

## DESNZ SKILLS TRAINING COMPETITION

### MEMORANDUM OF UNDERSTANDING (“MOU”)

#### PARTIES

1. This Memorandum of Understanding sets out the agreement between the Department for Energy Security and Net Zero (“the Department”) and Nottingham City Council (“NCC”), as the accountable body for Midlands Net Zero Hub (“the Hub”).

#### TERMINOLOGY

2. “**the Grant**” means the grant allocation to NCC for the purposes of the competition within the legal framework of Section 31 of the Local Government Act 2003.

“**the Competition**” means the DESNZ Skills Training Competition to be undertaken by the Hub, under the responsibility of NCC.

#### FUNDING PERIOD

3. The grant funding period will run from July 2023 until the end of March 2024. All training that is eligible for funding must be completed by 31<sup>st</sup> March 2024.

#### BACKGROUND & CONTEXT

4. Tackling climate change remains a priority for the government. In 2019 the UK government set a legally binding target to achieve net zero greenhouse gas emissions from across the UK economy by 2050. The UK has some of the oldest, and least energy efficient, homes in Europe. To deliver the UK’s net zero carbon emissions targets by 2050, we need to decarbonise over 30 million homes. In 2021, the CITB estimated that improving the fabric energy efficiency of every building in the country in need of retrofit will require 12,000 workers to be trained every year to 2025. Analysis conducted by the Heat Pump Association suggests that we will need over 30,000 additional heat pump installers by 2028.
5. To deliver the levels of retrofit needed to meet our Net Zero target, and in the shorter term to be able to deliver the department’s capital schemes to deliver building retrofit, the supply chain will need to scale up. Supply chain capacity is a key risk across our current capital schemes to deliver building retrofit and is likely to remain so into the future.
6. Previously the government invested £9.2m in the Home Decarbonisation Skills Training Competition that aimed to support the upskilling of supply chains in energy efficiency and low carbon heating measures (“the HDSTC”). The HDSTC delivered around 9000 training opportunities, offering free or

subsidised courses covering a wide range of skills and qualifications across energy efficiency and heat pumps, and wider retrofit skills. Training was delivered between December 2022 and July 2023. The HDSTC helped to build the capacity of the supply chain by upskilling individuals and supporting organisations to gain the competence necessary for PAS/MCS certification.

7. The subject matter of this Memorandum of Understanding is £9.5 million of Grant funding which has been made available to launch the Competition and provide grant awards to a range of organisations in England which will provide appropriate training and support to installers operating across the different DESNZ retrofit schemes. This is to include installer training that leads to a recognised qualification NVQ L2, L3 or L5 (or equivalent) and CPD style short courses, which will expand and bring in additional tradespeople to carry out work under various DESNZ retrofit schemes. Supporting the supply chain in this way will also help build capacity and resilience for home energy retrofit delivery more widely and scale up delivery further as Government works towards meeting its 2030 and 2050 decarbonisation targets.
8. Up to £8.85m (93% of funding) is to be made available to successful competition applicants to deliver training. Up to £650,000 (7% of funding) may be used by the Hub to administer the Competition and monitor the activities of grant recipients.
9. The Department intends to launch an open grant competition to support this skills development and expect the Hub to award a series of grants of up to £1m across a range of innovative applicants with viable proposals. During the application process successful grant recipients will need to demonstrate:
  - credible plans for developing and delivering installer training in one or more of the energy efficiency measures supported by the various grant schemes.
  - credible plans for developing and delivering training for wider retrofit skills.
  - capacity to deliver training at scale.
  - relevant expertise in energy efficiency and supply chain development; and
  - relevant IT infrastructure to support the development and delivery of the training and/or support services.

## SCOPE OF WORK

10. The Hub, under the responsibility of NCC, is being engaged to support the Department with the design, launch, management, monitoring and evaluation of the Competition. The work carried out by the Hub will facilitate the development of the Competition, leading to: a grant competition being issued in a timely and proper manner; the subsequent assessment and proper selection of projects; and successful delivery of such projects. This work includes, but is not limited to:
  - **Support in the Competition design**, including consideration of the policy objectives and advising on the most effective ways of incorporating these into the Competition guidance and criteria;
  - **Preparation for launch of the Competition** including designing the

application process and accompanying guidance for the assessors. All competition materials for applicants will be hosted on gov.uk;

- **Selection of projects**, including initial screening of proposals for completeness and eligibility, which will require due diligence checks;
- **Monitoring the projects** including monitoring their progress and approval of milestone claim submissions, seeing that projects are delivering in terms of scope, value and timeline, escalation of issues as necessary, and providing regular monthly reports to the Department.
- **Preparation of data to be shared with DESNZ to support an internally procured evaluation**, including communication with the Department, supporting the Department in developing products, ensure data sharing agreements and GDPR compliance is in place. This will need to be conducted in line with Paragraph 25 of the MoU.

11. The Hub will be required to support the Department in the following areas:

**(a) Support in the Competition design**

- Scope out the Competition framework and advise on the design principles;
- Develop the draft application and guidance in advance of the Competition launch;
- Develop a stakeholder list and stakeholder mapping;
- Organise supplier day and present the Competition at the event;
- Provide support on the circulation of draft guidance to key stakeholders. Key stakeholders include:
  - Energy Efficiency training providers;
  - Energy Efficiency supply chain;
  - Certification bodies and TrustMark Scheme providers (or equivalent<sup>1</sup>);
  - Local Authorities with an energy efficiency training element;
  - Social housing landlords.

**(b) Preparation for launch of the Competition**

- Lead on producing application guidance, and accompanying application proformas where necessary;
- Set up processes for registering any expressions of interest, receive applications and wider support planning: e.g. plan project responsibilities and put in place panel of assessors;
- Develop objective criteria against which bids will be assessed and agree these with the Department;
- Develop assessor assessment packs;
- Assist in the development of a communications and promotional plan, including developing material for the Competition webpages, setting up briefing events at launch of Competition, responding to prospective applicant queries and drafting Q&A material for publication;
- Assist in setting up escalation and response processes for questions from applicants and set out the process for receiving applications.

**(c) Selection of projects**

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<sup>1</sup> Or able to demonstrate registration with a scheme which has been deemed equivalent by the Secretary of State.

- Review and input into the design of assessment process, including allocating resource and developing project plan;
- Undertake robust due diligence (including technical and financial, subsidy control rules etc., where relevant), fraud risk and financial viability assessment checks in line with Government Functional Standard for General Grants of selected projects before grant award;
- Flag any due diligence and fraud risks to the Department;
- Assessment and appraisal of applications in accordance with the Competition documentation, looking at benefit cost case and value. Lead on assessment of project proposals (the Department will provide 2 assessors and the Hub a further 2), completing written assessment forms, participation in panel discussions of applications with the Department's officials including sitting in on interviews (if required), providing secretariat for the moderation meeting and producing a bid selection assurance report and producing feedback for acceptance and rejection letters.

**(d) Preparation of grant offer letters**

- Provide tailored support to the successful skills training providers in preparing their project delivery plans with credible and realistic milestones linked to the staged payment of grants and the definition of suitable verification requirements which, once agreed, are to be provided to the Department for inclusion in Grant Offer Letter.

**(e) Milestone Payments, monitoring and administrative management of projects**

- Proactively track progress of projects against deliverables, through milestone schedules, monitoring changes and reiterating project plans if required;
- Assess milestone claim submissions and carry out all required quantitative, qualitative, evidential and assurance claim checks within 15 working days of claim submission;
- Arrange payment claim submissions where sufficiently evidenced;
- Report to the Department on claim submissions monthly; This will cover in depth breakdown of financial data and delivery figures in a format to be agreed with DESNZ in advance.
- Monthly monitoring of the projects which will be documented to establish, to the degree possible:
  - That the project is achieving its aims;
  - That assets purchased using the Grants exist and are being used to deliver the project;
  - That work claimed as complete and/or underway is satisfactorily evidenced; and
  - That independent assessment of the quality of work being undertaken is being carried out, and that independent assessors are truly independent of contractors undertaking the work.
- Plan and carry out site visits for each project where applicable (not where delivery is solely on-line), in line with the site visit process as agreed with the Department. The number of visits required per provider is to be agreed between the Department and the Hub once competition winners are known.

- Facilitate the completion of final grant reports and documentation by each project and submission to the Department, with the final project report delivered within six weeks of project completion.
- Escalate any issues to the DESNZ competition lead.
- Provide ad-hoc project briefing support for the Department communications activities.
- Knowledge transfer and updating via fortnightly check in calls and monthly progress reports.
- Gathering the data agreed between DESNZ and the hub that is needed to assess whether the project is achieving its aims and to evaluate the work.
- Reports, surveys and other data collected will need to be in a format/template agreed in advance with DESNZ which meets Departmental data requirements. Details will be set out in a DESNZ Data requirements document to be shared with the Hub.
- Ensure that data sharing agreements and GDPR compliance is in place with all relevant parties to allow DESNZ to process both delivery data and personal data.

**(f) Detailed outputs/recording**

Due date	Description	Evidence used to assess whether this was done
Week of 19 <sup>th</sup> June	Design Competition	<ul style="list-style-type: none"> <li>• Commence design of the Competition</li> <li>• Develop stakeholder plan and schedule supplier day</li> </ul>
Week of 10 <sup>th</sup> July	Facilitate supplier day	<ul style="list-style-type: none"> <li>• Project Monitoring Contractor arranges supplier webinar event, prepares presentation materials and presents project/process with support from the Department</li> <li>• Support accurate notetaking on the supplier day</li> <li>• Revise the Competition design based on any supplier day feedback</li> </ul>
Week of 17 <sup>th</sup> July	Launch competition – open for 4-5 weeks	<ul style="list-style-type: none"> <li>• The Grant guidance submitted on schedule and to satisfactory standard and call developed and signed off by the Department</li> <li>• Process set up to accept applications and queries</li> <li>• Run webinar session for interested parties</li> </ul>
Week of 14 <sup>th</sup> August	Competition closes	<ul style="list-style-type: none"> <li>• Competition formally closed</li> </ul>
17 <sup>th</sup> July	Draft Assessment packs	<ul style="list-style-type: none"> <li>• Draft assessment packs submitted on schedule and to satisfactory standard to the DESNZ competition lead</li> </ul>
Week of 14 <sup>th</sup> August	Circulate assessment packs and circulate applications	<ul style="list-style-type: none"> <li>• Packs to be sent to the DESNZ competition lead</li> </ul>
Week of 21 <sup>st</sup> August	Assessment of	<ul style="list-style-type: none"> <li>• Review submissions in line with the Competition call (including subsidy, where relevant)</li> </ul>

	Competition submissions	<ul style="list-style-type: none"> <li>Assessment reports and written appraisals submitted to schedule and to satisfactory standards</li> </ul>
Week of 21 <sup>st</sup> August	Participation in moderation panel/assessment process	<ul style="list-style-type: none"> <li>Attendance at moderation panel and contribute to a professional standard (see KPIs below)</li> <li>Provide secretariat at the moderation panel e.g. note taking, accurate record of decisions etc</li> <li>Reporting the outcome of the assessment process and providing feedback to applicants</li> </ul>
Week of 21 <sup>st</sup> August	Conduct robust due diligence	<ul style="list-style-type: none"> <li>Due diligence reports submitted on schedule and to professional standards (see KPIs below)</li> </ul>
Week of 31 <sup>st</sup> August	Recommendations made	<ul style="list-style-type: none"> <li>Recommendations for project funding submitted to SRO</li> </ul>
Week of 31 <sup>st</sup> August	Successful submissions announced	<ul style="list-style-type: none"> <li>The Department and the Hub jointly announce funding awards</li> </ul>
September	Training to commence	<ul style="list-style-type: none"> <li>Training begins to be available to the installer community</li> </ul>
April 2024	Final report issued	<ul style="list-style-type: none"> <li>Report submitted within 6 weeks of project completion and to satisfactory standard to the DESNZ competition lead</li> </ul>

**(g) Key Performance Indicators (KPIs)**

KPI	Description	Frequency
Progress reporting	Regular calls to update the Department (competition lead) on progress and key items related to project delivery	Fortnightly
Progress reporting	The Hub to provide the Department with information of all activity carried out on this specification, and associated costs incurred by the Hub, within 10 working days from the end of the month	Monthly
Monitoring dashboard	Monthly dashboard of progress by projects including key milestones	Monthly
Financial reporting	Monthly report of project spend and forecast	Monthly
Quality	To ensure appropriate performance of grant recipients, Hub monitoring officers are required to: <ul style="list-style-type: none"> <li>Conduct visits to training centres</li> <li>Attend two on-line courses</li> <li>Review trainee feedback (trainer expected to provide feedback forms for each trainee) with spot checks on attendees</li> </ul>	Report to the Department monthly; Minimum of one site

		visit per project; Minimum of two on-line course attendances per project; Review a sample of trainee feedback per project.
Quality	The Hub is required to submit a well presented and clear monthly report that contains relevant information including, but not limited to: <ul style="list-style-type: none"> <li>• an Executive Summary of not more than two pages, based on material contained in the underlying document</li> <li>• data on all training activity undertaken to date, and all training planned for the coming month (including data on number of individual installers and installation companies supported)</li> <li>• data and analysis on any project delivery risks and challenges</li> <li>• numerical analysis which has been subject to independent QA (i.e. QA by an additional Hub expert who is not the author of the analysis) and a QA report provided alongside the analysis</li> </ul>	Monthly

**(h) Success factors**

Success Factor	How it will be evaluated
The Competition opens on time with relevant documentation published on gov.uk.	The department launching communications with adequate support from the Hub. Hub to have electronic process set up to accept and catalogue applications and acknowledge and respond to queries.
Project(s) selected in line with timetables	Documentation and assessors offered, advice to the Department on applicants provided, and grant award documentation issued.
The Hub monitors progress by projects to provide learning to the Department	Update calls and Monthly Dashboard.
Grant recipients paid for completed milestone activities	Invoices paid by Hub in a timely manner; no later than 30 days after receipt and once milestones have been confirmed.

Project issues resolved	<p>Minor project issues, within the scope of this MoU, are resolved between the Hub, the Department, and Grant Recipients. Major project issues are reported to the Department immediately and escalated to the SRO for their decision.</p> <p>More generally, and prior to the emergence of issues, we would expect the Hub to take mitigation actions to minimise issues arising in the first place. The Hub should also take mitigating actions to prevent existing issues escalating further and take appropriate action to manage the performance of the relevant grant.</p>
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**(i) Resource requirements**

We expect the Hub to have adequate and competent resource in place to support the delivery of the Competition from the outset. Good knowledge of the energy and retrofit markets, as well as experience of working in developing and running grant competitions is essential. Project management experience of large complex programmes is also essential.

It is essential that the resources are available to meet the key deadlines stated in the table above.

**LEGAL BASIS OF THE GRANT**

12. The Grant will be allocated by the Department under Section 31 of the Local Government Act 2003.
13. NCC will as soon as possible and by 10<sup>th</sup> July 2023 at the latest provide the Department with the documentation and information listed in Annex A to the extent it has not already been provided to the Department.
14. Subject to the correct details in Annex A being provided, the Department shall pay to NCC a total sum of £9,500,000 for the intended purposes of the Competition.

• Admin Budget	• £650,000
• Mobilisation Budget 20%	• £1,770,000
• Main Delivery Budget 70%	• £6,195,000
• Final payment 10%	• £885,000

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- The administrative budget of the Grant will be paid in full no later than 24<sup>th</sup> July 2023.
- The mobilisation cost budget will be paid following the receipt of sufficient quality bids, no later than 14<sup>th</sup> August 2023.



- The delivery budget will be paid (subject to sufficient quality bids) after successful submission of data for the first monthly report.
- The 10% final payment is to be withheld and paid upon successful competition of training and submission of final reporting data.

### PURPOSE OF THE GRANT

15. The grant funding period will run from July 2023 until the end of March 2024.
16. The Grant should be used for the purposes of the Competition. As noted at paragraph 7, up to 93% of the grant should be made available to successful competition applicants to deliver training. 7% may be used by the Hub to administer the Competition and monitor the activities of grant recipients. Payment to grant recipients will need to be issued in line with the guidelines below.
  - Up to 20% may be claimed to support mobilisation costs for projects.
  - A further 70% to be claimed for training delivery.
  - Final 10% to be paid on completion of training allocation in line with agreed KPIs.
17. The Hub will work with the Supply Chain team within the Department to agree a workplan and milestones in accordance with this MOU.
18. This MOU is based upon the scope of the Competition. This will not preclude NCC making changes to approaches and agreed workplan if considered necessary during the course of the Competition; however, this must be done with the agreement of the Department and ensure the objectives/conditions of this MOU can still be met.

### ENGAGEMENT

19. The Hub will attend workshops arranged by the Department at the beginning, mid-point and conclusion of the Competition, sharing findings, insight and also setting out any lessons learned.
20. The Hub will meet with the DESNZ competition lead appointed by the Department at least once a month (and more frequently if required) for the duration of the Competition. It is expected that these meetings will be carried out virtually. The Hub will discuss with the DESNZ competition lead activities undertaken and keep them informed of the progress of the Competition, including identifying any issues and challenges that have arisen, and changes that might be required in how the Hub fulfils the broad objectives of the Competition.
21. The Hub will also take part in any further feedback and evaluation sessions as may be required by the Department.

22. The Department will be responsible for funding the Competition, have oversight of the Co-ordinator role, engaging with the Hub as required and agreeing any changes to the scope of the Competition.

### USE OF THE GRANT

23. The Hub is not to use the Grant for extraneous activities outside the scope of the Grant, such as:
- to replace funding for an existing project, including any staff costs for an existing project and any projects to deliver statutory obligations; or
  - to use in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector to undertake any procurement/expenditure for purposes other than the fulfilment of the Competition.

### AGREED USE OF UNDERSPEND

24. In the event that NCC does not use all the Grant to secure delivery of the Competition on the 31<sup>st</sup> March 2024:
- The Parties will work together to agree how NCC will spend any unspent Grant funding in line with the expected outcomes of the Competition; and
  - If the Parties are unable to reach an agreement, NCC agrees to repay the unspent Grant within 30 days of 30<sup>th</sup> April 2024.

### RECORD KEEPING

25. The Hub will keep for seven years records relating to any spending funded (or defrayed) by the Grant. Such records should indicate:
- The identity of any third party concerned and their business;
  - The amounts any third party has been given;
  - The purpose for which the money was spent;
  - Evidence that agreements have been awarded in accordance with public procurement law where they are required to be; and
  - Details of and information relating to any significant sub-contracting.

### INFORMATION SHARING

26. The Department may share information relevant to the Grant and the Competition with the agents of the Department and other public authorities.

### DATA PROTECTION

27. In so far as it is possible to do so in accordance with the General Data Protection Regulation (“GDPR”) and the Data Protection Act 2018 the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other law, the Hub agrees to collect information for evaluation and reporting purposes (referred to below as “the Information”) in a way which:
- Allows it to share the Information with the Department;

- Allows the Department to share the Information with any of its research or evaluation partners; and
- Allows the Department to use the Information for research and statistical purposes provided always that the Department complies with the provisions of the Data Protection Act 2018.

## STATUS

28. This MOU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MOU. The Parties do, however, enter into the MOU intending to honour all their commitments under it.

29. Nothing in this MOU is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment between the Parties, constitute either party as the agent of the other party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other party. Accordingly, NCC will not hold itself out as having any such relationship with the Secretary of State.

## COMMUNICATION AND CONCERNS

29. The Hub will be involved in regular communication with the DESNZ competition lead to show progress and to raise issues. However, the DESNZ competition lead will not act in the design of any of the Hub's activities in connection with the Competition, but to monitor and communicate to the Department on progression and issues.

## THIS IS NOT A LEGALLY ENFORCEABLE AGREEMENT

Signed for and on behalf of the Department

Signature

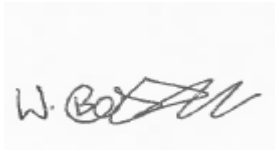
Name

Position **Deputy Director**

Date

Signed for and on behalf of the Nottingham City Council

Signature

A handwritten signature in black ink, appearing to read 'W. Bexton', is written over a light gray rectangular background.

Name **Wayne Bexton**

Position **Director of Environment and Sustainability**

Date **18.7.2023**

## ANNEX A: DOCUMENTATION

Documentation to be provided by NCC before the Grant will be released:

<b>What needs to be provided?</b>	<b>When it needs to be provided?</b>	<b>Annex</b>
Two signed copies of this MOU		
A signed copy of the Section 151 Officer declaration		Annex B
A completed Grant Claim Form including Bank Details		Annex C

## ANNEX B: SECTION 151 OFFICER DECLARATION

FAO  
Department for Energy Security & Net Zero,  
1 Victoria Street,  
London SW1HOET

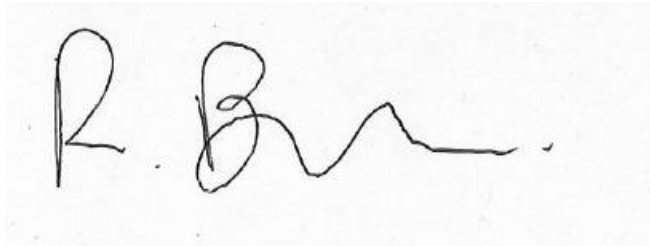
Dear Net Zero

### **Skills training competition (“the Competition”) for Grant Determination [Midlands Hub]**

I am writing in my position of Section 151 Officer for the Nottingham City Council (“NCC”) to confirm acceptance of the Memorandum of Understanding (“MOU”) for the Competition and Section 31 grant funding offered. I confirm that the information pertaining to the MOU is accurate and complete.

NCC understands the MOU is not legally binding, but will undertake the activities as set out in scope of the MOU and use the funding related to the Competition. Please accept this letter as confirmation that NCC wishes to claim the total grant amount of £ 9.5 million for the duration of the Competition.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. B. M.', is written on a light-colored background.

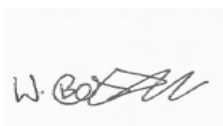
Corporate Director of Finance and Resources/s151

## ANNEX C: GRANT CLAIM FORM

SECTION 1 REQUESTER DETAILS	
LOCAL AUTHORITY	Nottingham City Council
BANK DETAILS	Lloyds Bank 01057616 30-96-18
PURCHASE ORDER NUMBER	415000039749
CONTACT NAME	Michael Gallagher
TELEPHONE NUMBER	07864 969755
EMAIL ADDRESS	<a href="mailto:Michael.Gallagher@nottinghamcity.gov.uk">Michael.Gallagher@nottinghamcity.gov.uk</a>

SECTION 2 CLAIM DETAILS	
SKILLS TRAINING COMPETITION – total to be claimed in accordance with MOU	£ 9,500,000
DATE OF CLAIM	

*Claims may include VAT that the authority is not able to reclaim from HM Revenue & Customs or not likely to become able to claim*

SECTION 6: SENIOR LOCAL AUTHORITY OFFICER'S DECLARATION
<p>I confirm that I have considered the Hub's proposal (copied as at Annex D of the MOU) against which this Grant claim is made, as well as the principles set out in the Memorandum of Understanding, and that:</p> <ul style="list-style-type: none"><li>a) The information and evidence pertaining to this Grant claim is complete, true and accurate</li><li>b) We will comply with the principles set out in the Memorandum of Understanding</li></ul> <p></p> <p><b>Signed</b></p> <p><b>Printed name</b> Wayne Bexton</p> <p><b>Position</b> Director Environment and Sustainability</p> <p><b>Date</b> 18.7.2023</p>





## ANNEX D: SECTION 31 GRANT LETTER

### REVENUE grant determination (non-ringfenced) 2023: No 31/xx

#### Skills Training Competition Grant Determination

The Minister of State for Energy Security & Net Zero (“the Minister of State”), in exercise of the powers conferred by Section 31 of the Local Government Act 2003, makes the following determination:

#### Citation

1) This determination may be cited as the Skills Training Competition Grant Determination (2023) [No31/xx].

#### Purpose of the grant

2) The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them.

#### Determination

3) The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Part A.

#### Treasury consent

4) Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

*Signed by authority of the Minister of State for Energy Security & Net Zero*

X.X.2023

## PART A

<b>Authorities to which grant is to be paid</b>	<b>Amount of grant to be paid</b>
<b>Nottingham City Council</b>	<b>£,9,500,000.00</b>