

Greater Manchester Warm Homes: Social Housing Fund Wave 3

Scheme Guidance

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1. Introduction

The energy shocks of recent years have shown the urgent need to upgrade homes and secure Britain's energy independence. The Government's Warm Homes Plan will support investment in insulation and low carbon heating – upgrading millions of homes over this Parliament. The Government's ambitious plans will protect billpayers, reduce fuel poverty and get the UK back on track to meet our climate goals.

Acting as a significant driver of the Warm Homes Plan, Warm Homes: Social Housing Fund provides funding to local authorities, combined authorities, registered providers of social housing, and registered charities that own social housing in England to install energy efficiency upgrades and low-carbon heating measures to homes in England.

Wave 3 will upgrade a significant amount of the social housing stock to meet an Energy Performance Certificate (EPC) band C standard, delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs. By improving the energy performance of homes below EPC band C, the fund will facilitate the subsequent widespread adoption of decarbonised heating systems.

WH:SHF will look to allocate funding to deliver warm, energy efficient homes, reducing carbon emissions and tackling fuel poverty.

WH:SHF Wave 3 was formerly known as SHDF Wave 3, and Draft Guidance for this scheme was published on Monday 13 May 2024, and social housing landlords have had the opportunity to ask clarification questions by mid-June 2024.

This follows earlier waves of the Programme:

- The **SHDF Demonstrator** announced funding in January 2021 and awarded around £60m of funding to social landlords across England and Scotland to test innovative approaches to retrofitting at scale, seeing up to 2,000 social homes improved to at least EPC band C and supporting around 1,200 local jobs.
- **Wave 1 of the SHDF** announced funding in March 2022 and awarded around £179m of funding for delivery from 2022 to 2023 and will see energy performance improvements to up to 20,000 social housing properties, reducing bills and carbon emissions.
- **Wave 2.1 of the SHDF** announced funding in March 2023, to further support the installation of energy performance measures in social homes in England. £778 million of government funding was allocated for Wave 2.1 of the SHDF in March 2023. Wave 2.1 will see proposed energy performance improvements to around 90,000 social homes.

- **Wave 2.2 of the SHDF** announced funding in March 2024 and allocated over £75 million in grants to eligible Social Housing Landlords, including local authorities and housing associations, so they can install energy efficiency measures such as insulation and heat pumps in socially rented homes, supporting some of the most fuel poor households in the country.

Lessons learned from the Demonstrator and Waves 1, 2.1, and 2.2 have been incorporated into the design of WH:SHF Wave 3.

The key aims and objectives for WH:SHF Wave 3 are set out below:

- **Fuel Poverty:** Reduce the number of households in fuel poverty by improving the energy efficiency rating of social homes below EPC band C and reducing energy bills. On this basis, resident energy bills must not increase as a result of the retrofit works, relative to what they would otherwise have been.
- **Carbon:** Deliver cost effective carbon savings to contribute to carbon budgets, and progress towards the UK's target for Net Zero by 2050 by reducing CO2 emissions from social housing.
- **Residents:** Improve the comfort, health, and wellbeing of social housing residents by delivering warmer and more energy-efficient homes.
- **Green Economy:** Support economic resilience and a green recovery in response to the economic impacts of Covid-19, supporting thousands of jobs.
- **Develop the Retrofit Sector:** Create the conditions for growth in the retrofit supply chain capacity and capabilities, boosting productivity and innovation in the construction sector. Additionally, upskilling social landlords in retrofit to support future improvements to energy efficiency in the social housing sector.

Please note, in relation to the recent Grenfell report, the report's recommendations must be considered with the seriousness that the tragedy deserves. The Government will, therefore, consider all recommendations in detail and respond within six months, listening to the community as part of this work. Further guidance will be issued should any impact on WH:SHF Wave 3 be identified.

This guidance for the Greater Manchester Warm Homes Social Housing Fund (GMWH:SHF) is adapted from the national WH:SHF guidance. Applicants to the GMWH:SHF should follow the guidance in this document, and not the national WH:SHF guidance.

1.1 Outline of GMWH:SHF Wave 3

The Greater Manchester Combined Authority (GMCA) is inviting social housing landlords to apply for funding to be used to improve the energy performance of social housing in Greater Manchester. Please refer to section 2.1 for further information about eligible Applicants.

The GMWH:SHF programme seeks to raise the energy performance of as many as possible of the social homes in Greater Manchester below EPC band C up to that level, as part of the journey for the social housing stock towards Net Zero 2050. GMWH:SHF Wave 3 will increase the provision of low carbon heating incentives with these targets in mind.

Details of the application process can be found in section 4.1 of this document. Where Applicants are successful in the application process, GMCA will aim to make grant offers as per the timelines outlined in section 1.4 of this document. Applicants will be contacted individually to inform them of the outcome of their application, aligned to the publication of successful applications on the GMCA website.

Successful Applicants will then be required to sign and return a Grant Funding Agreement (GFA) and a Data Sharing Agreement (DSA) so GMCA can issue grant payments to the Applicant.

The delivery window for GMWH:SHF Wave 3 will run from 1st April 2025 to 31st March 2028.

Grant Recipients should aim to spend their grant in each financial year from FY25/26 to FY 27/28. All grant funding for GMWH:SHF Wave 3 projects must be transferred to the Grant Recipient and spent by 31st March 2028, and within the financial year the grant funding was allocated for in the Grant Funding Agreement.

Applicants are asked to submit applications they are confident can meet these deadlines.

Funding for GMWH:SHF Wave 3 is being secured through GMCA's proposed Integrated Settlement under its [Trailblazer Devolution Deal](#), and GMCA reserves the right to cancel the launch of GMWH:SHF Wave 3 at any stage prior to grant funding being awarded.

GMCA will undertake the management of the scheme. Grant Recipients will be required to work collaboratively with GMCA and all organisations working on GMCA's behalf. Within the scheme guidance and clarification questions, references to GMCA stand not just for GMCA but also any third-party organisations that act on GMCA's behalf.

Support is available at no cost to Applicants interested in accessing funding under GMWH:SHF Wave 3 from GMCA by emailing SHDF@greatermanchester-ca.gov.uk.

1.2 What's new for Wave 3

- **Application routes:**

- A key principle of the Fund is that all applications that meet the minimum requirements of the scheme will be awarded funding (although if the scheme is oversubscribed, this may not be the amount of funding requested). In addition, this model will facilitate the phased approach to delivery taken by many organisations, with detailed information (including full PAS 2035:2023 Retrofit Assessments and archetype PAS2035:2023 Retrofit Designs) required on all homes included within each phase application.
- For more information on phased applications, please see section 4 of this document.

- **Delivery Window:** The Wave 3 delivery window will run to 31st March 2028. All grant funding for GMWH:SHF Wave 3 projects must be transferred to the Grant Recipient and spent by 31st March 2028, and within the financial year the grant funding was allocated for.
- **Performance outcomes:** Grant Recipients are expected to get homes to EPC C, but we accept that there may be circumstances for homes at EPC bands E-G where this is not achievable within the cost caps. If this is the case, homes are expected to attain the maximum EPC grade achievable within the cost caps. The 90/kWh/m²/year space heating demand consideration in Wave 2¹ no longer applies for Wave 3. GMCA encourages applicants to avoid going beyond performance outcomes to the extent that is possible.
- **Cost caps:** There is a new base cost cap for measures which is consistent across all homes and does not vary by starting EPC band or wall type as it did in Wave 2. The Wave 3 cost cap is £7,500 of grant funding per home. This cap can be averaged across homes in an application. There is an additional £7,500 of grant funding available if the Grant Recipient installs low carbon heating measures. This cost cap is known as the low carbon heating cost cap uplift.

Low carbon heating measures eligible for installation using this cost cap uplift are limited to air source heat pumps, ground source heat pumps, shared ground loops, and heat networks (this included connections to existing low carbon heat networks, decarbonising existing gas-powered heat networks, and developing new low carbon heat networks). High Heat Retention Storage Heaters will not be funded unless all other low carbon heating options are shown to be unfeasible.

- **EPC C+ homes:** In previous Waves, homes already at or above EPC band C could only be included on an infill basis. For Wave 3, homes already at or above EPC C

¹ Wave 2 encompasses both Waves 2.1 and 2.2 throughout this document

can also be included in applications where low carbon heating measures are being installed. Applications are limited to 10% of homes starting at or above EPC band C.

- **Mixed tenure and non-social homes:** Mixed tenure blocks/terraces can be treated in their entirety as long as there are at least 30% social homes in the block/terrace (this minimum was 50% in Wave 2). The eligible measures in such blocks/terraces are limited to insulation, ventilation, and communal low carbon heating. Non-social homes in these blocks can access cost caps as per social homes and costs must be incorporated into the application form as for any other home. As such, there is now no requirement to establish the low-income status of such residents. The requirement for owner occupiers and private rented sector landlords/residents to contribute to measure costs no longer applies. Applicants can still request contributions from owner occupiers and private rented sector landlords/residents and reach an agreement with them in which they contribute to the costs of measures installed in their home. These contributions will count towards the co-funding amount. These contributions must adhere to all relevant legislation (including Florie's Law, for example).
- **Revisiting homes:** Homes previously treated in Wave 1 or the Demonstrator are eligible to be treated in GMWH:SHF Wave 3 as long as they comply with GMWH:SHF Wave 3 eligibility requirements and only where low carbon heating measures are being installed. Homes treated in Wave 2 are not eligible.
- **Minimum number of homes:** Wave 3 applications must include a minimum of 50 eligible social housing properties at EPC band D-G per application, except in the case of small social housing landlords (defined for this purpose as those who own or manage fewer than 1,000 homes), who can apply with fewer than 50 homes. For such landlords, there is no minimum application size.
- **Approach to KPIs and Milestones:** The approach to both KPIs and milestones has been reformed for Wave 3.

1.3 Applicant Journey

This section goes through the expected process of preparing an application and signposts relevant sections of the policy guidance.

Information	Section
What has changed since national guidance was published in September?	1.5 Scheme guidance update
When can I apply, and how long do I have to deliver the project?	1.4 Key dates 5.1 Delivery Window
Can I apply?	2.1 Eligible Applicants
Which homes can be included in my project?	2.3 Eligible properties 2.4 Non-social homes and homes at or above EPC C
How do homes need to be improved?	2.8 Performance outcomes
Which measures can be installed in homes?	2.9 Eligible measures
How much grant funding can be accessed per home?	2.12 Funding and eligible costs
How much co-funding needs to be contributed?	2.12 Funding and eligible costs
What support is available for Applicants?	3 Support for Applicants
Application route	4.1 Application route
How do I submit my application?	4. How to apply 4.1.2 Application form submission

What will be considered as part of my application? How will I know whether I have been successful?	4.2 Application considerations
What agreements do I need to sign to access funding?	5.2 Legal documentation
Will I have any support during delivery?	5.4 Delivery support 5.5 Support during mobilisation
What do I need to do in delivery? How will I report progress?	5.7 Delivery requirements 5.7.3 Reporting
What do I need to do to receive grant payments?	5.8 Payment of the grant

1.4 Key Dates

The following table outlines indicative dates for GMWH:SHF Wave 3 milestones.

Milestone	Indicative Date
Draft National Scheme Guidance published – clarification period begins	13 May 2024
National Scheme Clarification period ends	3 June 2024
National Scheme Launch: <ul style="list-style-type: none"> Final Guidance documents published Application form questions published Draft Data Sharing Agreement and Privacy Notice published 	September 2024
Draft GMWH:SHF Guidance and Application Form published – clarification period begins	January 2025
GMWH:SHF Clarification period ends	February 2025
GMWH:SHF Final Guidance documents published Application form available Applications can be submitted	March 2025
Draft Grant GMWH:SHF Funding Agreement published	During application window

The following table provides indicative dates for GMWH:SHF Wave 3 phases.

	Application Deadline	Award Notification	GFA Signed	Project Start	Grant Spent
Yr 1 Phase 1	30 Mar 2025	14 Apr 2025	30 Apr 2025	1 May 2025	31 Mar 2026
Yr 1 Phase 2	30 Apr 2025	31 May 2025	30 Jun 2025	1 Jul 2025	31 Mar 2026
Yr 1 Phase 3	31 Jul 2025	31 Aug 2025	30 Sep 2025	1 Oct 2025	31 Mar 2026
Yr 2 Phase 1	31 Jan 2026	28 Feb 2026	31 Mar 2026	1 Apr 2026	31 Mar 2027
Yr 2 Phase 2	30 Apr 2026	31 May 2026	30 Jun 2026	1 Jul 2026	31 Mar 2027
Yr 2 Phase 3	31 Jul 2026	31 Aug 2026	30 Sep 2026	1 Oct 2026	31 Mar 2027
Yr 3 Phase 1	31 Jan 2027	28 Feb 2027	31 Mar 2027	1 Apr 2027	31 Mar 2028
Yr 3 Phase 2	30 Apr 2027	31 May 2027	30 Jun 2027	1 Jul 2027	31 Mar 2028
Yr 3 Phase 3	31 Jul 2027	31 Aug 2027	30 Sep 2027	1 Oct 2027	31 Mar 2028

GMCA reserves the right to vary or cancel any of the phases of GMWH:SHF Wave 3 at any stage prior to grant funding being awarded.

1.5 Scheme guidance update September 2024

The table below highlights the key changes made to the Wave 3 Scheme Guidance document following feedback received from potential Applicants in webinars held in May and from correspondence received on the draft guidance during the clarification window. These changes that we have made are to clarify some of the more complex areas of the policy guidance, and ensure the policy is up-to-date with other Government schemes.

Section	Change made
Funding Allocation	Reference to the £1.2billion allocation of grant funding by the previous government has been removed. The specific grant funding amount will be announced as part of the Spending Review.
1.2 What's new for Wave 3 2.4.2 Non-social homes	Clarification that Organisations can still reach an agreement with owner-occupiers and private rental sector landlords for them to contribute to measures costs for measures installed in their home.
2.3 Eligible properties	Explanation on how the transition from RdSAP 2012 to RdSAP 10 will work for Grant Recipients.
2.6 Eligible installers 2.7 Safety & quality	All projects must adhere to PAS 2035:2023.
2.6 Eligible installers	Clarification that all installers are required to be TrustMark registered.
2.6 Eligible installers	Clarification that connections to heat networks and the development of new heat networks are not required to comply with PAS 2035:2023 and installers of heat networks are not required to be MCS registered. Instead, where a communal heat

	network/district heating scheme connection is to be installed, this must be done in accordance with the Heat Trust Consumer Protection Scheme.
2.9 Eligible measures	Highlighted solar PV as an example of an eligible energy efficiency measure
2.9.1 Low carbon heating	Clarified position on prioritised low carbon heating measures
2.12.1 Grant funding	The grant spend profile has been updated to a third of total grant funding to be spent each financial year.
2.12.2 Co-funding	Clarification on minimum and maximum yearly co-funding spend.
2.12.2 Co-funding 5.1 Delivery window	Clarification on the date from which co-funding can be spent.
2.12.3 Cost caps	Clarification on what 'going beyond EPC C' means. Worded now as 'achieving EPC B or beyond.' Clarification on how the cost control exercise will work for Wave 3.
2.13 Interaction with other energy efficiency schemes	Clarification that although funding from other government energy efficiency schemes can be used on Wave 3 projects, it does not count towards the 50% co-funding requirement.
2.16 UK subsidy control laws	Updated for consistency with DESNZ's subsidy principles assessment for Wave 3. Information on Minimal Financial Assistance and Services of Public Economic Interest (SPEI) Assistance exemptions.
4. How to Apply	Application process details updated
5.7 Delivery Requirements	Clarification that RdSAP is acceptable for pre-works modelling. Requesting RPs to provide energy savings instead of carbon savings to reduce admin burden &

	inconsistency in approach across projects. Suggesting for RPs to be held to energy saving target instead of carbon savings.
5.7.1 and 5.8.1 Baseline	Clarification added on completion of a phase. Clarification on what is included in the baseline.
5.7.2 and 5.8.2 KPIs	Updated description of KPI 5.
Throughout	Cost caps renamed to the 'base cost cap' and the 'low carbon heating cost cap uplift'.

2. Eligibility Criteria

2.1 Eligible Applicants

Local Authorities, Registered Providers of social housing, and Registered Charities that own social housing who are supporters of the [GMCA Good Landlord Charter](#) can apply directly for funding under Wave 3 of the GMWH:SHF to support the installation of energy performance measures in social homes in Greater Manchester.

Throughout this document, “Applicants” refers to all eligible applicants. “Grant Recipient” is used to describe all Applicants who have been successful in their application for GMWH:SHF Wave 3.

For housing associations in Greater Manchester, refer to section 2.13 for eligibility.

2.2 Applications

2.2.1 Overview

Applicants for funding under Wave 3 can do so as a single Applicant.

2.2.2 Applicant Behaviours

There are some applicant behaviours that must be adopted and evidenced to ensure delivery of the grant funding and the relationship with GMCA progresses smoothly. These behaviours are as follows:

- **Legal documents:** GMCA will sign a Grant Funding Agreement (GFA) with the Applicant. GMCA will make the draft GFA available to the sector during the application window.
- **Due diligence on members:** The Applicant will be responsible for ensuring deliverability of its project, including appetite and commitment from the organisation to deliver as per the GFA terms, availability of co-funding to complete delivery, and any other due diligence checks necessary.
- **Contingency plans in case of withdrawals:** Should an Applicant not be able to deliver on its targets as per their application, this will be managed by a change request and/or grant variation, likely resulting in a reduction in overall grant funding available.
- **Data and Reporting:** A Data Sharing Agreement (DSA) will be signed between GMCA and the Applicant alongside the GFA. The Applicant must have a strategy for collecting, checking, and summarising financial and delivery data received for its project in a timely and effective manner in order to report this to GMCA. GMCA may need to deep dive into certain projects during delivery, and so project-specific data must be held by the Applicant and be made available to GMCA on request.

2.3 Eligible Properties

All existing social housing, as defined by the Housing and Regeneration Act 2008 (sections 68-70), below EPC C owned by Applicants, as defined in section 2.1, is eligible for Wave 3 funding, regardless of archetype (including high rise blocks). Homes retrofitted in Wave 2 are not eligible. Homes retrofitted in the Demonstrator or Wave 1 are eligible for Wave 3 where installing low carbon heating measures.

It is a requirement that properties included in Wave 3 applications are domestic dwellings, for which it is possible to create domestic EPCs through RdSAP (Reduced data Standard Assessment Procedure).

Homes both on and off the gas grid are eligible for funding. There is no income related eligibility requirement for social housing residents, although Applicants may wish to consider the income profile of residents to determine how best to make progress towards reducing fuel poverty, a key objective of the GMWH:SHF.

Non-social homes and social homes at EPC band C or above can be included in applications, as long as they adhere to the rules and restrictions laid out in section 2.4.

Transition from RdSAP 2012 to RdSAP 10

A new version of RdSAP (RdSAP 10) is expected to go live in the coming months. The EPC Accreditation companies have indicated that new pre-retrofit assessments will not be permitted to take place in RdSAP 2012 after RdSAP 10 is in place.

EPC Accreditation companies have instead indicated that they will continue allowing the generation of RdSAP 2012 post-retrofit Energy Performance Reports (EPRs) to enable retrofits that started in RdSAP 2012 to be completed in RdSAP 2012, where the pre-retrofit assessment took place before the “go-live” date of RdSAP 10. In these situations, GMCA will accept an EPR being generated, and an Energy Performance Certificate (EPC) will not be required. Grant Recipients are welcome to separately generate an EPC in RdSAP 10 if they would like to.

Other points:

- Any new projects that start after the RdSAP 10 “go-live” date will be required to be fully assessed in RdSAP 10 to be TrustMark compliant.
- Retrofits that need to be reassessed for compliance reasons that were evidenced by RdSAP 2012 will be permitted to have a new RdSAP 2012 post-retrofit EPR carried out for a period of time after the transition to RdSAP 10.

2.4 Non-social homes and homes at or above EPC band C (infill properties)

The intended purpose of GMWH:SHF funding is to improve the energy performance of social homes below EPC C up to that level. However, GMCA recognises that in some cases some homes that do not fit into that category are required to be retrofitted in order to achieve this. It is expected that all projects will abide by the principle of focusing on the delivery of below EPC C social homes. This section of the guidance outlines the instances where infill funding is available.

2.4.1 Homes at EPC C or above

The focus of Wave 3 applications will be on social homes with an EPC rating of band D, E, F or G.

There are two instances in which homes at or above EPC band C are eligible for Wave 3 funding:

- On an infill basis: where a small number of properties in a block or terrace are at EPC band C or above (for instance – a tower block/low rise with a small number of properties at EPC band C or above), they can be included in applications where work to those properties enables effective works to social housing below EPC band C. Applicants must justify this approach in Phase Requests, including providing the % of properties at EPC band C or above in each individual tower block. There

would need to be a significant reason for inclusion of these properties – any application without appropriate justification will not be successful.

Inclusion of these properties at EPC band C or above would need to be on an ‘infill’ basis. The policy:

- Is limited to situations in which social homes below EPC band C would be adversely affected without it, for example cases where these social homes would not be able to meet EPC C, or where works must be undertaken on a whole block for planning or logistical reasons.
- Can only apply to a maximum of 10% of the homes in the application.
- Can only be used to install certain measures:
 - Insulation and associated ventilation, and communal low carbon heating. Applicants may include additional measures on an exceptional basis if a justification is given as to why a whole block approach is essential for the attainment of Wave 3 performance outcomes (see section 2.8) for the below EPC band C homes. Any Applicant wishing to install a measure that is not an infill measure onto these homes must do so out of their own money, separately to their co-funding contribution.
- Homes at or above EPC band C are eligible for the installation of low carbon heating measures, though the 10% cap of homes at or above EPC band C still applies. In this scenario, the only eligible measures are low carbon heating measures. It is expected that landlords will prioritise the most efficient forms of low carbon heating (see section 2.9.1). These measures are eligible, and do not have to be installed on an infill basis. These homes have access to the low carbon heating cost cap uplift.

GMCA expects the majority of applications will include homes exclusively below EPC band C. GMCA expects that applications that do contain homes at or above EPC band C will keep the number of such homes as low as possible (the 10% is a limit, not a target, and this criteria will not impact on scoring).

The grant funding cost caps for retrofit works for EPC band C+ homes are the same as that for EPC band D homes (see section 2.12.3).

2.4.2 Non-social homes

Private domestic homes, such as those owned by leaseholders, may be eligible for funding under the Wave 3 infill policy on non-social homes. Shared ownership homes fall under the scope of Wave 3 infill policy on non-social homes. Wave 3 infill policy on non-social homes is designed to support works to social homes in situations where there is also the presence of other tenure types.

The policy:

- Is limited to situations in which social homes would be adversely affected without it, for example cases where social homes would not be able to meet EPC C without works taking place on non-social homes, bearing in mind reasonableness and cost effectiveness (see 'Performance Outcomes' section 2.8), or where works must be undertaken on a whole block for planning or logistical reasons.
- Can only apply to a maximum of 30% of the homes in the application.
- Is available for insulation, associated ventilation, and communal low carbon heating. Applicants may include additional measures on an exceptional basis if a justification is given as to why a whole block approach is essential for the attainment of Wave 3 performance outcomes (see section 2.8). This should only be done where beneficial to the social homes in the block/terrace (e.g., where completing the 'thermal envelope' of a block/terrace). Any Applicant wishing to install a measure that is not an infill measure onto these homes must do so out of their own money, separately to their co-funding contribution.

The grant funding cost caps for retrofit works for non-social homes are the same as that for social homes. Non-social homes treated under Wave 3 require at least 50% co-funding, as with all homes in applications. The requirement for owner occupiers and private rented sector landlords/residents to contribute to measure costs that applied in previous Waves no longer applies. Applicants can still request contributions from owner occupiers and private rented sector landlords/residents and reach an agreement with them in which they contribute to the costs of measures installed in their home. These contributions will count towards the co-funding amount. These contributions must adhere to all relevant legislation (including Florie's Law, for example).

Non-social homes are not required to reach EPC C.

Mixed Tenure Blocks and Terraces

Mixed tenure blocks and terraces are eligible for GMWH:SHF funding. In any block/terrace being treated, at least 30% of the homes within the block/terrace must be social homes. The above infill policy on non-social homes applies to the non-social homes within the block/terrace.

2.4.3 Non-social homes and homes at or above EPC band C summary table

Home type	Limit
Non-social homes within an application	30%
Non-social homes within a block/terrace	70%
Homes at or above EPC band C within an application	10%

2.5 Minimum Application Size

Wave 3 applications must include a minimum of 50 eligible social housing properties at EPC band D-G, except for applications from small social housing landlords.

Small social housing landlords (defined for this purpose as those who own or manage fewer than 1,000 homes) can apply with fewer than 50 homes. For such landlords, there is no minimum application size. We expect such landlords to try to reach 50 homes, but will accept applications below 50 homes if this is not possible. Non-social homes (see section 2.4.2) and EPC C+ properties (see section 2.4.1) must be in addition to the minimum of 50 social homes at EPC bands D-G.

2.6 Eligible Installers

Applicants must provide details of their contractors and TrustMark registration or equivalent and, where applicable, their Microgeneration Certification Scheme (MCS) certification number.

All installers are required to be TrustMark registered (or equivalent²) and compliant with corresponding requirements set out on TrustMark's website. All measures must be lodged on the TrustMark Retrofit Portal.

² Or able to demonstrate registration with a scheme which has been deemed equivalent by the Secretary of State.

All projects (with the exception of heat networks) must be compliant with “PAS 2035:2023 Retrofitting dwellings for improved energy efficiency specification and guidance” (PAS 2035:2023). PAS 2035/30:2023 was published in September 2023 and is freely available to download at the [British Standards Institute \(BSI\)'s webstore](#).

PAS 2035 requires energy efficiency measures to be installed by an installer who is certified to PAS 2030 for the relevant measure. PAS 2035 also requires low carbon heat measures to be installed by MCS certified³ installers. Where connecting to a communal heat network/district heating scheme, this must be done in accordance with the Heat Trust Consumer Protection Scheme. Once regulations introduce mandatory minimum heat network technical requirements, expected in 2025, the installation of communal and district schemes must comply with these requirements and follow the processes set out under the Heat Network Technical Assurance Scheme (HNTAS). Prior to technical standards regulation, whilst not a formal requirement, the installation of communal and district heating systems should aim to be in accordance with CIBSE's Code of Practice 1 (2020).

Adaptation

GMCA is committed to considering current and future climate scenarios, including overheating risk and indoor air quality risk, when developing policies to deliver Net Zero. PAS 2035/2030 requires a whole house approach to home retrofit projects and ensures that the risks of unintended consequences are minimised. This will also be the case for Wave 3. The guidance and requirements for climate resilience and adaptation in retrofit have been strengthened in PAS 2035/2030:2023.

Supply Chain

Applicants are encouraged to support and boost local green growth by considering local and small and medium-sized enterprises (SME) installers as part of the economic growth across the country whilst investing in the skills and supply chains necessary to meet net zero. Applicants should consider the role of SMEs in the supply chain and ensure that barriers to participation are minimised in their procurements.

Procurement

Applicants are also encouraged to consider and implement all relevant Public Procurement Notices in their procurement activity. A summary of relevant public procurement policy can be found at the following [link](#). The GMCA has procured a public procurement policy compliant Net Zero Housing Retrofit Framework Agreement that can be used to purchase equipment and materials, appoint installers and consultants, including full turnkey solutions, through a direct award or mini-competition. For further information, email Net.Zero@greatermanchester-ca.gov.uk.

³ Or able to demonstrate registration with a scheme which has been deemed equivalent by the Secretary of State.

2.7 Safety and Quality

Applicants must ensure all work done adheres to all relevant building, and construction products, regulations and requirements, particularly those that are considered safety critical and in line with industry best practice. Applicants must also ensure any installations are in line with all concurrent legal requirements for manufacturers to ensure that products are safe at the time of installation.

Applicants are required to detail their adherence to all appropriate safety and construction standards in line with PAS2035/2030:2023, including ensuring sufficient checks are in place to ensure installers are compliant with the same standards.

A retrofit coordinator will advise on suitable measures to be installed in properties, ensuring there are no negative impacts, no unneeded installations and that good value for money is maintained.

When considering the retrofit of high-rise buildings (11m high and above), the Applicant must have all checks completed and consent obtained through the Building Safety Regulator prior to application.

2.8 Performance Outcomes

Grant Recipients must improve their social homes to at least a minimum energy efficiency rating threshold of EPC band C.

Homes starting at EPC band E-G, which cannot reasonably reach EPC C within the cost cap, are exempt from this requirement. These homes are not required to reach a certain EPC grade but are expected to attain the maximum EPC grade possible within the cost caps, as demonstrated in the evidence provided by the Applicant. GMCA reserves the right to reject phases or exclude homes from phases if this information is not provided or it is unsatisfactory.

GMCA encourages applicants to avoid going beyond performance outcomes to the extent that is possible. We understand that it may be difficult to develop projects which take homes exactly to EPC C, and we will therefore take a proportionate approach. Please do not include measures in your GMWH:SHF applications and/or projects which take homes well beyond GMWH:SHF performance outcomes.

Government is reviewing the potential for improving EPC metrics, taking into account the Climate Change Committee's recommendations from February 2023. Government will announce updates in due course. As part of any reform to EPCs, we would need to consider how changes to EPC metrics will be introduced and how a transition between existing and new metrics would be managed. The transition arrangements would ensure that duty holders are clear about how to comply with requirements and that those who have already met requirements are not penalised under the new metrics.

An update to GMWH:SHF Wave 3 guidance may be required to provide clarity to duty holders once Government has made a final decision on EPC metrics and the timing of their introduction.

2.9 Eligible Measures

Eligible measures are any energy efficiency and heating measures compatible with the latest version of the Standard Assessment Procedure (SAP) that will help improve the energy performance of homes, excluding heating systems which are solely fuelled by fossil fuels. Applicants are expected to focus on a fabric first approach and install measures that will help lower household energy bills. This includes, but is not limited to, energy efficiency measures (such as wall, loft, and underfloor insulation) and low carbon heating technologies. One of the core objectives of the GMWH:SHF is to support the UK to reach its Net Zero target by 2050.

Therefore, fossil fuel measures, such as the installation of a new fossil fuel-based heating system (including hybrid systems), or the replacement or repair of an existing fossil fuel-based heating system with another fossil fuel-based heating system (including hybrid systems) are not in scope and projects including these fossil fuel measures will be ineligible for funding through Wave 3.

Applicants are expected to adopt a least regrets approach to retrofit, meaning that works should minimise the potential of measures installed through GMWH:SHF having to be replaced in the future on the journey to Net Zero for the social housing stock. Applicants are expected to take a fabric first and value for money approach to retrofit.

Applicants must quantify the mix of measures they are intending to install at Phase Request stage and provide justification utilising individual property Retrofit Assessments and archetype Retrofit Designs as to why they are considered the most appropriate measures for targeted properties; and why they represent good value for money.

Measures installed must adhere to requirements within PAS 2035 and be installed by an appropriately certified PAS 2030 or Microgeneration Certification Scheme (MCS) installer which is TrustMark registered (or equivalent).⁴ All measures must be lodged onto the TrustMark Retrofit Portal.

Where Applicants plan to install measures which are typically less cost effective in making progress towards the Wave 3 objectives and strategic approach, the application must justify why they are a suitable, cost-effective measure for the properties applied with.

⁴ Or able to demonstrate registration with a scheme which has been deemed equivalent by the Secretary of State.

SAP-eligible technologies which would enable Smart Meter Enabled Thermal Efficiency Ratings (SMETER) (such as smart thermostats) are an eligible measure for Wave 3. Applicants who intend to install SMETER technologies are encouraged to install these into homes before any other measures, so that the effect of changes to the home can be recorded.

2.9.1 Low carbon heating

Whilst it is not a requirement that applications to Wave 3 include low carbon heating, GMCA encourages applications which include low carbon heating, given its vital role on the journey to Net Zero, as was the case in Wave 2. Applicants may propose low carbon heating (LCH) installations in any eligible home, provided that the following key principles are complied with:

- A fabric first approach must be taken with the walls and loft being insulated to the recommended levels.
- Bills must not increase as a net result of all retrofit works to the home, relative to what they would have otherwise been.
- Post retrofit, homes must comply with GMWH:SHF performance outcomes.

An additional cost cap uplift of £7,500 grant funding is available for Grant Recipients installing low carbon heating measures. This uplift is on top of the base cost cap. This funding can be used together to install both energy efficiency and low carbon heating measures. See section 2.12.3 for details on cost caps.

Funding from both the £7,500 base cost cap and from the low carbon heating cost cap uplift can also be averaged out across homes and across measures.

Eligible low carbon heating measures

As with other GMWH:SHF eligible measures, eligible low carbon heating measures (LCH) must be compatible with the Standard Assessment Procedure (SAP) and help improve the energy performance of homes. Heating systems which are fuelled by fossil fuels (including hybrid systems) are not eligible.

Where low carbon heating is installed, Applicants should consider systems that are consistent with net zero and considerations such as affordability, air quality, and sustainability.

Applicants are expected to focus on installing heat pumps and connecting to or developing low carbon heat networks which deliver carbon savings and are optimised for operation with a low flow temperature (i.e., below 55°C). In homes where it is not possible to install individual heat pumps nor connect to a low-carbon heat networks (where available currently and/or where a heat network connection is expected to be available within the Wave 3 funding window⁵) we expect the following measures to be installed, in order of priority:

- shared ground loops or ground source heat pumps,
- air to air heat pumps,
- heat batteries,
- or high retention electric storage heaters (in electrically heated flats and small dwellings only) to be considered if determined as the next best option for deliverability, value for money, affordability, sustainability, and air quality.

Properties will not be eligible for the installation of low carbon heating measures if that property has previously received funding under the Renewable Heat Incentive or Boiler Upgrade Scheme.

Heat network zoning

Heat Network Zoning is expected to be implemented as a national policy programme in 2025, designed to deliver scaled heat networks in Zone areas identified as being where heat networks offer the lowest cost low carbon heating solution. Applicants should be aware of how they might be impacted by zoning and are encouraged to consider future proofing their heating decarbonisation plans accordingly.

⁵ For example, areas of England which are expected to be designated as heat network zones. See: <https://www.gov.uk/government/collections/heat-network-zoning>

2.10 Engagement with TrustMark

As stated in section 2.9 it is a requirement that all measures must be lodged in the TrustMark Retrofit Portal to be eligible for grant funding. Therefore, Grant Recipients must engage with TrustMark throughout the delivery of their project. In accordance with TrustMark guidance, works should be lodged within 20 working days of completion.

Further to this, GMCA will be analysing and quality assuring data throughout the delivery of the project to ensure that all eligible measures and homes reported to us are being lodged in the TrustMark Retrofit Portal. Grant Recipients will be required to provide the data needed for GMCA to do this. The data will include pre-installation SAP score, TrustMark project reference number, and TrustMark lodgement number. The process for providing this data will be set out at Grant Funding Award.

Therefore, Grant Recipients must consider this in the planning and procurement activities for their project. For example, Grant Recipients could include a service-level agreement with organisations who will be lodging the measures with TrustMark to ensure this is done in a timely manner.

Further to this, if evidence of lodgement with TrustMark cannot be provided for measures, and grant funding has been claimed for them, then the associated costs for these measures could be subject to clawback given they would not be classed as eligible measures.

2.11 Consideration of Residents

Wave 3 will aim to improve the comfort, health, and well-being of Social Housing residents by delivering warmer and more energy-efficient homes. Applicants must demonstrate how resident needs will be considered throughout the project and report on any resident engagement undertaken.

Learnings from previous Waves have highlighted the importance of resident engagement and securing resident 'buy-in'. Poor engagement is likely to be a challenge to successful delivery of projects, leading to refusal of access or residents withdrawing from the project at a later stage. GMCA expects resident engagement to go beyond leafleting and cold calling, which GMCA does not consider to be sufficient methods of resident engagement when implemented in isolation.

Applicants are expected to outline how suitable support and information will be provided both during retrofit and occupancy so that residents are able to maximise benefits from installations. Reasonable adjustments must be made to minimise negative impacts and inconvenience to residents (especially those of a protected characteristic covered by the Equality Act 2010). Applicants may also wish to consider whether properties containing residents who are particularly vulnerable to the cold are best to target for retrofit.

Applicants must consider their responsibilities under the Public Sector Equality Duty (PSED) and conduct an equality assessment or analysis if they deem necessary.

PSED applies to public sector organisations and any organisation where it is carrying out a public function.

Applicants may also find the ['Embedding Equality, Diversity, and Inclusion \(EDI\) in Housing Retrofit' toolkit](#) which was recently launched by DESNZ helpful in this area. This toolkit is designed for registered providers of social housing, local authorities, and other stakeholders, to support them with the following:

- The Design and Delivery of their Retrofit Projects;
- Improving Equality, Diversity, and Inclusion (EDI) within their own organisations;
- Generating Social Value through Retrofit Projects.

Ensuring that EDI is embedded in housing retrofit projects from the outset is essential to attract diverse talent to organisations, cater to the diverse needs of residents with protected characteristics, and ensure effective solutions to complex challenges impacting residents' lives.

Organisations can also use the EDI Maturity Assessment Tool within the toolkit to help develop a bespoke and meaningful EDI strategy for their retrofit projects. The case studies included throughout the toolkit will help organisations set clear targets and strategies for monitoring and measuring their progress across the full retrofit project journey.

In the event funds have to be repaid to GMCA, this must not affect the residents. Funding should not be raised through the sale of social housing.

2.12 Funding and Eligible Costs

The delivery window for Wave 3 will run from 1st April 2025 to 31st March 2028. All grant funding for Wave 3 projects must be transferred to the Grant Recipient and spent by 31st March 2028. Applicants are asked to submit applications they are confident can meet these deadlines.

2.12.1 Grant Funding

Grant Recipients can claim grant funding from 1st April 2025, provided they have signed a Grant Funding Agreement (GFA). Grant Recipients must spend all their grant funding by 31st March 2028 and will lose their opportunity to claim grant funding after this date. Further to this, grant funding must also be spent within the financial year it was allocated for. Grant Recipients are expected to deliver their projects within the delivery window timeframe (see section 5.1), and all applications must be based on these timelines.

As part of the application process, Applicants must set out the total grant funding to be spent in the financial year. This total will be recorded in the Grant Funding Agreement as part of the baseline (further details on baseline in section 5.7.1) and GMCA expects Grant Recipients to spend their baselined, agreed grant funding amount in the financial year.

Grant Recipients that underspend against their agreed baselined grant funding in the financial year will not be able to receive this underspent grant funding in the following financial year. Where there is expected or actual underspend against this baseline in any financial year, Grant Recipients must make GMCA aware of this eventuality as early as possible.

Grant Recipients cannot claim for funding above and beyond the amount in their GFA. However, if additional funding is available, there may be an opportunity for successfully delivering projects to increase their grant funding award, where this will be used for delivery of additional homes.

2.12.2 Co Funding

On the journey to decarbonising the lowest performing Social Housing, there is a co-funding requirement to maximise the number of properties that can be treated with the funds available. As such, GMCA require at least 50% of total eligible costs to be provided by the Applicant when applying for Wave 3 funding. Non-eligible costs must not be included in co-funding – either to meet the 50% minimum, or to go beyond that level. Co-funding must comply with the conditions of the GFA and can only be spent on eligible costs in connection with delivery of the grant application. Finance for co-funding can be borrowed from banks providing loans guaranteed by the National Wealth Fund.

It is expected that co-funding is spent throughout the project, and Applicants will be required at application stage to set out their co-funding for the financial year which will form the baseline of a project (further details on baseline in section 5.7.1) and therefore will be monitored and required to report on their co-funding contributions (further details on monitoring and reporting in section 5.7.3).

Applicants are requested to state their overall co-funding contribution to achieving the outcomes of Wave 3 at application stage. Applicants must also confirm the source of funds for co-funding and are expected to provide evidence of secured co-funding such as board sign off, minutes from meetings or letters of commitment. The co-funding value shown in evidence must match the value input to the application.

Grant funding from other Energy Efficiency Schemes cannot be used as co-funding. See section 2.13 for further details.

2.12.3 Cost caps

To maximise value for money across Wave 3 of the GMWH:SHF, a single base cost cap will be implemented. This is the maximum grant funding permitted for capital costs for retrofit works, exclusive of administration and ancillary costs (see section 2.12.4).

Each home has access to £7,500 of grant funding, which is the base cost cap. Applicants are required to contribute at least as much co-funding as grant funding used on each home (thereby contributing at least 50% to total project costs).

Additional low carbon heating (LCH) cost cap uplift

The LCH cost cap uplift is available alongside the base cost cap, meaning the total available grant funding for each such home is £15,000. (Please see section 2.9.1: Low Carbon Heating for more info).

A table summarising the Wave 3 cost caps is set out below:

	Maximum grant funding	Minimum co-funding requirement	Total per home
Base cost cap	£7.5k	£7.5k	£15k
Low carbon heating cost cap uplift	Additional £7.5k on top of base cost cap	Additional £7.5k on top of co-funding	Additional £15k on top of total spend

Averaging of Cost Caps

It is possible to average the amount of grant funding across homes within an application, to allow for some homes in the application to spend more to reach the GMWH:SHF performance outcomes, and some homes less, as long as the average is less than or equal to the cost cap.

For example, an application with 100 homes. If each home just accesses the base £7,500 cost cap, and provides equivalent co-funding, the Grant Recipient can spend £15,000 per home. But, if required, the Grant Recipient is allowed to spend £20,000 per home on 50 properties and £10,000 per home on the other 50 properties. For simplicity, this example excludes all Admin & Ancillary (A&A) costs (see section 2.12.4 for more detail on A&A).

Funding for both energy efficiency measures (from the £7,500 base cost cap) and low carbon heating measures (from the low carbon heating cost cap uplift) can be averaged out across homes and across measures.

Grant funding is designed to provide up to 50% of the funding required to reach EPC C. Bearing in mind reasonableness and cost effectiveness – it is not the case that Applicants wishing to go beyond the performance outcomes (i.e., getting a home to or beyond EPC band B) can use more grant funding than the cost cap to do so, even if other homes in the application ‘balance out’ the average at or below the cost cap level. Applicants wishing to go beyond these performance outcomes must read ‘Going Beyond the GMWH:SHF Performance Outcomes’ below and will need to provide more than 50% co-funding. Any co-funding that will be used to go beyond the performance outcomes set by GMWH:SHF (i.e., getting a home to or beyond EPC band B) must not be included in the main co-funding contribution and should not be included in GMWH:SHF applications or projects.

Going Beyond the GMWH:SHF Performance Outcomes

It is anticipated that some Applicants may wish to use grant funding for retrofit works as

part of funding for retrofit of homes that they wish to improve beyond the performance outcomes for Wave 3 (EPC band C bearing in mind reasonableness and cost effectiveness). For example, if an Applicant has an internal target for stock improvement of EPC B+, or if it requires limited extra measures to improve the energy performance of a home to an EPC band B in comparison to improving to EPC band C.

While GMWH:SHF funding may only be used on measures that will uplift a home to EPC band C, and not beyond, Applicants are able to go beyond this level in their projects. Funding for these extra measures that take a home from EPC C to or beyond EPC band B must be entirely funded by the Grant Recipient and should not be included in applications or projects.

It is expected that the grant funding for retrofit works applied for (along with associated co-funding) will be that required to achieve the performance outcomes for Wave 3 (EPC band C bearing in mind reasonableness and cost effectiveness and relevant exemptions to this outcome as outlined in section 2.4).

2.12.4 Administration and Ancillary Costs

Due to the scale and size of the projects, Applicants are expected to have administration and ancillary (A&A) costs associated with the delivery of the project. A&A costs are expected to be as low as possible, with grant funding for A&A being no more than 10% of the capital grant spend by the end of the project.

Applicants must consider which costs will be non-capital costs and make sure these are accounted for in the administration and ancillary budget. Examples of what spend could be included in the administration and ancillary budget and examples of capital costs are given below. It is acknowledged that for certain activities, there is flexibility in whether these are considered as administration and ancillary or capital. GMCA is not prescriptive about where costs sit and understands the need for flexibility and so Applicants must work with their Accounting Officers to ensure that their budgeting and allocations are fit for purpose.

Administration and Ancillary costs may include:

- Project management, reporting and governance costs
- New pre-installation assessment and EPCs to verify eligibility of households to demonstrate starting EPC rating
- Building works to prepare for installation – for example, removal of failed cavity wall insulation
- PAS2035 retrofit assessor and coordinator costs (although this could also be considered as a capital cost)
- High Rise Insurance Backed Guarantees
- Search costs associated with resident recruitment, low-income verification for

eligible owner occupier and private rental sector residents and sign-up including communication activities

- After-care services to ensure households know how to use any new technology

Capital costs may include:

- Installer and designer labour costs
- Costs for scaffolding
- PAS2035 on-site costs such as airtightness tests, ventilation updates, SAP measurements
- Materials and transportation
- TrustMark or equivalent lodgement fees
- PAS2035 retrofit assessor and coordinator costs (although this could also be considered an admin cost)

2.12.5 Value for Money

GMCA must ensure that taxpayer money is spent as effectively and efficiently as possible. The application process and assessment criteria for Wave 3 has been designed to assess the value for money of each proposed project, to ensure that programme value for money can be assured. The value for money checks that will be conducted, along with how they fit into the grant funding application and allocation process, are set out below.

Value for money assessments for Applicants will be made at Phase Request stage.

Applicants are expected to propose cost effective measures appropriate for their chosen stock which align with the Wave 3 objectives and strategic approach.

Applicants will be required to detail the costs of the phase, both including and excluding non-recoverable VAT, including a breakdown of capital costs for retrofit works and administration and ancillary costs. Applicants must justify their proposed capital costs for retrofit works and associated administration. Some factors that may affect costs are spread of dwellings, cost of materials, cost of installers, supply chain infrastructures, archetypes treated/inclusion of hard-to-treat properties and level of funding required to meet GMWH:SHF performance outcomes.

At Phase Request stage, Applicants are expected to provide an accurate cost breakdown that is based on significant engagement and/or signed contracts with suppliers. GMCA will conduct a measure cost benchmarking exercise (i.e. comparing equivalent costs against costs seen in previous Waves and in other Wave 3 Phase Requests and the Net Zero Housing Retrofit Framework Agreement - with the aim of ensuring that phases represent good value for money. In the case of a phase with especially high costs, or which represents poor value for money, GMCA may contact the Applicant to gain further understanding, or to request a change to lower costs. If this cannot be achieved, such phases may be rejected and required to re-submit in a future phase with lower costs/without those measures.

Applicants are not expected to maximise the available grant funding for retrofit works for every home (as outlined in section 2.12) and must request grant funding at Phase Request stage based on the costs required to upgrade homes to GMWH:SHF performance outcomes.

Cost controls

As described above, Wave 3 will be introducing a cost control exercise as part of the value for money assurance process. GMCA will set out the approach to cost controls at award stage.

Grant Recipients will be expected to adhere to the benchmarks at Phase Request stage.

2.12.6 Inflation management

Applicants are expected to account for inflation in their cost estimates in applications.

2.13 Interaction with other Energy Efficiency Schemes

Both successful and unsuccessful Applicants who have previously applied for and/or applied to the Demonstrator, Wave 1, or Wave 2 may apply for funding under Wave 3, subject to their new proposal complying with the eligibility criteria for Wave 3 set out in section 2 of this document.

Homes retrofitted in Wave 2.1 or Wave 2.2 are not eligible for inclusion in Wave 3. Homes retrofitted in the Demonstrator and Wave 1 are eligible for inclusion in Wave 3 as long as they are installing low carbon heat.

It is not possible to use funding from previous Waves to support Wave 3 projects.

Applicants may use funding from other GMCA or government schemes, such as the Energy Company Obligation (ECO), to support works on the same home but funding from multiple GMCA or government schemes cannot be used to fund the same individual measure twice. It is the Applicant's responsibility to ensure that any blending of funding is compliant with each individual scheme and the respective requirements and objectives for each fund are met. In addition, if funding from other GMCA or government schemes will be used on this project, it will sit outside of the grant/co-funding structure and cannot be counted towards the 50% co-funding requirement.

Housing Associations

In most cases, housing associations whose projects include stock in GMCA and elsewhere in the country are required to split the project and seek funding for each project from the appropriate funding stream (i.e. GMWH:SHF or WH:SHF). Funding for stock owned by housing associations within the geographical scope of GMCA should be sought from the mayoral combined authority, whereas funding for stock owned by housing associations operating outside the geographical scope of GMCA should be sought from the national WH:SHF scheme.

GMCA recognises that in a small number of circumstances, it may be more appropriate for a housing association to obtain funding from a single source i.e. GMWH:SHF or WH:SHF, and a pragmatic approach will be taken to reviewing funding requests on a case-by-case basis.

An example of where a project that spans both within and beyond the GMCA area may qualify through a single funding route is if there is a small number of homes or one street in the project that falls in or out of the GMCA area. In this case, the housing association should go with the route where the majority of the project is based.

- Where a housing association's project includes stock that falls mostly within GMCA with a small amount of stock outside GMCA, it would be reasonable for the housing association to seek funding for the project from GMCA.
- Where a housing association's project includes stock that falls mostly outside

GMCA with a small amount of stock within GMCA, then it would be reasonable for the housing association to apply to the WH:SHF scheme to fund the project.

2.14 VAT

The grant funding to the Applicant falls outside of scope of VAT. This is because the provision of the grant is not a consideration of supply for VAT purposes.

If the Applicant enters a third-party contractual relationship with a supplier (per the terms of GMCA issuing the grant), and incurs non-recoverable VAT on the supply provided, the Applicant must ensure this does not exceed the total grant GMCA provided. This means recoverable VAT must not be included in the grant requested in the application.

When working out the VAT costs for retrofit works, Applicants must consider what is being supplied. Is there a single supply of a mixture of services which will attract a single VAT liability or are there a number of separate supplies each attracting their own individual VAT liability?

In cases of uncertainty, Applicants may wish to confirm with their suppliers the amount of VAT they will charge them before submitting an application. GMCA expects VAT implications of works to have been considered prior to application submission, to ensure costings are accurate.

GMCA recommends that Applicants procure their own VAT advice where there is uncertainty to ensure that the current application of VAT rules applies to the works that are being completed.

2.15 Financial Viability of Applicants

Applicants must satisfy the due diligence, financial, organisational and potential fraud and error checks that will be carried out by GMCA, prior to receiving public funds. This will assess trustworthiness, suitability, and track record of Applicants.

2.16 UK Subsidy Control Rules

GMWH:SHF Wave 3 provides funding in line with the UK's obligations and commitments to subsidy control, both internationally and under the Subsidy Control Act 2022 (SCA). GMCA are the public body responsible for ensuring the GMWH:SHF's compliance with the SCA. Further information about the UK Subsidy Control requirements can be found within the SCA and the government's [Statutory Guidance for the United Kingdom Subsidy Control Regime](#) and in the [statutory guidance for beneficiaries](#).

Single Applicants

Where grants are made to a Local Authority for use on their own social housing stock, this will not be considered a subsidy.

Where grants are made to Private Registered Providers of Social Housing, for example Housing Associations, this will be considered a subsidy in accordance with the task of provision of affordable, energy efficient social housing under Services of Public Economic Interest (SPEI).

Applicants who are a Private Registered Provider of Social Housing that receives state support of less than £725,000 across three financial years for the above-mentioned task must declare this on their application. They will be exempt from subsidy control if the amount of grant funding received for Wave 3 of the GMWH:SHF, in addition to the total amount of state support that they have already received over the relevant period for the above-mentioned task, totals less than £725,000. Any subsidy awards made that are over £100,000 will be declared on the subsidy transparency database.

Applicants who are a Private Registered Provider of Social Housing that receives state support of more than £725,000 across three financial years for the above-mentioned task must declare this on their application. Their application will be assessed by GMCA in accordance with the SCA as it applies to a body tasked with provision of affordable, energy efficient social housing. Any subsidy awards made that are over £100,000 will be declared on the subsidy transparency database.

Applicants who are a Non-registered Provider of Social Housing or a Registered Charity that owns social housing will have their application assessed in accordance with the SCA. Any subsidy awards made that are over £100,000 will be declared on the subsidy transparency database.

Minimal Financial Assistance

GMCA may choose to award funding under the Minimal Financial Assistance exemption where Applicants indicate on their application that they are eligible to receive funding under this exemption and GMCA are able to confirm that Applicants are eligible. If funding is awarded under the Minimal Financial Assistance exemption, GMCA will follow the procedural requirements set out in paragraphs 7.11 – 7.20 of the [Statutory Guidance for the United Kingdom Subsidy Control Regime](#).

Applicants will be issued with a Minimal Financial Assistance notification (as part of the Grant Funding Agreement Annexes) and will be required to respond to this notification to detail any other subsidies they have received in the past three years as well as confirming that they will not exceed the Minimal Financial Assistance exemption threshold in their receipt of subsidy by way of Minimal Financial Assistance. Applicants will be issued with a Minimal Financial Assistance confirmation and will be required to keep a record of this document.

Services of Public Economic Interest Assistance

GMCA may choose to award funding under the Services of Public Economic Interest Assistance exemption where Applicants indicate on their application that they are eligible to receive funding under this exemption and GMCA are able to confirm that Applicants are eligible. If funding is awarded under the Services of Public Economic Interest Assistance exemption, Applicants will be issued with a Services of Public Economic Interest

Assistance notification (as part of the Grant Funding Agreement Annexes) and will be required to respond to this notification to detail any other subsidies they have received in the past three years as well as confirming that they will not exceed the Services of Public Economic Interest Assistance exemption threshold in their receipt of subsidy by way of Services of Public Economic Interest Assistance. Applicants will be issued with a Services of Public Economic Interest Assistance confirmation and will be required to keep a record of this document.

Further Information for all Applicants

There are special provisions that apply in respect of awarding grant funding to an ailing or insolvent enterprise. We will conduct financial viability and eligibility tests to confirm this is not the case following the application stage.

Grant Recipients who are unsure about their obligations under the UK Subsidy Control arrangement should take independent legal advice.

If there are any changes to the above requirements that mean we need to change the terms of Wave 3, we will tell Grant Recipients as soon as possible. Grant Recipients will be expected to comply with the UK's obligations and commitments to subsidy control and maintain appropriate records as evidence of this.

3. Support for Applicants

3.1 Retrofit Information, Support, and Expertise

GMCA provides technical support for all prospective Applicants interested in accessing funding under GMWH:SHF Wave 3. This technical assistance will be available at no cost to all prospective Applicants who intend to apply for GMWH:SHF Wave 3 funding.

Technical assistance for Wave 3 will be delivered through the GMCA Retrofit Team. Technical support from GMCA for Wave 3 will be available to prospective Applicants in any stage of their project development, through group and bespoke one to one learning and development content and technical support.

GMCA support for prospective Applicants includes working with and through the supply chain contractors their retrofit projects are being developed in partnership with.

Further detail is available by emailing SHDF@greatermanchester-ca.gov.uk.

This technical support comprises:

- Providing support and information to guide a prospective Applicant through a retrofit project life cycle.
- Workshops, seminars and drop-in sessions on specific focus areas.
- Developing delivery models, scoping and specification of the project, application form writing, and resident engagement.

While strongly encouraged, prospective Applicants intending on applying for Wave 3 funding do not need to have requested/received support from GMCA to apply for Wave 3 funding. Receiving support from GMCA does not guarantee that the application for Wave 3 funding will be successful. The Applicant remains responsible for ensuring the application meets Wave 3 eligibility requirements. Delivery support for Grant Recipients is outlined in Section 5.4.

4. How to Apply

4.1 Application

Funding under GMWH:SHF Wave 3 can be accessed by direct application to GMCA. Applicants can obtain more information and access guidance by emailing: SHDF@greatermanchester-ca.gov.uk.

4.1.1 GMWH:SHF

The GMWH:SHF model will facilitate the phased approach to delivery taken by many organisations, with detailed information on the homes included within a phase required as part of each Phase Request.

A new application process has been designed to accommodate this model, comprising one or more submissions of a Phase Request during delivery. A Phase Request will cover all or a proportion of the homes within a project, providing full details of the retrofit work to be undertaken in that phase. The project will then be delivered on this phased basis – with each phase covering up to the end of installation and lodgement of measures on the homes in that phase (e.g. all KPIs are complete – see section 5.7.2). Phases may be delivered concurrently.

No consortium applications will be permitted under GMWH:SHF.

For more information on the details of this application process, please see section 4.2 of this document.

For more information on what delivery will look like for Grant Recipients delivering through this route, please see section 5.7 of this document.

4.1.2 Application form submission

A separate application will be required for each Phase Request. Information about how to submit applications, along with the application forms, will be published on the GMCA website.

Details provided in the application form submitted by the Applicant will be incorporated into and form part of the Grant Funding Agreement; the basis upon which grant funding is issued. All Applicants must therefore be mindful that the eligibility criteria, homes to be upgraded, and project phase schedule will form part of this agreement.

Further detail on what data forms the 'baseline' for a project under each application route is set out in section 5.

The opening and closing date of the application window are set out in section 1.4. Applications forms received after the application deadline will not be considered.

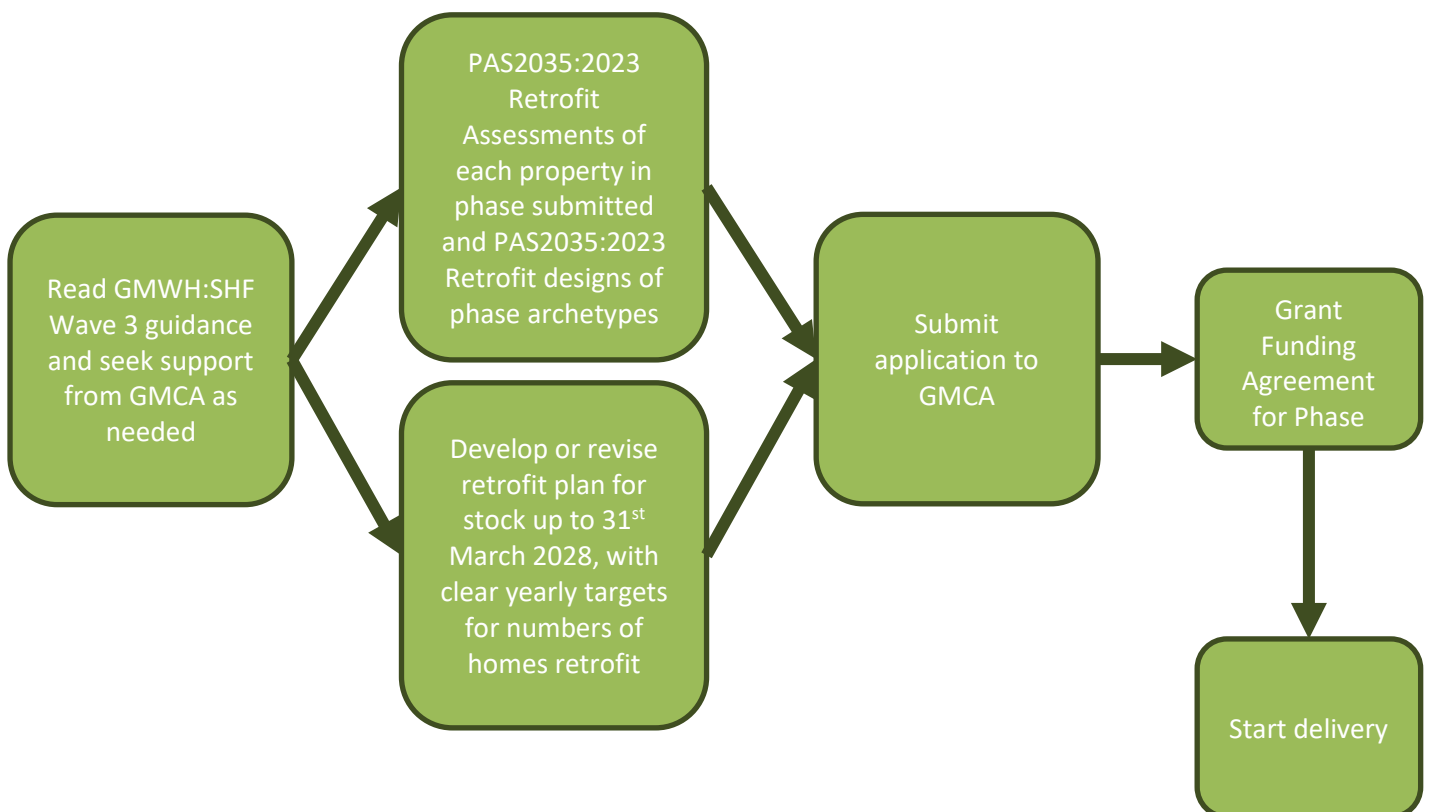
Applicants are requested to follow the guidance within the application form regarding formatting and number of words per section. Applicants must refer to this guidance document where necessary and ensure that they have complied with all the Wave 3 requirements.

For information on the support available for organisations planning to apply, please refer to section 3.

For any queries on the application form submission, please contact: SHDF@greatermanchester-ca.gov.uk.

4.2 Application Considerations

4.2.1 Overview of application and phasing process



4.2.2 Application and assessment

At each Phase Application, Applicants are required to provide information on specific homes to be upgraded and specific measures to be installed. GMCA will accept as a minimum, PAS2035:2023 Retrofit Assessments for each property, and archetype PAS2035:2023 Retrofit Designs for the homes included in that phase of funding. Without this information, Applicants will be unsuccessful in their bid. This level of detail at the bid stage is essential to provide confidence of delivery. GMCA expect the archetype designs to outline the measures that each home will receive to improve its energy performance up to EPC band C.

Applicants are permitted to submit multiple Phase Applications, where applying with different homes.

Assessment of Applications

Eligible applications for funding will be assessed by GMCA officials. Applications will first be reviewed through an initial sift eligibility compliance check, where some initial clarifications around missing and/or specific eligibility-related information may be requested. Failure to resolve any clarification requests could result in an application being rejected at this stage.

In addition to a set of declarations the Applicant will be required to make, and the Applicant details, the application form contains two types of questions. Both question types are mandatory, unless stated otherwise within the individual question:

1. **Questions that are for information only and will not be assessed (these questions will be labelled as ‘for information only’)** – whilst not marked, this will help DESNZ understand necessary information on projects, and therefore support the facilitation of effective delivery. Some of these questions may also be used to inform a decision to vary the allocation of grant funding in the event the scheme is oversubscribed.
2. **Questions that will be assessed, including to determine whether the Applicant has met the minimum requirements of the scheme (these questions will be labelled as ‘assessed’).**

Questions will be assessed on the following basis:

- **Flag:** the answer does not provide adequate assurance that the Applicant will comply with the requirements of the scheme.
- **Pass:** the answer provides adequate assurance that the Applicant will comply with the requirements of the scheme.

The assessed part of the application form will be set out into the following sections:

- **Strategic fit:** an assessment of how well the application fits with the aims, desired outcomes and eligibility criteria of the Wave 3 Fund. The minimum requirements for this section relate to:

- the eligibility of the measures proposed;
- projected project outcomes which comply with the guidance on the type of homes to be upgraded and to which EPC grade;
- an effective resident engagement plan;
- **Delivery forecast:** an assessment of the plan for the project, including proposed costs. The minimum requirements for this section relate to:
 - An estimate of the number of homes to be delivered in each financial year and the current Phase;
 - An estimate of the amount of grant and co-funding required per financial year and the current Phase;
 - a coherent and realistic project plan for the Phase;
 - project costs which align with the specified cost caps, co-funding requirements, and spend profile;
 - a well-considered approach to cost variation of the project lifecycle.
- **Commercial assurance:** an assessment of the feasibility and credibility of the approach to procurement as well as of the proposed contracts required to move to Phase Request stage. The minimum requirements for this section relate to:
 - a robust commercial/procurement strategy to support the delivery of the project, along with the identification of suppliers for the initial project phase;
 - clear articulation of how the commercial/procurement strategy will contribute to some of the wider HM Government policies on Social Value, supporting SMEs, Prompt Payment, Modern Slavery and Carbon Reduction Plans.
- **Delivery assurance:** an assessment of the feasibility and credibility of the project including resource; project management strategies; risk and issues management and confidence in delivery of the project. The minimum requirements for this section relate to:
 - a comprehensive risk and mitigations register;
 - a project-specific and coherent approach to project management;
 - evidence of previous delivery which references both successes and lessons learned;

GMCA reserves the right to utilise independently sourced evidence on applicant past performance, when evaluating this application. This evidence may include but is not limited to: monitoring or/and final reports; performance statement from Project Director; report by Scheme Administrator; 3rd party Technical Consultants reports.

Specific guidance on what information is expected to be provided to meet the minimum requirements for each application question, as outlined above, will be provided in the application form. After an application has been assessed, it will then be reviewed to determine whether it has met the minimum requirements.

All applications that meet the minimum requirements of the scheme will be awarded funding in-principle. However, if an application meets some but not all the minimum requirements, the Applicant will be presented with the opportunity to address these shortcomings – the details of which will be stipulated by GMCA in the form of conditions included in the Grant Funding Agreement. A condition may need to be met prior to the signing of the Grant Funding Agreement (conditions precedent), or the Applicant will need to formally commit to the condition being met by a subsequent key milestone (conditions subsequent). Failure to meet a condition precedent could result in the rejection of an application, and failure to meet a condition subsequent could lead to GMCA pausing grant disbursement to the Grant Recipient until this condition has been met.

Furthermore, if the scheme is oversubscribed, GMCA reserves the right to vary the allocation of grant funding to each successful Applicant. This will occur at portfolio review stage, by taking account of factors such as, but not limited to:

- The maximisation of scheme benefits
- The balance of regional spread across Greater Manchester
- Past performance and delivery confidence
- No. of 'flags' (rather than 'passes') received
- Property type (e.g. the number of flats compared to houses)
- Social housing landlord size (to ensure the viability of small landlord projects)

All assessments including the initial compliance sift will be quality assured. GMCA reserves the right to terminate the process at any time, and may decide not to award any grants, or to award grants for less than the total funding available under Wave 3.

GMCA will not be liable for any costs incurred in the preparation or submission of applications.

Outcome of Applications

Following the assessment and portfolio review process, applications that are shortlisted for funding will then require approval via the relevant GMCA governance boards.

In the case of successful applications, GMCA will set out the level of funding being approved as part of notification, followed by the process of signing of the Grant Funding Agreement.

4.2.3 Phase Requests

Phasing

As detailed in Section 4.1.1, a new application process has been designed to accommodate a phased approach to delivery, whereby there are multiple application stages available, called Phases (section 1.4). The detail on the number of Phase Requests to be submitted, timing of these submissions and number of homes in each submission are set by Applicants, who will be required to outline a summary overview at the initial Application stage for the number of homes to be delivered in each financial year. This summary overview of delivery can be updated at each Phase Request. Please refer to section 5.7 for further detail on the baseline and change control process.

Before measures are installed in any homes, a Phase Request covering those homes must be submitted to and approved by GMCA. The Phase Request process has been developed to reflect the way projects are delivered, with information required by GMCA at the point of application. However, projects should not be broken down into phases arbitrarily but only where this reflects a sensible delivery plan.

Applicants must explain their approach to phasing as part of the application process and why this reflects a sensible delivery plan. When deciding how a project will be phased, Applicants may wish to consider factors such as location of homes to be upgraded, tenure types, and local procurement environments.

Phase Request submission

Phase Requests require full detail on the homes to be upgraded and the measures to be installed.

The information in each Phase Request should be based on all properties in the Phase having completed retrofit assessments, along with archetype retrofit designs, to ensure that both GMCA and the Grant Recipient can have sufficient confidence in the accuracy of the information provided, but it is up to the Applicant to decide when they are confident to submit a Phase Request.

Grant Recipients must consider the deliverability of their Phase Requests within the timeframes set out in section 1.4 at application stage. GMCA reserves the right to challenge the submission and completion dates of Phase Requests if they could result in delivery or grant spending falling outside of the Wave 3 delivery window (see section 5.1).

Where a Grant Recipient is facing significant delivery problems on phases that have passed through the Phase Request process, depending on the specific circumstances, they may not be allowed to submit additional Phase Requests until delivery is back on track. In extreme cases, some or all the as yet unlocked funding may be removed.

Assessment of Phase Request submissions

The assessed part of the Phase Request form will be broken into the following sections:

- **Strategic fit:** an assessment of how well the proposal fits with the aims, desired outcomes and eligibility criteria of the Wave 3 Fund.

- Please note that Grant Recipients will be permitted to exceed the per property cost caps in individual phases, but will be held responsible for ensuring that the project as a whole averages to be within the cost caps. This may mean that if a Phase Request is submitted with costs which in DESNZ's view would make it difficult for the project to remain within the cost cap, the Grant Recipient will be required to justify their confidence that this will not be an issue.
- **Contractor procurement:** an assessment of the suitability of the contractors that have been procured for delivery of this phase.
- **Delivery assurance and internal resourcing:** an assessment of the feasibility and credibility of the project, including organisational design, fraud management and planning.
- **Value for money:** an assessment of the costs of the proposed measures to be installed, a cost breakdown of the phase and a justification for the cost of the phase.

If a Phase Request is not approved on its first submission, the Grant Recipient will be directed to further support and invited to re-submit once they have made any required changes. There is no limit on the number of times a Grant Recipient can re-submit a Phase Request.

Payment interaction with Phase Requests

Grant Recipients will be permitted to count eligible costs incurred when putting together Phase Requests as part of their co-funding contribution for the project. Such costs might include those incurred when carrying out retrofit assessments and resident engagement. Please refer to section 2.12.4 for detail on classification of spend. Co-funding may be used throughout the duration of the project, in line with the delivery window set out in section 5.1 below.

5. Delivering the Project

5.1 Delivery Window

The delivery window for Wave 3 will run to 31st March 2028. Grant funding may be drawn down from 1st April 2025 and must be spent by 31st March 2028. Funding for a Phase Request must be spent by the end of the financial year it is allocated for (in line with section 2.12). Applicants are asked to submit applications they are confident can meet these deadlines and must develop evidenced project plans showing their ability to complete projects by the dates above, including considering any risks to this plan.

5.2 Legal Documentation

At grant award, successful Applicants will be issued with a pack of information that they will need to review and return (the 'GFA pack'). This includes a Grant Funding Agreement (GFA) and a Data Sharing Agreement (DSA) which must be signed and returned before GMCA will countersign. The GFA will include detail on the funded activities that Grant Recipients will deliver and enable GMCA to issue grant payments to them. The DSA will ask if a Data Protection Impact Assessment (DPIA) has been completed by Grant Recipients and, if so, whether it covers the data sharing agreement. If no DPIA is completed, an explanation will be required as to why this is not necessary.

To enable prompt project kick off, Applicants are requested to return completed and signed documents within 15 working days of notification that their application has been successful. A draft GFA will be available on the GMCA website during the application window, and it is expected that Applicants review this to enable prompt signature upon notification of the outcome of their application. Ability to administer grant payments is dependent upon the timely receipt of a signed Grant Funding Agreement and accompanying documents.

Where the documents are not signed and returned within 30 days, the grant offer may be rescinded.

5.3 Managing potential fraud, error, and other non-compliance

GMCA requires Grant Recipients to adopt a proactive, structured, and targeted approach to managing the risk of fraud, error and other non-compliance. To ensure the safe administration of funding, Grant Recipients must have appropriate measures in place to mitigate against the risks of both fraud, error and other non-compliance. Grant Recipients must submit a fraud risk assessment and fraud management plan with their signed Grant Funding Agreement prior to the project starting.

The Internal Audit Service of the Grant Recipient is expected to be engaged throughout delivery of the project.

Applicants are reminded of their responsibility to ensure that steps are taken to mitigate risks, which may include but are not limited to the following:

- A provider using the funding for purposes outside of the grant conditions.
- Work not carried out, funds diverted, ineligibility not declared.
- False application or payment of grants to any person, agency or organisation.
- Spurious claims based on fiction, e.g. claims made for empty properties and funding pocketed or upgrades sold on.
- Conflicts of interest/collusion through illegitimate procurement or price inflation.

A range of measures to prevent and detect fraud will be utilised by the scheme. GMCA will utilise data matching between energy efficiency schemes to monitor that the same measure installed in the same home is not claimed for under different schemes. GMCA will be managing fraud and conducting targeted spot checks and may use third parties working on their behalf. Further information on data required to mitigate fraud, funding duplication and non-compliance will be outlined in the Data Sharing Agreement.

GMCA takes fraud, error, and other non-compliance seriously, as such we reserve the right to take appropriate action including withdrawing or clawing-back funding if the scheme requirements/eligibility criteria are not met and/or pursue prosecutions where there is evidence of serious criminality. GMCA reserves the right to audit/inspect any aspect of the work funded under the scheme, including installations, and participants must allow us to inspect the work, at any given time during the project, to confirm that it has been undertaken in compliance with scheme rules.

GMCA will undertake due diligence checks whilst assessing Applicants, whereby the Applicant may be asked to provide more information and is expected to comply with the additional checks.

5.4 Delivery Support

GMCA may appoint third-party organisations to act on its behalf in management of the scheme. Grant Recipients will be required to work collaboratively with all organisations working on GMCA's behalf.

5.5 Support during mobilisation

The scheme will commence with an initial mobilisation period, in advance of full project delivery. Grant Recipients are expected to undertake a range of preparatory activities during this period. These include administrative onboarding, along with further developing project plans and management arrangements. All Grant Recipients will receive specific

support during this period. Grant Recipients will receive dedicated support with the development of their initial Phase Request submission.

Each Grant Recipient will receive specific guidance and support for administrative onboarding, such as getting set-up on the GMCA Retrofit Portal. Further onboarding activities and resources will be provided to Grant Recipients to support their understanding of and/or compliance with scheme requirements for processes such as reporting, monitoring, Phase Requests, payments, optional self-conducted evaluation, change control, etc. Further details on the onboarding process will be provided in the GFA pack.

Grant Recipients are expected to utilise the technical support on offer from GMCA. The expected level of engagement with GMCA will vary for each Grant Recipient, depending on its previous experience and readiness to deliver. GMCA support for mobilising Grant Recipients will fall into two main categories:

1. Technical support for project development
2. Phase request development support

Further information on the support available to Grant Recipients from GMCA will be included in the GFA pack.

5.6 Evaluation

To effectively manage public spend, deliver lessons learnt and inform future scheme design, evaluation is required to assess whether Wave 3 has been delivered as intended and achieved its intended outcomes.

GMWH:SHF Wave 3 evaluation has two components:

1. **Independent GMCA Evaluation:** GMCA will be responsible for delivering this independent assessment of Wave 3.
2. **Optional Self-Conducted Evaluation:** Grant Recipients may choose to deliver some distinct data collection, analysis and reporting activities.

5.6.1 Independent GMCA Evaluation

The GMCA will manage and deliver an independent evaluation of Wave 3. This will provide a rigorous understanding of how Wave 3 is being delivered and the extent to which this aligns with the original scheme design, the extent to which Wave 3 is delivering its intended outcomes, and the extent to which Wave 3 has offered value for money.

GMCA's evaluation will include interviews and focus groups throughout the delivery lifecycle with Grant Recipients and scheme management stakeholders within and external to GMCA.

GMCA are responsible for this evaluation. However, Grant Recipients must support GMCA's independent evaluation research activities by:

- Issuing GMCA GMWH:SHF Wave 3 Privacy Notice, and their own Privacy Notice, to project participants. This will inform them that they may be contacted by GMCA to be invited to participate in evaluation research.
- Facilitating interviews and fieldwork with selected project leads, delivery partners and project beneficiaries.
- Where applicable, sharing additional project-level data with GMCA and its evaluation partners to supplement secondary desk research.

5.6.2 Self-conducted evaluation undertaken by Grant Recipients

In addition to the above, Grant Recipients may opt in to delivering self-conducted evaluation activity (see section 5.7.5 for details). These Grant Recipients must note that this activity will complement and contribute to GMCA's independent evaluation of Wave 3 and does not replace the requirement to support it.

5.6.3 Processing GMWH:SHF Wave 3 data

In accordance with its responsibilities as independent Controller, GMCA has identified the lawful basis for GMCA and its third parties to process Wave 3 data for evaluation, research and statistical purposes as public task (UK GDPR Article 6(1)(e)), where processing is necessary for the GMCA's responsibility to report and evaluate the effectiveness of its policies. GMCA will process Wave 3 data to invite project participants to take part in evaluation research. By taking part in research, data subjects give their consent to GMCA to process their responses as Wave 3 Research Data (UK GDPR Article 6(1)(a)).

The use of anonymised or pseudonymised data will be considered as the primary form of data sharing with parties outside of GMCA. Only where the public task legal purpose cannot be achieved using anonymised or pseudonymised data will personal data be shared.

Designated teams within GMCA may use Wave 3 data to generate research and official statistics concerning GMWH:SHF, regional housing stock, and other GMCA schemes. Results will be reported in an anonymised, aggregated format.

Further information on data required to deliver research, statistics and evaluation will be outlined in the Data Sharing Agreement and Grant Funding Agreement.

5.6.4 Publication of evaluation findings

Independent evaluation findings may be published on the GMCA website for the purpose of transparency and to facilitate mutual learning. Any published research findings will be

pseudonymised or anonymised in line with the terms of UK GDPR.

5.7 Delivery Requirements

This section sets out the detail of key delivery requirements for Grant Recipients.

5.7.1 Baseline

Baselined Information

Some of the information at application stage will be baselined, and this will form the application baseline.

The application baseline will be set on the following:

	Baselined Information	How outcome is measured
Phase Request	Total number of Phase Requests.	Overall project
	Date of submission of each Phase Request (Milestone)	Overall project
	Date of completion of each Phase Request (Milestone) i.e. all KPIs have been completed for all homes in that phase	Overall project
Homes	Total number of homes to be upgraded i.e. all KPIs have been completed for all homes	Per phase and overall project
Project Costs	Total grant funded capital costs	Overall project
	Total grant funded A&A costs	Overall project

⁷ The published outputs of the completed SHDF Demonstrator evaluation are available [here](#).

	Total grant funding	Per FY and overall project
	Total co-funding capital costs	Overall project
	Total co-funding A&A costs	Overall project
	Total co-funding contribution	Per FY and overall project
	Total project costs	Overall project
Cost Caps	Total number of homes accessing the base cost cap.	Overall project
	Total number of homes accessing the low carbon heating cost cap uplift.	Overall project

The detailed baseline will be set on the following, and this will be per Phase:

	Baseline Information – At Phase Request Stage
Homes	Total number of starting EPC D-G social homes.
	Total number of starting EPC A-C social homes.
	Total number of non-social homes.
	Total number of homes to be upgraded to EPC C.
	Total number of homes to be upgraded to EPC A or B.
	Total number of homes upgraded and not reaching EPC C.

Measures	Type of measures to be installed.
	Total of number of measures to be installed.
Project Costs	Total grant funded capital costs to deliver the Phase.
	Total co-funding capital costs to deliver the Phase.
	Total co-funding A&A costs to deliver the Phase.
	Total co-funding contribution to deliver the Phase.
	Total project costs to deliver the Phase.

If amendments are needed to either the application or detailed baseline, Grant Recipients must make this change via the change control process (see section 5.7.4). As the detailed baseline should be based on completed retrofit assessments to ensure that both GMCA and the Grant Recipient can have full confidence in the accuracy of the information provided, it is expected that this should limit the probability for changes to the Phase baseline (also see section 4.2.3).

Milestones

As part of the application baseline, Grant Recipients will set milestones which show the submission of a Phase Request and the completion of that phase, including the number of homes in each phase. The number of milestones in a project will be dependent on the number of phases in that project, as set by the Grant Recipient (see section 4.2.3). For example:

	Description
MS1	Submission of Phase Request 1
MS2	Completion of Phase 1
MS3	Submission of Phase Request 2
MS4	Completion of Phase 2
	Etc. (to cover all Phases of the project)

Completion of a Phase is confirmation that all KPIs (KPI1-5) have been completed.

5.7.2 KPIs

Grant Recipients will also be tracked against key performance indicators (KPIs) to support the achievement of the milestones and monitor the progress of the project. KPIs will be delivery focused, reported on per-Phase, and will not form part of the baseline.

Grant Recipients must report the progress against these KPIs via the reporting process outlined in section 5.7.3.

	Description	Detail
KPI 1	No. of homes identified as suitable for retrofit	All stages in the PAS 2035 process up to and including the Whole Dwelling Assessment have been completed
KPI 2	No. of homes ready for installations to start	The Design and Co-ordination stage in the PAS 2035 process has been completed and residents have been signed up
KPI 3	No. of homes with installations started	The installation of measures [being installed using GMWH:SHF funding] has started.
KPI 4	No. of homes with installations completed	The installation of all measures [being installed using GMWH:SHF funding] has completed.
KPI 5	No. of homes completed	All measures have been completed and lodged on TrustMark and the Handover phase in the PAS 2035 process has completed.

5.7.3 Monitoring and reporting

Grant Recipients must adhere to the monitoring and reporting regime of Wave 3. Monitoring and reporting are key activities to ensure that Grant Recipients are supported to deliver their projects and provide GMCA with oversight of how projects are progressing against their outcomes. Reporting is also required for tracking the benefits of the project, and for the publication of official statistics of the project which are a requirement for transparency when spending public money.

GMCA may work with third parties to manage the monitoring and reporting regime for the scheme on its behalf.

Monitoring

Grant Recipients will be required to attend meetings with GMCA or their representatives on a regular basis to review progress towards the outcomes of the project. The frequency of these meetings will be confirmed following the grant funding award but is expected to be on at least a monthly basis with the possibility to increase frequency depending on the needs of the project.

Reporting

Grant Recipients must supply GMCA with data on a routine basis, at most monthly, following the reporting cycle set out in the Grant Funding Agreement (GFA) and Data Sharing Agreement (DSA). This data is required to enable delivery progress to be effectively managed and reported, for publishing quarterly statistics, and to conduct Evaluation. Grant Recipients should ensure this data is accurate and that mandatory fields

are complete.

Grant Recipients will supply this data via the GMCA Retrofit Portal and the process for this will be set out during the mobilisation period following grant award.

It is expected that Grant Recipients will report on the following data points:

- Project summary
- Project team
- Baselines
- Project update (RAG rating)
- Actuals and forecasts, including KPIs
- Risks, fraud, and error
- Finance
- Properties, measures, and installers

5.7.4 Change Control

Grant Recipients must submit a change request via the change control process for changes to the application baseline set at application stage, or the detailed baseline set at each Phase Request submission (see section 5.7.1). Grant Recipients must engage with GMCA as soon as possible if they identify there may need to be a change request submitted.

5.7.5 Optional self-conducted evaluation activities

As outlined in section 5.6, evaluation is necessary to assess whether Wave 3 has delivered as intended and achieved its intended outcomes. GMCA will manage and deliver an independent evaluation of Wave 3. As part of this, Grant Recipients will also be required to undertake specific self-conducted data collection activities that will form part of project and scheme-level evaluation.

Grant Recipients are encouraged to opt in to undertaking self-conducted evaluation activity. Support and feedback will be available from GMCA to support evaluation skills development.

Grant Recipients must note that the self-conducted evaluation activity described in this section is distinct from the requirement to participate in and support GMCA's independent evaluation activities (set out in section 5.6), and that self-conducted evaluation activities undertaken by Grant Recipients will complement and contribute to GMCA's independent evaluation of Wave 3.

5.8 Payment of the grant

As per section 2.12.1, grant payment will begin after April 1st 2025 and once the Grant Funding Agreement (GFA) has been signed by both parties.

Grant Recipients will only be able to draw down their grant funding after all the retrofit measures for each property have been completed and lodged with TrustMark. This is made up of capital and up to 10% A&A. Please see section 2.12.4 for detail on classification of spend.

Payments will be made on spend incurred following the submission of a drawdown request by the Grant Recipient. Grant Recipients will be able to submit a claim for payment of the grant quarterly. There will be a set deadline each quarter to submit a claim in order for it to be processed in line with GMCA payment timelines.

5.8.1 Payment process

1. On a set date in each quarter, Grant Recipients who want to make a claim must submit a grant drawdown request covering project spend incurred up to the end of the quarter. Detail of this request and where it must be sent will be provided after grant award.
2. This will then be checked by GMCA to confirm if it is acceptable, before arranging for the payment to be made in line with payment timescales.

Example: The Grant Recipient submits a drawdown request by the set date in July for spend on completed properties incurred in April, May, and June. This request is checked, processed and payment is then issued in August.

3. If the grant drawdown request is not submitted by the set date, GMCA cannot guarantee payment within relevant time periods.
4. The final payment will be made once all grant spend has been reconciled and accounted for.

5.8.2 Spend incurred

Claims must be made for spend incurred. Grant Recipients do not need to wait for work to be invoiced or paid before they can claim for costs incurred (defined as any Eligible Expenditure committed and accrued, as long as the activity has been completed within the Funding Period which is defined in the GFA).

5.8.3 Reconciliation

1. Each quarter, Grant Recipients will be required to submit a summary statement of the actual eligible expenditure that has been incurred to date.

2. This summary statement must contain a high-level overview of payments that the Grant Recipient has made in relation to delivery of Wave 3, as part of any work on their own stock.
3. Based on the reconciliation, the forecast for the remainder of the project will need to be updated in line with the process outlined above.
4. A template for the summary statement will be provided and will require high level overview of payments as per point 2.

5.8.4 Evidence Check

1. At the end of every reconciliation exercise, GMCA will conduct an evidence check.
2. A sample of evidence will be requested from each Grant Recipient, who will have 5 working days to provide the evidence to be checked. GMCA will work proactively with the Grant Recipient during this time.
3. To assist this process, alongside any checks required by the Grant Recipient's own governance, GMCA require all information pertaining to costs incurred during the project are recorded and evidenced.

GMCA reserves the right to request a full evidence check at any point during delivery and will work proactively with the Grant Recipient to carry this out in appropriate timescales.

5.8.5 Payment provisions within the Grant Funding Agreement

Payment of the grant will only commence after the Grant Funding Agreement (GFA) and associated agreements have been signed between the Grant Recipient (Applicant) and GMCA. These will include the requirement for detailed statements of expenditure and requests for funds in a specified format.

To note, grant funding is available from 1st April 2025, and therefore the earliest a Grant Recipient can receive a payment is August 2025, provided submission of a claim is done in line with the payment process set out in section 5.8.1. Grant Recipients must spend all their grant funding by 31st March 2028 and will lose their opportunity to claim grant funding after this date. Further to this, grant funding must also be spent within the financial year it was allocated for and is non-transferable between financial years.

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

Some key provisions that will be included in the GFA are outlined below:

1. Grant funding awarded to each Grant Recipient must be spent by 31st March 2028, and Grant Recipients will lose their opportunity to claim grant funding after this date.
2. As per section 2.12.1, Grant Recipients must align their grant funding spend and drawdowns with the GMWH:SHF spend profile on a per-financial year basis. This will be reflected in the GFA agreed outputs as part of the baseline.
3. Grant Recipients that underspend against their agreed baselined grant funding in each financial year will not receive this underspent grant funding in the following financial year and may be subject to clawback from GMCA if they have received an overpayment.

5.8.6 Additional Information

GMCA reserves the right to pause or reduce payments subject to poor delivery performance. This will be based on an assessment by GMCA or parties working on their behalf and based on the monthly reporting data, submission, and completion of Phase Requests, and other performance indicators and will be signed off by GMCA. The Grant Recipient is expected to work with GMCA and parties working on their behalf to resolve issues.

6. Information Management

6.1 Applicant Contacts

Provision of Applicant contact details will be held in GMCA's Retrofit Portal.

Applicants will be required to provide contact details for at least one named person to GMCA (including their nominated single point of contact). GMCA would suggest one or more contact(s) who is/are the project lead, communications lead, finance lead, or legal lead. GMCA will use this information to communicate scheme updates, training notices, information on future schemes and opportunities and invitations to relevant events. In addition, GMCA require the details of the CEO of the Applicant, which will be used for escalation purposes. Details of how this information will be held and used will be set out in the Wave 3 Data Sharing Agreement.

6.2 Publication Process

GMCA may wish to publicise the results of the scheme, which may involve engagement with the media, including press, social media, and other channels. At the end of the application and allocation process and upon signing of the Grant Funding Agreement, GMCA may issue a press release or publish a notice on its website. These public documents may, for example, outline the overall results of the Wave 3 application process and describe some of the projects to be funded. GMCA may wish to publish the following information:

- Identity of the Grant Recipient and its partners;
- Project summary information including aims and expected outcomes of the project as well as the technologies they propose to install;
- Locations of where the properties are that the project will undertake works on (designated by county or city); and,
- Total award value.

Some organisations may want the detail of their projects to remain confidential and Applicants will be given a chance to opt out of any involvement in media relations activity and further case study coverage of projects, should they see this as being absolutely necessary. However, the public description of the project that the Applicant provides in their application proposal will be made available in the public domain if their application is successful, and Applicants may not opt out of the basic project description being published.

Please note that there will be an embargo placed upon the details of successful projects until GMCA has made the formal grant award announcement. Following this, GMCA would encourage projects to publicise their plans, achievements and lessons learned throughout the project lifecycle. Projects must include a reference to the GMWH:SHF funding in their publications, and where the GMCA logo is used, projects are required to notify the GMCA's retrofit and comms teams to obtain permission beforehand. All Grant Recipients must make clear in all publicity arrangements, marketing materials and during resident engagement that funding for these works has been provided (in part) by GMCA. These materials must make reference to any GMCA provided branding, should this be proposed.

Following completion of the funded projects, GMCA will publish on its website a summary of the funded activities and the outcomes achieved. This may include a final summary report detailing key achievements from each project. GMCA may also publish outputs from the independent evaluation research that it will be conducting. These outputs will be high-level summaries of research findings generated primary research with scheme stakeholders and secondary data analysis, covering Wave 3. Any research findings published will be anonymised in line with the terms of UK-GDPR.

GMCA however recognises the need to maintain confidentiality of commercially sensitive information. GMCA will consult Applicants regarding the nature of information to be published, to protect commercially sensitive information.