ensure flexible fraud resourcing that be pivoted from desktop and site audits where required.

360. For WH:LG only, The **Supplier** will be responsible for assuring that GRs' controls are being executed as described in the GRs' Fraud Management Plans.

- a. This will include verifying decisions and associated data through a mix of desktop reviews and site audits, of 5% of installations per annum, (where 3% are desktop only and 2% are desktop and site audits) and will be organised as both random and risk directed reviews.
- b. The **Supplier** should be conducting desktop and site audits throughout the scheme's lifecycle and should cover pre, during and post installation.
- c. Assurance of GR's reviews of completion and execution of installations will require independent reviews and site audits of this work by the **Supplier** for proof of completion of works and to assure reviews and risk management processes undertaken by the GR.
- d. The **Supplier** should ensure flexible fraud resourcing that be pivoted from desktop and site audits where required.

361. For both schemes, The **Supplier** must ensure reviews include a mix of random selections and targeted reviews based on risk, informed by operational findings.
362. 'Risk-based' in this context means that if issues are found or suspected relevant to a particular area, installer, measure, etc then there should be proportionally greater levels of review activity targeted to those heightened risk areas.
- a. The **Supplier** should, with the approval of the **Buyer**, adjust the level and focus of reviews to ensure that these are targeted at the areas of highest risk. Likewise, if reviews of a particular risk target indicate that risk has reduced the level of reviews may be reduced and/or refocused to another risk. Inspection of installation sites may include a mix of physical visits and proxy-site visits (e.g. remote inspection by video call with resident).
 - b. A baseline of random reviews must be maintained, at a level to be agreed with the **Buyer** during Implementation, to ensure emerging or unexpected risk areas are identified and a background level of risk is assessed.
363. The **Supplier's** 'field force' used to conduct onsite reviews must have an appropriate and relevant level of skills and experience to conduct the inspections and must be employed and deployed in such a way to maximise the cost effectiveness of onsite audits, which the **Supplier** will be expected to evidence to the **Buyer**. The **Supplier** must put in place arrangements, to be agreed with the **Buyer** during Implementation, for engaging with members of the public, including processes for scheduling appointments and safeguarding procedures where vulnerable people may be present onsite.
364. The **Supplier** must implement where appropriate additional, supplemental approaches to verification of installation characteristics and eligibility to improve value for money and coverage. This could include use of TrustMark or other bodies' site audit records, homeowner conversations, etc. Desktop and Site audits must cover the 5 areas of risk (property, beneficiary/applicant, measures, installer and administration) where relevant to WH:LG and WH:SHF scheme policy. There is scope for the **Supplier** to discuss and agree with the **Buyer** other innovative and efficient checks. The **Buyer's** GMS will facilitate the documentation/storage of the outputs arising from review and audit activity at GR level.

5.3.2.1. Financial Management and Risk Control

365. The **Supplier** must conduct regular analysis of financial transactions and spend data checking for anomalies or patterns that may indicate fraud, error or non-compliance. This should include administration and ancillary (A&A) spend as well as capital spend.
- a. The **Supplier** must conduct these checks on an ongoing basis, but at least monthly, and include selecting samples of a minimum of 5% of spend for each scheme. This should include a combination of risk-based and random selections. The sample set

may overlap with the completion of works reviews set out above (i.e. a completion of work review may include a financial compliance review), but should not necessarily be constrained by it as the driver for a review may be a financial risk rather than a completion of works compliance risk.

- b. This is a distinct, but complementary to the reconciliation check detailed in Service Area 08 – Grant Spend Compliance and Forecasting. Any findings from a financial management and risk control review must be made available to the PSOs and **Supplier** Delivery team. Equally, any discrepancies found through the reconciliation exercise for both schemes, should be referred to the **Supplier's** Fraud/Compliance team to triage and investigate.
366. For WH: SHF Wave 3 only, the **Supplier** will sign off proof of delivery and conduct appropriate Due Diligence as defined in Service Area 08 – Grant Spend Compliance and Forecasting and agreed by the **Supplier** and **Buyer** (e.g. invoice matching).
 367. For WH: SHF Wave 3, The **Supplier** will be responsible for operating Scheme controls as set out in Service Area 08 – Grant Spend Compliance and Forecasting. Any adverse findings or risks must be used to drive continuous improvement commitments outlined in Schedule XX.
 368. On receipt of Batch Submissions (WH:LG) or Phase Requests (WH:SHF W3), the **Supplier** will be responsible for assuring GR controls (Please refer to Service Area 02 – WH:LG Batch Applications for more detail) have been conducted, verifying information contained through spot checks and risk-based reviews.
 369. Any adverse findings or risks must be used to drive continuous improvement GR and be reported as appropriate to the **Buyer**. Please refer to Service Area 02 - Application Process Management for further information.
 370. Where the GR has no specialist counter fraud capabilities, the **Supplier** will advise the GR on how to improve financial management and prevent losses through fraud, error and non-compliance and include these cases in the reporting to the **Buyer**.
 371. The **Supplier** must engage with GRs to assure GR Project Fraud Risk Assessments are being reviewed and updated monthly. The **Supplier** must use these to inform the whole Scheme Fraud Risk Assessment. The **Supplier** will send the updated scheme Fraud Risk Assessments to the **Buyer** at quarterly frequency as a minimum, however more frequent if any major revisions are made, including but not limited to new significant risks or controls being identified or for major amendments to risk scoring for recorded risks.

5.3.2.2. Findings from Compliance Checks

372. Where the **Supplier** finds minor discrepancies or omissions through routine reviews and/or independent assurance of the GRs fraud, error and non-compliance management

activity; the **Supplier** must record the issue and provide feedback and recommendations to the GR to enable continuous improvement.

- a. The **Supplier** must ensure that the GR will remedy any problems directly and may request the GR to produce an improvement plan within ten (10) working days where it considers the issue to be significant.

373. Where routine reviews and/or independent assurance by the **Supplier** or the GR, indicate possible fraud, errors or non-compliance, the **Supplier** must determine whether it is reasonable and without conflict of interest for the GR to resolve the issue.

- a. If the **Supplier** determines that there is a conflict of interest or that the GR lacks capability to resolve the issue, the **Supplier** must notify the **Buyer** of the Conflict of interest within one (1) working day.
- b. The **Supplier** must then provide the **Buyer** with a recommended plan to investigate irregularities/resolution and timelines within 5 working days for the **Buyer's** feedback and approval. The recommended plan to investigate irregularities/resolutions should follow the template provided by the **Buyer** during Implementation.
- c. Similarly, if the **Supplier** identifies a conflict of interest within itself, in relation to a particular case, this must also be escalated to the **Buyer** using the same process.

374. The **Supplier** will ensure thematic findings from prevented or detected fraud, error or non-compliance are reflected in all Fraud Risk Assessments and consequential controls updated. Findings could include from the monthly data reported by the GR. The **Supplier** will ensure that cases identified in the monthly GR data returns are included within the Quarterly Consolidated Data Request (CDR) Further details on CDRs are in Section 5.6.

5.3.2.3. Use of Digital Tools Provided by the Buyer

375. The **Supplier** must use digital fraud, error and non-compliance tools such as the Energy Efficiency Installation Checker ("Checker") as provided by the **Buyer**, in line with the Checker's User Access Policy.

376. The Checker can be accessed via the DESNZ IT infrastructure, and the **Supplier** will be provided with an account.

377. The **Supplier** shall use the tool for both WH: LG and WH: SHF as part of its compliance auditing regime, e.g. checking the GRs are using it and checking eligibility of installations.

378. The **Buyer** will provide the **Supplier** with guidance and training on how to access and operate the Checker during Implementation.

5.4 Investigation Management and Case Resolution

379. The **Supplier** is required to have the capability and capacity to identify and investigate suspected incidents of fraud, error and non-compliance over and above those identified and managed by GRs.
380. The **Buyer's** GMS shall provide all required functionality for incident management of fraud, error and non-compliance cases. This includes escalation of cases to the **Buyer**.
381. The **Supplier** must conduct case triage, evidence gathering, and outcome determination to resolve suspected incidents of fraud, error or non-compliance it identifies (e.g., an error that would lead to a miss-spend or incorrect or ineligible installation).
382. The **Buyer** will be responsible for oversight and assurance of **Supplier** investigations.
383. Where an investigation highlights errors or non-compliance that can be resolved, the **Supplier** must resolve the problems in a timely and effective manner to protect public funds. Corrective actions to restore funds or property should be immediate or in rapid timescales for more complex issues.
- a. Cases unresolved after thirty (30) calendar days must have a resolution plan that is agreed with the **Buyer**.
 - b. Updates on investigation timelines should be routinely provided to the **Buyer** and during the monthly technical meetings.
384. Where GR escalate cases of suspected fraud to the **Supplier**, the **Supplier** may be required to aid including, but not limited to:
- a. Additional assurance of GR policy, processes, capacity/capability.
 - b. Support the efficient and effective resolution of escalated cases, through conducting investigations and assuring decision making; and/or
 - c. Support debt recovery/sanctions (including prosecutions where appropriate)

5.4.1 Case Escalation

385. GRs are required to implement normal contract management controls and apply the controls identified in their fraud risk assessment to identify, investigate and resolve instances of fraud/error in their own supply chain.
386. If a case of fraud, error or non-compliance has occurred and has been managed by the Grant Recipient, the **Supplier** must evaluate and where appropriate provide feedback on improvements to the GR's management processes and outcomes. These cases should be included in the reporting to the **Buyer**.

- a. In addition, because of this evaluation the **Supplier** may, in agreement with the **Buyer**, undertake additional assurance of the GR's policy, processes and capability. The **Supplier** must provide updates to the **Buyer** within the monthly technical reporting cycle.
387. Cases that cannot be resolved either by a GR or by the **Supplier** must be escalated for the attention of the **Buyer** within five (5) working days. The **Supplier** must provide the **Buyer** with case details, reasons why it cannot be resolved and recommendations for next steps for discussion and agreement on those next steps with the **Buyer**.
388. Where the severity (significant value or broad threat, serious process failure or reputation risk) of a case or cases exceeds the thresholds defined by the **Buyer** during Implementation, a summary of the case(s) must be escalated to the **Buyer** within two (2) working days of the case being identified. If full details and documents are required, then these must be provided within five (5) working days of a request being made. The **Supplier** must provide the **Buyer** with sufficient detail to enable informed decision making including all necessary documents and data to allow the **Buyer** to understand and address the matter. The documentation, data and information the **Buyer** would require, includes but is not limited to:
- a. Clear reasons for escalation
 - b. GR Project name and Lead contact details
 - c. No of instances affected/potentially affected (and details of the homes/**Suppliers** if requested)
 - d. Value affected/potentially affected
 - e. Case details
 - f. Whether the fraud/error instance has been prevented/detected
 - g. Supply chain details such as installer (if applicable).
 - h. Where a supply chain issue has been identified, findings from a cross check of activity across all GR projects to determine if the issue has affected other GRs.
 - i. Process of how the **Supplier** has investigated the case (e.g. site visits, audit, forensic accounting, intel etc)
 - j. Evidence gathered through the investigation which has led to the decision to escalate
 - k. If it is a GR issue, how has the GR performed previously in relation to their DAC (WH:LG only) and fraud capability.
 - l. **Supplier** initial analysis and conclusion with recommended corrective measures and timescales for resolution.

389. Where the outcome of an investigation reveals the potential for prosecution all documents, analysis and information gathered from an investigation must be shared with the **Buyer** and/or a prosecution service provider nominated by the **Buyer**. Appropriate evidence management must be in place for all investigations to support prosecution activities if required.
390. The **Supplier** must share insights and intelligence (as appropriate) with relevant teams within the **Supplier** (e.g. Single Points of Contact, fraud and finance), the **Buyer** and all GRs as part of the Learning Community activity (Refer to Service Area 06 – GR Knowledge Management for further details) and through the PSO network, as and when they arise, and share these with the **Buyer** as part of the monthly Fraud summary report.

5.5 Sanctions and Debt Recovery

5.5.1 Debts Incurred by a GR within its Supply Chain/Sanctions Against a GR's Supply Chain.

391. GRs are responsible for recovery of debts they incur, including through losses due to fraud/error, within their administration of the scheme or within their supply chain when delivering WH:LG and/or WH:SHF.
392. The **Supplier** will be responsible for monitoring and assuring GR recovery of debt, and the **Supplier's** activity may include but not be limited to:
- a. ensuring that the GRs are following the debt recovery process outlined within their Fraud Management Plan;
 - b. ensuring the GRs are maintaining a record of the instances as well as resolution actions and reporting these instances to the **Buyer** through the monthly reporting.
 - c. maintaining a record of instances including resolution and corrective actions being undertaken by the GRs and provide details on case progression and successful recoveries in the monthly report to the **Buyer**.
 - d. provide an initial assessment to the **Buyer** of the extent to which the debt or its recovery affects the GR's ability to comply with the MoU/GFA. If an instance of debt leads to non-compliance with MoU/GFA, the **Supplier** must, within the agreed timescales, provide recommendations for the **Buyer's** approval of subsequent corrective action steps the **Supplier** should undertake.
 - e. provide an initial assessment to the **Buyer** indicating the extent to which the issue identified for the GR in question affects other GR who share the same supply chain.
 - f. Details of any additional analysis/activity (e.g. notifying GRs within WH:LG/SHF sharing the same supply chain, to conduct further investigation on the supply chain etc) that the **Supplier** recommends must be provided to the **Buyer** for approval within an

agreed timeframe; and the **Supplier** shall utilise the data gathered from the cases to generate lessons learned and inform guidance to drive continuous improvement for Schemes and the GRs.

393. The **Supplier** will be responsible for debt recovery processes for instances where the **Supplier** has assumed responsibility for investigation/resolution of fraud/error on behalf of the GR. The **Supplier** activity will include but not be limited to all activity detailed above with the addition of undertaking the debt recovery process and providing the **Buyer** with the required case and resolution information.
394. GRs are responsible for implementing administrative actions or sanctions to those within their supply chain. The **Supplier** will be responsible for monitoring and assuring GR implementation of administrative action or sanctions. This includes informing the **Buyer** on the progress and outcomes.
395. The **Supplier** will be responsible for administrative action/sanctions for any escalated cases where it takes over responsibility for investigation/resolution from a Grant Recipient.
396. The **Buyer's** GMS shall not include functionality for debt recovery processes. The **Supplier** shall make use of its own systems for this requirement.

5.5.2 Debts owed by Grant Recipients to the **Buyer** and/or Sanctions Against Grant Recipients

397. Where the **Supplier** identifies a potential debt owed by a GR to the **Buyer**, the **Supplier** must inform the **Buyer** and provide recommendations for remedial action for the **Buyer's** approval.
398. In instances of debt owed by the GR to the **Buyer**, where the **Buyer** is unable to recover the funds via clawback (as set out in the MoU/GFA), e.g. where the debt is disputed, the **Supplier** will be responsible for managing recovery on behalf of the **Buyer**.
399. The **Supplier** will be responsible for gathering information related to GR debt and providing progress updates on its recovery to the **Buyer**. In instances where the debt is mutually agreed between the **Buyer** and the Grant Recipient, e.g. because of underspend, change control, ineligible spend, and the **Buyer** can recover the debt via clawback, the **Buyer** will be responsible for the recovery. Please Refer to Service Area 08 – Grant Spending Compliance and Forecasting for information on the clawback process.
400. The **Supplier** must agree with the **Buyer** the prioritisation of debts and the approach for recovery before commencing any recovery action. The **Supplier** activity shall include but is not limited to:
- a. providing the recommended debt recovery process for the **Buyer's** approval

- b. executing the debt recovery process as agreed with the **Buyer**;
 - c. maintaining a record of instances including debt related information, resolution and corrective actions being undertaken, as well as details on progression and corrective actions successfully completed. This must be reported to the **Buyer** and included within the monthly technical meeting between the **Supplier** and the **Buyer**;
 - d. provide outcomes and recommendations for the **Buyer** to consider if further action is required by the **Supplier**;
 - e. utilising the data gathered from the cases to generate lessons learned and inform guidance to drive continuous improvement for Schemes and the GRs.
 - f. implementing administrative actions or sanctions (e.g. completion/remediation of works, suspension of future release of funds) against GRs as agreed with the **Buyer**.
401. The **Supplier** will recommend for approval to the **Buyer**, cases where prosecution may be deemed appropriate (e.g., for serious criminality).
402. The **Supplier** will develop approved prosecution cases ready for submission for prosecution to the Crown Prosecution Service, ensuring that evidential standards are in line with PACE.
- a. The **Buyer** may use other resource to progress prosecution but would require handover of an evidence file in such cases (for instance where an actor spans across multiple DESNZ grants as well as WH:SHF and WH:LG).
403. The **Buyer's** GMS system shall not include functionality for processes under this requirement.

5.6 Fraud Reporting

404. The **Supplier** must provide a monthly report, for both WH:LG and WH:SHF to the **Buyer** summarising the fraud management activities undertaken for each Scheme. The timing and format of the report will be agreed between the **Supplier** and **Buyer** during Implementation. The report must include, but not be limited to:
- a. Details of fraud analytics tests and site visits that have been carried out by the **Supplier** for that month.
 - b. Key activities and remedial actions performed by the **Supplier** to proactively prevent fraud, errors, and non-compliance and identify key themes that have arisen.
 - c. A summary of cases investigated by the **Supplier** themselves and those being managed by the GRs within their own organisation/supply chain.
 - d. Clear timescales for resolution if a case has not yet been resolved and a remedial action plan.

- e. Report on outcomes of continuous improvement activities, initiated following the identification of risks and other findings.
405. The **Supplier** is required to provide a monthly Management Information report, for both WH: LG and WH:SHF to the **Buyer**. The timing and format of the report will be agreed between the **Supplier** and **Buyer** during Implementation. The report must include, but not be limited to:
- a. the number and types of cases raised, and incidents identified and managed (e.g., through corrective actions);
 - b. values of fraud, error and non-compliance prevented and detected in total and by GR;
 - c. number and value of debt both raised and recovered as well as administrative or corrective actions taken.
 - d. a cumulative view of fraud, error and non-compliance cases that have been reported throughout the duration of the scheme.
406. Reported information must be of sufficient detail to inform delivery and, understanding and management of risk. During Implementation, the **Buyer** will agree with the **Supplier**, the level of detail required for these reports. The monthly reporting for requirements detailed above may form a singular report.
407. Any adverse findings or risks must be used to drive continuous improvement with GRs and be reported as to the **Buyer** as outlined in Service Area 06 – GR Knowledge Management.
408. The **Supplier** will be required to meet with the **Buyer**:
- a. at an agreed frequency to review performance against the fraud KPIs. Details on Governance Forums and Reports are contained in Service Area 03 – Scheme Performance and Management.
 - b. at an agreed frequency for a programme level review of headline fraud, error and compliance management activity, fraud risk assessment and outturn figures (preventions, detections, recoveries, etc.). Please refer to Service Area 03 – Scheme Performance and Management.
 - c. monthly for a technical level discussion, timing and ToRs to be agreed during implementation, of the findings of the Summary report and Management Information report and to agree the approach to addressing any emerging risks or issues.
409. The **Supplier** will send updated scheme fraud risk assessments to the **Buyer** in time for the Quarterly board, however more frequent if any major revisions are made (e.g. for new significant risks or controls coming to light for major amendments to risk scoring for recorded risks).

410. The **Supplier** must provide quarterly data returns in the template provided by the **Buyer** during Implementation to outline all instances of prevented, detected and recovered fraud/error/non-compliance that have occurred in the relevant quarter in detail. This is referred to as the Consolidated Data Return and forms part of the **Buyer's** internal monitoring arrangements.
411. The **Buyer's** GMS shall facilitate fraud reporting processes under this requirement. Responsibility for running, interpreting, and sharing reports as described in this requirement area will be with the **Supplier** to perform.

6. GR Knowledge Management and Capability Building

6.1 Introduction

412. The main mechanism by which GRs are upskilled is utilising the **Supplier's** PSO's and DAS support routes (More detail is available in Service Area 03 – Scheme Performance and Management) However, an additional method by which continuous learning is developed are the learning communities and the one-to-many learning and development (L&D) materials on the RISE website.
- a. A Learning Community (LC) is group of GRs segmented according to common delivery themes and issues, e.g. EWI Tower Blocks. The purpose of the LC is to create a community of projects, where connections are made, complex retrofit problems are discussed, and solutions are found by leveraging the learned experience of peers, industry leads, and Department experts. In addition to these benefits, the LC is designed to be a safe forum for GRs and DESNZ to collaborate, discuss concerns, and unblock retrofit delivery.
 - b. The LCs are established and maintained by the **Buyer's** contracted representative, the Technical Assistance Facility 2 (TAF2). The **Supplier** is responsible for feeding in insights to the TAF2 to aid their development of learning solutions and identify new potential LCs.
413. The **Supplier's** responsibilities with regards to the development and maintenance of LC's are:
- a. Identifying Common Themes and Issues Facing GRs. The **Supplier** must develop a methodology during Implementation, for approval by the **Buyer**, for identifying common themes and issues facing GRs to present at the Quarterly Learning Communities Triage Board. The information to be provided at the Board must include:
 - i. Details of which GRs are affected by the issue(s)
 - ii. Contact details for the affected GRs

- iii. Detail of the issue, the impact of it on delivery, and any background needed
 - iv. The size of the issue - how problematic, how widespread is it
 - v. Which scheme(s) (Warm Homes: Social Housing Fund or Warm Homes: Local Grant) does it relate to
 - vi. Which archetypes are affected
 - vii. Which funding route(s) are impacted.
- b. The **Supplier** must ensure suitably qualified and experienced representative(s) attend a quarterly LC Triage Board meeting, managed and arranged by the **Buyer's** contracted representative, the TAF2. The **Supplier** must present the insights collated by the methodology established during Implementation at the forum.
 - c. All information provided by the **Supplier** will be used by the **Buyer** and its contracted representative to develop learning solutions and identify potential LCs.
 - d. These insights will be used by the TAF2 to determine RISE L&D content to upload to the RISE website, and to establish LCs. The agenda will be set by the TAF2 but will involve an opportunity for the TAF2 to feedback to the **Supplier** on the outcome of previously agreed L&D interventions and LC discussions.
 - e. The final decision on L&D content and the structure of LC sits with the **Buyer** and TAF2, however, the **Supplier** must play an active part in Triage Board discussions, using their working knowledge to contribute towards identifying learning priorities.
 - f. The **Supplier** must also include the insights provided to the quarterly LC Triage Board as part of their update to Joint WH:SHF and WHLG Delivery Board.

6.2 Help Inboxes for Scheme GRs

- 414. The **Supplier** will provide, monitor, and operationally manage a distinct email-based customer support Help Inboxes for GRs for each scheme. Therefore the **Supplier** must ensure that WH: LG and WH:SHF each have their own individual Help Inbox.
- 415. The purpose of the Help Inbox is to allow GRs can ask questions relating to the specifics of each scheme, during the entire delivery period (i.e. from Mobilisation to GR Project Closure).
- 416. The **Supplier** must ensure that both Help Inboxes are:
 - a. Operational on every working day (Monday – Friday) between 09:00 and 18:00.
 - b. Answer by email, questions relating to (but not limited to):
 - i. Delivery and policy design of the Schemes

- ii. Legal agreements
 - iii. General administration and timelines
 - iv. Anything else that may be relevant to their Projects or the Schemes in general.
- c. Have an automated response to confirm receipt of all emails sent by GRs that outlines expected turnaround times for responses.
 - d. Have an appropriate out of office notification during weekends and holiday periods (i.e. Bank Holidays).
417. The **Supplier** must ensure that GRs direct all queries to the Help Inboxes in the first instance, and the GRs must not contact the **Buyer** directly.
418. The **Supplier** must maintain and update a regular list of contacts to ensure that queries are directed to the relevant person within the **Supplier** and **Buyer** organisational structures and escalated to the relevant Subject Matter Expert (SME) who is best placed to deal with the query. The **Buyer** will also maintain a contact list to ensure that escalations are sent to the relevant person as required to avoid a delay in answering the query.
419. The **Supplier** contact list must be a live and accessible working document between the **Buyer** and the **Supplier** and reviewed monthly to ensure that all contacts are up to date.
420. The **Supplier** is responsible for logging the query and providing answers to all the questions raised in emails to the Help Inboxes, within three (3) working days.
421. The **Supplier** is also responsible for creating a core set of Frequently Asked Questions (FAQs) and precedent log of previous issues raised by GRs for the Help Inbox Function team/responsible individual to use.
422. The **Supplier** should establish a process whereby the PSOs are sighted on all queries related to the GR Projects for which they are responsible so that they maintain full oversight of the GR project and maintain a clear audit trail. The **Supplier** should also ensure that all queries and their responses are logged on the **Buyer's** digital GMS platform as part of good record-keeping practices.
423. Questions that have been defined in the FAQs, scheme guidance, or precedents log should be logged and acknowledged by the **Supplier** within one (1) working day of receipt.
424. Where a question falls outside of these FAQs or previous precedent logs, the **Supplier** is responsible for checking the published guidance for the Schemes on GOV.uk and any other published FAQs guidance. If the query cannot be resolved at first point of contact using the information available, the **Supplier** must draft a response for the **Buyer** to

approve, send to the enquirer, and update the core FAQs document with this new response.

425. The **Supplier** should ensure that their response is drafted fully and checked for completeness at the appropriate management level before being submitted to the **Buyer** for approval.
426. The **Buyer** will aim to review and approve the **Supplier's** draft response (including checking that it has been escalated correctly to the **Buyer**) within one week of escalation, unless the query is marked as 'needing an urgent response' to the **Buyer**. If the latter is the case an appropriate timescale will need to be agreed between the **Buyer** and **Supplier** for approval.
427. Answers received from the **Buyer** must be communicated to the enquirer within one (1) working day of receipt. The **Supplier** must endeavour to provide answers to all questions within the inboxes and not direct questions to the **Buyer** when responses are clearly available in the FAQ log, published guidance, and precedent log (further detailed in Schedule 14 – Service levels).
428. Where the **Supplier** has incorrectly escalated up to a maximum of 5 responses to the **Buyer** per month, where answers are readily available to the **Supplier** in the FAQ log, published guidance, and precedents log - the **Buyer** will impose a penalty for the **Supplier** (as outlined in Schedule XX – Service Levels).

6.3 Branding, Identity and Scheme Publicity

429. The **Supplier** must Present itself to GRs as a single provider for all the Services in this Order Specification (even where the **Supplier** has formed a consortium or deployed sub-contractors). The **Supplier** is also expected to behave as one indivisible entity to GRs, the authority and its partners regardless of any internal consortia/partner division of delivery responsibilities.
- a. Ensure that GRs can identify all staff that are working for the **Supplier** to demonstrate uniformity in delivery,
 - b. Use agreed joint branding (**Supplier** and **Buyer**) on any correspondence or publicity including press releases relating to Services, as outlined in *Annex XX – Branding and Communications Guidance*.
 - c. Only use the **Buyer's** logo in connection with the Services with the approval of the **Buyer**.
430. Approval for all scheme publicity will be managed by the **Buyer**. The **Supplier** will not publish any material referring to the Schemes or the **Buyer** without prior written agreement of the **Buyer**. The **Supplier** must:

- a. Acknowledge the **Buyer** in any communications materials that refer to the Schemes and in any written or spoken public presentation's about WH:SHF or WH:LG. Such acknowledgments (where appropriate or as requested by the **Buyer**) shall include the **Buyer's** name (or any future name or logo adopted) using the materials provided by the **Buyer**.
- b. Re-direct all requests from the GR or other third parties to the **Buyer's** Communications Team for all site visits, reports, statistics, photographs/videography, case studies, and any other information or publicity materials relevant to the Schemes.
- c. Provide the **Buyer** with any materials related to GR Projects and/or generated through site visits, including reports, statistics, photographs/videography, and case studies, when commissioned by the **Buyer**.
- d. Ensure the relevant consent is obtained for visits, photographs, videography, and case studies prior to submitting to the **Buyer** for approval.
- e. Be proactive in raising trending topics and themes with the **Buyer**, highlighting this intelligence to the **Buyer** as part of the monthly review boards within the board papers.
- f. Ensure that the **Buyer's** mailbox is included within the distribution list of communications sent to GRs by the **Supplier** so that they the **Buyer** is aware to avoid duplication.

7. Technology, Data Collection, Visualisation, and Reporting

431. This Section outlines the **Supplier's** role in collecting, processing, and reporting data from GRs about the Schemes. It also covers expectations around the use of the **Buyer's** digital Grants Management System (GMS) to support the effective delivery of the contract.
432. The **Buyer** will provide access to a Data Management System (DMS) which will be used by GRs and the **Supplier** to collect, process and report data about the Schemes.
433. The **Buyer** will provide a cloud-based Grants Management System (GMS) System which will be used by both the **Buyer** and **Supplier** to record and monitor day-to-day interactions with Grant Applicants and Grant Recipients.
434. The **Supplier** is required to support GRs in how to use all data management and reporting systems to ensure that project data is accurate and submitted on time each month to provide an accurate overview of overall Scheme and individual GR Project performance.
435. The **Buyer** is responsible for training the **Supplier** in how to use all systems and this is expected to take place primarily from the contract implementation period onwards. The

Supplier must then take that learning forward to support GRs in how to use all relevant data management and reporting systems. The **Buyer** is not responsible for directly training GRs on the data management and reporting systems, beyond the initial training of the **Supplier**.

436. The **Buyer** will also provide the technology for the **Supplier** to manage the Automated Batch Solution for the WH: LG Scheme to manage the Batch Submissions and Payments. Roles and responsibilities regarding these solutions are set out in Service Area 02 – WH: LG Application Process Management.
437. Access to personally identifiable information will be restricted to **Supplier** personnel conducting Data Quality Assurance or fraud checks in line with the General Data Protection Regulation (GDPR) Data Minimisation Principle. Please refer to Joint Schedule XX (Processing Data) for further information on GDPR requirements.
438. The **Buyer** and the **Supplier** acknowledge that for the purposes of the Data Protection Act 2018, the **Buyer** is the Data Controller, and the **Supplier** is the Data Processor of any Personal Data. Details of the parties' obligations are set out in Joint Schedule XX (Processing Data).
439. The UK General Data Protection Regulation (UK GDPR) requires that organisations that collect and process personal data from individuals must provide detailed and specific information in their privacy notices.

7.1 DESNZ Data Management System (DMS)

440. The **Buyer** will provide a Data Management System (DMS) to the **Supplier** which will be used by GRs to submit monthly data return containing information about their GR Projects. The **Buyer** will be responsible for ensuring the system will be available to the **Supplier** to access via a login system that is accessible 24 hours a day and 7 days a week.
441. The **Supplier** is responsible for ensuring all GR Projects support a monthly data return in arrears by the 10th working day of every calendar month. The monthly data return provided by each GR must cover the period from the first to last day of the month, on or before the 10th working day of the subsequent month.
- For example, the GR data return covering the delivery period of 1 - 31 May 2025 will be required to be submitted by the 10th working day of June 2025.
 - Monthly GR data returns will contain data as specified within the Data Dictionary for each Scheme (Data Dictionaries are contained in *Annex XX*).
 - GRs are mandated to provide this information as per their WH:LG MoU or WH:SHF GFA. Automatic reminders to GRs will be handled by the **Buyer's** Data Management System. **Supplier** obligations to chase GRs beyond these reminders are set out in Section 7.2.1.1

442. The data, derived from the monthly GR data returns, will be stored within the DMS for the **Supplier** and **Buyer** to use for reporting, monitoring and analysis purposes.
443. The **Supplier** will present this data in a format to be agreed with the **Buyer** during Implementation and will include reports, slide decks and configured performance data dashboards for the **Buyer** to visualise the data in a consistent format using the **Buyer's** own DMS functionality.
444. The **Supplier** will share data and reports with the **Buyer** monthly as outlined in Section 7.2.1.
- a. The **Buyer** expects indicatively that the **Supplier** will need to conduct adhoc reporting up to twice per month using the DMS data reporting tool, however this is not guaranteed as our expectation is around this.
445. It is the responsibility of the **Supplier** to raise technical issues with the **Buyer** regarding the functionality of the DMS as detailed in Section 7.3.5.
- a. These queries will be escalated via the IT Helpdesk or via the DMS (functionality depending). Technical issues will be prioritised by the **Buyer**, to minimise impact with query resolutions communicated back to the **Supplier** by the **Buyer** as per the IT Helpdesk process.
446. The DMS will validate data upon entry to ensure data is submitted in the correct format and will not allow an upload to be completed without all data fields entered. The **Supplier** will still be expected to perform Data Quality Assurance (DQA) each month for every project.
447. The DMS will also allow the **Supplier** to submit the outcome of Delivery Confidence Assessments (DCAs) of each Project, which can be viewed by the **Buyer** on the DMS. Further detail on DCAs is contained within Service Area 03 – Scheme Performance and Management.
448. The DMS will also have functionality for the **Supplier** to add and amend project baseline information during the lifespan of the Schemes. The **Supplier** must use the DMS to add and amend project baseline information in line with Project Baseline Data Section as outlined in Section 7.2.1 Project Baseline data.

7.1.1 DMS Training

449. The **Buyer** will train the **Supplier** on the how to use the DMS via a series of videos and user guides to manage the projects using the DMS:
- a. Training will take place during implementation and is expected to take XX hours per PSO, and the **Buyer** will sign off the **Supplier's** ability to use the DMS following completion of the training and completing a checklist of requirements.

- b. The **Buyer** will host initial drop-in sessions for the **Supplier** to answer ad-hoc queries or issues relating to the DMS and the reporting process. Any documentation necessary to support these drop-in sessions will be provided to the **Supplier** by the **Buyer** and maintained by the **Buyer**.
450. Onboarding packs will be provided to GRs by the **Buyer** during GR mobilisation, which will outline the GR reporting process and expectations:
- a. The **Buyer** will host initial workshops for GRs prior to commencement of GR delivery, as this is expected to commence before the **Supplier** is onboarded. These workshops will include content on how to use the DMS to submit reports.
 - b. However, the **Supplier** is responsible for providing ongoing support and training for GRs once mobilised as part of the monthly PSO engagement.
451. The **Supplier** must host monthly drop-in sessions to resolve GRs queries and listen to proposed improvements and suggestions from GRs as part of continuous improvement activities outlined in Section 7.2.4.

7.1.2 DMS Data Collection

7.1.2.1. Grant Recipient Monthly Data Returns

452. The DMS will have functionality to add and update the baseline data. At the point of Implementation, most GR baseline data will have already been uploaded to the DMS.
453. The **Buyer** will upload GR baseline data when onboarding GRs to the DMS. In exceptional circumstances, where Baseline data has not already been uploaded as part of scheme mobilisation, it is expected that the **Supplier** will complete this using the GRs application or Expression of Interest information.
454. For WH:SHF Challenge Fund GRs, a baseline will be required for each phase of delivery, which will accumulate on the system to provide the overall project data. The **Supplier** is required to add the phase baselines to the DMS for each project following an approved Phase Request (Further Detail on Phase Requests is in Service Area 2.1 – WH:SHF Phase Requests).
455. When a GR submits a project change request (PCR), if the PCR is approved, the baseline data must be updated by the **Supplier** to reflect the approved change, within two (2) working days of the decision being made. (Further Detail on Change Requests is in Service Area 04 – Change Control.)
456. The **Supplier** must ensure that the **Buyer's** DMS is the only system used for the recording of project baselines to ensure accurate reporting to the **Buyer** and is maintained as the 'single source of truth' data point.

457. The **Supplier** is responsible for ensuring that GRs use the DMS to submit required project data in accordance with the Service Level Agreement detailed for the Scheme, ensuring it is provided to the **Buyer** within 10 working days of reporting month end and meets the Data Dictionary requirements set out for each Scheme (see *Annex XX – Data Dictionary*).
458. If the Grant Recipient fails to do this, then automatic email reminders will be sent by the DMS to the Grant Recipient in the first instance. The **Supplier** is responsible for all reminders to Grant Recipients beyond the first automatic reminder and for documenting their prompts (using the **Buyer's** DMS solution) to Grant Recipients to provide the missing submission to ensure compliance in accordance with triggers detailed in the Memorandum of Understanding (MoU) and Grant Funding Agreement (GFA) as applicable. The **Supplier** is required to enforce these triggers and report any outstanding reports monthly to the **Buyer** at the monthly Review Board.
459. Where the **Supplier** is unable to assist the Grant Recipient with reporting and data validation issues, this must be escalated to the **Buyer** immediately to minimise disruption to the reporting process and the publication of **Buyer's** Official Statistical releases.
460. Reports must be submitted by the GRs for the duration of the scheme (from the time that grant funding is awarded), or until the GR has submitted the required data for each installation delivered under the terms of the GFA or MoU. Reporting expectations will continue beyond scheme end, throughout scheme closure and exit.

7.1.2.2. Self-Conducted Evaluation Data – WH:SHF.

461. In addition to the monthly data GRs must provide on delivery progress, as detailed above, GRs are required to submit data on self-conducted evaluation once per year. This data submission is mandatory for Grant Recipients in Strategic Partnerships, and Grant Recipients in the Challenge Fund can opt-in at application stage to provide this data.
462. During mobilisation, the **Buyer** will provide a full list of GRs that will be subject to this reporting requirement to the **Supplier**. The GR will submit this data via the DMS as detailed above.
463. The submission of this data is required by the 10th working day of the 1st month of Q4, in line with the Strategic Partner yearly review (As Outlined in Service Area 03 – Scheme Performance and Management).
464. The **Supplier** is responsible for ensuring that GRs are aware of the deadline for this data submission and must send written reminders to all GRs on the 1st working day of the month. If appropriate, this communication should be combined with other scheduled communication to Grant Recipients to avoid information fatigue.
465. The **Supplier** is required to quality assure the data, as detailed in the Section below. This should be undertaken as part of the monthly GR Data Return quality assurance. The **Supplier** is not required to critically assess this data.

7.1.3 Data Quality Assurance (DQA)

466. Data integrity is a key priority for the Schemes. The **Supplier** is responsible for quality assuring the data provided by GRs to ensure that it is complete and validated to allow for Scheme Performance activities to be carried out in line with Service Area 03 - Scheme Performance and Management. The data is also integral to allowing the **Buyer** to fulfil their commitments. The **Buyer** also has a responsibility to publish official statistics for each Scheme on GOV.UK monthly and will use the data for tracking and monitoring of benefits for benefits realisation.
467. The **Supplier** is responsible for ensuring that the data submitted by the GRs within their GR Monthly Data Return is complete and accurate. This will be achieved through regular communication with the GR during the monthly reporting period. Conversations regarding data submission deadlines and quality of data will form an integral part of the monthly meetings held between the **Supplier** and the GR as per the PSO obligations.
468. The **Supplier** will use the **Buyer** provided DMS to conduct Data Quality Assurance. The DMS will allow the **Supplier** to review the GR Monthly Data Return, see if the Return was submitted on time, and see a cumulative view of all reported data to see month-on-month progress.
469. The **Supplier** is required to check the completeness and quality of the data provided by the GR in the GR Monthly Data Return that is submitted by the GR to the DMS within five (5) working days of the GR reporting window closing.
470. All outputs and outcomes of Data Quality Assurance activity must be recorded and stored on the digital GMS platform provided by the **Buyer**. The **Buyer's** GMS platform will facilitate the **Supplier's** Data Quality Assurance processes. These checks must include but are not limited to:
- a. Assessing and identifying anomalies and outliers in project Key Performance Indicators, Milestones, Spend and Risks/Issues
 - b. Assessing Grant Recipient progress against their baselines and escalating if serious divergence is or looks likely to occur outside tolerances agreed with the **Buyer**
 - c. Ensuring that project updates and risks are written in language that can be clearly understood by the **Supplier** without need for further clarification.
 - d. Identifying and logging issues with the DMS data validation rules and escalating to the **Buyer** within two (2) working days of submission to rectify quality.
 - e. Quality assuring and highlighting any discrepancies to the Grant Recipient.
471. Where issues with the data have been identified by the **Supplier**, the **Supplier's** PSO must produce a GR Data Quality Report to discuss with the GR at their monthly meeting,

outlining any areas required for improvement. The report must provide a summary to show where errors have occurred in relation to:

- a. Completeness of report
- b. Timeliness of submission
- c. KPI data
- d. Homes data
- e. Fraud data
- f. Risk data
- g. Property data
- h. Measure data
- i. Installer data

472. Where the Data Quality Assurance activity carried out by the **Supplier** has shown that the data provided by the GR is not correct, the **Supplier** must contact the Grant Recipient within one (1) working day of completing the DQA, highlighting the data discrepancies and working with the GR to resolve & resubmit them within two (2) working days. The **Supplier** must ensure that the GR understands each of the data requirements, as specified within the data dictionary, that they are expected to provide within the monthly GR data return to avoid repeated errors.

473. In line with the requirements of Service Area 03 - Scheme Performance and Management Section, and to support timely and meaningful monthly meetings and Delivery Confidence Assessment work, The **Supplier** must keep a record of the data discrepancies that are identified each month and monitor trends to ensure that there is a month-on-month improvement in the quality of the monthly report submissions. If the trend does not improve the **Supplier** must provide continued support to the GR to improve the accuracy of their monthly reporting.

474. The **Supplier** is required to provide an overview of data quality across all Grant Recipients to present to the **Buyer** at the monthly Review Board for each Scheme. The **Supplier** must provide the **Buyer** with a summary report to show:

- a. How many reports were submitted on time and required no resubmission following Data Quality Assurance.
- b. How many reports required changes and resubmission following Data Quality Assurance from the **Supplier**, and of these, the number of GRs who have been required to resubmit reports on multiple occasions

- c. The issues with reports that meant they had to be resubmitted, ranked by commonality
- d. The number of GRs who submitted reports late, and any Grant Recipients who submitted reports late multiple months in a row
- e. The number of GRs who have not submitted reports, and the reason why.

475. The **Supplier** is also required to reconcile the data in the Property & Measures area of the DMS every quarter, as part of the evidence checking in line with Service Area 03 - Scheme Performance and Management.

- a. The TrustMark API will gather data on lodgements created by the GR relating to each property using the address lists provided. The **Supplier** is responsible for quality assuring that this data matches the reported KPI data in the 'Actuals' tab. This can include but is not limited to:
 - i. Confirming the number of addresses matches the number of homes to be completed
 - ii. Confirming the total number of homes within each KPI matches the relevant total number of data fields completed for the TrustMark evidence, using the KPI Evidence Table (Please see *Annex XX – KPI Evidence Table*)

476. For Wave 3 of WH:SHF, Challenge Fund GRs will be splitting their projects into Phases, which will be submitted and approved via the Phase Request Process. Further details on Phase Requests Service Area 02 – WHF:SHF Phase Requests.

- a. The **Supplier** is expected to ensure all KPI evidence has been supplied from the GR, via the TrustMark API and direct input, before a phase can be closed out.

477. 12. All activity relating to Data Quality Assurance is a mandatory reporting requirement for the **Supplier**. Scheme and project level information must be available to the **Buyer** and provided by the **Supplier** monthly. The **Buyer** expects that the **Supplier** may need to conduct ad hoc reporting up to twice per month using the DMS data reporting tool.

7.1.4 Using the DMS for Reporting GR Monthly Progress to the Buyer

478. A comprehensive list of reports required of the **Supplier** can be found in Service Area 03 - Scheme Performance & Management.

- a. The **Supplier** will use the DMS to view the monthly scheme delivery data provided by the Grant Recipient and to create reports for the **Buyer**. The **Supplier** will share data and reports with the **Buyer** on a monthly basis at minimum.
- b. In conjunction with Service Area 03 - Project Performance and Management, the **Supplier** is required to submit a Scheme Performance report for each Scheme to the **Buyer** each month for use at the monthly review Board. The purpose of the report is to provide the **Buyer** with a full overview of the performance of each project against

the agreed project baselines and Key Performance Indicators, as well as to escalate any issues to the **Buyer**. The **Supplier** must supplement data with the knowledge and insight gained through regular engagement activities.

- c. In conjunction with the Service Area 08 - Grant Spending, Compliance and Forecasting specification, the **Supplier** must use DMS project data to produce a monthly financial forecast to accompany the Scheme Performance Report to reflect the impact of Grant Recipient performance, measured against agreed baselines and Key Performance Indicators, showing progress against targets and limits, for example ancillary spend breaches, cost cap trends, as well as projected activity that is in the pipeline.
479. The **Supplier** must use DMS project data to maintain a holistic view of risks and issues across multiple GR and encourage collaboration amongst PSOs to identify where action may be appropriate to address these risks and issues more broadly across the scheme(s).
480. For WH: LG only, the **Supplier** must maintain a central database of landlords receiving upgrades through the scheme, derived from the GR monthly data returns.
- a. The **Supplier** must monitor upgrades at a national level to ensure that landlords do not receive more support than they are entitled to under the '1 fully funded home per landlord rule' (applicable to WH:LG only).
 - b. Where more than one home owned by a single landlord receives WH:LG upgrades in different GR areas, the **Supplier** must notify the relevant GRs and ensure that no more than one home upgrade is fully funded per landlord.
 - c. The database must be stored on the **Buyer's** digital GMS platform.
481. For WH: LG, once a project is in delivery, the **Supplier** must use scheme delivery data to report monthly on trends observed in upgrades to homes, highlighting trends at a project and national level relating to policy parameters. This must include:
- a. Private Rented Sector:
 - i. Uptake
 - b. Income Eligibility:
 - i. Household eligibility pathway used (IMD, Means-tested benefits, or income).
 - c. Tenure/heating type:
 - i. Off gas grid / on gas grid percentage/starting fuel type
 - ii. Number of park homes treated, and as a proportion of total
 - iii. Number of social homes treated, and as a proportion of total.
 - d. Measures and Costs:

- i. Top 5/Top 10 measures installed, with data if requested on all measure categories.
- ii. Measure prices – all measures, including those under price limits and those not under price limits.
- iii. Regarding price limits, the **Supplier** must work under instruction of DESNZ if any Grant Recipients require support to meet price limits by project closure.
- iv. Additional capital spent per home (e.g., non-measure related capital costs such as PAS. Trustmark lodgement).
- v. Total capital funding per home.
- vi. Clean Heat deployment.
- e. Cost Caps:
 - i. Average spend per home relative to energy performance and low carbon heating cost caps
- f. Re-treatment of properties,
 - i. Number of properties which have previously received funding from Home Upgrade Grant 1 or 2 (HUG1/HUG2) or Local Authority Delivery 1, 2 or 3 (LAD1/LAD2/LAD3) schemes.
 - ii. For properties that have previously received treatment under HUG or LAD, using appropriate data to identify whether they have been treated to the right level, and working under instruction of the **Buyer** to take further action should this not be the case.

7.1.5 Validation, Review and Sign Off of Scheme Monthly Performance Reporting

482. The **Supplier** is required to meet with the **Buyer** one week prior to the Monthly Review Board to ensure that the project data and Scheme Monthly Performance Reporting meets the standard agreed between the two parties.
- a. The **Supplier** will ensure that the Scheme Performance Report highlights the KPIs set out in the MoU and GFA for both schemes and will be programmable to focus on specific key metrics as required by the **Buyer**.
483. The **Buyer** will quality assure the Scheme Performance Reporting and identify any gaps or clarifications required. The **Supplier** must address these and make any changes requested by the **Buyer** within two (2) working days of the final sign off date that has been agreed with the **Buyer**.

484. The **Buyer** reserves the right to conduct a quarterly review of the data, analytics and reports provided by the **Supplier**, sharing feedback and suggested improvements for the **Supplier** to implement within one (1) calendar month of the review to ensure that the reporting remains fit for purpose for each Scheme.

7.1.6 DMS Maintenance, Continuous Improvement, Feedback, and Learning

485. The **Supplier** is responsible for keeping records of and escalating individual requests or suggestions regarding the DMS functionality from the **Supplier** organisation and GRs to the **Buyer** to support continuous improvement.

486. The **Buyer** is responsible for implementing system updates to the DMS and communicating those changes to the **Supplier**. The **Supplier** is responsible for communicating all updates that effect GRs utilising the PSO network.

487. The **Buyer** is responsible for implementing fixes to the DMS and these will be prioritised based on severity, to help minimise disruption to the delivery of the schemes.

- a. DMS issues raised by the GRs will be escalated by the **Supplier** to the **Buyer** via the IT Helpdesk Function.
- b. Fixes implemented to the DMS will be communicated to the **Supplier** by the **Buyer**.
- c. Data quality issues or reporting improvements requested by the **Supplier** as part of continuous improvement must be submitted to the **Buyer** in the minimum standard of Business Analyst prepared User Stories format:
 - i. As (profile role).
 - ii. I want (a description of the issue being addressed or new opportunity).
 - iii. So that (Expected provision - i.e., fault to be addressed or new functionality to be released).

488. As specified within Service Area 03 – Scheme Performance and Management, The **Supplier** shall seek the continuous improvement of the technology systems so that they meet the needs of the Schemes and remain fit for purpose. This will entail tailoring, adapting and managing the technological pieces to incorporate and achieve specific Scheme objectives based on feedback from users throughout the Schemes.

489. The **Supplier** will also be responsible for data collection and storage, working with the **Buyer** to ensure minimal disruption to the Grant Recipients when system maintenance is taking place.

490. Where the **Supplier** is the creator of data, the **Supplier** is wholly responsible for providing timely and accurate data, ensuring reports are based on the latest approved data sets

and approved processes for each data system. The **Supplier** should take particular care to ensure that all interactions and information relating to a GR is recorded in the correct format and without duplication. Where errors or omissions are found in data created by the **Supplier**, the **Supplier** should fix, restore, improve, or reprise the data so that it can be analysed by the **Buyer**.

7.2 Grants Management System (GMS)

491. The **Buyer** will provide a cloud-based system to support the administration of grant funding and the management of grant recipient interactions. This system is under development under the working name 'Grant Management System (GMS)'.
492. The **Buyer's** requirements (Schedule 20) clearly set out where its various service and process requirements are to be serviced by functionality provided under the **Buyer's** GMS. The **Supplier** must utilise the GMS provided and may not use its own solutions without the expressed permission of the **Buyer**. Where the **Buyer's** requirements do not clearly set out that the **Buyer's** GMS shall facilitate the delivery of certain service/process areas, the **Supplier** is expected to use commercial off-the-shelf (COTS) solutions. It is anticipated that the **Supplier** will make use of COTS for general administration tasks associated with the delivery of the services.
493. The **Supplier** will be required to collaborate with the **Buyer** during the Implementation period to refine the GMS based on the **Supplier's** specific requirements and feedback.
- a. This collaboration will ensure the GMS fully supports the **Supplier's** operational needs and aligns with its work on bespoke Standard Operating Procedures and associated process maps for delivery of the Order Contract.
 - b. Collaboration from the **Supplier** is anticipated to include suitable resources such as Project Management (to coordinate between the delivery partner and the Department, manage timelines, and ensure that all requirements are communicated and met) , Business Analyst (to gather and analyse requirements from the delivery partner's perspective, document business processes, and ensure that the GMS system aligns with their operational needs), and user representatives (to provide expertise on how the GMS will be used in practice, ensure that the system is user-friendly and meets the delivery partner's needs).
 - c. The **Supplier** shall also participate in any required User Acceptance Testing to ensure that development work on the GMS meets all functional requirements.
494. The **Buyer's** GMS is a Salesforce solution that the **Supplier** will require standard internet connectivity to access. Specific connectivity and network security requirements will be documented in *Annex XX - Implementation Plan*.

495. The **Buyer** shall grant individual licences to the **Supplier's** employees. The **Supplier** is responsible for ensuring that access to the GMS is granted on a need-to-know basis. The **Supplier** must advise the **Buyer** within two (2) working days where individual employee access requirements cease, for example if individuals leave the business or are moved to different areas of work.
496. The **Supplier** must ensure all staff are adequately trained in the use of the GMS system. The **Buyer** shall provide initial rounds of training at the point at which GMS functionality is ready for deployment to the live delivery environment. The **Supplier** shall take on responsibility for any further training responsibilities beyond the **Buyer's** initial training. This shall include any training workshops and the production of any training materials necessary to train its staff in the use of the GMS.

7.3 WH:LG Automated Batch Solution (ABS)

497. The **Buyer** will provide a digital cloud based Automated Batch Solution (ABS) for the **Supplier** to use to carry out all functions and processes associated with WH:LG Batch Submission as detailed Service Area 02 – WH:LG Batch Submission.
498. The **Supplier** will require standard internet connectivity to access the ABS. Specific connectivity and network security requirements will be documented in *Annex XX - Implementation Plan*.
499. The **Buyer** shall grant individual licences to the **Supplier's** employees. The **Supplier** is responsible for ensuring that access to the ABS is granted on a need-to-know basis. The **Supplier** must advise the **Buyer** within two (2) working days where individual employee access requirements cease, for example if individuals leave the business or are moved to different areas of work.
500. The ABS system will be fully developed and tested by the **Buyer** prior to **Supplier** Implementation.
501. The **Supplier** must ensure all staff are adequately trained in the use of the ABS system. The **Buyer** shall provide initial training for the **Supplier** on how to use the ABS via a series of blogs, videos and user guides on how to manage the projects using the ABS. This will include an initial drop-in session for the **Supplier** to enable them to ask ad-hoc queries or issues relating to the ABS.
- a. The **Buyer** will sign off the **Supplier's** ability to use the ABS following completion of the training and completing a checklist of requirements.
502. The **Buyer** will train GRs on how to use the ABS via a series of blogs, videos and user guides. The **Buyer** will also host initial workshops for GRs on how to use the ABS to submit batches, but the **Supplier** is responsible for providing ongoing support and

training for GRs once mobilised as part of the regular engagement processes (Refer to Service Area 03 – Scheme Performance and Management).

- a. The **Supplier** must host monthly drop-in sessions to resolve GRs queries and listen to proposed improvements and suggestions from GRs

7.4 Resolving Technical and System Issues

503. The **Buyer** is responsible for the maintenance of all digital systems. As a result, the **Buyer** owns the relationship with any third party system providers and will be responsible for the escalation and resolution of technical issues from the **Supplier**.
504. The **Supplier** will act as the first point of contact to triage technical issues raised by the GR relating to the technology provided by the **Buyer**. The **Supplier** must provide support to the GR to resolve the issue if the issue is a result of GR user error.
505. Where there is a system issue that cannot be resolved by the PSO and the GR, the **Supplier's** PSO must escalate the issue to the **Buyers** IT Helpdesk to resolve within one (1) working day of receipt.
 - a. The **Supplier** must use the **Buyer's** digital GMS platform to log technical issues, incidents and queries and assign a ticket for the **Buyer** to prioritise, assign and track the issues through to resolution.
506. The **Buyer** is responsible for implementing fixes to the ABS and these will be prioritised based on severity, to help minimise disruption to the delivery of the schemes and to ensure that any issues impacting the submission of the GRs monthly reports are prioritised.
507. Where applicable, the **Buyer** must notify the **Supplier** of all planned system development work and maintenance at least two (2) calendar weeks prior to the scheduled work and ensure that the impact to the GR and delivery of the Schemes is minimal.
 - a. There may be a requirement for the **Supplier** to ensure sufficient manual workarounds in place where technology is not available.
508. The **Supplier** will work with the **Buyer** and Grant Recipient to continuously improve the technology systems as required so that they meet the needs of the Scheme and is fit for purpose. This will entail tailoring, adapting and managing the technological pieces to incorporate and achieve specific Project objectives based on feedback from users throughout the Scheme.

8. Grant Spending Compliance and Forecasting

8.1 WH:SHF W3 Financial Overview

509. The **Supplier** is responsible for ensuring all GRs comply with the Scheme's spend conditions and processes for the progressive spend of full forecast funds for each financial year. For WH: SHF Wave 3, this is inclusive of both Grant and Co-funding.

510. The Scheme's spend conditions will be provided to the **Buyer** during Implementation. Spend is as per the grant funding allocation figures and co-funding contributions committed to in their Grant Funding Agreement (GFA) and Grant Offer Letter (GOL), pending any agreed updates, approved change requests (as specified in Service Area 04 - Change Control), or for Challenge Fund only, approved phase requests (as specified in Service Area 02 -WH:SHF Phase Requests). Through the day-to-day engagement and check-in sessions that Project Support Officers (PSOs) will conduct with Grant Recipients (as specified in Service Area 03 - Project Performance and Management), the **Supplier** must:

- a. Advise and proactively support GRs, as per the **Supplier's** responsibilities as set out in the Service Area 03 - Project Performance and Management, on managing their grant and co-funding spend against the agreed baseline and scheme policy, the financial forecast (annual and monthly, grant and co-funding), drawdown request, payment and reconciliation and evidence checking processes set out by the **Buyer**. For any GR queries or concerns, the **Supplier** shall deal with these using the Help Inboxes detailed in Service Area 06 – GR Knowledge Management.
- b. Advise GRs on the impacts of failing to comply with the above processes, and that failing to eligibly spend forecast funds within a given allocated financial year may lead to altogether loss of the funds, seeking GR confirmed understanding and escalating any feedback for notification to the **Buyer**.
 - i. Grant funding is allocated per financial year, and HMT mandates any funding that is allocated to a financial year and is not spent within the financial year allocated must be returned and cannot be transferred between financial years.
 - ii. The **Supplier** will provide updates to the **Buyer** on actual and forecasted spend (grant and co-funding) as part of the Performance and Management Forums as detailed in the Service Area 03 -Scheme Performance and Management.
 - iii. The **Supplier** must support and work with GRs that are facing challenges on spending funds within the allocated financial year to identify and implement resolutions, in line with the Change Control by exception (Refer to Service Area 04 - Change Control for further details).

- c. On occasion, there may be a requirement for the **Supplier** to issue communications to GRs in situations where either the **Buyer's** financial processes change, or where there is a need to issue clarifications on processes to all grant recipients. Communications issued to GRs must be clear, accurate and timely, as instructed and signed by the **Buyer**, this includes but is not limited to:
 - i. Ensuring communications have a purpose, including any context, and the proposed outcomes of the communication.
 - ii. If action is required from a GR, that this expectation is included in the communication and the process and timelines for action is detailed.
 - iii. A schedule, as defined by the **Buyer**, of planned communications or guidance is provided to the GR. In instances of ad-hoc communications or guidance not included in the schedule that require action from a GR, the **Supplier** must set out the expectations and timelines for actioning and support the GR in achieving this.
 - iv. Any identified gap, contradiction, or ambiguity is escalated to the **Buyer** for clarification within one (1) working day. The reporting of all escalations may, if agreed between the **Buyer** and the **Supplier**, be reduced to a proportionate escalation approach, which is also to be agreed between the **Buyer** and the **Supplier**.
- d. Utilise the **Buyer's** digital GMS solution for receipt of payment drawdown request forms from GRs.
- e. Review, and query GRs' financial forecasts (both Grant and Co-funding), and support and advise GRs on resolving any discrepancies and improving financial forecasts, as per the process outlined in this Service Area.
- f. Process and send to the **Buyer** all drawdown requests submitted to the **Supplier** from Grant Recipients within the agreed timelines set by the **Buyer** as outlined in Section 8.1.1: Payment Claim Process.
- g. Utilise the **Buyer's** digital GMS solution to track all monthly drawdown requests submitted to the **Supplier** from GRs, ensuring that the system records all required information as set by the **Buyer**. This required information should include, but is not limited to:
 - i. drawdown status
 - ii. total grant funding allocated
 - iii. number of claims
 - iv. date of claims
 - v. confirmation that at least one claim has been submitted per quarter, and associated Phase (where applicable).

- h. The **Supplier** must utilise the **Buyer's** digital GMS system to provide a report to the **Buyer** on the status of all GR drawdown submissions at set points as outlined in Section 8.1.1: Payment Claim Process.
- i. Critically assess GRs' financial forecasts, drawdown requests, and payment receipt confirmations to ensure these align with expected figures for the period, as per financial forecasts, and align with the reported delivery for that period, as detailed in Section 8.1.2.
 - i. The **Supplier** must query any discrepancies and proactively engage with the GR to resolve any identified discrepancies through regular engagement PSO with Grant Recipients (Please refer to Service Area 03 - Scheme and Performance Management)
- j. Notify GRs in writing of the outcomes of their drawdown request at each stage from receipt of the request through to the payment of the request, within the agreed timelines set by the **Buyer** and defined in Section 8.1.1 Payment Claim Process.
- k. Proactively support and advise GRs whose drawdown request has been identified as not meeting the criteria of the critical assessment as detailed below.
- l. Submit a payment recommendation to the **Buyer** following the receipt and critical assessment of grant drawdown requests, within the agreed timelines and in the agreed format set by the **Buyer**.
- m. Review GRs' cumulative spend (grant and co-funding) throughout the financial year, advising GRs against the back-loading of grant drawdown requests to the end of the financial year and reminding them of their requirement to submit at least one drawdown request per quarter. This advice should form part of the day-to-day to engagements with GRs (as specified in Service Area 03 – Scheme Performance and Management). If at the end of a quarter, GRs have not submitted a drawdown request, the **Supplier** must escalate this to the **Buyer** at the next available quarterly reporting point, as detailed in Service Area 03 – Scheme Performance and Management.
- n. Carry out sampled and/or full Evidence Checks on GR spend, including both Grant and Co-funding, as detailed in Section 8.1.4 and 8.1.10.
- o. Advise and support GRs to submit the required evidence, giving feedback to GRs if the evidence is or is not acceptable against criteria to be agreed between the **Buyer** and the **Supplier** during Implementation.
 - i. If the evidence is not acceptable, advise GRs what they must submit for the evidence to satisfy the requirements and work with them to ensure this is submitted to the **Supplier**.
- p. The **Supplier** must ensure that all staff have responsibility for being vigilant to fraud and error and to report any suspected incidents to their fraud team for appropriate

action. Please refer to Service Area 05 - Fraud, Error, and Non-Compliance Management for more details.

8.1.1 Payment Claim Process

511. The **Buyer** will be responsible for making payments directly to Grant Recipients. The **Buyer** will manage and store the required data and information for this process. The **Supplier** shall provide the necessary information required by the **Buyer** for payment to be made to Grant Recipients.
512. The **Supplier** must proactively support GR with the Grant payment drawdown process as part of the support requirements specified in Service Area 03 - Project Performance and Management.
513. The payment process is as follows:
- a. On the 10th working day of each month, Grant Recipients who want to make a claim must submit a grant drawdown request to the **Supplier** covering project spend which has been incurred up to and including the following month (and not yet paid out by the **Buyer**).
 - b. The grant drawdown request is reviewed and critically assessed by the **Supplier** against the submitted monthly report, using success criteria to be agreed between the **Buyer** and the **Supplier** during Implementation. This will include but is not limited to:
 - i. all fields being complete
 - ii. grant amount not exceeding total for the year
 - iii. grant amount in line with expected delivery for the claim period
 - iv. grant amount in line with approved phase request, or within limit if outside of approved phase request.
514. Following the critical assessment, the **Supplier** will compile the payment list to be provided to the **Buyer**, who then submits a cash forecast to the **Buyer's** internal Finance team by the fifth working day of the following month, with detail of all the payments to be made.
- a. In the following month, the **Buyer** will make the payment to the GR. For example, the GR submits a drawdown request by the set date in January for spend expected to be incurred in February. The **Supplier** will check and process the request, the **Buyer** will make the payment, and the GR will receive it in early March.
515. The **Supplier** must ensure the following happens when administrating the payment processes:

- a. Payments will be made on spend incurred following the submission of a drawdown request by the GR. GRs will be able to submit a claim for payment of the grant at most monthly and must claim at least once per quarter.
- b. There is an expectation that between 50-60 drawdown requests may be submitted each month, however this is based on historic scheme delivery data, derived from predecessor schemes such as SHDF Wave 1 and Wave 2 and is subject to change. There will be a set deadline each month to submit a claim to guarantee it can be processed in line with DESNZ payment timelines, which the **Buyer** will confirm during Implementation.
- c. For the Challenge Fund only, GRs will only be able to drawdown up to 20% of their total grant funding award before their Phase Requests are approved. This is comprised of 15% A&A (based on the actual baselined percentage set out by each Lead GR in their application) and 5% capital. They will then be able to drawdown the remainder of the grant following the approval of Phase Requests, with the amount 'unlocked' at each Phase Request based on the grant spend required to deliver the activities in that phase, as baselined via the Phase Request process. Please refer to Service Area 02 – WH:SHF Phase Requests for more detail on Phase Requests.

8.1.2 Grant Drawdown Submission

516. The **Buyer** will hand over to the **Supplier** ownership of two templates (one for the Challenge Fund and one for Strategic Partners) for the drawdown request that GRs will be required to be submit to the **Supplier**, utilising the **Buyer's** digital GMS platform.

- a. It is expected that GRs will have already started using these templates ahead of handover to the **Supplier**. The templates will capture all the required information for a payment to be made by the **Buyer**. This will include, but is not limited to:
 - i. Detail of the payment process and timings, including reference to the evidence check process
 - ii. GR Project Name
 - iii. GR Reference Number
 - iv. Month that the drawdown is submitted
 - v. Instalment period that the GR wishes to receive the payment
 - vi. Total grant amount awarded for overall project and for each financial year
 - vii. Total grant paid to date, for each financial year
 - viii. Total grant requested in this drawdown request
 - ix. Remaining grant funding to be claimed after the drawdown request

- b. For Challenge Fund, the template will capture the approved Phase Request(s) the drawdown request relates to, and the funding amount requested for each phase or if it not linked to an approved Phase, it will include confirmation from the GRs the drawdown request adheres to the up to 20% of their total grant funding award as detailed above.
517. After handover of these drawdown request templates, the **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates the template to align with the needs of the Scheme or funding models. Where such a request is raised by the **Buyer**, the **Supplier** must update the template accordingly for approval by the **Buyer** no later than five (5) working days from date of receiving the request and use of the new version must commence no later than three (3) working days following approval by the **Buyer**. Where the **Supplier** initiates updates or amendments to the design of the template of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are implemented.
518. The **Supplier** is responsible for ensuring that GRs are aware of the deadline for drawdown submission and must send written reminders to all GRs on the 1st working day of the month. If appropriate, this communication should be combined with other scheduled communications and during monthly engagement sessions between the GR and PSO (Refer to Service Area 03 – Scheme Performance and Management) to avoid information fatigue.
519. Following the submission of a drawdown request, the **Supplier** must check that the drawdown request is complete, and all required information has been provided. The **Supplier** must send written acknowledgement to the GR within one (1) working day of receipt of the submission. This should confirm that:
- a. The drawdown request has been received
 - b. The drawdown request will be undergoing the critical assessment
 - c. Confirmation that the drawdown request has been put forward for recommendation for payment within 6 working days
 - d. If the drawdown request is incomplete, the **Supplier** must advise the GRs to complete the required information and resubmit the drawdown request.
520. In the case of a late submission, received within five (5) working days of the deadline (whereby the deadline is defined as the 10th working day of the month), the **Supplier** must notify the GR in writing of all the above and additionally:
- a. Inclusion of the drawdown request in that month's cash forecast for payment will be dependent on the drawdown request not requiring any additional information, or revisions by the GR.

- b. Following the completion of the checks, the **Supplier** will notify the GR in writing via email to confirm if the drawdown request will be included in that month's cash forecast for payment, and that if it is not able to be included in that month's cash forecast, whether it can be included in the following month's forecast.
521. The **Supplier** must provide advice, guidance and support to GRs to ensure that future late submissions are avoided. This should primarily be through the support provided by the PSO (as specified in Service Area 03 – Scheme Performance and Management), as well as any additional support deemed appropriate by the **Supplier** and to be agreed with the **Buyer**.
522. The **Supplier** is required to review all grant drawdown requests and critically assess these against the GR monthly report. The critical assessment must be completed within five (5) working days of receipt of the grant drawdown requests from GRs, where the drawdowns are received on or up to five (5) working days after the deadline.
523. If following the critical assessment (Please Refer to Section 8.1.5: Critical Assessment), the **Supplier** has identified incorrect information, such as a drawdown request total being greater than the funding allocated for that financial year, the **Supplier** must inform GRs within one (1) working day following the completion of the critical assessment, in writing what revisions are required.
- a. If revisions are required, the **Supplier** must work with GRs to support and advise them on resolving any discrepancies and improve their drawdown request submission.
 - b. The **Supplier** must advise GRs of the deadline for providing a revised drawdown request to ensure that it can be included in the payment list for that month.
 - c. The **Supplier** must advise GRs that if they make a late resubmission, it may not be included in the payment list for that month, and will be added to the subsequent months payment list.
 - d. Following the resubmission of a drawdown request, the above process must commence again.
524. Following the critical assessment, the **Supplier** must make an evaluation on whether the grant drawdown request has satisfied the requirements of the assessment.
- a. If the **Supplier** identifies that the grant drawdown request has not satisfied the requirements of the assessment, the **Supplier** must provide advice, guidance and support to the GR, through regular engagement and BAU activities (Further details in Service Area 03 – Scheme Performance and Management), to ensure that GRs understand their obligation to provide accurate data, the implications of drawing down inaccurate grant funding amounts (either excess or deficit) and make improvements to the accuracy of future drawdown requests.

- b. The **Supplier** must monitor the improvements made by GRs, and where a GR is not making improvements, despite the advice, guidance and support given to that GR, at the point where the GR has received 80% of their total grant funding for that financial year, the **Supplier** must escalate this to the **Buyer** for decision on whether further grant payments should be made.
525. The **Supplier** must consider the reconciliation, evidence checking and clawback process, detailed below, and remind GRs of this process and its interaction with the grant drawdown process such that any excess grant funding that has been drawn down and not reconciled by the end of the financial year will be subject to clawback.
526. The **Supplier** will be required to report the performance of Grant Recipients grant drawdown request regarding the critical assessment, in regards to the performance of Grant Recipients spend and forecasting capability, via the forums detailed in Service Area 03 - Scheme Performance and Management.
527. The **Supplier** is responsible for tracking that at least one drawdown has been submitted by all GRs quarterly. Where a GR has not submitted a drawdown request by the 10th working day of the 2nd month of the quarter, the **Supplier** must engage this GR and remind them, during regular PSO engagement that they must meet their minimum quarterly submission by the 10th working day of the next month.
- a. The **Supplier** is responsible for ensuring this notification is acknowledged by the GR, and for working with the GRs throughout that month via regular PSO support, to ensure the GR will submit their drawdown within the required timeframes.
 - b. By the first working day of the last month in the quarter, the **Supplier** must engage with the GRs to confirm submission expectations.

8.1.3 Submission of Payment List

528. Following the submission of a grant drawdown request and completion of the critical assessment, the **Supplier** must submit a report, via the **Buyer's** digital GMS platform, to the **Buyer** by the last working day of the month, with the detail of their confirmed payments list for that month.
529. During Implementation, the **Buyer** will provide the **Supplier** with templates for collating payment details to be submitted via the **Buyer's** digital GMS platform. During Implementation and in line with expectations around continuous improvement, the **Supplier** shall work with the **Buyer** to make any improvements to the templates as required. These must be submitted for the **Buyer's** approval before new versions are implemented.

8.1.4 Payment of Grant

530. Following receipt of the payment list from the **Supplier**, the **Buyer** will make payment directly to the GRs.
531. The **Buyer** will confirm in writing to the **Supplier** that payment has been made to all GRs on the payment list.
532. Following confirmation of payments made, the **Supplier** will confirm in writing, within one (1) working day of receipt from the **Buyer** to GRs that payment has been made by the **Buyer**. The **Supplier** must seek confirmation from GRs that payment has been received.
533. Following written confirmation to GRs, the **Supplier** must within three (3) working days update the **Buyer's** DMS system to capture all the payments made to each GR, the process for this will be provided to the **Supplier** by the **Buyer** during Implementation.

8.1.5 Critical Assessment

534. The **Supplier** must review the grant drawdown request against the monthly GR data return submitted by the GR, this is to ensure that reported progress aligns with the request for funding to reduce the risk of clawback following the reconciliation period detailed below.
- a. The **Supplier** must ensure the monthly GR data return is submitted as specified in Service Area 07 - Data Collection, Reporting and Visualisation, so to allow a critical assessment to be undertaken.
535. The **Supplier** must specifically review the information in the monthly report provided by the Grant Recipient in respect to the following:
- a. Actual and forecast of grant funding and co-funding, split by admin and ancillary costs and capital costs, for the period.
 - b. Actual and forecast of the KPIs, for the period.
536. The **Supplier** must then compare this information with the requested funding amount in the grant drawdown request. The **Supplier** must ensure that the funding amount requested is reasonable and as expected by considering the following:
- a. The agreed spend for the financial year, as set out in the grant funding agreement, in terms of grant funding A&A, and capital, and co-funding A&A and capital. If the drawdown request exceeds the agreed spend for that financial year, the **Supplier** must notify the GR of this, and request that the GR amends and resubmits their request to comply with the above.
 - b. The reported actual and forecasted grant funding and co-funding spend for the period.

- c. The reported progress against the KPIs.

537. The **Supplier** shall make an evaluation of the information provided by the GR is accurate.

This is made outside of the reconciliation and evidence checking period, therefore, at this stage, GRs would not be required to submit evidence of this work being completed, or to be completed.

538. For Challenge Fund only, in addition to the above, the **Supplier** must review the drawdown request against the record of approved phase requests. More detail on Phase Requests is contained in Service Area 02 – WH:SHF Phase Request Process. The **Supplier** must consider the following:

- a. Confirm the drawdown request does not exceed 20% (15% A&A and 5% capital) of total grant funding.
- b. If the drawdown request exceeds the 20%, the **Supplier** must notify the GR of this, and request that the GR amends and resubmits their request to comply with the above.
- c. If the drawdown request is related to an approved phase request, the **Supplier** must:
 - i. Confirm the GR has allocated a funding amount to the relevant phase, as indicated on the grant drawdown request.
 - ii. Confirm the funding amount requested does not exceed the agreed spend for that phase.
 - iii. If the drawdown request exceeds the agreed spend for that phase, or the GR has not allocated the funding amount for that phase, the **Supplier** must notify the GR, and request that the GR amends and resubmits their request to comply with the above.
 - iv. If the drawdown request requires amendments, the **Supplier** must work with GRs to advise and support them on the steps they need to complete to get their phase request submitted and approved, as detailed in Service Area 02 – WH:SHF Phase Requests. The **Supplier** shall support GRs in resubmitting their grant drawdown request as part of BAU activity as detailed in Service Area 03 – Scheme Performance and Management.

539. The **Supplier** must ensure that the GR Project PSO who is responsible for BAU/regular engagement with the GR (Further information on the PSO role is detailed in Service Area 03 – Scheme Performance and Management) undertakes the critical assessment of the grant drawdown request for all of their respective GR projects, leveraging their in-depth knowledge of the GR Project's delivery status and delivery history.

8.1.6 Payment Claim Reconciliation and Recommendation

540. The **Supplier** is required to analyse and assess financial summaries submitted by each GR, every quarter, for spend in the previous quarter, on the dates agreed with the **Buyer** to coincide with the Sampled Evidence Check and reconcile the spend incurred (both Grant and Co-funding) by GRs against payments made by the **Buyer**, to the exact figure.

541. The **Supplier** is expected to complete the following activities which include but is not limited to:

- a. Communicate to GRs the scheduled dates of the reconciliation (and evidence checking) period during the initial engagement with GRs and explain the requirements of the reconciliation activities and the GR actions that will be required.
- b. Create and implement, in consultation with the **Buyer**, a template to capture the financial summaries from the GR for the reconciliation period, which must include a transaction list of the eligible expenditure for the grant funding received by the GR and the co-funding spend for that reconciliation period.
- c. Issue reminders to GRs in writing one (1) calendar month prior to the upcoming reconciliation period.
- d. Support and advise GRs as part of day-to-day engagement on preparing for the reconciliation period.
- e. Upon receipt of the financial summaries, provide written acknowledgement to the GR within one (1) working day. The **Supplier** must critically assess the information provided against the record of the grant funding paid to the GR to check the level of expenditure, within five (5) working days. The expected outcome include confirming alignment of drawdown to spend, consistency of data, and any other issues.
- f. The **Supplier** must communicate in writing the outcome of the assessment to the GR within 1 working day of the assessment being completed. The outcome being that the GR has or has not provided information that is in alignment of the drawdown to spend, data is consistent, and no other issues identified.
- g. If there are inconsistencies with the information provided across the expected outcomes mentioned above, the **Supplier** must communicate the area of inconsistency, and what additional information is required to resolve this inconsistency alongside the confirmation of the outcome of the assessment as detailed above. The GR must return the requested information within 3 working days of the request. Following, the return of the requested information or clarification, the **Supplier** must start the assessment process again.
- h. If the information returned remain unsatisfactory after three (3) attempts of this process, the **Supplier** must escalate this to the **Buyer** within one (1) working day after

the final assessment. The **Buyer** will review the information and may request the **Supplier** to continue the process with the Grant Recipient and provide additional support.

542. The **Supplier** is responsible for working with GRs to support and advise them in resolving any inconsistencies, which should be undertaken by the PSO during regular engagement sessions. Please see Service Area 03 – Scheme Performance and Management for further details.
543. If there are no inconsistencies and no further information is required from the GR, the **Supplier** must communicate the next step of the process to the GR, which is the sampled evidence check, alongside the confirmation of the outcome of the assessment as detailed above.
544. The **Supplier** must provide update on the progress of the reconciliation process at the Monthly Scheme performance Review meeting, as detailed in Service Area 03 Project and Performance. This update should include, but is not limited to:
- a. The number of projects that have completed reconciliation, in that they have satisfied the outcomes of the critical assessment referred above.
 - b. The number of projects that have not completed reconciliation, and the reasoning for this.
 - c. The number of projects where ineligible expenditure was identified.
545. Outside of the quarterly process, The **Buyer** expects indicatively that the **Supplier** may need to conduct ad-hoc payment claim reconciliation and recommendations throughout the financial year.

8.1.7 Sampled Evidence Check

546. The **Supplier** is required to carry out Sampled Evidence Checks of GR spending at every quarter (on dates to be agreed with the **Buyer**), to coincide with the reconciliation process detailed above. The evidence checks have two main objectives:
- a. Reported expenditure (grant and co-funding) is substantiated with evidence
 - b. Reported expenditure (grant and co-funding) meets scheme eligibility criteria
547. The **Supplier** must select a sample size that makes up a minimum of 20% of the value of transactions reported in the period from each GR. This sample will be used to check that reported expenditure is substantiated with evidence and meets scheme eligibility.
- a. The **Supplier** is required to develop the process for selecting the sample, but the process must have a bias towards higher value transactions.

548. The **Supplier** is required to identify and query with GRs any obvious ineligible spend included in the sample and follow the steps below for raising this with GRs.

549. The **Supplier** must also take a risk based approach based on GR delivery risk levels, when determining if % evidence check should be increased. This approach will be agreed in consultation with the **Buyer**.

8.1.7.1. Process for Undertaking Sampled Evidence Checks

550. The **Supplier** is expected to:

- a. Communicate to GR in writing the requirements and expectations of the Sampled Evidence Check.
- b. Provide GRs with guidance of examples of acceptable and unacceptable evidence to evidence eligible expenditure, process and templates to be agreed in consultation with the **Buyer** during Implementation
- c. Utilise the **Buyer's** GMS digital solution to store and file evidence documentation.
- d. Issue reminders to GRs in writing, one (1) calendar month prior to the beginning of the sample evidence check beginning, of the upcoming evidence check activity and communicate the deadlines that must be met by the GR.
- e. As part of day-to-day engagement, support and advise GRs in the preparation of collating their evidence for the evidence check activity. (Please Refer to Service Area 03 – Scheme Performance and Management for further details on PSO day-to-day engagement)
- f. Select a sample of transactions from each GR as detailed above, within one (1) working day of having completed reconciliation.
- g. Request the selected transaction evidence from each GR, that have completed the reconciliation process, and communicate in writing to the Grant Recipient the required level of detail that must be provided, within one (1) working day of having selected the sample. The GR must return the requested evidence within five (5) working days of the request.
- h. Analyse and assess all transaction evidence to ensure that expenditure reported is substantiated by supporting documentation and meets the scheme eligibility criteria, within five (5) working days of receiving the evidence.
- i. If the evidence provided by the GR does not substantiate the expenditure reported or does not meet the scheme eligibility criteria, the **Supplier** must advise the GR of this in writing, within one (1) working day of completing the evidence review. The **Supplier** must provide in writing to the GR why the evidence provided has not been adequate and advise them of what information they must provide for this to be accepted.

- i. The GR must return any additional requested evidence or requested clarification within three (3) working days of the request.
- ii. Following, the return of the requested information or clarification, the **Supplier** must start the assessment process again.
- iii. If the information returned remain unsatisfactory after three (3) attempts, the **Supplier** must escalate this to the **Buyer** within one (1) working day after the final assessment
- j. The **Supplier** must work with the GR to query any inconsistencies or gaps in evidence and provide guidance to GR if they are unclear as to what they should provide.
- k. The **Supplier** must work with GR to provide all the required evidence.
- l. If the **Supplier** has identified ineligible expenditure through this process, the **Supplier** must instruct the Grant Recipient to remove this expenditure from all relevant financial reports in which it appears, such as monthly data uploads, and financial summaries, in adherence to the timelines that these reports are required. The **Supplier** must then check that the identified ineligible expenditure has been removed from the relevant reports. The **Supplier** must work with the Grant Recipient, as part of day-to-day engagement, as detailed in Service Area 03 – Scheme Performance and Management, until this matter has been resolved.
- m. Whilst the sample evidence checking process is distinct from fraud and error activities, the **Supplier** is required to be vigilant to fraud and must report any instances of suspected fraud, error and non-compliance to their fraud team to triage and investigate. This includes discrepancies found through the reconciliation evidence check process. Full details of the fraud, error and non-compliance activities are detailed in Service Area 05 - Fraud, Error, and Compliance Management.
- n. If the **Supplier** has been unable to acquire the necessary evidence from the GR within the agreed timelines, this must be escalated to the **Buyer** within five (5) working days of the deadline being missed.
- o. The **Supplier** must provide an update on the progress of the evidence checking process at the monthly Scheme performance Review meeting, as detailed in Service Area 03 Project and Performance. This update should include, but is not limited to:
 - i. The number of projects that have completed evidence checking, in that evidence has been satisfactory as per the process for undertaking sample evidence checking.
 - ii. The number of projects outstanding that have not completed evidence checking, and the reasoning for this.
 - iii. The steps that will be taken to ensure that all Grant Recipient projects have completed the evidence checking process.

- iv. The number of instances of ineligible expenditure included in the sample of evidence checked.
- p. The **Supplier** will continue, until all evidence checking has completed, to provide updates on the above at the monthly Scheme Performance Review, as detailed in Service Area 03 Project and Performance.
- i. Further details on reporting requirements for this meeting are in Service Area 03 – Scheme Performance and Management.

8.1.7.2. Completion of Reconciliation and Sample Evidence Check

551. The **Buyer** will review the information provided during the above mentioned forum and provide confirmation to the **Supplier** that the information, on both reconciliation and evidence checking, is satisfactory, and the reconciliation period has been completed for the Grant Recipients the **Supplier** has identified as providing satisfactory information.
- a. With this confirmation, the **Supplier** must provide in writing to the GR that the reconciliation period has concluded, and the evidence they provided was satisfactory, within 1 working day of receiving this confirmation.
 - b. If amendments are required to the GR future forecasts and drawdown requests as part of the reconciliation, the **Supplier** must work with the GR to support them in making these amendments. The **Supplier** must ensure they have been incorporated in the next drawdown period to ensure that grant expenditure is being reconciled, and the GR is not drawing down excess funding that could be subject to clawback at the end of the financial year, the **Supplier** must refer to Section 8.1.5 Critical Assessment.
552. Following the completion of each reconciliation and evidence check period, the **Supplier** must analyse trends in inconsistencies to identify areas where GR would value in additional guidance and support as detailed in Service Area 06 – Knowledge Management.

8.1.8 Full Evidence Check

553. When requested by the **Buyer**, the **Supplier** is required to carry out a Full Evidence Check of GR spend, including the following:
- a. Communicate to GRs in writing the requirements and expectations of the evidence check.
 - b. Provide GRs with guidance of examples of acceptable and unacceptable evidence to evidence eligible expenditure, process and templates to be agreed in consultation with the **Buyer** as part of the implementation.
 - c. Support and advise GRs in the preparation of collating their evidence for the evidence check activity.

- d. Request the evidence from each Grant Recipient and communicate in writing to the GR the required level of detail that must be provided, within the agreed timelines as set by the **Buyer**.
 - e. Analyse and assess all evidence to ensure that expenditure (grant and co-funding) reported is substantiated by supporting documentation and meets the scheme eligibility criteria.
 - f. If the evidence provided by the GR does not substantiate the expenditure reported, the **Supplier** must advise the GR of this in writing, within the agreed timelines as set by the **Buyer**. The **Supplier** must provide in writing to the GR why the evidence provided has not been adequate and advise them of what information they must provide for this to be accepted. The **Supplier** must communicate the deadlines for providing the revised evidence.
 - g. The **Supplier** must work with the GR to query any inconsistencies or gaps in evidence and provide guidance to GRs if they are unclear as to what they should provide.
 - h. The **Supplier** must work with GRs to provide all the required evidence, and following this, provide a recommendation on financial performance at the Project level, to the **Buyer**, within the agreed timelines as set by the **Buyer**.
 - i. If the **Supplier** has been unable to acquire the necessary evidence from the GR within the agreed timelines, this must be escalated to the **Buyer** within five (5) working days of the deadline being missed.
554. Following the completion of the full evidence check, and the submission of the recommendation on financial performance by the **Supplier** to the **Buyer**, the **Buyer** will review the information and provide confirmation to the **Supplier** that the information is satisfactory, and the full evidence check has been completed.
- a. Once this confirmation has been received, the **Supplier** must notify GRs in writing that the full evidence check has concluded, and the evidence provided was deemed satisfactory.
555. Full Evidence Check will only be requested in extraordinary circumstances, where there is indication of increased exposure to grant mismanagement or fraud, or evidence of consistent financial reporting error.
556. As part of their risk management responsibilities, as outlined in Service Area 03 -Scheme Performance and Management, the **Supplier** must maintain ongoing critical review of risks to GR Projects. Where the **Supplier** identifies severe inconsistencies, has concerns or causes to suspect fraud, error or non-compliance, the **Supplier** must proactively escalate these concerns to the **Buyer** within two (2) working days, recommending additional checks where necessary.

557. The **Supplier** must not carry out any additional Full Evidence Checks without the **Buyer's** prior written agreement.

8.2 WH: LG Financial Overview

558. WH:LG will fund GRs using Section 31 of the Local Government Act 2003. Consequently, payments are made in advance of works being carried out and must be transferred from the **Buyer** directly to the GR. The **Supplier** will not send payments to the GRs.

559. The **Supplier** is responsible for supporting compliance, enforcing, and minimising non-compliance of the agreements between the Department and the Grant Recipient including, but not limited to, the Memorandum of Understanding (MoU) (and any addendum attached thereafter) and the Grant Determination Letters.

560. Through the day-to-day engagement and check-in sessions that the PSOs will conduct with GRs (as specified in Service Area 03 – Scheme Performance and Management), the **Supplier** must:

- a. Advise and proactively support GRs on:
 - i. meeting the financial forecast (annual and monthly) in their plans (including making recommendations to GRs and the **Buyer** on what action must be taken to ensure forecasts are met),
 - ii. Batch Submission submissions (as specified in Service Area 02 – WH:LG Application Process Management),
 - iii. questions relating to any aspect of the payment process,
 - iv. meeting the scheme payment conditions including, but not limited to, agreed Admin and Ancillary (A&A) funding limit,
 - v. and escalating feedback for notification to the **Buyer**.
- b. Advise GRs that any of the following may lead to either the reduction of subsequent payments (to account for unspent funds already transferred), a halt to future payments (in the form of pausing batch payments until funds already transferred have been spent) and/or a reduction of projected funding for that financial year:
 - i. Failing to comply with the above processes,
 - ii. Failing to submit batches,
 - iii. Failure to spend transferred batch payments per funding forecast,
 - iv. Failure to spend forecasted funds within the financial year funds were allocated.
 - v. The **Supplier** must confirm Grant Recipient understanding, in writing, and inform the **Buyer** if the GR fails any of the above.

- c. Review GRs' financial forecasts to ensure these align with allocation figures for that financial year in their MoU (or any addendum or other agreement thereafter), querying any discrepancies with the GR and escalating all such instances, alongside the justifications provided and a recommendation of what action to take, to the **Buyer's** attention within three (3) working days upon identification or receipt of a justification from the GR.
 - i. Responsibility for making a decision on what action to take shall rest with the **Buyer**, informed by the **Supplier's** recommendation. The escalation of all discrepancies may, if agreed between the **Buyer** and the **Supplier**, be reduced to a proportionate escalation approach, which is also to be agreed between the **Buyer** and the **Supplier** at Implementation.
- d. Review GRs spend throughout the financial year, advising GRs against the back-loading of capital expenditure to the end of the financial year. This advice should form part of the day-to-day to engagements with GRs (as specified in Service Area 03 - Scheme Performance and Management).
- e. Review the amount of Project funding that GRs should have in their bank accounts and communicate with GRs if there are concerns that there are insufficient funds to continue to deliver or are significant unspent funds (the latter will be managed via the options above and via a wider performance management approach outlined in Service Area 03 – Scheme Performance and Management). The **Buyer** will work with the **Supplier** to determine and agree the threshold level for notification to the **Buyer** during Implementation.
- f. The **Buyer** will provide a financial ledger to the **Supplier**, which will be hosted on the **Buyer's** digital GMS or DMS system and will contain financial information of each GR which can be used to track the forecasted spend for each financial year, including the reported spend to date and can estimate unspent funds, allowing for any change control.
- g. The **Supplier** is required to use the digital GMS or DMS system to manage and report GR funding and will include the following functionality:
 - i. In principle funding, (baseline and current)
 - ii. Upfront funding received
 - iii. Spend (monthly and cumulative)
 - iv. Admin spend (monthly and cumulative)
 - v. Ancillary spend (monthly and cumulative)
 - vi. Capital spend (monthly and cumulative)

- vii. A&A as % of spend (or separating these out if this has been agreed in data reporting requirements)
 - viii. Batch funding requested by GR (monthly and total)
 - ix. Batch funding paid to GR by DESNZ (monthly and total)
 - x. Current Balance (monthly)
 - xi. Current in principle funding available to draw down through batch]
 - h. The **Buyer** reserves the right to amend, adapt and/or update the financial ledger used by the **Supplier** to capture the required data on payments to align with the needs of the scheme. Where the **Supplier** intends to initiate updates or amendments to the design of the ledger, must be submitted for the **Buyer's** approval.
 - i. Support and work with GRs that are facing challenges on spending funds within the allocated financial year to identify and implement resolutions, in line with the Change Control by exception principles (Please refer to Service Area 04 – Change Control).
 - j. Draft communications issued to GRs including, but not limited to, guidance on financial processes, disputes, entitlements, escalations or otherwise must be clear, accurate and timely (which may require the guidance and/or input of the **Buyer**), this meaning but not limited to:
 - i. Ensuring communications have a purpose, including any context, and the proposed outcomes of the communication.
 - ii. If action is required from a GR, that this instruction is included in the communication and the process and timelines for action is detailed.
 - iii. A schedule (as defined by the **Buyer** at Implementation) of planned communications or guidance is provided to the GR. In instances of ad-hoc communications or guidance not included in the schedule that require action from a GR, the **Supplier** must set out the expectations and timelines for actioning and support the GR in achieving this.
 - iv. Any identified gap, contradiction, or ambiguity is escalated to the **Buyer** for clarification within one (1) working day. The reporting of all escalations may, if agreed between the **Buyer** and the **Supplier**, be reduced to a proportionate escalation approach, which is also to be agreed between the **Buyer** and the **Supplier** during Implementation.
561. For the Scheme's end of year processes, the **Supplier** must carry out all required financial process management, GR engagement, and administrative duties, as instructed by the **Buyer**. The end of year financial process will include, but is not limited to:

- a. Complete all reconciliation and evidence checking activities and communicating the outcomes of these activities to both the Grant Recipient, and the **Buyer**, within the agreed timelines set by the **Buyer** during Implementation.
 - b. Identify the value of any underspend in one financial year that must be subtracted from the upfront payment of the next financial year (offsetting of funds), within the agreed timelines set by the **Buyer** during implementation.
 - c. Identify the clawback figure following the completion of reconciliation and evidence checking, within the agreed timelines set by the **Buyer** during implementation.
 - d. Submit a report to the **Buyer** with the detail of the offsetting required, within the agreed timelines set by the **Buyer** during Implementation. This must include the GR project upfront payment for the upcoming financial year, the value of any subtractions, and the updated upfront payment figure. Note, it is assumed offsetting will occur between each financial year or delivery and clawback will be implemented in the final year of delivery (unless a GR project closes early).
 - e. Submit a report to the **Buyer** with the detail of the clawback required, within the agreed timelines set by the **Buyer** during implementation.
 - f. Provide a forecast for the next financial year spend (unless in the final year of delivery) to the **Buyer**, within the agreed timelines set by the **Buyer** during implementation.
 - g. Work with GRs to ensure the timely signature and return of Grant Determinations, as part of the end of year process.
 - h. Work with the **Buyer** to perform required duties to prepare for the Upfront Payment.
562. The **Supplier** will assist with requests from the **Buyer** to ensure that the GR payment claim process is managed appropriately and is kept up to date, including but not limited to, ensuring the blanket purchase order raised for each GR is accurate, or arranging for a GR to update their details and providing this to the **Buyer** in a method agreed between the **Buyer** and the **Supplier** during implementation.
563. The **Supplier** must assist the **Buyer** with an annual review of GR finances. The **Buyer** will provide the **Supplier** with the information that is required as part of the review during Implementation (though this is subject to reasonable change). The **Buyer** does not anticipate that the information required deviates significantly from the analytic and reporting requirements the **Supplier** will regularly carry out.

8.2.1 Payment Claim Process

564. GRs must submit Batch Submissions to request permission to upgrade homes. These applications are submitted via the ABS. (Please refer to Service Area 02 – WH: LG Automated Batch System).

565. The **Buyer** must submit forecasts for internal processing by the 5th working day of the month to ensure GRs are paid in the next forecasting cycle. To facilitate this, there are several activities for the payment process. Deadlines for this process are outlined below but the **Buyer** reserves the right to amend these and will notify the **Supplier** of any changes.

566. The payment process for WH:LG is as follows:

- a. GRs who have submitted a valid and approved Batch Submission must be compiled. Note, requirements set out to assess Batch Submissions are outlined in Service Area 02 – WH:LG Automated Batch System
- b. The **Supplier** must perform appropriate quality checks on the payment request to assure and validate that the information submitted to the **Buyer** is accurate.
- c. The **Supplier** must perform appropriate checks against the financial record of the GR to review whether any or all the funding requested can be paid to the GR. For example, if GR has submitted a change request which results in surplus funding in their account, the **Supplier** must subtract the value of the surplus funding against the batch request. This will provide the figure that will be paid to the GR. If this surplus funding is equal to or greater than the value being requested, the **Supplier** must notify the GR that they will not receive any money, why, and instruct them that they can begin upgrades with the funding they currently possess. If there is no surplus, or the surplus is less than the value requested, the final figure should be compiled on the payment list that will be sent to the **Buyer**.
- d. If deemed acceptable by the **Supplier** against these criteria, the request is recommended by the **Supplier** for payment and added to the payment list to be provided by the **Supplier** to the **Buyer**; this must be sent to the **Buyer** before the second to last working day of the month before the **Buyer** will submit the forecast.
- e. The **Buyer** then submits a cash forecast to the **Buyer's** internal finance team by the 5th working day of the following month, with detail of all the payments to be made.
- f. The month after the **Buyer** has submitted the cash forecast, payment to the GR is made in arrears via BACS transfer.

567. The **Supplier** will use the template provided by the **Buyer**, for the Payment list, that will be captured on the **Buyer's** digital GMS and/or DMS platform. The templates will capture all the required information for a payment to be made by the **Buyer**. This will include, but is not limited to:

- a. GR Name
- b. GR Reference Number
- c. Month that the Batch Submission was submitted and approved

- d. Month that the payment will be forecast by the **Buyer**
 - e. Month that the GR should receive payment
 - f. Total grant paid to date in the financial year
 - g. Total grant requested in this Batch Submission request
568. After handover of the Payment list template, the **Buyer** reserves the right to amend adapt and/or update the template to align with the needs of the scheme. The **Buyer** will update the template accordingly for approval when required and the **Supplier** must use the new version must commence no later than three (3) working days following approval by the **Buyer**. Where the **Supplier** wishes to initiate updates or amendments to the design of the template of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval.
569. Assure and validate GRs' Batch Submissions and payment receipt confirmations to ensure these align with expected figures and align with the reported delivery for that period. Query any discrepancies and proactively engage with the GR to resolve any identified discrepancies. For any discrepancies that cannot be resolved, these must be escalated to the **Buyer** at the point that the **Supplier** deems these unresolvable. The **Buyer** will work with the **Supplier** to determine and agree the threshold level for escalation to the **Buyer** at Implementation.
570. The **Supplier** is responsible for ensuring that GRs are aware of the deadline for Batch Submissions and must send written reminders to all GRs 10th working day of the month.
571. If a Batch Submission is submitted late and is approved – after the second to last working day of the month but received within two (2) working days of the deadline (c.3rd working day of the month) – (the deadline being the deadline that the **Buyer** submits the forecast) the **Supplier** must notify the GR in writing to confirm:
- a. It cannot be guaranteed that the payment will be processed as part of the financial request for that month, and it should be assumed it will be processed in the subsequent month unless informed otherwise.
 - b. Following confirmation from the **Buyer** that the request has been included in the forecast, the **Supplier** will notify the GR in writing via email to confirm that they will receive payment for the batch the following month.
572. The **Supplier** must provide advice, guidance and support to GR to ensure that future late submissions are avoided. This should primarily be through the support provided by the PSO as part of their regular engagement activities (Please refer to Service Area 03 - Scheme Performance and Management).

8.2.2 Confirmation of Payment

573. Following receipt of the cash forecast from the **Supplier**, the **Buyer** will make payment directly to the GRs.
574. The **Buyer** will confirm in writing to the **Supplier** that payment has been made to all GR on the payment list and will include the value of those payments. This must be the value of funding that the **Supplier** provided to the **Buyer**.
575. Within one (1) working day of notice from the **Buyer**, the **Supplier** will confirm in writing to GR that payment has been made by the **Buyer**. The **Supplier** will request confirmation from the GRs within five (5) working days of receipt of the email that payment has been received. The **Supplier** must receive written confirmation and escalate to the **Buyer** if payment has not been received.

8.2.3 Upfront Payments

576. The process outlined in Section 8.2.1 relates primarily to the provision of payments for Batch Submissions. For batch payments, the **Buyer** will receipt against a blanket Purchase Order (PO) that has been created for each GR in each financial year.
577. Upfront payments are issued to GRs at the beginning of the financial year. They will represent up to 20% of funding for the financial year (15% is Admin and Ancillary funding and 5% upfront Capital funding). The **Buyer** must create a new blanket PO for each GR in time to process the required payment in April.
578. The **Supplier** must provide to the **Buyer** the value to be raised against the blanket purchase order (the forecasted spend for that financial year) and the value of the upfront payment to be released at a time to be agreed between the **Buyer** and the **Supplier** before the end of March.
579. To calculate the Upfront payment, the **Supplier** must account for the financial position of the GR to ensure the right funding is provided. For example, if the GR has surplus funding, the capital portion of the Upfront payment may be offset against the value of the surplus funding. Further information on this will be provided from the **Buyer** to the **Supplier** at implementation.
580. The **Buyer** will confirm in writing to the **Supplier** that payment has been made to all GRs on the payment list.
581. Within one (1) working day of notice from the **Buyer**, the **Supplier** will confirm in writing to GRs that payment has been made by the **Buyer**. The **Supplier** will request confirmation from the GRs within five (5) working days of receipt of the email that payment has been received. The **Supplier** must receive written confirmation and escalate to the **Buyer** if payment has not been received.

8.2.4 Grant Determination

582. WH:LG issue GRs with Grant Determinations that outline the value of funding to be transferred by the **Buyer** to GRs. These will be issued to GRs each quarter and require the involvement of the **Buyer** and the **Supplier** in creating, issuing and managing these. Given the frequency, a Grant Determination may include reference to several payments that have, or will be, provided to the GR. The process is as follows:

- a. The **Buyer** will provide a template Grant Determination to the **Supplier**. The **Supplier** is expected to input relevant information into the template. This will include, but is not limited to, the name of the GR and the value of the payment(s) that have been, or will be, made to the GR.
- b. The **Buyer** will provide a template document to the **Supplier**. The **Supplier** is expected to input relevant information into the template. This will include, but is not limited to, the name of the GR and the value of the payment(s) that have been, or will be, made to the GR. An example of the Grant Determination template can be found in *Annex XX*.
- c. The **Supplier** must send the updated template to the **Buyer**.
- d. Once the **Buyer** has updated the Grant Determination, the **Supplier** must send the Grant Determination to the respective GR within 5 working days. The **Supplier** is expected to indicate, among other things, the purpose for the Grant Determination Letter being sent, what action must be taken, by whom, and when.
- e. The GR must sign the Grant Determination after the end of the financial year in which the payments were issued. The **Buyer** expects the **Supplier** to proactively support the GRs to ensure the Grant Determination is signed by the appropriate persons within six (6) weeks of the end of the financial year. This includes, but is not limited to, support provided by the PSO (as specified in Service Area 03 – Scheme Performance and Management), as well as any additional ad hoc communications required to ensure the accurate and timely return.

583. The **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates the template to align with the needs of the scheme. Where such a request is raised by the **Buyer**, the **Supplier** must update the template accordingly for approval by the **Buyer** no later than five (5) working days from date of receiving the request and use of the new version must commence no later than three (3) working days following approval by the **Buyer**. The **Buyer** reserves the right to update the frequency or timings outlined above if changes are required to the management of Section 31 Grants or the scheme.

8.2.5 Sampled Evidence Check

584. The **Supplier** is required to carry out Sampled Evidence Checks of GR spend at least once per quarter (on dates to be agreed with the **Buyer**). The **Supplier** must select a sample

size that makes up 20% of the value of transactions reported in the period from each Grant Recipient, unless otherwise instructed by the **Buyer**. The **Supplier** is expected to:

- a. Communicate to GRs in writing the requirements and expectations of the evidence check.
- b. Provide GRs with guidance of examples of acceptable and unacceptable evidence to evidence eligible expenditure, process and templates to be agreed in consultation with the **Buyer** as part of the implementation.
- c. Utilise the **Buyer's** digital GMS solution to store and file evidence documentation.
- d. Select and request appropriately sized sample of invoices from each GR.
- e. Issue reminders to GRs in writing, one (1) month prior to the beginning of the sample evidence check beginning, of the upcoming evidence check activity and communicate the deadlines that must be met by the GR.
- f. As part of day-to-day engagement, support and advise in the preparation of collating their evidence for the evidence check activity.
- g. Analyse and assess all transaction evidence to ensure that grant expenditure reported is substantiated by supporting documentation and meets the scheme eligibility criteria, within five (5) working days of receiving the evidence. / Analyse and assess Admin evidence (such as invoices, staff contracts – documents that show the funds have been/are being spent and/or committed) to provide a recommendation on legitimacy of spend by the GR.
- h. If the evidence provided by the GR does not substantiate the grant expenditure reported or does not meet the scheme eligibility criteria, the **Supplier** must advise the GR of this in writing, within one (1) working day of completing the evidence review. The **Supplier** must provide in writing to the GR why the evidence provided has not been adequate and advise them of what information they must provide for this to be accepted. The GR must return any additional requested evidence or requested clarification within three (3) working days of the request. Following, the return of the requested information or clarification, the **Supplier** must start the assessment process again. If the information returned remain unsatisfactory after three (3) attempts of this process, the **Supplier** must escalate this to the **Buyer** within one (1) working day after the final assessment
- i. The **Supplier** must work with the GR to query any inconsistencies or gaps in evidence and provide guidance to GR if they are unclear as to what they should provide.
- j. The **Supplier** must work with GRs to provide all the required evidence, and following this, provide a recommendation on financial performance, both at the Project and

aggregate Scheme levels, to the **Buyer**, within one (1) working day of the completion of the evidence check.

- k. Whilst the sample evidence checking process is distinct from fraud and error activities, the **Supplier** is required to be vigilant to fraud and must report any instances of suspected fraud, error and non-compliance to their fraud team to triage and investigate. This includes discrepancies found through the reconciliation evidence check process. Full details of the fraud, error and non-compliance process is detailed in Service Area 05 - Fraud, Error, and Compliance Management.
- l. If the **Supplier** has been unable to acquire the necessary evidence from the GR within the agreed timelines, this must be escalated to the **Buyer** within five (5) working days of the deadline being missed.

585. Alongside the Sampled Evidence Checks, the **Supplier** is required to analyse and assess financial summaries submitted by GRs (at least quarterly, on the dates agreed with the **Buyer** to coincide with the Sampled Evidence Check) and reconcile the spend incurred by GRs against payments made by the **Buyer**. The **Supplier** is also required to make a payment recommendation to the **Buyer** on financial performance of the GRs and consortium partners which will support with the risking of projects.

8.3 WH: SHF W3 and WH:LG Pause, Reduction, Reallocation and Clawback of Funding

8.3.1 Pause, Reduction, Reallocation and Clawback of Grant Funding Overview

586. The **Supplier** must design, implement and manage a process to pause, reduce, reallocate and clawback Grant Funding to prevent and resolve issues of grant underspend, grant mismanagement and/or fraud instances identified for GR projects. The aim of this process will be to prevent, recover and, where possible, reallocate grant funds allocated to a GR project but where grant performance commitments, scheme and/or GFA (WH:SHF)/MoU (WH:LG) conditions are not met.

587. This mechanism must ensure accountability and proper use of funds by GRs, safeguarding the interests of the scheme and ensuring that grant funds are used effectively and as intended. The **Buyer** and the **Supplier** will agree a process for both schemes, and for each WH: SHF funding model (Challenge Fund and Strategic Partnerships), during Implementation. The process must be agreed by the **Buyer** before it can be implemented.

- a. The **Buyer** reserves the right to request clarifications from the **Supplier** on parts or the whole of the process, as well as set requests or conditions for revision of the proposed

design, and which must be fulfilled by the **Supplier** before the **Buyer** issues approval for Implementation.

- b. The **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates the process and/or any of the associated operational steps or products/documents to align with the needs of the Schemes or funding models. Where such a request is raised by the **Buyer**, the **Supplier** must update the process or products/documents accordingly. This must be submitted for the **Buyer's** approval before new versions are implemented. Following approval from the **Buyer**, implementation of revised steps/documents must commence no later than five (5) working days from date of receiving the request.
 - c. Where the **Supplier** initiates updates or amendments to the design of the process or any of the associated products/documents of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are implemented.
588. The **Supplier** must exhaust all project management performance options, as outlined in Service Area 03 – Scheme Performance and Management before beginning the process for pausing, reducing, reallocating and clawback of Grant Funding. The **Supplier's** priority must be to prevent the need for pausing, reducing, reallocating, and clawback of grant funding, in line with the Change Control by Exception principle outlined in Service Area 04 – Change Control.
589. The **Supplier** must ensure all key activities involved in the process to pause, reduce, reallocate and clawback of Grant Funding process are executed which include but are not limited to:
- a. The responsibilities outlined in the day-to-day engagement and check-in sessions that the PSO will conduct with GRs which include, but are not limited to, advising and proactively supporting GRs to meet their financial forecast (annual and monthly) in their plans (including making recommendations to GRs and the **Buyer** on what action must be taken to ensure forecasts are met),
 - b. BAU/regular engagement with GRs to monitor delivery compliance with MoU (WH:LG)/GFA (WH:SHF) conditions and performance against baseline/agreed commitments, including the appropriate communication & management between PSOs and those responsible for finance (including reporting), fraud or other relevant **Supplier** workstream.
 - c. Management of the risk of grant underspend by GRs.
 - d. Management of the risk of grant mismanagement, fraud and gaming by GRs (Please refer to Service Area 05 – Fraud, Error and Non-Compliance)

- e. Management of the Remediation Process and monitoring of Grant Recipient performance against Remediation Plans, including escalation of issues to the **Buyer** where a Remediation Plan has failed to address Grant Recipient project performance issues, to identify appropriate subsequent action. (Please refer to Service Area 03 – Scheme Performance and Management for further detail on Remediation)
 - f. Monitoring of GR capabilities, performance and delivery ambitions/appetite to identify and inform selection of GRs that have the capacity to take on additional funding and scale up projects, where reallocation of grant funding resulting from grant clawback and/or reduction is sought by the Schemes.
 - g. Management of voluntary return of funding by a GR, or a GR withdrawal from the Scheme(s).
590. The **Supplier** must conduct all governance and administrative activities involved in executing the Pause, Reduction, Reallocation and Clawback of Funding processes which includes but is not limited to:
- a. notifying, engaging with, directing and advising GRs on the process itself and on any actions required from GRs in association with the process.
 - b. implementing and managing an information management process to track progress of and record all instances of Clawback, Reduction and Reallocation escalations and decisions, including any associated logs (such as the Ledger) on the **Buyer's** digital GMS platform.
 - c. Implementing and managing escalation forms to notify the **Buyer**, using the digital GMS platform, of identified instances for decision (including a necessary recommendation), standard notification letters to Grant Recipients, quarterly and annual reports and associated data visualisations, etc.
591. By conducting all activities listed above, the **Supplier** will be responsible for identifying potential need to pause, reduce, reallocate or clawback of grant funds, by managing the risks noted above.
592. Through conducting all activities listed above or other activities, the recommendation to pause, clawback, reduce or reallocate funding must be escalated from the **Supplier** to the **Buyer** for a decision within five (5) working days following identification, before proceeding with the process.
- a. The escalation of all recommendations may, if agreed between the **Buyer** and the **Supplier** during Implementation, be reduced to a proportionate escalation approach.

8.3.2 Pause, Reduction, Reallocation and Clawback of Funds Notification

593. As part of this process the **Supplier** will be responsible for notifying GRs on the outcomes of the **Buyer's** decision in instances of grant pause, reduction, reallocation and/or clawback.
594. The **Supplier** must notify the GR in writing no later than two (2) working days of receiving confirmation of the **Buyer's** decision.
595. The **Supplier** must design a set of standard notification letters to GRs as part of this process, to ensure formal notification on behalf of the Schemes is issued in alignment with the correct scheme and funding model requirements. In addition to accurately stating the relevant Scheme, funding model, GR and GR Project details/identifiers, key information that must be issued on these letters will include:
- a. For pausing funding, grant reduction and clawback letters:
 - i. Decision - statement of the decision, detailing whether it is for grant reduction or clawback.
 - ii. Funding details - the value of grant reduction or clawback to be actioned, including impact on total Grant Recipient Project grant amounts (i.e. pre and post reduction/clawback amounts).
 - iii. Date of decision - the date on which the Scheme made the decision.
 - iv. Justification - the reason for the grant reduction or clawback.
 - v. Acknowledgement request - instructions on how and by when Grant Recipients are expected to confirm acknowledgement of the letter and agreement to comply with the decisions states.
 - b. For clawback letters only:
 - i. Reference Number - a reference number/identifier for GRs to use on their repayment.
 - ii. Payee details - payment details for returning the grant (i.e. Scheme/DESNZ account details).
 - iii. Due date - the date by which the Grant Recipient must complete the payment.
 - iv. Disclaimer - statement on the implications of late or inaccurate repayments.
 - v. Instructions - any other instructions that are relevant to advising the GR on the steps to take to complete clawback action.

596. The **Supplier** must use the **Buyer's** digital GMS solution for issuing of all notifications to GRs.

8.4 Warm Homes: Social Housing Fund (SHF) and Warm Homes: Local Grant Financial Reporting

597. The **Supplier** must provide reports to the **Buyer** with adequate time for the **Buyer** to review, quality check, and discuss them with the **Supplier** before submission. The timeframe for the provision of the reports each month will be agreed between the **Buyer** and **Supplier** during implementation. The reports will include, but are not limited to:

- a. Reporting actual and committed spend against forecasted spend (including Capital, Admin and Ancillary funding) for each month and for the totality of delivery
- b. Reporting the value of surplus grant recipient funding and the level of upfront funding remaining with GRs
- c. The **Supplier** will be expected to familiarise themselves with the normal annual cycle of HMT and Departmental funding Estimates, Budgets and Spending Rounds to assist the **Buyer** to budget or forecast accurately. The **Supplier** should be familiar with the guidance and principles of HMT Managing Public Money, Consolidated Budgeting and Forecasting and the Green Book.
- d. The **Supplier** is expected to produce low, high and central scenarios of spend recommending to the **Buyer** a Departmental forecast considering delivery trends, as well as compiling the GR projected forecasts.
- e. A clear recommendation of what action the **Buyer** should take to ensure GRs meet their forecasts.

598. The **Buyer** and **Supplier** must agree methodologies to ensure the data is analysed and interpreted correctly. This may include, but is not limited to, incorporating regional variations in costs to ensure forecasts account for differences in delivery context.

8.4.1 Project and Scheme Level Financial Forecast Reviews

599. GRs are required to provide financial forecasts that outline their project spend for each financial year. Given that funding must be spent within the allocated financial year, the grant and co-funding intensity (WH: SHF) and grant (WH: LG) and forecasted spend indicates delivery progress, it is important that the **Buyer** receives accurate forecasted spend figures.

600. GRs are required to update their financial forecasts monthly as per the data reporting requirements detailed in Service Area 06 - Data Collection, Visualisation and Reporting. To support accurate reporting, the **Supplier** must ensure that GRs adhere to forecast

submission deadlines as part of their reporting obligations as detailed in the Service Area 06 - Data Collection, Visualisation and Reporting.

- a. The **Supplier** must review, support, advise and query the detail provided in the GRs financial forecast as per the process detailed on Data Quality Assurance in the Service Area 06 - Data Collection, Visualisation and Reporting, and per the process for Monitoring and Control in the Service Area 03 – Scheme Performance and Management
601. The **Supplier** must consider the following, but is not limited to, when conducting reviews of the financial forecasts:
- a. Figures on forecasted spend aligns with the funding allocated to the GR.
 - b. Figures are in line with the agreed baseline data (e.g. grant and co-funding for WH: SHF and grant for WH:LG) for the GR project.
 - c. Figures align with the delivery expectations for the GR.
602. The **Supplier** must query any discrepancies identified in the financial forecast, as per the relevant process detailed in the Data Quality Assurance Section of Service Area 06 - Data Collection, Visualisation, and the Reporting and Monitoring and Control Section in Service Area 03 - Project and Performance Management.
603. The **Supplier** will report to the **Buyer** on the financial forecasts via the Performance and Management Forums as detailed in the Service Area 03 – Scheme Performance and Management.
- a. The **Supplier** will use these forums to provide the **Buyer** with updates on the financial forecasts at project and scheme level, and the **Supplier** will also use these forums to report any discrepancies identified that have not or cannot be resolved with the GR.
604. During these forums, the **Buyer** will advise the **Supplier** on the action needed for any identified discrepancies, along with the timelines for these actions. This may include, but is not limited to:
- a. requiring the **Supplier** to continue supporting the GR, through regular engagement to improve their financial forecasts.
 - b. requiring the **Supplier** to increase their engagement with the GR as per the risk-based approach referred to in Service Area 03 – Scheme Performance and Management,
 - c. or the **Buyer** may engage directly with the GR, with the **Supplier** included in the communication, to require the GR to improve their financial forecast.
605. The accuracy of the financial forecasts provided by the GR is to be considered by the **Supplier** as part of the Delivery Confidence Assessment (DCA) and performance assessments as detailed in Service Area 03 – Scheme Performance and Management.

9. Demobilisation, Handover and Exit of the Supplier

606. Demobilisation, handover, and exit will be required to prepare for the end of the Order Contract between the **Buyer** and the **Supplier**.
607. Three (3) months prior to the term of engagement reaching the agreed duration stated in the Order Contract, the **Buyer** will notify the **Supplier** and the **Supplier** will undertake all activities, as stipulated in Order Schedule XX - Exit Management to successfully halt the service.
608. The **Supplier** must ensure that no activities relating to exit management are outstanding and no additional fees or costs are to be incurred by the **Buyer** in relation to this Order Contract, including any fees for sub-contracted services and no further work is to be undertaken by the **Supplier**.

9.1 Demobilisation, Handover and Exit of the Contract

609. The **Supplier** will ensure compliance with Order Schedule XX - Exit Management and its obligations, guaranteeing successful termination and/or handover to a replacement **Supplier** of all Projects.
610. The **Supplier** must ensure that resourcing remains at the appropriate levels through to Scheme Closure to ensure effective maintenance of the Service and all BAU activity until formal Exit.
611. The **Supplier** is responsible for ensuring that their team is sufficiently resourced and trained on how to deliver their Exit Plan with clear action owners assigned to carry out all closure activities.
612. If the Order Contract has been terminated, the **Supplier** will immediately undertake all necessary activities to allow the service to be run by a third party in either of the above scenarios.
613. The **Buyer** will agree a full Exit Plan with the **Supplier**, as per Order Schedule XX - Exit Management and its obligations, which will include but not be limited to:
- Establishing roles and responsibilities and governance arrangements for the demobilisation, handover and exit to include all relevant parties.
 - Ensure the secure and timely transition of data and information to the **Buyer** or other authorised body.
 - Identify a clear communication plan with key stakeholders and milestones, identifying risks to scheme closure and ensuring these are mitigated with the **Buyer** as part of the overall Scheme Closure Plan (Further details on Scheme Closure Planning are outlined in Section 9.2).

- d. Allow for continuity of service and plan to transition any 'on-going' BAU activities and, where applicable, the transfer of any GRs to successor/future Schemes as requested by the **Buyer**.
 - e. Enable the exchange of lessons learned via the established Learning Communities network and Knowledge Management and Capability Building activities (Please see Service Area 06 - GR Knowledge Management for further details).
 - f. Consider any legal obligations that may hinder or impact on scheme closure and escalate to the **Buyer** via the relevant governance board.
 - g. Ensuring all documentation is stored on the **Buyer's** GMS and any other digital systems and transfer of rights to the **Buyer** (where applicable).
614. Upon closure or completion of the Schemes, the **Supplier** will be responsible for ensuring the completion of all other requirement work packages and the activities and obligations detailed therein, and provide the **Buyer** with the final reporting position on:
- a. Lessons Learnt and Learning Communities (LC),
 - b. Closedown and handover arrangements with key milestones
 - c. Risk and Issue management
 - d. Change Requests
 - e. Remediation Plans
 - f. Fraud Management
 - g. Phase Requests (WH: SHF only)
 - h. Batch Submissions (WH: LG only)
 - i. DACs.
 - j. All records up to date, including latest GR interactions.
 - k. Data reconciliation
 - l. Financial reconciliation
615. The **Supplier** must complete and provide a list of any His Majesty's Treasury (HMT) Policy Notice Breach or Scheme Breaches. This includes but is not limited to:
- a. Eligibility of Homeowners
 - b. Eligibility of **Suppliers** – no PAS/Trustmark approval
 - c. Breach of CDEL/A&A spend based on data obtained from GR final data report
 - d. Any homes that are in progress but not complete at the time of closure.

- e. Any use of Grant funds outside the GFA/MoU approved or non-approved must be documented.
616. The **Supplier** must ensure that any Procurement Policy Notice breach, specifically Modern Slavery and GDPR are completed.
617. The **Supplier** must ensure that Prompt Payment of GR **Suppliers** that may have been breached are identified with actions taken to resolve.
618. The **Supplier** must ensure that it has completed all obligations to ensure that all fraud, error and non-compliances instances reported by the GRs have had all mitigation and remediation actions agreed with the **Buyer** carried out prior to Scheme Closure, and any cases not resolved at the time of closure, are handed over to the **Buyer** with full details of latest position.
- a. Instances of unresolved actions, include but are not limited to; ongoing investigations into fraud, error and non-compliance , or any ongoing prosecutions. Please refer to Service Area 05 - Fraud, Error and Compliance Management for further details.
619. The **Supplier** must ensure that all instances of risks and issues reported by the GRs have received all mitigating actions and treatments and are closed prior to Scheme Closure. The **Supplier** must continue to manage risks and issues as BAU activity and prepare to close out or transfer risks as needed. Any risks or issues that need to be transferred to the **Buyer** during closure must be agreed with the **Buyer** and full details of latest position must be decided.
620. The **Supplier** must work closely with the GR as part of their regular engagement (refer to Service Area 03 – Scheme Performance and Management) to ensure that at Project closure, all underspend has been returned to the **Buyer**, in line with deadlines set by the **Buyer**, and any outstanding queries from the GR have been resolved and formally closed with the GR in writing.
621. The **Supplier** should be prepared and able to provide evidence of these processes being complete if requested by the **Buyer**. The **Buyer** may request that certain processes are formally documented on the **Buyer's** digital GMS.

9.2 Grant Recipient Project Closure

9.2.1 Closure Strategies

622. The **Buyer** will provide information on GR final closure requirements to the **Supplier**, prior to the commencement of closure activity, with the timelines being agreed in advance between the **Buyer** and **Supplier**, which the **Supplier** must use, alongside referring to other key documents such as the WH: SHF GFA and WH:LG MoU/Memorandum of Understanding and Scheme policy guidance to produce a final

closure guidance document. The **Supplier** must provide this to the **Buyer** for approval, and it must be ready to be shared with to the Grant Recipients at least 3 months in advance of the Scheme closure date.

623. The **Supplier** must support GRs during the GR Project closure process, either at the planned closure of a project, or when commissioned by the **Buyer** in instances of premature Project closure.
624. It is a requirement on GRs to produce their own project closure report, for submission to and review by the **Supplier** against success criteria to be provided by the **Buyer**. The **Supplier** must work with GRs to rectify any errors that have been identified post submission of the final report, before submitting the GR closure report for approval by the **Buyer**. This should be submitted within one (1) calendar month of Project Closure being triggered by the GR.
625. **Supplier** must work proactively with the GR throughout the Project lifecycle to address specific performance concerns to avoid early closure of GR Projects, using the methods set out in Service Area 04 - Change Control to address changes to projects and support the GRs to deliver their baseline commitments.
- a. However, the **Supplier** must be prepared for the eventuality of a premature Project closure where a GR may trigger the project closure process ahead of formal scheme closure.
 - b. Before premature GR project closure is explored, the **Supplier** must demonstrate they have deployed strategies set out in Service Area 04 - Change Control to support GRs to meet their baseline commitments, in keeping with the 'Change Control by exception' culture.
 - c. In these instances, the **Supplier** must execute the GR change request (requesting premature closure) to the **Buyer** as outlined in Service Area 04 – Change Control.
 - d. If the **Buyer** does not support premature closure, the **Supplier** will continue to support the GR as outlined in the Service Area 04 – Change Control.
626. If the **Buyer** agrees to premature closure, the **Supplier's** PSO should use their in depth knowledge and understanding of the GRs risks, issues and timescales, as well as WH:LG MoU and/or WH:SHF GFA, Scheme policy guidance, and any other relevant information (for example change requests, if the premature closure is a result of the change control process) to support the GR through the closure process as outlined in Service Area 04 – Change Control.

9.2.2 Grant Recipient Project Closure Process

627. The **Buyer** will provide the **Supplier** with a template for the GR Project Closure report. The **Buyer** reserves the right to require that the **Supplier** amends, adapts and/or updates

the templates to align with the needs of the Schemes or funding models, this could include but is not limited to, additional specific policy and scheme requirements that fall outside of the monthly reporting requirements.

628. Where such a request is raised by the **Buyer**, the **Supplier** must update the templates accordingly and use of the new versions must commence no later than ten (10) working days from date of receiving the request. Where the **Supplier** initiates updates or amendments to the design of the templates of their own accord or as part of continuous improvement activities, this must be submitted for the **Buyer's** approval before new versions are implemented.
629. When Project closure has been triggered by the GR, the GR Project closure reports must be formally reported by the GR to the **Supplier**, by submission using the DMS, in the relevant reporting month.
630. The **Supplier** must quality assure the project closure reports to ensure they reflect all changes to GR Project performance progress, agreed milestones and key GR Project KPIs, and all Trustmark Lodgements are completed with valid lodgement IDs for each installation.
631. The **Supplier** must monitor and report the total number and value of 'closed' and 'live' projects to the **Buyer** at the monthly Review boards (Please see Service Area 03 – Scheme Performance and Management for detail on governance forums) to ensure that timely GR Project closure activities are taking place, and that the **Buyer** is kept informed of progress. This is in addition to Business-as-Usual reporting requirements.
632. The **Supplier** must track completion of closure actions and maintain oversight of all closure activities, for example by developing and maintaining a Closure Plan, and update the **Buyer** via usual governance channels (Please see Service Area 03 – Scheme Performance and Management for detail on governance forums) to support the **Buyer's** audit and assurance requests as part of scheme closure alongside BAU activity.