
Technical Assistance Facility 2 Pre-Market Engagement Session

30th June 2023



Aims of the session

Purpose:

- To provide an overview of the need for Technical Assistance Facility 2 (TAF 2) & background to the schemes.
- To provide details on the upcoming competition design and the Department for Energy Security & Net Zero TAF 2 requirements (to note these are subject to change and are currently in draft form)

Objectives:

- To test and improve the TAF 2 requirements with suppliers
- To allow suppliers to begin thinking about and planning for their potential bids

Housekeeping

1. The **session will be recorded** to distribute to those invitees who could not attend.
 - The recorded session will be made available shortly after the session and the Q & A from the session will be shared at a later date.
2. Please keep **microphones on mute** unless speaking.
3. Please either **raise your hand or add questions to the chat**, which will be monitored throughout. We also have several MS Teams polls that you can respond to throughout the session.
 - When raising a question, please tell us your name and the company that you represent.
4. You can also **email any questions to** hthcommercial@beis.gov.uk.
5. We will be emailing a questionnaire to all invitees after the session. Please respond to these questions by **COP Wednesday 5th July**.

Transparency (Public Contract Regs)

- The purpose of this exercise is to validate Department Project Team's thinking and development of the Policy through market considerations and the following slides represent the thinking on this.
- Feedback from interested stakeholders will be considered before the approach is finalised and taken through programme governance.
- The approach described within this document may be subject to change prior to ITT Launch so no assumptions from details discussed today can be considered in relation to the tender process.
- Finalised details will be contained within the tender ITT document which we aim to publish towards the start of September.
- Nothing discussed or questioned today will contribute to the evaluation of the tender, it will be treated as a separate exercise to the tender evaluation and will **NOT** be weighted with any relevance to the bidders' answers to the tender which are different to this exercise.

Introductions to the Department for Energy Security & Net Zero and background to TAF

Introductions

- Who are we?
 - Toby Miller – Commercial Lead for the Technical Assistance Facility
 - Laura Hamlyn – Project Manager for TAF 2
 - Jessica Newport Gay – Delivery Lead for the Procurement of TAF 2
 - Alexander Barnes – Senior Project Officer – HUG 2 Delivery
- SHDF and HUG sit within the Net Zero Buildings, Domestic Directorate.
- The October Heat and Building Strategy set out our vision for a greener future and key commitments for action.



To meet Net Zero virtually all heat in homes will need to be decarbonised



Fairness and affordability are at the heart of our approach



The journey to Net Zero buildings starts with better energy performance



The buildings transition presents huge opportunities for jobs, growth and levelling up



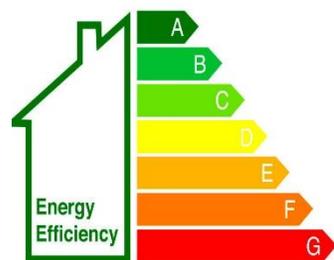
We need to act now to develop the market and bring down costs for energy efficient low-carbon heat



Ultimately, Net Zero will mean gradually, but completely, moving away from burning fossil fuels for heating

Overview of HUG

The Home Upgrade Grant will provide **energy efficiency upgrades and low-carbon heating** to low-income households living in the worst performing (EPC D-G), off gas grid homes in **England** to tackle fuel poverty and meet net zero.



- Low energy efficiency (those with **EPC D-G**)
- **Low income** (household income below £31,000 a year)
- HUG 2 is **for homes off the gas grid** (oil, solid fuel, liquid petroleum gas, and electric fuelled homes)
- Available to **homeowners** and **private tenants/landlords** (private landlords must contribute 1/3 of the costs)
- Social housing is not eligible, except for strict in-fill purposes (capped at 10% of all projects)



- £2.5bn Conservative 2019 manifesto commitment:
- £1.1bn has been allocated to HUG at the 2020 and 2021 Spending Reviews.
- **HUG 2 has awarded £630m** to Local Authorities to be delivered from April 2023 to March 2025.



- HUG is in its second phase – **HUG 2**
- Successor to the Green Homes Grant Local Authority Delivery scheme (LAD) which informed the design of HUG

Overview of SHDF

The Social Housing Decarbonisation Fund (SHDF) provides funding to Local Authorities for the installation of energy efficiency measures and low carbon technologies in social housing in England



- Low energy efficiency (those with **EPC D-G**) reducing current annual energy bills by an average of £220 per household
- Support improvement to around **90,000 Social housing** in England
- Installation of **energy efficiency measures and low carbon technologies**
- The 2019 Conservative Manifesto committed to a £3.8bn Social Housing Decarbonisation Fund over a 10-year period, to improve the energy performance of social rented homes (subject to future spending reviews).
- The 2021 Spending Review committed a further £800 million to the SHDF for the three-year period.
- **SHDF Wave 2.1 has awarded £778m of grant funding** to 107 Local Authorities & Housing Associations to be delivered from April 2023 until March 2025, with SHDF match funding, which provides an additional £1.1 billion being used until September 2025.
- SHDF has taken a waved approach to delivery, currently in **Wave 2.1**



Grant Funding Award Models

Competition Model

Competition model:

- In previous net zero schemes, LAs competed against each other to secure funding.
- GRs provided long-term delivery forecasts and detailed information on housing stock and measure mixes in competition bid before actually signing up homes and assessing them.
- GRs are held to their housing stock / measure mix pledges.

Challenge Fund Model

Challenge Fund model:

- LA applications split into two stages and assessed against a minimum criteria – all LAs that pass the bar are funded.
- MoU is signed for funding in principle. An upfront payment is given to LAs to hire resource and sign up & assess homes.
- LAs then submit batches of homes to DP for approval, with accurate delivery forecasts, housing stock, measure mix and cost projections provided (automated or manual assessment)
- As payments are released in milestones / portions, funds can be diverted in-flight from weak projects unlikely to deliver full grant funding to higher performing projects.

Background to TAF 2

- There have been two previous iterations of TAF; **TAF 1** and **TAF Bridge**.

TAF 1:

- TAF 1 ran from February 2021 – February 2022 and was originally set up alongside SHDF Wave 1



The primary aim of TAF 1 was to support RPs across England to produce high quality retrofit applications to access SHDF funding, providing better value for money for the Dept.

- Value of the TAF 1 contract was £3.45m.

TAF Bridge:

- TAF Bridge is currently in place, and has been running since February 2022 and will run until January 2024
- Value of TAF Bridge contract is £7.15m.
- **TAF Bridge is being delivered as two services; the Social Housing Retrofit Accelerator (SHRA) for SHDF and the Home Upgrade Hub (the HUB) for HUG 2.**

Purpose of TAF Bridge

The TAF Bridge provides support to Local Authorities (LAs), Combined Authorities (CAs), Consortia, Housing Associations (HAs), Registered Providers (RPs) and Net Zero Hubs (NZHs) in developing the necessary capability to design and mobilise a 'best in class' retrofit programme to improve eligible housing stock in their area while delivering additional benefits.

TAF Bridge is being delivered as two services; the Social Housing Retrofit Accelerator ([SHRA](#)) for SHDF and the Home Upgrade Hub ([the HUB](#)) for HUG 2.

TAF Bridge is focused several elements to support applicants, this includes but is not limited to:

- Supporting the upskill of LAs to ensure **high quality applications** for the scheme's funding
- **providing technical assistance** to scheme applicants through **upskilling** on housing retrofit via masterclasses and other formats
- capturing and **sharing knowledge and lessons learned**
- improving **tenant engagement**
- supporting with **property identification and supply chain procurement** and other areas that allow for the successful delivery of projects.



Lessons Learnt from TAF Bridge

1. The importance of communicating early with prospective applicants outside of funding windows.
2. Ensuring capacity in the contract to allow for the addition of other DESNZ schemes if they are applicable
3. Many LAs/HAs have found the service useful & there is evidence of a material impact on the quality of applications.
4. Support received by HUG 2 LAs on their DACs has created visible improvements by the time the DACs have come to the Department.
5. Ensuring that there is unified messaging and advice coming from the Supplier and the Department.

TAF 2 Vision

01



The TAF will champion the UK's Net Zero goals, pursuing excellence in energy efficient retrofits by building capability through its development and deployment of the body of knowledge.

02



The TAF will inspire prospective applicants to engender long-term sustainable strategies to deliver energy efficiency retrofit measures to homes in England.

03



The TAF will build strong collaborative networks, supporting prospective applicants to develop high quality applications and prepare for delivery

TAF 2 Objectives



Capacity and capability building pre-delivery: build prospective applicants capability and capacity to decarbonise their housing communities including by developing a user-friendly repository of best practice and learning and technical knowledge to guide prospective applicants through the retrofit life cycle and proactively disseminate this; supporting the trialling of **new learning approaches to energy retrofit that build capability and capacity through small-scale projects.**



Levelling-up: a) target less engaged regions of England to level up all regions of the country and b) target less engaged and smaller organisations to level up the housing sector.



Scheme Pipeline Development: Build a pipeline of high-quality applications and sustainable strategies, in readiness for future funding opportunities and build their delivery readiness pre-delivery.



Residents: Support prospective applicants to support residents throughout the retrofitting process.



Supply Chain awareness [and development]: Build prospective applicants' knowledge of viable supply chains

Delivery Partner & Delivery Agent

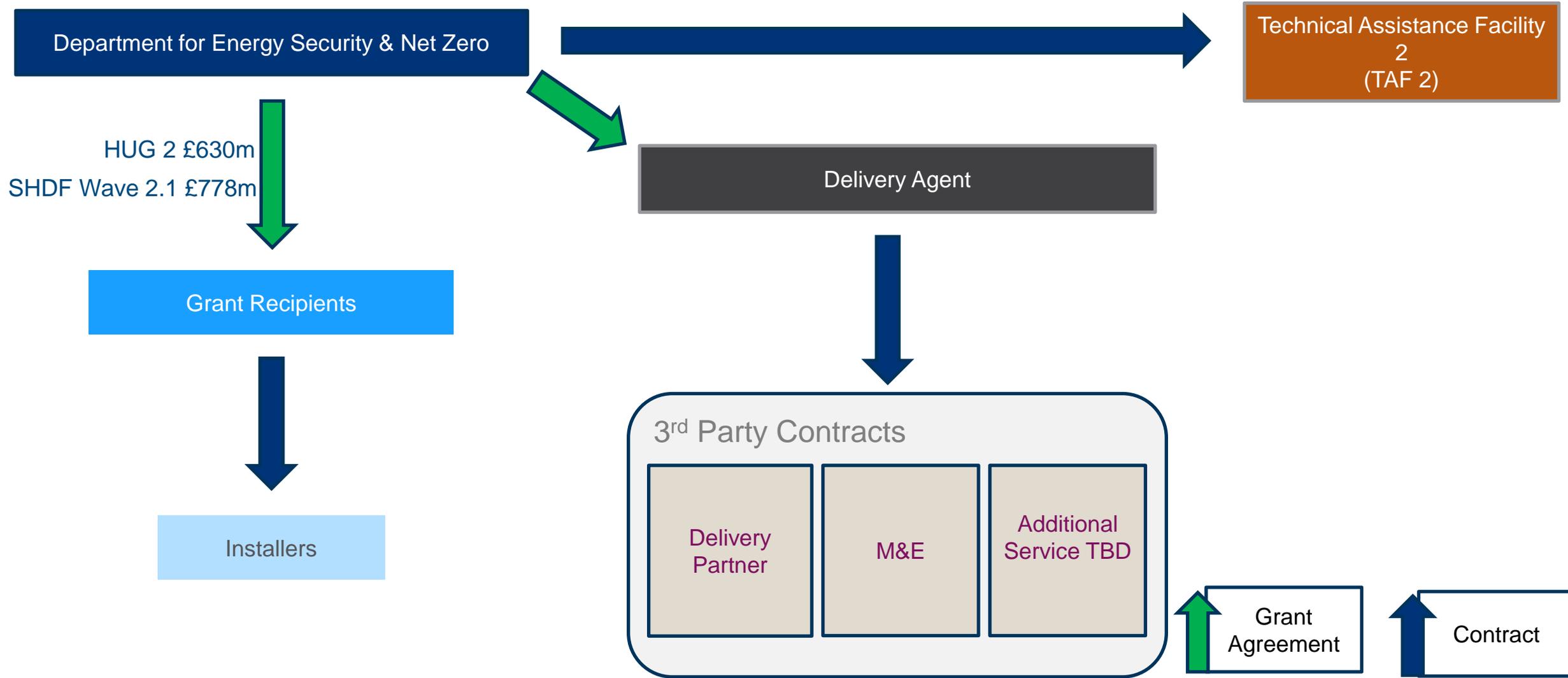
Unlike previous iterations of the schemes, both HUG 2 and Social Housing Decarbonisation Fund (SHDF) Wave 2.1 use the **Delivery Model** of delivery which uses:

- **A Delivery Agent** to facilitate the delivery of scheme benefits
- **A Delivery Partner** to support and monitor the delivery of Local Authority and Social Housing Landlord projects (known as the Delivery Model):

This Delivery Model is a novel delivery approach for DESNZ's retrofit policies and will be important to evaluate the effectiveness of this approach

- The **Delivery Agent** role is being delivered by **Salix**.
- The **Delivery Partner** role is being delivered by a consortia of **PWC, Turner & Townsend & Arup**.

TAF Bridge Operating Model



Estimated Timelines (subject to change)

Date	Event
30th June 2023	Pre-Market Engagement Workshop
4th Sept 2023	Intention to Tender (ITT) published
2nd Oct 2023	Deadline for bid submission
30th Oct 2023	Bids Evaluated
2nd Dec 2023	Contract Award & send out Feedback Letters
18th Dec 2023	Contract Signature & Start Date
19th Dec- 31st Jan 2024	Mobilisation Period
31st Jan 2024	Contract is live



Overview of the TAF 2 Requirements

What is the estimated scope of the contract?

- *This information is subject to final governance and assurance processes and **may be subject to change**. Final delivery phases for any **future schemes** will be confirmed and exact numbers of projects will not be known until after competitions are competed and final numbers of successful bids are confirmed. Funding beyond this Spending Review period has not been confirmed and it may impact the delivery duration of schemes beyond HUG 2 and SHDF Wave 2.1.*

Contract Duration	2+1+1
Contract Value	c. £16m (subject to change)
Audience supported	Local Authorities, Housing Associations, Net Zero Hubs, Combined Authorities (and other similar relevant bodies)
Dept Schemes Supported	HUG, SHDF (other schemes may be included at a later date)

What are the anticipated responsibilities?

- The TAF 2 provider will play an **active and strategic role** in **ensuring** LAs and HAs **build capability and capacity to deliver retrofit schemes**.
- The TAF 2 provider will **lead all regular engagement** with LA/HAs during the pre-application phase, and thus will be responsible for **identifying any capability or capacity concerns** and providing inputs into LAs/HAs critical pre-delivery project decisions.
- The TAF 2 provider will build and facilitate **close relationships** with and between LA/HAs and maintain a strategic overview of the upskilling of LAs and HAs.
- The TAF 2 provider will develop and deliver the service packages as required by the Department (outlined in the following slides)

Fundamental Principles



Capability Building

Accessible body of knowledge for Industry



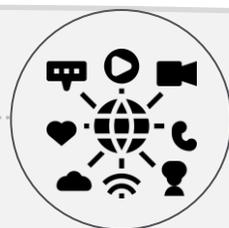
1-1 Support

Bespoke 1:1 Bid Support for bidders



Strategy and Plans

Provide Strategic engagement with all geographic stakeholders



Raising Awareness

Using platforms to increase knowledge about retrofits and the bidding process



Project Delivery Tools

Centre of excellence for all energy retrofit learning and development



Support Functions

Good governance providing framework for management

Service Packages

The TAF 2 provider should include **six** service packages, but may be subject to change:

1. Capability Building
2. Bespoke Advice and Support
3. Strategy and Plans
4. Raising Awareness
5. Project Digital Tools
6. Admin Support Functions

Capability Building

TAF 2 provider could aim to upskill Prospective Applicants, to create an easily accessible body of knowledge as a reference point for the industry.

As part of this, it should include, but not limited to:

Masterclasses:

- Expert-led online session with presentation and Q&A covering technical or specialist topics relating to programme development, delivery, or the application process.
- Organised and managed by Supplier with registration open to all.
- Masterclasses could also be delivered to meet specific Potential Applicant need.

Peer to peer presentations & exemplars:

- Organise and facilitate peer-to-peer presentations and exemplars where energy retrofit projects (delivered by Grant Recipients, i.e., Local Authorities and/or Registered Providers) are invited to speak and share learned experience of project delivery.
- Presentations, in delivery language, how they went about delivery, pitfalls to avoid, lessons learned, guidance & advice for successful delivery etc.

Courses and modules:

- A series of targeted modules with additional content and workshops.
- Potentially CPD accredited.

It may also entail trialling new learning approaches to energy retrofit that build capability and capacity through small-scale projects

Bespoke Advice and Support

TAF 2 provider could aim to provide support and guidance to the Potential Applicant for either the resolution of an issue or sufficient guidance for the Potential Applicant to implement recommendations within an agreed timeframe.

Setting up for Success (SUFS) and eligibility triage:

- An Online Self-Assessment Form to understand the Prospective Applicants' capacity and capability to successfully deliver retrofit projects against respective schemes' requirements and to understand what stage of development the Prospective Applicants' retrofit project is at and to begin initial engagement with them

Bespoke 1-2-1 'Build up to Delivery' support:

- One-to-one bespoke support to the eligible Prospective Applicant in the form of direct, retrofit consultancy expertise support and take time to review and assist Prospective Applicants through the bid/application process.
- Tailored one-to-many support is the preferred method for delivering support and bespoke one-to-one support should be reserved for activity that cannot be delivered through that method.

Critical friend review:

- Specialist expert review of finalised scheme documentation to ensure the required standard is met for progression to the next stage of the SHDF, HUG or other relevant DESNZ NZBI Domestic schemes and to give Potential Applicants bespoke feedback on areas requiring improvement

Short-term resource deployment:

- Parachuting resources into potential applicants to provide specific support and build capability within the specific LA for Short-term urgent, clearly defined and time-bound work.

Strategy and Plans

TAF 2 provider could aim to provide strategic engagement with stakeholders covering all geographic regions of England for duration of TAF 2 contract.

Stakeholder Mapping:

- Identify applicants for SHDF, HUG and other relevant DESNZ NZBI Domestic schemes and key stakeholders who will benefit from, and contribute to, the development and delivery of TAF 2.
- Capture all geographic regions across England to encourage proportionate engagement in order to support the Government's levelling up priorities.
- Conduct reviews of the stakeholder maps at defined intervals to ensure stakeholder mapping is being actioned usefully.

Bespoke Research (e.g. Technical advice pot) for the Buyer:

- Adhoc requests such as new pieces of research or an addition to an existing requirement, an increase not already factored in.

Raising Awareness

TAF 2 provider to build awareness of energy retrofits, the value that these projects bring to society, our environment, and the personal benefit to our stakeholders.

Podcasts:

- An informal chat that offer a different style of learning and information dissemination than the other inputs and can be listened to through most major platforms such as Spotify.

Social Media articles and posts:

- Write articles and distribute social media posts across LinkedIn, Twitter and a YouTube channel to promote all relevant aspects of the TAF and its aims is to channel traffic to specific webpages or events and the website/s.

Email newsletters, Events bulletins and Feature articles :

- Write and distribute an email to subscribers on the TAF Projects activities supported by the TAF and other government projects of interest.
- A weekly newsletter that looks at wider topics such a technology, net zero trends and retrofit abroad.
- Write and distribute feature articles for the trade media based on TAF projects.

Creation of marketing/engagement content:

- Create content of interest to stakeholders, such as videos from experts on 'how to' energy efficiency retrofit, real people in their retrofitted homes.

Content creation for knowledge hub

- Range of digital and non-digital tools and templates, including but not limited to standardisation of documents, processes and producing FAQs.

Spotting and nurturing third-party comms opportunities

- DESNZ case studies put into wider articles in media outlets.

Project Digital Tools

TAF 2 provider to act as a Centre of excellence for all energy retrofit learning and development, that will be based on the existing website.

Online Self Assessments Form and Event Registration:

- The Online Self-Assessment Form will put the **onus on the potential applicants to want to actively engage with TAF 2**. TAF 2 can work with those potential applicants who have identified themselves as wanting TAF 2 support.
 - The form will be briefed by the buyer and designed by the supplier.

Website:

- A knowledge hub providing support and information so that a prospective grant recipient can self-navigate to guide themselves through a retrofit project life cycle.
- Hub will provide **overarching resource drawing together and amplifying industry knowledge and guidance** that helps organisations to understand the process they need to go through to develop and deliver projects and programmes.

Customer Relationship Management:

- A Tool mapping out interactions with the customer through use of large amounts of data. Centralised data storage for applicant, engagement and commercial information, controlled with appropriate permissions assigned to different user groups
 - CRM to be feed back into the buyer's data team.

Archetype matching service

- Is the connection of prospective applicants to a community of archetype experts. Information on archetypes will be gathered from various sources such as but not limited to information held by the Delivery Agent on projects delivering specific archetypes and willing to engage with prospective applicants.

Set-up and management of an email inbox:

- Provide customer support and engage with RPs and other stakeholders during the length of the contract to support with the delivery of the Services packages and other contractual obligations.

Admin Support Functions

TAF 2 provider to have a good governance that provides the framework for decision-making, managing stakeholder expectations and appropriate channels of escalation

Benefits Realisation Plan:

- The Supplier to create a one-off benefits realisation plan.

Support Function Staffing - PMO:

- A single PMO covering all schemes that maximises synergies and minimises duplication.

Reporting:

- Supplier to complete frequent reporting to Buyer.

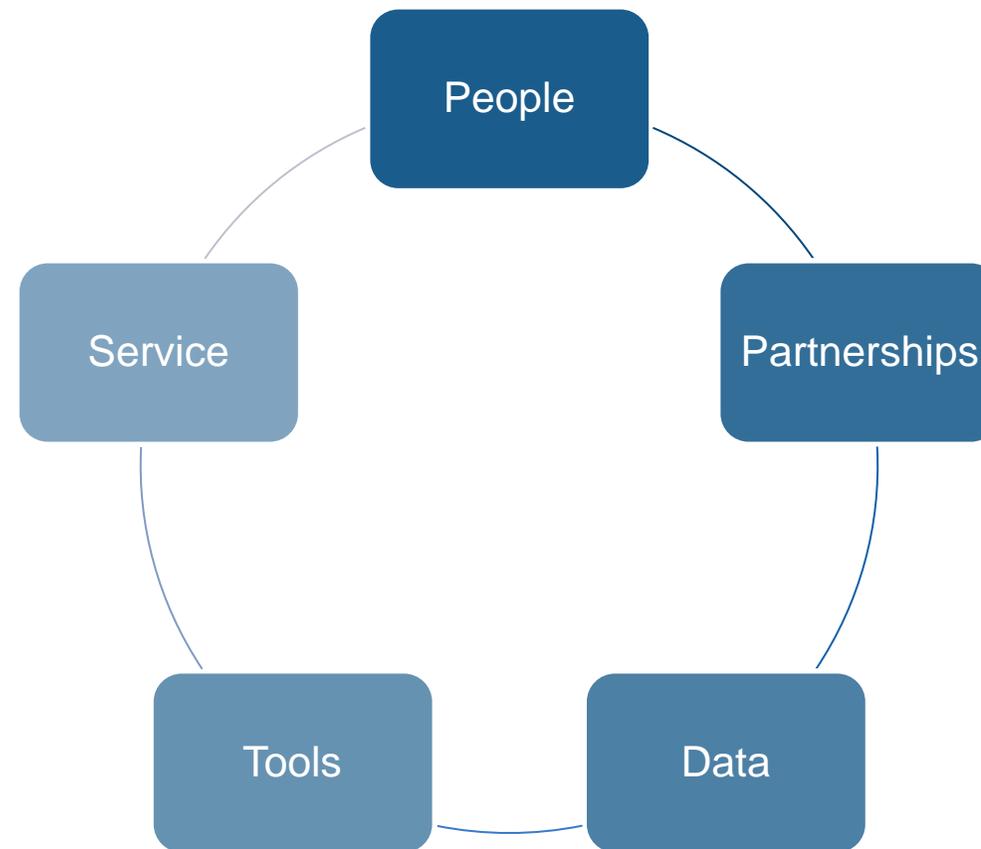
Fundamental TAF 2 Principles - Assistant document

TAF 2 provider to be established as the overarching body of knowledge and knowledge broker, building an internal network across teams, departments and regional partners to horizon scan, share intelligence and identify key pieces of work to be developed with our partners interacting with the TAF 4-year plan. Decisions to be agreed in conjunction with DESNZ.

Partnership working:

- Work closely with our Regional Partners, DA/DP, Supply Chain team and others to horizon scan, share intelligence and identify key pieces of work.

The expected skills and behaviours expected in the delivery of the service packages:



Advice on the Procurement Process



Advice on the tendering process

What tender process is being followed?

Current planning is for a Mini Competition using the CCS RM6313 Demand Management & Renewables DPS. However, the Authority reserves the right to alter its route to market and to make a final decision on route to market following a review of the responses to this engagement. We will make a final decision on the route to market by the end of July. Given the timelines involved on registering for the DPS, we would potentially recommend that suppliers register onto the DPS by 1st August 2023. Please use [this link](#) to register and contact info@crowcommercial.gov.uk if you require assistance.

Mini Competition

An overview of the specification can be found in this slide pack, but these are subject to change following this engagement. The ITT will contain full details of the specification. Suppliers will need to demonstrate their capability in meeting the requirements.

Tender Evaluation

Returned tenders will be evaluated against pre-determined criteria by an evaluation panel to ensure a fair and objective decision is reached.

Contract Award

An award notification will be issued to the successful supplier. Successful and unsuccessful suppliers will be notified on the same day. The Contract Award Notice will be published within 30 days of the Contract Award Date.



Further Information

- We will be providing the PowerPoint and the recording of the session to you.
- A question form has been shared with all suppliers attending this engagement. Can you please respond to these questions by COP Wednesday 5th July.
- For any additional questions and suggestions please email these to hthcommercial@beis.gov.uk . We will share all questions with answers at a later date.



Annex



Service Packages Short Summary

The role of the TAF 2 provider could include, but is not limited to:

1. Capability Building:
 - Upskill Prospective Applicants, to create an easily accessible body of knowledge as a reference point for the industry.
2. Bespoke Advice and Support
 - Provide support and guidance to the Potential Applicant for either the resolution of an issue or sufficient guidance for the Potential Applicant to implement recommendations within an agreed timeframe.
3. Strategy and Plans
 - Providing strategic engagement with stakeholders covering all geographic regions of England for duration of TAF2.
4. Raising Awareness
 - Build awareness of energy retrofits, **communicating** the value that these projects bring to society, our environment, and the personal benefit to our stakeholders.
5. Project Digital Tools:
 - Act as a Centre of excellence for all energy retrofit learning and development.
6. Admin Support Functions
 - Have a good governance that provides the framework for decision-making, managing stakeholder expectations and appropriate channels of escalation
7. Fundamental TAF 2 Principles - Assistant document
 - Be established as the overarching body of knowledge and knowledge broker, building an internal network across teams, departments and regional partners to horizon scan, share intelligence and identify key pieces of work to be developed with our partners interacting with the TAF 4-year plan.

