



Department for
Business, Energy
& Industrial Strategy

Green Home Finance Accelerator (GHFA)

Competition Guidance Notes

Deadline for Discovery Phase Applications: 12:00pm (noon) 14 December 2022

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Part 1

1. Overview

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

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

The competition, supported by up to £20m of government grant funding, will be delivered across two phases: Discovery Phase and Pilot Phase.

The Discovery Phase will award grant funding to support research and development of innovative green finance products. This will be followed by the Pilot Phase, whereby grant funding will be awarded to support innovation activities which enable applicants to test their new green finance product(s) on the market.

The competition will also encourage participants to explore how finance providers can play an active role in the provision or signposting of energy efficiency and low carbon heating advice to consumers, and how quality and standards for retrofit work can be built into the process to ensure that installations perform as expected and energy savings can be maximised.

Funding is available for grant awards to green finance projects with a particular focus on products targeting and supporting any consumer group(s) unlikely to receive support under current or planned government energy efficiency/fuel poverty schemes. We would also be interested in proposals for products that blend private finance with any government funding available from any of the able-to-pay focused [Help to Heat](#)¹ schemes, such as the [Boiler Upgrade Scheme](#)².

The competition is open to applications between 18 October 2022 and 12:00 (noon) on the 14 December 2022. Applications can be made online by following [this link](#) and all required documentation is also available on the GHFA GOV.UK [webpage](#).

PricewaterhouseCoopers (PwC) have been contracted as the delivery partner, supported by The Carbon Trust, to manage the GHFA competition on behalf of BEIS

¹ <https://www.gov.uk/government/collections/find-energy-grants-for-you-home-help-to-heat>

² <https://www.gov.uk/guidance/check-if-you-may-be-eligible-for-the-boiler-upgrade-scheme-from-april-2022>

and will be the first point of contact in all cases. For any queries, please email uk_ghfa@pwc.com.

The GHFA forms part of BEIS's £1 billion [Net Zero Innovation Portfolio \(NZIP\)](#), which aims to accelerate the commercialisation of low-carbon technologies, systems and business models in power, buildings, and industry.

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

Table 1: GHFA Indicative Competition Timetable

Milestone	Projected Completion Date
Discovery Phase	
Competition opens	18 October 2022
Competition Information Event	02 November 2022
Deadline for questions from applicants	09 November 2022
Deadline for BEIS to publish responses to all applicant questions	18 November 2022
Competition closes - Deadline for submission of Discovery Phase applications	14 December 2022 - 12:00pm (noon)
Discovery Phase applications assessed and outcomes of Discovery Phase project selection communicated to applicants	15 February 2023
Discovery Phase grant funding agreements signed	14 March 2023
Discovery Phase Start	15 March 2023
Discovery Phase End	13 September 2023
Pilot Phase	
Deadline for submission of Pilot Phase funding applications	13 September 2023 - 12:00pm (noon)
Pilot Phase funding applications assessed, and outcomes of Pilot Phase project selection communicated to applicants	30 October 2023
Pilot Phase grant funding agreements signed	30 November 2023
Pilot Phase Start	01 December 2023
Pilot Phase End	28 February 2025
GHFA Programme End Date	31 March 2025

2. Competition Background

Decarbonising Buildings

Decarbonising buildings is central to meeting the UK's net-zero target, as set out in the Net-Zero Strategy³. In 2019 heating homes contributed to 15% of the UK's carbon emissions. The energy efficiency of buildings must therefore be improved to reduce these emissions. Alongside reducing carbon emissions, energy efficiency and low carbon heating measures can help households reduce their energy demand and manage their energy costs. This is particularly pertinent given the current cost-of-living crisis and high energy prices, which provide a significant additional driver for Government to support the development of a thriving, diverse green lending market. The Clean Growth Strategy (CGS)⁴ seeks to help improve building energy performance by calling for as many homes as possible to achieve Energy Performance Certificate (EPC) band C by 2035, where cost effective, practical and affordable. As around 64% of owner occupier homes, and 62% of private rented homes are below EPC band C, an increase in the installation of energy efficiency and low carbon heating measures is necessary for the UK to continue its pathway towards decarbonisation. The UK Government has estimated that up to £65bn of investment will be required to upgrade the UK housing stock to an average EPC band C rating by 2035. Private green finance will be crucial to achieving this, and further innovation in the green finance market is necessary to unlock this potential.

Green Financing Options

There has been a significant rise in the availability of green financing options over recent years. This particularly applies to green finance products which support customers in improving the energy efficiency of their homes by providing discounted rates or offering a cashback reward in conjunction with a standard mortgage product. However, the market requires further development and diversification. More products are required to provide the depth, scale, and reach needed to service the entire market.

The main offerings of the UK green finance market are currently mortgage products, a substantial proportion of which are only available to customers purchasing homes with an already high EPC rating. While these are important, more products are required to help homeowners finance the upfront cost of retrofitting. Importantly, while a few unsecured lending options have launched recently, the market is not particularly well primed to provide owner occupiers and private domestic landlords who own their properties outright with options to decarbonise. This highlights significant opportunity to provide a greater range of retrofit enabling green finance products to help all customers retrofit and manage their energy consumption and costs.

³ <https://www.gov.uk/government/publications/net-zero-strategy>

⁴ <https://www.gov.uk/government/publications/clean-growth-strategy>

Lenders and Homeowners

As a key part of the property landscape, lenders are well placed to help facilitate homeowners' future retrofit decisions, and to support cost reductions of energy performance measures by unlocking economies of scale. Lenders are also able to help address the financial barriers homeowners face, including those without mortgages, private domestic landlords, and those who are less likely to be eligible for government fuel-poverty related [Help to Heat](#)⁵ energy efficiency schemes.

Homeowners typically have limited awareness of the benefits of energy efficiency and low carbon heating measures, and even less of what finance options are available to support the cost of installation. Customer research conducted by Government has shown that lenders are trusted by homeowners to advise them on increasing home energy efficiency. Lenders therefore have the opportunity to be strong, strategic partners with Government to deliver energy and carbon reduction policy by integrating this into their finance products.

The Green Home Finance Innovation Fund

The Green Home Finance Accelerator (GHFA) builds on the knowledge acquired from its predecessor competition, the BEIS Energy Innovation Programme (EIP) [Green Home Finance Innovation Fund \(GHFIF\)](#)⁶, which launched in August 2019 and completed at the end of March 2022. The GHFIF programme set out to fund the development and piloting of a small number of innovative green finance products, and test initial consumer appetite for green finance.

Following an open competition, GHFIF supported three projects, (grant recipients: Home Infrastructure Technology Limited, Lloyds Banking Group and Monmouthshire Building Society), to a total value of £1.8M. Summaries of learnings from the three GHFIF projects can be found on the programme GOV.UK [webpage](#)⁷. The outputs from the BEIS funded GHFIF projects, alongside wider green finance market developments, represent an encouraging start. However, key barriers remain to both the development and commercialisation of green finance, and the diversification of products.

Developing an innovative, attractive and effective green home finance product is not a straightforward task; lenders often lack expertise in energy efficiency and low carbon heating and confidence in consumer demand, and the energy efficiency and low carbon heating advice and the installer supply chain often lack financial expertise. There are often significant costs involved in overhauling lender IT systems to integrate new products with innovative features, and costs and challenges in training up mortgage advisors to sell novel products. There are also recognised

⁵ <https://www.gov.uk/government/collections/find-energy-grants-for-you-home-help-to-heat>

⁶ <https://www.gov.uk/government/publications/green-home-finance-innovation-fund-competition-successful-bids>

⁷ <https://www.gov.uk/government/publications/green-home-finance-innovation-fund-competition-successful-bids/green-home-finance-innovation-fund-competition-successful-bids>

challenges around verifying that green finance has been spent on appropriate green measures in a way which satisfies the lender but does not inconvenience the consumer.

The GHFA competition will support lenders to explore and address these issues.

In developing the green finance market, Government is not necessarily looking to lenders to develop products which are, in themselves, inherently more complex than existing products. A key learning from the GHFIF is that simple and straightforward finance products, which are easy to explain to the consumer, are nearly always the easiest to sell. However, we are keen to ensure that the reach of products, in terms of both the types of customers served and the number of products sold, can be boosted while the surrounding architecture which supports product sales, (IT infrastructure, consumer advice, supply chain/vendor management, and verification techniques) can become both more mature and more targeted.

3. Aims & Objectives

The aim of this GHFA grant competition is to provide finance providers and energy efficiency/retrofit supply chain organisations with the opportunity to design, refine, and pilot new green finance products.

The competition places a particular emphasis on novel products and services which the market is unlikely to deliver on its own, and which will target consumer segments typically less engaged with energy efficiency and low carbon heating retrofit. It will do this by supporting finance providers to overcome the barriers to innovation posed by high initial research and development costs, lack of energy efficiency and low carbon heating expertise, and lack of supply chain contacts, in an underdeveloped green finance market.

Funded projects will be expected to contribute toward achieving each of the following GHFA programme objectives:

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

4. Eligibility for Funding

To be eligible to apply for the GHFA grant competition, applicants must meet the following criteria:

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

The GHFA is funding the development of green finance product(s) and/or service(s) as detailed in the Competition Scope (Section 5).

2) Project Location:

The project must be led by a UK-based organisation (UK-based is defined as an organisation that has an establishment or subsidiary registered in the UK). At least 50% of the project activities, as measured by total eligible project costs, must be conducted in the UK, and any product pilot activities must take place in the UK with UK consumers.

3) Project Team Composition:

Projects must be delivered by individual UK based organisations (sole applicants) or by a consortium of UK based project partners led by a UK based organisation (consortium applicants).

Research organisations are eligible to lead projects and receive grant funding. However, all applications must demonstrate how they will lead to a pilot of a commercially viable green finance product. Should the proposal not include a finance provider at the initial Discovery Phase, we expect applicants to set out how they intend to recruit a suitable finance partner or partners during the Discovery Phase to enable a green finance product to be successfully piloted during the Pilot Phase.

4) Match Funding:

In line with subsidy control principles, only a portion of the total eligible project costs can be funded by BEIS grant funding and applicants will need to have private funding in place to cover the balance of the eligible costs. Such funding may come from an organisation's own resources or external investors, but it may not include funding attributable to any public authority (in the UK or elsewhere).

All grant recipients must provide evidence that their required match funding has been secured within 3 months of the commencement date of their grant funded activities. Please see Section 8 for grant intensity requirements which show the level of match funding required for different sizes of organisation and different types of innovation activity.

5) Project Status:

BEIS is unable to fund retrospective work on projects. The impact of retrospective work may however be considered in the assessment process. BEIS cannot fund the

development of processes, technology or products which are already at commercial design stage at the start of the Discovery Phase, or which are already commercially or widely deployed in the UK or internationally.

6) Additionality:

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

7) Grant Size:

The total requested grant for the Discovery Phase is a minimum £50,000 and must not exceed £200,000.

8) Eligible Project Costs:

Funding is for R&D (industrial research and experimental development) activities only. Please read the applicable requirements in Section 8.3.

9) Multiple Applications / Proposals:

Organisations may participate (as either a project lead and/or consortium member) in a maximum of up to three applications / proposals only. Organisations must not apply for funding for the same piece of work more than once.

10) Delivering Multiple Projects:

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

11) Terms and Conditions:

Applicants must agree to the published Terms and Conditions to be eligible (See Green Home Finance Accelerator GOV.UK [webpage](#) for T&Cs).

5. The Competition Scope

The GHFA competition is intended to establish a diverse range of green lending products in the green home finance market. It will do this by stimulating and supporting pilots of innovative financing offers which incentivise domestic energy efficiency, low carbon heating, and micro-generation retrofit for owner occupiers and private landlords of existing homes (we would not expect that any energy efficiency related products proposed for the GHFA would be designed for owners of new-build properties which should already be of a good efficiency standard. However, it would be acceptable for products to be targeted towards owners of new-build properties which have fossil-fuel based heating, to help them transition to low carbon alternatives).

GHFA product proposals should target UK consumers that may be required to comply with current or future energy efficiency regulation and/or manage energy consumption and costs. Targeted consumers should ideally be those poorly served by the existing green financing market or those not eligible for support under government [Help to Heat](#) energy efficiency/low-carbon heating fuel poverty support schemes. Funding is also available for proposals that develop green finance products designed to work in tandem with any existing government energy efficiency and/or low carbon heat schemes for able-to-pay customers.

5.1 Product Design

BEIS hopes to fund a mixed portfolio of projects through the competition, to ensure a range of novel green home finance products and approaches are developed and piloted, and diverse case-studies are produced. Though project applicants have the scope to propose and explore any innovative green finance product which they believe will be viable, including mortgage and mortgage-related products with genuinely novel design features, BEIS is particularly keen to see proposals for products which the market is less likely to develop on its own without support.

Finance products which may be useful in stimulating activity in these areas may include green unsecured lending products, green equity release schemes with concessional rates, and flexible financing options for specific technologies. Alongside product innovation, novel communication and marketing techniques may need to be developed and deployed to draw in customer segments otherwise less likely to engage and act.

Product Proposals – Areas for Applicant Consideration

The following product proposal suggestions are not prescriptive or exhaustive and are included to stimulate design thoughts only. Applicants should consider the best

approach to guarantee the best possible outcome, including commercial/consumer appeal and energy efficiency outcomes:

- **Unsecured green home renovation loans and green equity release options** for outright owner occupiers, with all or a percentage of a loan allocated toward the installation of low carbon heating and/or energy efficiency measures,
- Products that **blend loans and available grants** (such as the [Boiler Upgrade Scheme](#)⁸ or any other ‘able-to-pay’ focused [Help to Heat](#)⁹ grant schemes),
- **Pay-as-you-save schemes** with repayments tied to energy savings (including options which use the existing [Green Deal framework](#)^{10 11}),
- **Property Linked Finance schemes** where the finance can be piloted from summer 2023 using existing legislative frameworks,
- **Equity loans** for asset-rich, cash poor property owners, whereby consumers receive funding for measures in exchange for equity in their homes,
- Lending products designed to **target specific trigger points when homeowners undertake property upgrades**,
- Lending products for **specific property market segments, such as: multi-measure energy efficiency; low carbon heat renovations; and/or whole house retrofit** for the worst performing properties,
- **Reduced rate, ‘add to’ options for additional green borrowing products on existing mortgages** to enable retrofit and meet upfront costs,
- **Improved terms/cashback offers** on existing mortgages, mortgages, additional borrowing against mortgages etc.,
- Products focused on **supporting older homeowners to decarbonise** as there is evidence to suggest that this homeowner group are the least likely to undertake retrofit,
- Finance products **embedded within ‘one stop shop’ services** which offer an end-to-end service for homeowners incorporating energy efficiency advice, installer introductions, finance and after-care services,
- Finance products **available to/suitable for the brokerage market** (as opposed to the direct sales only market), with strategies for broker training and/or awareness raising,
- Heat-pump specific products including reducing the upfront costs of installing a heat pump,

⁸ <https://www.gov.uk/guidance/check-if-you-may-be-eligible-for-the-boiler-upgrade-scheme-from-april-2022>

⁹ <https://www.gov.uk/government/collections/find-energy-grants-for-you-home-help-to-heat>

¹⁰ <https://www.gov.uk/green-deal-energy-saving-measures>

¹¹ <https://gdorb.beis.gov.uk/>

- Microgeneration (e.g. rooftop PV) and storage (incl. smart batteries) specific products, including products where repayments can be tied to metered self-consumed generation (foregone bills) and export (e.g. SEG payments)
- Finance and advice supporting **smart technologies** combined with **time-of-use tariffs** so the **heating system can operate flexibly** and **enable homeowners to shift their demand away from peak periods of demand**, when electricity generation may be more costly and carbon-intensive, to times when generation is cleaner and cheaper.

In all cases, successful applicants will be required to demonstrate, before both Discovery and Pilot Phases, that product proposals, however novel, have commercial potential and address a genuine consumer need. Projects which pass the application stage will be supported to build detailed evidence of commercial potential at the Discovery Phase. Proposals will only be funded to progress to the Pilot Phase where clear market viability and consumer interest can be demonstrated, and where it can be demonstrated that any necessary legislative frameworks are in place, or will be in place within the pilot timeframe.

However, BEIS also acknowledges that some novel products may only appeal to a niche consumer group, at least initially. Therefore, BEIS are not setting hard customer sign-up targets for products and instead ask lenders (either as a sole applicant or consortium member) to propose their own targets during the Discovery Phase, appropriate to the nature and type of product being developed. Lenders will be expected to justify the target number proposed, in terms of their typical lending rates for new products, and their own internal requirements for proof of viability. BEIS expects this number to be achievable but stretching, however there will be opportunities to adjust target numbers between the Discovery and Pilot Phases if justified by evidence gathered during Discovery.

5.2 Providing Energy Efficiency and/or Low Carbon Heating Advice

Following the Government commissioned Each Home Counts review¹², the importance of consumers receiving trusted and impartial advice on energy efficiency was acknowledged. This is supported by research from Green Home Finance Innovation Fund participants which revealed that for the majority of homeowners, lack of knowledge was cited as a key barrier preventing them from acting in a more sustainable way.

Consumer Advice Requirements for Projects

Applicants will be required to consider and propose advice services for their customers as part of the initial application. This could range from simple signposting to the new GOV.UK [energy efficiency advice service](https://www.gov.uk/energy-efficiency-advice-service), similar energy efficiency and/or low carbon

¹² <https://www.eachhomecounts.com/>

heating advice sites such as the Energy Saving Trust¹³ website, or the GOV.UK [Heat Pump advice page](#)¹⁴; through to the development of bespoke energy efficiency and/or low carbon heating advice to their customers. BEIS is keen on receiving a variety of proposals for providing consumers with clear and informative advice on energy efficiency and/or low carbon heating, and specifically, making energy efficiency and/or low carbon heating improvements to the home. Applicants who are successful at the application stage will have the opportunity to fully test and refine their advice proposals during the funded Discovery Phase.

Existing and Planned Government Energy Efficiency Advice Services

As noted above, Government already has its own consumer advice and information service available on GOV.UK: [‘Find ways to save energy in your home’](#)¹⁵. This service launched in July 2022 (developed out of the earlier Simple Energy Advice online service) and there are plans to iterate and enhance its content over the coming years, including the addition of a phonenumber advice service. Information provided on the new site ranges from general advice on reducing energy bills and making homes warmer, to providing more bespoke recommendations on what energy efficiency measures can be made to a specific property.

In addition to the GOV.UK energy advice tool and retrofit phonenumber, Government will also launch a series of local demonstrator projects next financial year which will test various approaches to delivering in-person advice, with a particular focus on harder-to-treat properties, vulnerable consumer groups and those less able to access on-line advice. Lessons learnt from these projects will inform further Government action post-2025.

5.3 Installation Verification

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

Installation verification methods featured to some degree in the GHFIF proposals, however, partially due to the COVID-19 pandemic, the extent to which they were implemented during the projects’ lifetime and provided sufficient data on the impact of

¹³ <https://energysavingtrust.org.uk/tool/home-energy-efficiency-tool/>

¹⁴ <https://www.gov.uk/check-heat-pump>

¹⁵ <https://www.gov.uk/improve-energy-efficiency>

installations on energy and carbon savings was limited. The development of clear, measurable and consumer-friendly verification methodology proposals is required as part of the GHFA.

Verification Options for Lenders to Consider

- Pre- and post-improvement energy performance certificate (EPC)
- Smart metering to measure/demonstrate post-improvement energy consumption
- Smart meter enabled thermal energy efficiency ratings (SMETER¹⁶) to measure the thermal performance of homes
- The Green Deal Occupancy Assessment model of proof of works/TrustMark/MCS accreditation combined with a deemed scores approach such as is currently used for the Energy Company Obligation (ECO)
- Approved advisor and installer lists to ensure homeowners are getting advice and receiving installations from pre-approved, qualified installers (this could include advising or requiring customers to use TrustMark and PAS accredited installers)

5.4 Types of Innovation Activity

All projects funded through GHFA must fall within one or other of the following types of innovation activity: Industrial Research or Experimental Development, as defined below:

Industrial Research involves the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.

Industrial Research activities may include:

- The creation of component parts of complex systems;
- The construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems;

¹⁶ <https://www.gov.uk/government/publications/smart-meter-enabled-thermal-efficiency-ratings-smeter-technologies-project-technical-evaluation>

- Pilot lines, when necessary for the industrial research and notably for generic technology validation.

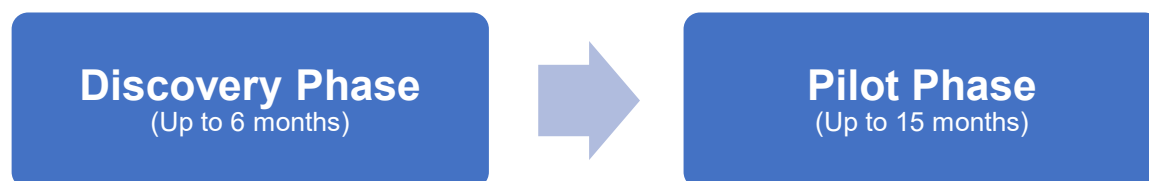
Experimental Development involves acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real-life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is not necessarily the final commercial product, and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.

Activities undertaken may include prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real-life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is not necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.

6. Programme Phases

The GHFA competition will be delivered in two distinct phases: Discovery and Pilot.



6.1 Discovery Phase (up to 6 months)

Before this phase, competition applicants must submit a complete Discovery Phase application form. Funding applications will be assessed against the Discovery Phase assessment criteria (see Section 9.2).

Successful funding applications will be awarded grant funding over the (up to) 6-month Discovery Phase funding period. Funded projects will be expected to undertake activities such as:

- Detailed project and product design,
- Customer segmentation and insight research (including insights into consumer barriers to energy efficiency and/or low carbon heating financing and installation, and behavioural insights work to help shape the product design and marketing strategy),
- Thorough investigation of the supporting framework required to launch and service the product (such as IT infrastructure, supply chain partnerships, installation verification methods, etc.),
- Refinement of proposed product and consumer offerings in light of research and market testing, and
- Other pilot scoping activities.

During the Discovery Phase, funded projects will be expected to produce evidence to demonstrate the following:

- Evidence that the product proposal meets a genuine consumer need,
- Evidence that the specific design features of the proposal have consumer appeal (or that the features of the original proposal have been reworked during the Discovery Phase to reflect market and/or behavioural research), including evidence to justify the customer target numbers proposed,
- Evidence that the lender has considered consumer barriers to energy retrofit and that the final proposed product design seeks to minimise or overcome one or more barriers,
- Evidence that the proposed verification methodology has been tested with consumers (and supply chain and technical experts where appropriate) and appears both robust and proportionate,

- Evidence that appropriate consumer advice provisions on energy efficiency and/or low carbon heating will be in place, or that appropriate signposting has been considered to point consumers towards suitable existing advice resources,
- Evidence of any energy efficiency/low carbon heating supply chain engagement which has informed product design and/or delivery choices,
- Evidence that any legislation required to enable the pilot to proceed is in place, and
- Evidence that the final product design has received, or is in the process of receiving, any necessary FCA approvals to allow it to be piloted from autumn 2023 onwards.

At the **end** of the Discovery Phase all funded projects that wish to progress to the Pilot Phase will be required to submit a further application for Pilot Phase funding.

Only projects that have completed the Discovery Phase will be able to apply for Pilot Phase funding.

6.2 Pilot Phase (up to 15 months)

All Discovery Phase projects will be issued a separate Application Form to apply for Pilot Phase funding. It is anticipated that applicants will use the outputs of their Discovery Phase project to inform their application for Pilot Phase funding.

All Pilot Phase applications will be required to demonstrate they meet all eligibility criteria (see Section 17.1).

Pilot Phase applications will be considered against all the assessment criteria (see Section 17.2), and it is intended to score, assess, moderate and rank Pilot Phase funding applications using the Scoring Methodology and Funding Allocation processes outlined in Section 9.2.

7. Deliverables

7.1 Discovery Phase Report

The successful bid(s) that progress to Discovery Phase will be expected to deliver periodic update reports throughout the six-month discovery period plus a Discovery Phase report at the end of the six months. This should describe all outputs and outline the lessons that will be taken forward to a commercially viable product (this Discovery Phase report is separate to the application for subsequent pilot funding). More specifically, the Discovery Phase report should set out detailed information on:

1. Market research and routes to market,
2. Details of the green home finance product(s) developed, including activities undertaken and lessons learnt,
3. Green home finance pilot outline, including details of the number of loan agreements expected by February 2025,
4. Discussion and assessment of enablers, barriers and unforeseen consequences,
5. Lenders (whether a project lead or a partner) will also be encouraged to gather and present a breakdown of their mortgaged and unsecured portfolio by EPC band. However, this data, where provided, will not be published without the lender's permission.

Please note: the Discovery Phase report will be split into two main sections with i) an industry focused Executive Summary section for publication (on gov.uk), and ii) a main report, not for publication, setting out the details and learnings of the project in fuller form. Projects will not be asked to include any information in the Executive Summary for publication that may impact on their Intellectual Property (IP), is confidential or commercially sensitive.

A template for the Discovery Phase report will be provided in advance.

7.2 Data Sharing Agreements and Privacy Notices

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

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

8. Funding Levels

The £20m Green Home Finance Accelerator (GHFA) funding will be split between the Discovery and Pilot Phases:

- The maximum amount that can be **awarded across all projects** will be capped at **£4m for the Discovery Phase**.
- The total requested grant for each Discovery Phase application **must be at least £50,000 and must not exceed £200,000**.
- The maximum amount of grant funding which can be awarded to each Pilot Phase project **must be at least £200,000 and must not exceed £2,000,000**.

The above amounts refer to grants available, and do not include match funding (see sections 8.2-8.4). BEIS may allocate less than the total £20m programme budget depending on the quality of the applications. The exact number of projects funded and the level of funding each successful bid receives will depend on the scale, scope and quality of the bids.

8.1 Use of Grant Award

Grant funding awarded to successful applicants may be used to fund a variety of project activities throughout the GHFA competition, these may include:

In the Discovery Phase:

- Initial scoping, programme design and pilot planning,
- Energy efficiency and/or low carbon heating-related risk profile for the lender/financial institution,
- Full exploration of market viability of proposed product – this includes market research/testing/segmentation,
- Initial consumer testing and customer insight research (including quantitative and qualitative work and guided focus group work etc),
- Behavioural Insights/'Nudge' research to better understand how customers behave and make decisions around green finance, and to inform product and comms design,
- Supply chain partnership development work,
- Product refinement in light of consumer/market testing,
- Customer insight research (including polling and possible focus group work)
- Thorough investigation of the supporting framework required to launch and service the proposed product – this includes IT, supply chain partnerships, installation verification methods, system analysis etc.,
- Investigation of verification options.

In the Pilot Phase:

- Final product design and development

- Implementation of any necessary IT, systems, process, upgrades etc.
- Final product refinement in light of market testing
- Piloting of green finance products and any related services, including advice and information services
- Piloting of verification method(s)
- Further supply chain partnership development work.

Ineligible Uses of Funding

Applicants should note that the grant award may **not** be used for the green finance product itself (a green finance product being, any type of loan instrument made available to exclusively finance or re-finance, in whole or in part, new and/or existing, eligible green home upgrades¹⁷). This means the grant must **not** fund loans, offset interest rates/cashback rewards etc., this should be funded by the lender offering the product.

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

Further details of eligible and ineligible costs can be seen in Annex 4.

8.2 Funding Levels and Subsidy Requirements

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

Subsidy Control

The GHFA competition will support successful applicants through subsidies awarded in the form of grants towards the eligible costs of the proposal. Since 1 January 2021, public authorities must comply with our international commitments on subsidies in the UK-EU TCA, and other trade agreements, as well as the WTO rules on subsidies¹⁸. Once in force, transparency requirements under the forthcoming Subsidy Control Act¹⁹ will need to be complied with (where applicable).

This guidance sets out the types of costs that applicants can claim grant support for, as well as the maximum level of grant funding that they can receive which may differ by organisation type, size, and location.

¹⁷

https://www.lma.eu.com/application/files/9716/1304/3740/Green_Loan_Principles_Feb2021_V04.pdf

¹⁸ <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

¹⁹ <https://www.legislation.gov.uk/ukpga/2022/23/enacted>

Rules for Subsidies in Scope of the Northern Ireland Protocol

The rules set out in this document apply equally to all applicants from England, Wales, Scotland, and Northern Ireland that are eligible to receive funding. Grants awarded to applicants and partner organisations from Northern Ireland will be in scope of Article 10 (State aid) of the Northern Ireland Protocol. Any GB applicants with a genuine and direct link to Northern Ireland will also be subject to Article 10. Where Article 10 applies, the grants will need to be State aid compliant²⁰.

The Discovery Phase Application Form includes a questionnaire to allow applicants to determine whether they are within scope of Article 10. Any grants awarded under Article 10 shall be classified as state aid rather than subsidy.

Grants within scope of Article 10 will be granted under the EU's General Block Exemption Regulation (GBER) to ensure they are State aid compliant.

If a business or any undertaking has been incorrectly in receipt of grant funding and this was in scope of Article 10, that undertaking is likely to be required to repay any subsidy received to the value of the gross grant equivalent.

Business Definition

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

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

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

Table 2: Categories for business definitions

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

8.3 Subsidy for Research and Development Projects

The GHFA competition is open to:

²⁰ <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments#section7>

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

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

Research Organisation Definition

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

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

Within this competition, this means:

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

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

Maximum Subsidy Thresholds

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

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

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

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

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

Please note: to be eligible for ‘Subsidy for Research and Development Projects’, you will be required to demonstrate that your project activities meet the definition of industrial research or experimental development as defined in **Section 5.4**.

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

Multiple Innovation Activity Projects

Where a project involves a mixture of experimental development and industrial research activity, the project team must identify in their application the proportion of total eligible project costs which falls into each of the innovation types. They must also provide a clear summary of the proposed division of project activity between the two innovation types and demonstrate that the activities align with the proposed innovation type.

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

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

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

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

Consortium Applications

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

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

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

8.4 Public Funding

When considering levels of subsidy (described above), public funding includes the grant and all other funding from, or which is attributable to, other government departments, UK public bodies, other Governments or Government organisations. Such funding includes grants or other subsidies made available by those bodies or their agents or intermediaries (such as grant funded bodies).

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

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

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

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

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

9. Discovery Phase Application Process and Assessment Criteria

9.1 Application Overview

Applicants must submit a competition [application form](#) for the Discovery Phase with supporting information by 12pm (noon) on 14 December 2022. The notes below explain the details of the application process:

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

Questions about the Competition: If you have any questions on the competition process after reading these guidance notes, please submit them to uk_ghfa@pwc.com by 09 November 2022. You will find a list of published FAQs on the GHFA website. We will reply to questions by close on 18 November 2022.

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

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

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

- Completed [Application Form](#)
- Completed Discovery Phase Finance Form (this should be uploaded in the Costs section of the assessed criteria in the application form).
- Completed Discovery Phase Gantt chart or Outline Project Plan, organogram and CV package for the project proposed to be uploaded in the Deliverability section of the assessed criteria in the application form.
- Completed Discovery Phase risk register for the project proposed to be uploaded in the Deliverability section of the assessed criteria in the application form.
- Optional: additional information can also be submitted in the final section before you submit your online application form. Supporting documents should provide substantive information to the proposal. However, you should not assume that

any additional information will be cross-referenced or reviewed as part of the application assessment process.

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

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

9.2 Discovery Phase Assessment Criteria and Scoring Methodology

Applicants will be required to meet the eligibility criteria as outlined in section 4. All applications will be checked for eligibility. Only those that are considered to be eligible will be fully assessed.

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

For the avoidance of doubt, the individual questions listed under the headings below do not constitute assessment sub-criteria but are an indication of the kinds of factors that will be considered in assessing each aspect of a proposal.

All eligible proposals will be assessed in relation to the following criteria.

Criterion 1: Addressing the competition objectives - Questions 1(a) and 1(b) (Weighting for Criterion 1 – 35%)
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For this aspect of the proposal assessors will consider a range of questions under questions 1(a) and 1(b). These will include (but not be limited to) the following:

1(a) How will the project address the competition objectives? (Maximum 1,500 words - 20%)
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<i>How will the innovative product proposal incentivise domestic energy efficiency improvements and/or low carbon heating retrofit?</i>

<i>What approach will be taken toward developing suitable expertise in energy efficiency and/or low carbon heating, installation verification, customer advice services, and the necessary IT infrastructure to incorporate energy efficiency and/or low carbon heating into investment decisions?</i>
--

<i>How will partnerships between lenders, investors, energy efficiency, low carbon heating and property value supply chains be developed during the life of the project?</i>
--

<i>What is the market need for the product and is it scalable and sustainable?</i>
--

<i>How will the project contribute to the evidence base for consumer demand for green home finance products?</i>
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<i>How will the project contribute to the evidence base on barriers and enablers to setting up a range of green home finance products within financial institutions of various types?</i>

1(b) How is the proposed product(s) and/or service(s) innovative? (Maximum 500 words - 15%)

How innovative is the proposed product(s) and/or service(s)? How does the proposed product differ from what is already on the market?

How significant is the potential advantage which this product and/or service offers over existing solutions or alternative products that can meet current market needs?

Criterion 2: Deliverability - Questions 2(a), 2(b) and 2(c) (Weighting for Criterion 2 – 30%)

For this aspect of the proposal assessors will consider a range of questions under questions 2(a), 2(b) and 2(c). These will include the following:

2(a) Describe the Scope of Work, key work packages and milestones for the project. (Maximum 1,000 words - 15%)

What is the overarching approach toward developing the product and/or service?

Is the project delivery plan for the Discovery Phase sufficiently detailed in comparison to the complexity of the project? What are the key project milestones, is their timing realistic?

What external factors (such as securing necessary FCA approvals) may influence project delivery within the timescales outlined in the competition guidance document? What mitigating actions have been identified (where applicable)?

How will the proposed product design be refined or reworked in light of testing and feedback?

Who will be the finance provider for the proposed product(s) and or service(s)? If not identified, how will a suitable finance provider be recruited during the Discovery Phase?

2(b) Appropriateness of project management structure and partners roles (Maximum 500 words - 5%)

What are the roles of each project partner?

What is the project management approach and how will it be implemented to deliver the project to the identified timescales?

What are the partner, stakeholder and supply chain relationships necessary to deliver the project? If the project plan requires recruitment of additional project partners, how will these partners be recruited during the Discovery Phase?

2(c) What are the project success factors, risks and management for these? (Maximum 500 words - 10%)

What are the critical success factors for the project and why are these are important? How will they be measured and managed during the project?

What are the main challenges to delivering the project?

What key project management tools and mechanisms will be implemented to minimise operational risk and, therefore, promote successful project delivery?

Are suitable arrangements in place for managing any significant sub-contractors.

Criterion 3: Skills and expertise - Questions 3(a) and 3(b) (Weighting for Criterion 3 – 20%)

For this aspect of the proposal assessors will consider a range of questions under questions 3(a) and 3(b). These will include the following:

3(a) To what extent does the organisation's track record of project delivery demonstrate its ability to deliver the project? (Maximum 500 words - 5%)

Is the organisation in a strong position to deliver the proposed project and do they have previous experience of developing relevant products and/or services?

3(b) To what extent does the delivery team have the right skills and experience to deliver the project? (Maximum 1,000 words - 15%)

Has the project team demonstrated the appropriate skills and capability to deliver the project successfully?

For consortium applications, what is the lead applicant management team's experience of managing external suppliers?

What are the roles and responsibilities of the project team?

Criterion 4: Costs - Questions 4(a) and 4(b) (Weighting for Criterion 4 – 15%)

For this aspect of the proposal assessors will consider a range of questions under questions 4(a) and 4(b). These will include the following:

4(a) What are the main areas of spend within the project? (Maximum 1,000 words - 10%)

How does the justification of project costs align with the cost breakdown detailed within the Finance Form?

Is the level of match funding and the level of funding requested from BEIS in line with expected parameters?

Is the project budget realistic for the scale and complexity of the proposal and is it sufficiently disaggregated?

4(b) How strong is the case for added value of public funding? (Maximum 500 words - 5%)

Has the case for public funding been justified?

What added value to UK PLC would public funding bring?

Would the proposed activities not be taken forward (or taken forward at a much slower rate) without public sector funding?

Scoring Methodology

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

The total score will be calculated by applying a weighting set against each criterion, outlined above; the maximum number of marks possible will be 45, with a final score out of 100%.

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

Applications will be assessed by at least three assessors (these will include BEIS assessors and independent assessors). All assessors will be subject to a confidentiality agreement and will be screened for any potential conflicts of interests.

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

Table 5: Scoring Methodology

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

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

Funding allocation

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

If the next ranked project is more expensive than the amount of funding left, that project will not be funded. The funding will be allocated to the next highest scoring project which costs are within the amount of funding remaining, or 10% variation. If two or more projects score identically overall, the ranking will be decided based on the following criteria, in priority order:

- Project cost (lowest first)
- Deliverability (highest assessed score first)

If projects are tied on all of these criteria, the ranking will be decided randomly (e.g. flipping a coin for two projects, drawing out of a hat for a tie between more projects).

10. Project Finances

10.1 Financial Information

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

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

Please note:

- Grant funding for successful Discovery Phase proposals will only be available until the end of the Discovery Phase (expected to be 13 September 2023).
- Pilot Phase grant funding (for those successful) will only be available from December 2023 to February 2025. All project activities, including dissemination, reporting and grant claims for product development activities need to be completed by this date.
- All costs should be provided excluding VAT, though where VAT applies, bidders should specify the amount.
- All budgets should be in British pounds sterling.
- Applicants should include all match-funding arrangements with other donors so that BEIS' contribution can be seen as part of any wider project financing.

Applicants should outline and disaggregate any intermediary transaction costs where your organisation is sub-contracting to partners.

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

11. Notification and Publication of Results

11.1 Notification

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

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

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

Any organisation that wishes to publicise its project, at any stage, must contact the Competition Project Manager or their Project Monitoring Officer before doing so.

11.2 Publication of Results

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

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

Following completion of the funded projects, BEIS will publish on its website a summary of the funded activities and the outcomes achieved. This will include a final summary report from each project detailing market research, lessons learnt, and pilot plans (see Section 7.1). BEIS may also revisit projects at a later date and publish an evaluation report for the scheme as a whole.

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

11.3 Feedback, Re-application and Right of Appeal

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

12. Grant Award Processes

12.1 Consortium Projects

Lead Partner Role

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

Collaboration Agreement

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

12.2 Project Cost Information

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

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

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

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

Sub-Contract Use

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

Overhead Rates

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

Financial viability checks

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

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

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

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

Grant Use

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

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

13.1 Monitoring

Successful applicants will be assigned a BEIS-appointed Monitoring Officer who will be their main point of contact with BEIS during delivery of the project. In some instances, the monitoring services may be provided by an external organisation contracted by BEIS. External organisations will be subject to robust Conflict of Interest checks and a confidentiality agreement.

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

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

13.2 Reporting Requirements

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

Regular project monitoring and reporting will take two forms:

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

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

13.3 Milestone Payments

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

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

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

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

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

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

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

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

13.4 Knowledge Sharing

Effective dissemination and knowledge sharing are key requirements of this Competition. All funded projects will be required to prepare a Discovery Phase report (see Section 7.1) for publication and to participate in programme evaluation (see Section 13.5).

We would also encourage funded projects to share useful data, lessons learnt and experience through relevant industry forums.

13.5 Programme Evaluation

BEIS is committed to undertaking comprehensive, independent evaluations across policies and programmes to support programme improvements through learning and provide accountability of public spend. The Green Home Finance Accelerator programme will be subject to an evaluation, delivered by an external evaluation contractor, that identifies how the programme, and other BEIS Net Zero Innovation Portfolio programmes operating in the domestic energy efficiency and low carbon heating sector such as Heat Pump Ready, have been delivered and impacted the broader sector. All necessary non-disclosure and data sharing agreements will be in place to facilitate this evaluation exercise.

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

All programme participants will be required to support and participate in reasonable evaluation activities to ensure that evidence collection and analysis is comprehensive. For successful applicants this will include, but is not limited to, providing Key Performance Indicator data (see section 13.6 below) and project progress reports, completing questionnaires or surveys, participating in interviews and workshops, and providing costs/sales/uptake data.

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

13.6 Key Performance Indicators (KPIs)

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

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

13.7 Intellectual Property

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

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

13.8 Ownership of Equipment

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

14. Confidentiality and Freedom of Information

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

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

The Executive Summary section of the Discovery Phase report (see Section 7.1) should be a public facing document that describes the key outputs and lessons from Discovery, but that does not disclose any information that may impact on Intellectual Property (IP), is confidential or commercially sensitive.

15. Privacy Notice

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

YOUR DATA

We will process the following personal data:

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

Purpose

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

Legal basis of processing

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

Recipients

Your personal data will be shared by us with other government departments or public authorities where necessary, for example for due diligence purposes, as part of the competition process. We may share your data if we are required to do so by law, for example by court order or to prevent fraud or other crime. We will also share your data with programme delivery partners (including [PricewaterhouseCoopers](#) and [The Carbon Trust](#)) and an external evaluation contractor who will be tasked with delivering an evaluation of the programme.

Retention

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

Your Rights

You have the right to request information about how your personal data are processed, and to request a copy of that personal data.

You have the right to request that any inaccuracies in their personal data are rectified without delay.

You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.

You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.

You have to write in certain circumstances (for example, where accuracy is contested), to request that the processing of your personal data is restricted.

You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.

You have the right to object to the processing of your personal data.

International Transfers

As your personal data is stored on our IT infrastructure and shared with our data processors Microsoft and Amazon Web Services, it may be transferred and stored securely in the UK and European Economic Area. Where it is the case that your personal data is stored outside the UK and EEA it will be subject to equivalent legal protection through the use of Model Contract Clauses

Complaints

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

0303 123 1113

casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

Contact Details

The data controller for your personal data is the Department for Business, Energy and Industrial Strategy (BEIS).

You can contact the BEIS Data Protection Officer at: BEIS Data Protection Officer, Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London, SW1H 0ET. Email: dataprotection@beis.gov.uk.

Part 2

16. Completion of the Application and Finance Forms

16.1 Completion of the Application Form

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

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

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

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

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

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

16.1.1 Proposal Summary

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

Table 6. Application Form Proposal Summary Guidance

Section/Field	Guidance
1. Name of Applicant Organisation	Provide the name of the lead applicant organisation for the proposed project
2. Project Name	A brief title that can be used to summarise the project
3. Discovery Phase Estimated Project Start Date	Please confirm date to start work assuming successful funding. Grant funding agreements are expected to be signed by 14 March 2023.
4. Discovery Phase Estimated Project End Date	Please confirm date to finish all Discovery Phase grant funded activities. This should be no later than 13 September 2023.
5. Discovery Phase Total Grant Amount (£)	This is the amount of grant funding you will be asking for from BEIS for the Discovery Phase only, excluding VAT. You should ensure that you do not request a grant higher than the maximum allowed, taking into account all public-sector funding considerations for the project.
6. Project Description	This should be a summary description of the Discovery Phase project, intended to set the scene for assessors and introduce the proposed product(s) and/or service(s), as well as the project activities. You should use language that can be understood by people without specialist knowledge or expertise. This question is not scored but will be used by assessors to gain a high-level understanding of the project before they start their detailed assessment.

16.1.2 Eligibility Criteria

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

Applicants should check all YES/NO boxes against each eligibility criterion (see Part 1: Section 4 for further information).

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

Section/Field	Guidance
1. Types of product(s) and/or service(s) funded	<p>The aim of the GHFA is to support development of innovative green finance products and services that allow homeowners to invest in domestic energy efficiency, low carbon heating retrofit and/or micro-generation technologies.</p> <p><i>Is the proposed product(s) and/or service(s) within scope of the Green Home Finance Accelerator competition?</i></p>
2. Project Location	<p>At least 50% of project activities (as measured by eligible project costs) must be delivered in the UK.</p> <p><i>Are at least 50% of the project activities going to be delivered in the UK?</i></p>
3. Project Team Composition	<p>Projects must be delivered by individual UK based organisations (sole applicants) or by a consortium of UK based project partners led by a UK based organisation (consortium applicants) (as described in GHFA Competition Guidance).</p> <p><i>Can you confirm that the project is delivered by one of the above applicants?</i></p>
4. Match Funding	<p>Given the subsidy categories, applicants will need to have private funding in place to cover the balance of the eligible costs.</p> <p>a) <i>Is your project able to be supported by match funding?</i></p> <p>b) <i>Do you have a credible plan to secure required match funding within 3 months of the commencement date of grant funded activities?</i></p>

<p>5. Project Status</p>	<p>BEIS is unable to fund retrospective work on projects.</p> <p>a) <i>Can you confirm that your application does not seek funding for retrospective work on this project?</i></p> <p>b) <i>Can you confirm that your project is not at a commercial design stage and not already commercially deployed in the UK or internationally?</i></p>
<p>6. Additionality</p>	<p>Projects can only be funded where evidence can be provided that innovation would not be taken forward (or would progress at a much slower rate) without public sector funding.</p> <p><i>Can you confirm that this project would not be taken forward (or would progress at a much slower rate) without public sector funding?</i></p>
<p>7. Grant Size</p>	<p>Grants will be awarded in this Competition in two phases:</p> <p>Phase 1 – Discovery Phase (funding available in this phase is £50,000 - £200,000)</p> <p><i>Can you confirm the funding requested from BEIS for your Discovery Phase project cost will be more than £50k but equal to or below £200k?</i></p>
<p>8. Eligible Project Costs</p>	<p>BEIS will only provide grant funding to cover eligible project costs which includes the applicant's own costs, eligible costs incurred by consortium members and eligible costs incurred by organisations connected to any of these incurred in delivery of the agreed Discovery Phase project.</p> <p>a) <i>Can you confirm that requested funding is for eligible costs only?</i></p>

	<p>All funded projects must fall within the definitions of industrial research or experimental development and must not exceed the maximum proportion of eligible project costs which can be funded via public funding</p> <p><i>b) Is the proposed project eligible under the subsidy requirements?</i></p>
<p>9. Multiple Applications / Proposals</p>	<p>Organisations may only enter a maximum of three applications / proposals, either as lead or partner.</p> <p><i>If you are part of multiple applications, could you confirm that you are not involved in more than three applications / proposals?</i></p>
<p>10. Delivering Multiple Projects</p>	<p>If project consortium member(s) are part of multiple successful applications, they must be able to deliver on them and they must not have applied for funding for the same piece of work more than once.</p> <p><i>(a) If you or your consortium are part of multiple successful applications, would you be able to successfully deliver all projects if necessary?</i></p> <p><i>(b) If you or your consortium are part of multiple successful applications, could you please confirm that you have not applied for funding for the same piece of work more than once?</i></p>
<p>11. Terms and Conditions</p>	<p><i>Does your organisation agree to the Green Home Finance Accelerator grant terms and conditions?</i></p>

16.1.3 Contact and Lead Organisation Details

1. Contact Details	Name and details of the person who will be the main point of contact for the application process.
2. Organisation Name	The full registered name of the organisation applying for funding.
3. Registered Address	The address where the lead organisation is registered.
4. County	The county where the organisation is registered.
5. UK Region	The UK region where the organisation is registered.
6. Country	The country where the organisation is registered.
7. Project Location	The location, if it is different from the registered address, where the main activity of the proposed project will be carried out.
8. Lead Organisation Type	Please select from the drop-down menu.
9. Lead Organisation Size	Please select your organisation size from the drop-down menu.
10. Number of employees (including directors)	Number of staff in your organisation (this will help us confirm the nature of your company).
11. Lead Organisation Registration Number	Your business registration number as listed by Companies House, or equivalent.
12. Turnover (in most recent annual accounts)	Your most recent turnover figure from annual accounts and the date of those accounts.
13. Turnover Date (in most recent annual accounts)	The date of the annual accounts from which your most recent turnover figure is taken.
14. Balance Sheet Total (total assets net of depreciation)	Your most recent balance sheet total (total assets net of depreciation).
15. Balance Sheet Date (total assets net of depreciation)	The date from which your most recent balance sheet total was calculated.
16. Value-added tax (VAT)	Please confirm whether the lead organisation is permitted to recover VAT.
17. Lead Organisation Maturity	Please select the age of the business since its formal formation from the drop-down menu. This includes any periods of dormancy with Companies House.
18. How is the organisation currently funded?	Please select all the types of funding that are applicable.
19. Which subsidy category are you applying under?	You must select one (or both) of the subsidy categories from the drop-down menu. The options are:

	<p><i>Support for Research and Development projects – Industrial Research</i></p> <p><i>Support for Research and Development projects – Experimental Development</i></p> <p>For more details on the subsidy requirements, see Section 8 of these Guidance Notes. You must indicate that you comply with the financial obligation rules by providing the relevant information.</p>
<p>20. Is this a collaborative project?</p>	<p>If you are applying collaboratively, please provide details of the partner organisations in the Green Home Finance Accelerator Application Form.</p> <p>BEIS requires that all partners in a collaborative application have signed a Collaboration Agreement within one month of the commencement date of grant funded activities.</p> <p>Sub-contracting work to a third party does not classify as a collaboration.</p>
<p>21. Lead Organisation Status</p>	<p>This should be a summary description of your company which should set the scene for the assessors. You should use language that can be understood by people without specialist knowledge or expertise.</p> <p>This question is not scored but will be used by assessors to gain a high-level understanding of the company before they start their detailed assessment.</p>
<p>22. Does the lead organisation have a parent company?</p>	<p>If you have a parent company, or are more than 25% owned by another enterprise, you must provide the details of that enterprise here.</p>

16.1.4 Assessment Criteria

The assessment criteria in the application form are broken down into 4 separate criteria and sub-criteria. Each criterion and sub-criterion will be scored independently and will be given a scoring between 1-5. Please see Section 9.2 for further information.

Please note that all Section 16.1.4 assessment criteria relate to the Discovery Phase only.

16.1.4.1 Criterion 1: Addressing the Competition Objectives

This section focuses on how your proposed project will address each of the GHFA programme objectives and how your proposed product(s) and/or service(s) is innovative.

Criterion 1: Addressing the competition objectives (Weighting – 35%)

Question 1(a): How will the project address the competition objectives?

(Maximum 1500 words – 20%)

Applicant Guidance

You should:

- Describe how your innovative product proposal would incentivise domestic energy efficiency improvements and/or low carbon heating retrofit.
- Set out your proposed approach for developing suitable expertise in energy efficiency and/or low carbon heating, installation verification, customer advice services, and the necessary IT infrastructure to incorporate energy efficiency and/or low carbon heating into investment decisions.
- Explain how you propose to develop partnerships between lenders, investors, energy efficiency, low carbon heating and property value supply chains during the life of the project.
- Describe the potential market for the product and estimate its potential scale if offered on the retail lending market. Describe how the product can generate a sustainable profit in addition to adding to a lenders brand value.
- Describe how the project will widen the evidence base for consumer demand for green home finance products.
- Explain how the project will widen the evidence base on barriers and enablers setting up a range of green home finance. products within financial institutions of various types.

Question 1(b): How is the proposed product(s) and/or service(s) innovative?

(Maximum 500 words - 15%)

Applicant Guidance

You should:

- Describe how your proposed product differs from what is already on the market.
- Explain the advantages the innovations offers over existing solutions.

16.1.4.2 Criterion 2: Deliverability

This section focuses on what work you plan to do during your project, the key milestones and timings, risks associated with the project and how you propose to manage the project.

To complete this section you should upload a completed risk register, Gantt chart or Outline Project Plan, CV package, and organogram. All information submitted within the application form should match the details contains within the uploaded attachments.

Criterion 2: Deliverability (Weighting – 30%)

2(a) Describe the Scope of Work, key work packages and milestones for the project.

(Maximum 1000 words - 15%)

Applicant Guidance

You should:

- Describe the over-arching approach which is being taken to develop the product and/or service. Include a justification as to why this is the most suitable approach.
- Outline the key work packages, project milestones and deliverables for the Discovery Phase. This should include a detailed delivery plan with associated timelines (including a Gantt chart) which identifies key activities and milestones.
- Highlight the key dependencies in the project plan.
- Identify any external factors (such as securing necessary FCA approvals) that may impact your ability to deliver the project within the timescales outlined in the competition guidance document? Include details of any necessary mitigating actions within your response.
- Describe how the proposed product design would be refined or reworked in light of testing and feedback
- Identify the finance provider for the proposed product(s) and or service(s). Where a finance provider has not yet been identified, outline how a suitable finance provider will be recruited during the Discovery Phase.

2(b) Appropriateness of project management structure and partners roles.

(Maximum 500 words - 5%)

Applicant Guidance

You should:

- Provide an organogram outlining the project management structure you are proposing and describe the key roles for each partner.
- Provide a description of your project management approach, explaining how you will deliver the project to the identified timescales.
- Describe any necessary partner, stakeholder and supply chain relationships appropriate for the delivery of this project. If the project plan requires recruitment of additional project partners please outline the steps for recruiting these partners during the Discovery Phase.

2(c) What are the project success factors, risks and management for these?

(Maximum 500 words – 10%)

Applicant Guidance

You should:

- Describe the top three critical success factors for this project.
- Describe how these success factors will be measured.
- Describe the top three challenges to delivering this project.
- Summarise the key risks associated with the project and how these will be monitored and managed.
- Provide a risk register covering at minimum: key commercial, regulatory operational, and technical risks including how these will be monitored and managed.

The Risk Register for your project should consider risks and issues of the following types:

- Commercial
- Technical
- Resourcing
- Financial
- Personnel / Health and Safety
- Regulatory

BEIS recognises that innovation projects of this type are inherently risky. However, it seeks assurance that the projects it funds have adequate arrangements for managing this risk.

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

16.1.4.3 Criterion 3: Skills and expertise

This section focuses on the experiences, skills and track record of your organisation and its personnel.

Criterion 3: Skills and expertise - (Weighting – 20%)

3(a) To what extent does the organisation's track record of project delivery demonstrate its ability to deliver the project?

(Maximum 500 words – 5%)

Guidance

You should:

- Demonstrate the organisation is able to deliver the project. Provide examples / case studies (up to 3) of previous relevant products and/or services you have developed, the process undertaken and the outcome.

3(b) To what extent does the delivery team have the right skills and experience to deliver the project?

(Maximum 1000 words - 15%)

Guidance

You should:

- Identify project partners and key sub-contractors.
- Outline project team member roles and responsibilities.
- Outline how each team member has demonstrated the appropriate skills and capability to deliver the project. Present your response in the form of short single-paragraph biographies of team members

16.1.4.4 Criterion 4: Costs

This section focuses on the finances of the project and the justification for the funding that you require. The BEIS Project Cost Breakdown / Finance Form should also be downloaded, completed and submitted as part of the application. The numbers provided in the application form should match those within the Finance Form.

Criterion 4: Costs (Weighting – 15%)

4(a) What are the main areas of spend within the project?

(Maximum 1000 words - 10%)

Applicant Guidance

You should:

- Provide a description of the anticipated project costs
- Provide details of the level of match funding and the level of grant funding requested from BEIS. Include details as to the origin of the match funding.
- Complete the Discovery Phase Finance Form, justifying personnel and describing the basis of the costs. Include actual labour costs, and depreciation of capital items.

Download the Discovery Phase Finance Form spreadsheet from within the [Application Form](#) or the GHFA GOV.UK [webpage](#). Please refer to the competition guidance when completing this document. Once you have completed the Finance Form please save it locally. The file can then be uploaded using the 'choose file' option within the Application Form.

4(b) How strong is the case for added value of public funding?

(Maximum 500 words - 5%)

Applicant Guidance

You should:

- Describe what added value to UK PLC public funding will bring
- Outline why the activities supported by the GHFA would not be taken forward (or would be taken forward at a much slower rate) without public sector funding.

16.2 Completion of GHFA Discovery Phase Finance Form

As part of their application, all applicants will need to submit project financial details and complete the BEIS Project Cost Breakdown / Finance Form as part of **Criterion 4: Costs**. The numbers provided in the application form should match those within the Finance Form.

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

The GHFA Discovery Phase Finance Form consists of ten worksheets:

- Summary
- Labour & Overheads Costs
- Material Costs
- Capital Equipment
- Sub-Contract Costs
- Travel & Subsistence
- Other Costs
- Partner Eligible Costs
- Subsidy Control
- Project Location

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

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

Guidance on eligible costs is provided in Annex 4 of these guidance notes.

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

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

16.3 Public Statement

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

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

16.4 Additional Information – Public Funding Considerations

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

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

All Discovery Phase funded projects that wish to progress to the Pilot Phase will be required to submit a further application for Pilot Phase funding. A separate application form will be issued at a later date for these purposes.

17.1 Eligibility Criteria – Pilot Phase

To be eligible to apply for GHFA Pilot Phase grant funding, applicants must meet all the following eligibility criteria²¹:

1) Discovery Phase Completion:

All funding applications for Pilot Phase funding must include at least one applicant²² that was awarded a Discovery Phase grant and completed all Discovery Phase reporting requirements.

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

The GHFA is funding the development of green finance product(s) and/or service(s) as detailed in the Competition Scope (Section 5).

3) Project Location:

The project must be led by a UK-based organisation (UK-based is defined as an organisation that has an establishment or subsidiary registered in the UK). At least 50% of the project activities, as measured by total eligible project costs, must be conducted in the UK, and any product pilot activities must take place in the UK with UK consumers.

4) Project Team Composition:

Projects must be delivered by individual UK based organisations (sole applicants) or by a consortium of UK based project partners led by a UK based organisation (consortium applicants).

Research organisations are eligible to lead projects and receive grant funding. However, all Pilot Phase applications must demonstrate that the necessary finance provider relationships are in place to enable a pilot of a green finance product(s) or service(s).

5) Match Funding:

In line with subsidy control principles, only a portion of the total eligible project costs

²¹ Please note Pilot Phase eligibility criteria may be subject to minor changes depending on the results of the Discovery Phase competition.

²² All applications for Pilot Phase funding must be informed by the grant funded activities undertaken during the Discovery Phase. Any variation in project partners between phases must be clearly justified within Pilot Phase funding applications.

can be funded by BEIS grant funding and applicants will need to have private funding in place to cover the balance of the eligible costs. Such funding may come from an organisation's own resources or external investors, but it may not include funding attributable to any public authority (in the UK or elsewhere).

All grant recipients must provide evidence that their required match funding has been secured within 3 months of the commencement date of their grant funded activities. Please see Section 8 for grant intensity requirements which show the level of match funding required for different sizes of organisation and different types of innovation activity.

6) Project Status:

BEIS is unable to fund retrospective work on projects. The impact of retrospective work may however be considered in the assessment process. BEIS cannot fund the development of processes, technology or products which are already at commercial design stage at the start of the Pilot Phase, or which are already commercially or widely deployed in the UK or internationally.

7) Additionality:

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

8) Grant Size:

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

9) Eligible Project Costs:

Funding is for R&D (industrial research and experimental development) activities only. Please read the applicable requirements in Section 8.3.

10) Multiple Applications / Proposals:

Organisations may participate (as either a project lead and/or consortium member) in a maximum of up to three applications / proposals only. Organisations must not apply for funding for the same piece of work more than once.

11) Delivering Multiple Projects:

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

12) Terms and Conditions:

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

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

17.2 Assessment Criteria – Pilot Phase

All eligible Pilot Phase applications will be further assessed against the assessment criteria²³ detailed below.

Table 7. Pilot Phase Assessment Criteria

Criterion	Description	Weighting
1	Addressing the competition objectives	20
2	Market Potential	15
3	Deliverability	20
4	Project Finance	15
5	Skills and Expertise	20
6	Social Value	10

Pilot Phase applications will be considered against each of the following assessment areas. Applications will be scored, assessed, moderated and ranked using the Scoring Methodology and Funding Allocation processes outlined in Section 9.2.

Criterion	Description
1	Addressing the competition objectives (weighting – 20%) How will the project address the competition objectives? Applicants should: <ul style="list-style-type: none">• Describe how your innovative product pilot proposal would incentivise domestic energy efficiency improvements and/or low carbon heating retrofit.• Set out your proposed approach for incorporating suitable

²³ Please note that Pilot Phase assessment criteria may be subject to minor changes depending on the results of the Discovery Phase competition.

	<p>expertise in energy efficiency and/or low carbon heating, installation verification, customer advice services, and any necessary IT infrastructure into your product pilot.</p> <ul style="list-style-type: none"> • Explain how you propose to utilise partnerships between lenders, investors, energy efficiency, low carbon heating and property value supply chains during the life of the project. • Explain how the project will widen the evidence base on consumer demand, barriers and enablers, etc as applicable to establishing a range of green home finance products within financial institutions of various types. • Describe how your product will help to reduce consumer barriers to finance domestic low carbon heating and energy efficiency measures • Detail how project learnings and insights will be disseminated to enable effective design and development of future green finance propositions and inform future policy development.
2	<p>Market Potential (weighting – 15%)</p> <p>(a) How is the proposed product(s) and/or service(s) innovative?</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Describe how your proposed product differs from what is already on the market. • Explain the advantages the innovations offer over existing solutions. <p>(b) How will the outcomes for the project be commercially exploited?</p> <ul style="list-style-type: none"> • Outline the business opportunity and the proposed green finance product/service solution. • Describe the business model and route to market and how this will sustainably generate value / revenue beyond the end of the project grant funding period. • Describe the overall target market for your product/service and identify the size of this market. • Describe the specific market subsectors that will be the initial target markets for your product/service. • Describe and quantify the potential sales pipeline for your organisation based on the target markets in the first three years of commercialisation.

	<ul style="list-style-type: none"> • Describe what independent justification/market research has been undertaken and provide evidence to substantiate all the above information. <p>(c) How will the proposed green finance product impact on carbon targets, energy bill reduction, and/or security of supply and over what timescale?</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Define expected energy, cost and carbon savings for a typical customer accessing your product/service. • State the overall carbon/greenhouse gas emissions savings that your product/service could enable once it is established in the marketplace and over what timescale. • State the market penetration and sales volume assumptions you have used. • Provide evidence to substantiate all the above information.
3	<p>Deliverability (weighting – 20%)</p> <p>(a) Describe the Scope of Work, key work packages and milestones for the project.</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Describe the over-arching approach which is being taken to pilot the product and/or service. Include a justification as to why this is the most suitable approach. • Outline the key work packages, project milestones and deliverables for the Pilot Phase. This should include a detailed delivery plan with associated timelines (including a Gantt chart) which identifies key activities and milestones. • Highlight the key dependencies in the project plan. • Identify any external factors (such as securing necessary FCA approvals) that may impact your ability to deliver the project by 28 February 2025. Please include details of any necessary mitigating actions within your response. • Provide evidence to confirm a finance provider is in place to enable piloting of the proposed product(s) and or service(s).

	<p>(b) Appropriateness of project management structure and partners roles.</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Provide an organogram outlining the project management structure you are proposing and describe the key roles for each partner. • Provide a description of your project management approach, explaining how you will deliver the project to the identified timescales. • Describe the necessary partner, stakeholder and supply chain relationships for the delivery of this project. If any of these relationships are not in place, please outline the steps for establishing these within appropriate timescales during the Pilot Phase. <p>(c) What are the project success factors, risks and management for these?</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Describe the top three critical success factors for this project. • Describe how these success factors will be measured. • Describe the top three challenges to delivering this project. • Summarise the key risks associated with the project and how these will be monitored and managed. • Provide a risk register covering at minimum: key commercial, regulatory operational, and technical risks including how these will be monitored and managed.
<p>4</p>	<p>Project Finance (weighting – 15%)</p> <p>(a) What are the main areas of spend within the project?</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Provide a description of the anticipated project costs • Provide details of the level of match funding and the level of grant funding requested from BEIS. Include details as to the origin of the match funding. • Complete the Pilot Phase Finance Form, justifying personnel and describing the basis of the costs. Include actual labour costs, and depreciation of capital items.

	<p>(b) How strong is the case for added value of public funding?</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Describe what added value to UK PLC public funding will bring • Outline why the activities supported by the GHFA would not be taken forward (or would be taken forward at a much slower rate) without public sector funding.
5	<p>Skills and Expertise (weighting – 20%)</p> <p>(a) To what extent does the organisation’s track record of project delivery demonstrate its ability to deliver the project?</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Demonstrate the organisation is able to deliver the project. Provide examples / case studies (up to 3) of previous relevant products and/or services you have piloted and/or commercialised, the process undertaken and the outcome. <p>(b) To what extent does the delivery team have the right skills and experience to deliver the project?</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Identify project partners and key sub-contractors. • Outline project team member roles and responsibilities. • Outline how each team member has demonstrated the appropriate skills and capability to deliver the project. Present your response in the form of short single-paragraph biographies of team members
7	<p>Social Value (weighting – 10%)</p> <p>How will the project contribute toward achieving BEIS social value policy objective of: Increasing supply chain resilience and capacity?</p> <p>Applicants should:</p> <ul style="list-style-type: none"> • Provide a ‘Method Statement’ stating how you will achieve the policy outcome and sub-criteria, and how your commitment meets the Award Criteria. • Provide a timed project plan and process, including how you will implement your social value commitment and by when. • Define how you will monitor, measure and report on your commitments/the impact of your proposals. You should include but not be limited to: use of metrics, timed action

	<p>plan, tools/processes used to gather data, reporting, feedback and improvement, transparency.</p> <ul style="list-style-type: none">• Explain how you will influence staff, suppliers, customers and communities through the delivery of the grant to support the Policy Outcome, e.g. engagement, co-design/creation, training and education, partnering/collaborating, volunteering.
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Annex 1: Background

The benefits to homeowners of increasing domestic energy performance go beyond merely achieving high EPC ratings and reducing energy costs. There is evidence that shows a positive correlation between energy efficiency and property value²⁴. A study commissioned by BEIS, showed a 5% increase in property value in homes with an EPC Band C rating, compared to those with an EPC Band D, when building size and archetype were controlled for²⁵. Additionally, a study by Rightmove as part of the GHFIF project GHF-103 VALUER led by Monmouthshire Building Society, identified a clear correlation between a home's improved energy efficiency and an increase in its resale value in excess of market trends. 200,000 pairs of property transactions showed that homes that were initially sold with a lower EPC rating increased in value upon re-emerging in the market with a higher EPC rating.²⁶

EPC Band Increase Following Energy Efficiency Improvement	Increase in Value Above Market Trends
1 EPC band	6.7% increase
2 EPC bands	12.1% increase
3 EPC bands	19.5% increase
4 EPC bands	22% increase

The Heat and Building Strategy (HBS)²⁶ also discusses the ways in which homeowners can benefit from better performing homes, not only by reduced energy bills and boosting disposable income, but also by creating healthier and more comfortable living environments and reducing the likelihood of mortgage defaults. As such, both lenders and homeowners stand to gain from the installation of energy and carbon saving measures.

²⁴ <https://www.gov.uk/government/publications/heat-and-buildings-strategy>

²⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/946175/prs-consultation-2020.pdf

²⁶ <https://www.gov.uk/government/publications/green-home-finance-innovation-fund-competition-successful-bids/green-home-finance-innovation-fund-competition-successful-bids>

Annex 2: Commercial Readiness Levels

The following definitions should be used when stating Discovery Phase project start and expected project close Commercial Readiness Levels within responses to the relevant Application Form question.

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

Annex 3: Net Zero Innovation Portfolio Key Performance Indicators

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

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

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

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

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

KPI	KPI description	Metrics
<i>KPI 1</i>	<i>Number of NZIP projects supported</i>	<i>Project start and completion.</i>
<i>KPI 2</i>	<i>Number of NZIP projects that have met objectives</i>	<i>Extent to which project objectives have been met to date</i>

		<i>Change in objectives and reasons for change</i>
<i>KPI 3</i>	<i>Number of organisations supported to deliver the project</i>	<p><i>Lead partner delivering the project: name, organisation size and number of jobs supported within the organisation to deliver the project.</i></p> <p><i>Other partner organisations involved in delivering the project as named on the Contract or Grant: name, organisation size and number of jobs supported within the organisation(s) to deliver the project.</i></p>
KPI 4	Number of active contractual and non-contractual business relationships supported	<p>Number of contractual relationships: name and type of contractual relationship.</p> <p>Number of formal non-contractual business relationships: name and type of non-contractual relationship</p> <p>Extent to which your organisation expanded its network of business relationships as a result of the project</p>
KPI 5	Technology Advancement	<p>Commercial Readiness Levels (current and anticipated)</p> <p>Other technology improvement indicators: patents applied for or granted; academic, technical or non-technical publications generated and knowledge exchange events attended (such as conferences)</p>
<i>KPI 6 i</i>	<i>Initial Financial Leverage to deliver project</i>	<i>Project funding structure: Amount in £m of BEIS, Other Public Sector and Private Funding.</i>
6 ii	Follow-on Funding secured	Amount of follow-on funding raised and the source (public or private).
KPI 7 i	Reduction in energy costs	<p>Scope and scale of impact on reducing energy costs</p> <p>Route to reducing energy costs</p>

ii	7	Increased energy efficiency/ Reduced energy demand	Scope and scale of impact on reducing energy demand/ increasing energy efficiency
iii	7	Increase in energy system flexibility	Scope and scale of impact on energy system flexibility Route to increasing energy system flexibility
KPI 8		Commercialisation advancement	Technology readiness levels (current and anticipated) Steps towards commercialisation incl. licensing agreements, commercial partnerships, product certifications etc.; national/ international standards passed UK and International sales secured and their value (£m)
KPI 9		CO2 emissions reductions	Scope and scale of project impact on carbon emissions Route to achieving carbon emissions reductions
KPI 10		Policy impact	Whether, how, and to what effect evidence from the project has informed policy development Whether projects have engaged in activities with industry or civil society

Annex 4: Eligible Costs

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

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

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

List of Eligible Costs

Eligible costs are defined as the following:

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

Guidance on Rates for University Consortium Partners

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

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

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

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

Guidance on Overhead Rates

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

List of Ineligible Costs

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

- Payments for activities of a political or exclusively religious nature.
- Input VAT reclaimable by the grant recipient from HMRC.
- Statutory fines, criminal fines or civil penalties, damages or any associated legal costs.
- Using the grant to petition for additional funding.
- Giving of gifts to individuals, other than promotional items with a value no more than £10 a year to any one individual.
- For entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations).
- In respect of costs reimbursed or to be reimbursed by funding from other public authorities.
- In connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money).
- Interest payments or service charge payments for finance leases.
- Payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources.
- Depreciation, amortisation or impairment of assets owned by the grant recipient (other than those assets that are used for delivery of the funded activity).

Guidance on Costs of Key Senior Staff

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

Annex 5: Social Value – Tackling economic inequality²⁷

Policy Outcome: Increase supply chain resilience and capacity

Why is this a priority?

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

Model Award Criteria (MAC)

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

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

Model Evaluation Question

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

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

Model Response Guidance

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

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

²⁷ The Social Value Model -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940826/Social-Value-Model-Edn-1.1-3-Dec-20.pdf

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

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

Reporting Metrics

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

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

Annex 6 – Declaration 1: Form of Bid

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

Annex 7 – Declaration 2: Conflict of Interest

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

Annex 8 – GHFA Declaration 3: Standard Selection Questionnaire

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

Annex 9 – GHFA Declaration 4: General Data Protection Regulation (GDPR)

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

Annex 10 – GHFA Declaration 5: Northern Ireland Protocol Questionnaire

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

Annex 11 – GHFA Terms and Conditions (Grant Funding Agreement)

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