



# Energy Industry Voluntary Redress Scheme – Phase Two

## Guidance for applicants to the Innovation Fund and Carbon Emissions Reduction Fund

Jan 2024

Please note: In addition to charities, this Fund is now open to Community Interest Companies, Community Benefit Societies and Cooperative Societies registered in England, Scotland or Wales. The Main and Small Funds are **only open to registered charities**.

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Please note: This document provides guidance on the Innovation Fund and Carbon Emissions Reduction Fund only. There is a separate guidance document covering the Main Fund and Small grants funds, which prioritise energy consumers in vulnerable situations.

## Scheme priorities

### 1. Innovative products and services (Innovation Fund)

Energy Redress Scheme funding can support the development of innovative products or services related to domestic energy use and as such can allocate funding to projects that meet the following criteria:

- have a realistic prospect of delivering benefits to existing and/or future energy consumers
- help to reduce the environmental impact of energy use (or minimise negative impacts where the scheme is delivering significant social benefit)
- are efficiently managed and provide value for money

For information on other ways that Ofgem supports innovation, see details of the [Network Innovation Funding](#) and the [Innovation Link](#).

### 2. Carbon emissions reduction projects (Carbon Emissions Reduction Fund, CERF)

Energy Redress Scheme funding can support initiatives principally aimed at reducing the climate change impact associated with domestic energy use, which relate to Ofgem's regulated areas of energy generation, distribution, supply and use. Projects applying to this fund must satisfy the following criteria:

- can demonstrate measurable and lasting reductions in the carbon intensity of energy end use and accelerate the transition to net zero carbon dioxide (CO<sub>2</sub>) emissions
- have a realistic prospect of delivering broadly replicable benefits to existing and/or future energy consumers

Further information on Ofgem's strategic approach towards meeting the challenge of net zero greenhouse gas emissions by 2050 is contained in Ofgem's Decarbonisation Action Plan.

**Projects funded via the Innovation and CERF funding streams can benefit all domestic energy consumers, not just households in vulnerable situations.**

## What activities can the Energy Redress Scheme support?

The Energy Redress Scheme can provide capital or revenue funding and can provide up to 100 percent of the project cost where funding cannot be sourced elsewhere. It can fund projects lasting up to two years and the minimum grant request for the Carbon Emissions Reduction Fund and Innovation Fund is £20,000.

Applicants should consider whether the activity being proposed can be funded in any other way and whether it is already being delivered elsewhere (see Annex 1 below). They should also critically assess whether the project will represent value for money in terms of the positive outcomes delivered for the funding requested.

### Types of innovation projects

There are two potential types of innovative projects which are relevant:

- testing or trialling the roll-out of products or services that are ready to implement but not yet accessible to energy consumers or certain groups of energy consumers
- conducting research or analysis into the development of products or services not yet accessible to energy consumers or certain groups of energy consumers

Examples of the types of Innovation projects that could be funded include, but are not limited to:

- The development of new tools to help specific groups of energy consumers to be able to manage their energy bills better or to control their heating systems.
- Trialling new business models or interventions to enable households to use more locally generated energy.
- Trialling new energy efficiency measures that could have wide use and impact.

### Types of carbon emissions reduction projects

Applicants are encouraged to consider how their projects can address one or more of the systemic challenges for achieving net zero carbon, such as affordability, accessibility and end-user confidence in carbon reduction technologies and the delivery chain. All projects should also aim to support a just transition to net zero carbon for all energy consumers.

Examples include:

- improving the affordability of energy efficiency and renewable energy products and services for all households e.g.:
  - community focussed collective purchasing schemes
  - providing access to incentives and low/zero-cost finance for installation of energy efficiency and renewable energy measures

- testing new models to improve the affordability of home carbon saving such as pay-as-you-save or energy services payments
- Delivering replicable projects enabling collective ownership of energy assets, such as community owned renewable energy systems.
- improving accessibility of energy efficiency and renewable energy products and services for all households
  - enhancing consumer knowledge, confidence and willingness to invest (e.g. delivering trusted independent advice leading to installations)
  - working with local supply chains to make energy efficiency and renewable energy measures more accessible
- improving understanding of carbon reduction technologies, optimising their use and improving quality and performance for key technologies

Applications for funding must present a convincing pathway to significant carbon emissions reduction, usually through the potential for more widespread replication. Applications should have the potential to achieve significant impact by 2030 in support of UK carbon emissions targets.

The following illustrate the types of projects which are **unlikely** to be funded:

- projects for carbon saving measures in bespoke individual buildings or unique building typologies that are not widely replicable and so will have a limited impact on UK carbon emissions.
- projects where the application does not demonstrate sufficient relevant expertise within the project team. This is especially important for projects that aim to provide advice on carbon emissions reduction.
- projects that focus on awareness raising but do not demonstrate a clear pathway to delivering meaningful and lasting carbon emissions reductions (e.g., through installation of measures). Advice should lead to verifiable actions.

Examples of activity that **CANNOT** be funded through the Carbon Emissions Reduction Fund include, but are not limited to:

- measures addressing climate change and carbon reduction that do not fall within Ofgem's regulatory area, such as tree planting, other sequestration or carbon offsetting initiatives, measures addressing transport or organic waste or climate change adaptation projects.

**Important:****Energy Redress Scheme and Ofgem regulated companies**

The Energy Redress Scheme cannot fund activity that directly benefits any Ofgem licensee, or any other person or company that is regulated by Ofgem which makes a voluntary redress payment, or any person or organisation that has close links to any such organisation. Benefit could be through direct financial gain, positive PR or offsetting the cost of delivering their obligations. As such this also means Energy Redress projects cannot fund direct referrals into supplier obligations such as the Warm Homes Discount, Priority Services Register or enable Energy Company Obligation measures to be installed. Projects can raise awareness of these services, but direct referrals should be made by other funded activities or through a third party.

When you apply to the Energy Redress Scheme, ensure that you comply with this rule and explain how any interaction with energy company obligations will comply, in the 'Additionality' section.

## Assessment process

Applications are assessed and scored by two Energy Saving Trust staff against a list of common criteria. These have been chosen to ensure that projects fit the aims of the scheme, are well planned and are likely to achieve maximum positive impact with the funding. All the scores are moderated, and the top scoring applications are put on the shortlist for our Independent Grants Panel to review. The grants panel make the final decision on funding.

If shortlisted, the lead organisation may be subject to further financial due diligence checks.

## Application scoring summary for applicants

The following is a summary of the criteria used and the weighting applied to each.

Criterion (associated sections of application form)	Description	Weighting
Project concept  (Project summary, Aim, Beneficiaries, Objectives, Outcomes and rationale)	Is the aim of the project clear and does it align with the scheme priorities?  Is there a clear rationale for the project, both regarding the need for it and the approach proposed?  Is there good reasoning for why it should be funded through the Energy Redress Scheme?	30%
Your project team and plan  (Targets, Activities, Programme, Partners, Experience, Procurement)	Are targets clearly defined; is there a method to establish baselines with appropriate monitoring systems in place?  Do the proposed activities support the desired outcomes?  Is the project plan and programme sensible for the type and size of the project?  Does the team/partnership have the skills and capacity to deliver the project?	30%
Strategic value  (Additionality, Innovation, Replication, Next Steps, Risk Management)	Does the project demonstrate additionality to other services and to the organisation's own business as usual?  What will be its long-term legacy?  Have the risks been properly recognised and mitigated against, including COVID-19?  Does the project show genuine innovation?  Does the project present a convincing pathway to significant carbon emissions reductions?	20%

	Does it have widespread replication potential?	
Value for money (Targets and Project Budget)	Does the project demonstrate impact and value for money?	20%



## Completing the application form

Your final application must be submitted via our online system, called the [Energy Redress Dashboard](#). This is only accessible to organisations that have successfully registered with the scheme.

When a funding round opens, click on the 'Apply for Funding' tab within the Energy Redress Dashboard to select a funding stream to apply to. It is only the application created through this route and that appears in the table on the main dashboard that can be submitted in an open round.

Please note that the online system works best if you use the Google Chrome web browser and it is important to use the 'save' and 'next' buttons to move between the pages of the application form, rather than your browser buttons, to avoid losing work or creating duplicate forms.

Each organisation can only lead on one application per round but can be a partner in more than one application. Unsuccessful applicants can reapply in a subsequent round.

**The deadline for submitting applications is strictly 5pm on the day the round closes.**

### Step 1: Application summary

Step 1 of the application form collects basic information about your project and organisation, such as contact details.

**VAT status** - You will need to let us know whether your organisation is VAT registered. Energy Redress funding cannot cover the cost of reclaimable VAT.

### Step 2: Project information

Step 2 of the application form is where you explain your project idea, its overall aims, objectives and expected outcomes, the intended beneficiaries, the geography of the project and the rationale behind why you want to deliver the project.

**Applications for continuation funding of Redress funded projects** - it is important to refer to the outcomes of the previous project and detail how the learning has helped to shape the project you are applying for. Applicants should also provide an indication of what percentage of clients may be repeated from the previous project and detail how this will be recorded for reporting purposes.

#### 2.1 Project summary (max 250 words)

Provide a short overall summary of your project. Bear in mind that should your application be successful, this description may be made public e.g., in a press release.

## 2.2. Project aim (max 100 words)

State your overall aim and how it aligns with the scheme priorities. Be clear about what you aim to achieve through your project and how that has defined the type of activities you plan to complete.

## 2.3 Project beneficiaries (max 250 words)

Outline who will benefit from your project. Be specific about who will benefit directly, including any relevant details on location, type of household/organisation etc and why you have chosen your target audience.

Applications for the Carbon Emissions Reduction Fund and Innovation Fund can be directed towards all domestic energy consumers. Direct project beneficiaries may be limited but there should be an identified wider or future benefit. Applications should summarise here the longer-term potential for meaningful, lasting carbon emissions reductions or use of the new product/service. You have an opportunity to provide more detail and expand on this in section 3.9 Scope for replication or learning.

### Where will the project take place and what area will it cover?

Complete the checkboxes, and description if appropriate. to inform us where the project will operate. Be as specific as you can about the geography of the project, as it will make demonstrating value for money and the impact clearer.

## 2.4 Project objectives (max 250 words)

The objectives are the things you will do to achieve your overall aim. Keep them short and specific e.g., *evaluate the financial and operational viability of a community-managed scheme for bulk buying and installing solar PV systems.*

## 2.5 Outcomes (max 250 words)

The outcomes are the changes or progress that will be achieved by the successful completion of your project. These can be quantitative outcomes such as financial savings, energy savings, carbon emissions reduction or they can be more qualitative. You should be able to provide evidence that you have achieved these outcomes.

## 2.6 Rationale (max 300 words)

Explain why you have chosen this project approach and what makes you think that your project is needed and will have an impact. It is important to show that you understand the issues your project will address and how the actions within your project will help to achieve your desired impact and outcomes.

Include any evidence or experience you have that supports the need for your project and its potential replicability/roll out. This could include previous experience of delivering similar projects or information from other studies. Assume the assessors know nothing about your organisation, your services or your experience and explain why the scheme needs Redress funding to be delivered.

## 2.7 Targets (max 250 words)

Explain what targeted outputs you are going to deliver directly during the project, providing rounded target figures where possible. The targets should be specific, measurable and show good value for money, whilst being realistic about what you can achieve.

For the Carbon Emissions Reduction Fund, we accept that the direct carbon saving potential within the project timeframe is likely to be limited. You should nonetheless indicate the direct carbon emissions reductions that you expect to achieve using the approach described in section 2.7.1 below. Additionally, there may be other direct impacts for which you can establish valuable targets; for example, if you will be advising households on implementing various renewable heat measures, you should indicate the number of households surveyed and, if possible, the number that have installed a measure or intend to install as a result.

You must describe how you will monitor the **progress** of the project in achieving the targets e.g., use of a database/CRM, event sign in sheets, and also how you will monitor the **impacts** of the project e.g., health and wellbeing surveys, reviewing energy bills or using energy monitors. If you are going to undertake surveys with clients or if you will produce case studies, provide clear target figures for the number of these you will complete.

Successful applicants are required to report quarterly on progress towards the targets.

To help you decide on the most appropriate targets, there is a list of suggested indicators in 0 of this document.

### 2.7.1 Carbon reduction targets

Applicants under the Carbon Emissions Reduction Fund should complete and upload the Carbon Reduction Targets spreadsheet, available from the website: [energyredress.org.uk/application-pack](https://energyredress.org.uk/application-pack). The spreadsheet comprises two elements:

- the Carbon Reduction Measures table
- the Other Low Carbon Outcomes free text table

The Carbon Reduction Measures table records the target number of different measures that will be installed through the project e.g. number of solar PV, solar thermal, wind, heat pump and/or battery systems installed. You are not required to offer all (or any) of the measures indicated and should only complete the rows of the table applicable to your project.

If your specific measure is not listed in the Carbon Reduction Measures table, or if you wish to provide more supporting information, you have an opportunity to input additional narrative in the 'Other Low Carbon Outcomes' free-text table. Please provide a reasoned estimate of the annual total carbon dioxide saving of Other Low Carbon Outcomes based on evidence backed calculation.

You should also upload your calculation methodology as an attachment to your main application (PDF, Word or Excel formats are acceptable). Refer to Annex 3 for additional information about the types of Carbon Reduction Capital Measures that may be supported.

Where funding is being sought for low carbon capital measures applicants should explain how they are following the 'Energy Hierarchy' through minimising energy use before incorporating renewable energy systems. For example, a project that would seek to pilot renewable heat capital measures in the home should first ensure that appropriate building insulation standards have been met.

## 2.8 Advice targets table

**Only complete this table if your project includes direct delivery of advice to households.** You need only complete the rows of the table applicable to your project, but you must complete the estimated **number of unique households supported**, as this helps us to determine the overall impact and value for money of your project. We understand that a vulnerable household may need multiple interventions to resolve an issue and therefore the number of interventions may be higher than the number of unique households.

Households to be supported via workshops can be counted in either the in-depth face to face advice or the light touch advice row, depending on the level of advice on offer.

The table requires an estimated cost for each type of advice, this should be based on the estimated staff time, travel costs and resources required to deliver each type of intervention. Ensure that the total cost of your interventions is consistent with the level of funding requested within the project budget. See the guidance document for the Main and Small Projects Fund for a guide to the costs expected for the different interventions.

## 2.9 Scope of advice (max 150 words)

**Only complete this section if your project involves the provision of advice to households.** Provide further information on the scope of the advice that will be delivered through your project e.g., a full home energy survey, behavioural advice, referrals for capital grants. Please note that, although, we understand the benefit of holistic support, **energy must be the primary focus of the project and we cannot fund generic benefits, debt or housing advice services.** Describe any referral pathways in place to either internal projects/services or partner organisations for specialist advice e.g., benefits, debt or health advice.

## Step 3: Detailed project planning

This section deals with who will deliver the project and how. It also covers the experience within the project team and asks how the project is different from your other activity (additionality). Finally, this section asks whether the project could be replicated by others and how lessons will be shared.

### **3.1 Project activities (max 300 words)**

List the activities and/or measures to be funded and ensure the information is consistent with what you have said in other areas of the application form, such as the objectives and targets sections.

If you have secured match funding for the project, please be clear where it is coming from, what it will pay for and what will be covered with funding from the Energy Redress Scheme.

If you wish to provide energy-saving measures as part of your project, review the Energy Related Capital Measures table in Annex 4 as a guide to what the scheme will consider funding. The list is under constant review, but items not listed are unlikely to be funded.

Explain how you will ensure that measures installed will be fitted safely and to an appropriate standard.

It is important to understand your responsibilities to the energy consumers you are supporting. Ensure that you have a process of requesting and recording permission from householders if you are installing anything in their properties or if you are carrying out a visit to their home or business.

Also ensure that you have any relevant policies in place to safeguard both your clients and your staff e.g. Coronavirus mitigation measures, lone worker policies and any appropriate training and background checks on staff.

### **3.2 Project programme (max 750 words)**

Energy Redress projects can last a maximum of 24 months and successful projects are likely to receive grant offer letters and be able to start their projects approximately 12-15 weeks following the round closing so ensure your projected start date aligns with this.

List the tasks you will undertake and include a planned start and end date for each. Each task should represent a broad area of work rather than day to day detail. Be realistic about how long different tasks take (e.g., recruitment and training staff) and list the deliverables of each task (e.g., service launched, training session delivered, materials produced).

If you are planning on undertaking evaluation activities towards the end of the project, please factor this into the final quarter of delivery to ensure you have enough time for it to be completed within the project timescale,

For successful projects, the project programme will be used in the quarterly monitoring and reporting process to check progress.

**Projects over £500,000 value:**

Applications requesting over £500,000 must complete and upload the Detailed Project Plan spreadsheet available on the website: [energyredress.org.uk/application-pack](https://energyredress.org.uk/application-pack). The spreadsheet captures more detail about each task listed in the project programme and if you do not yet have all the information, provide as much detail as is currently known, such as role titles for staff to be recruited and estimated costs or timescales for decisions on match funding.

The Detailed Project Plan spreadsheet has a 'guidance' tab with further information and a Gantt chart template. The use of the Gantt chart tab is optional, and applicants can submit their own project management schedule if available.

### 3.3 Project partners

Partnership projects are permitted and encouraged under the Energy Redress Scheme.

Your proposal must be led by either a charity, Community Interest Company, Community Benefit Society or Cooperative Society registered in England, Scotland or Wales but partners can be other types of organisations. However, organisations that are regulated by Ofgem or have close links to organisations regulated by Ofgem, cannot receive Energy Redress Scheme funding or benefit in any way e.g., through positive PR or offset marketing costs.

List any organisations that will work on your project as partners. Please include the name and type of each organisation and give a brief explanation of their role in the project. Attach letters of support from all confirmed partners in Step 7 of the application form.

The staff time of project partners involved in delivering the project should be included in the staff costs table in Step 5 rather than in the 'Other Costs' budget table and should be charged at day rates based on staff costs plus overhead (see Section 5.2), rather than commercial day rates.

### 3.4 Relevant experience (max 500 words)

Provide details of the relevant skills and experience within your organisation/partnership that demonstrate your ability to successfully complete the work you are proposing. Assume the assessors know nothing about your organisation and the work that you do and provide enough detail accordingly.

If your application is a partnership project, be clear about what experience each organisation has and why you have chosen to work with them. This is especially important if you are going to be working with a commercial entity as a partner, rather than procuring their services.

### 3.5 Project team

This section refers to the specific people who will carry out the project. Detail who will manage the project and carry out the different tasks. Choose the people who will have the most important roles in the project, including those you will recruit, and provide the following:

**Role:** Their role within your project.

**Name:** The name of the staff member or TBC.

**Organisation:** The organisation they work for/will work for.

**Biography:** A short summary of their relevant skills, experience and qualifications. Note that the maximum for this is 50 words so be succinct, (including what you will look for in new recruits).

### 3.6 Procurement (max 150 words)

If you plan to procure any goods or services from organisations other than your project partners, list them in this section and explain how you will ensure your procurement process is open and fair.

### 3.7 Additionality (max 250 words)

Projects must demonstrate 'additionality' by showing that they add value to existing services and are not duplicating or conflicting with other programmes that already exist e.g., government funded programmes such as Home Energy Scotland or NEST in Wales.

Consider how your initiative relates to programmes such as the Local Authority Delivery Scheme of the Green Homes Grant or Rural Community Energy Fund and if your project is accessing funding from any of these schemes, explain why it needs additional funding from the Energy Redress Scheme and what benefits will result. You can also check the Energy Redress website for details of the projects funded so far - [Energy Redress scheme](#).

For capital projects, use this section to justify the percentage of funding being sought for the capital measures. Projects with a financial return or revenue stream (e.g., projects seeking funding for renewable energy systems) should request only the funding required to make the project viable. Projects requiring 100 percent capital funding are difficult for others to replicate without access to the same level of funding and so are unlikely to be funded without a very clear rationale for how the project will achieve wider impact.

Note that the Energy Redress Scheme cannot fund activity that has already taken place. It can only fund new activity that cannot be fully funded from elsewhere.

### 3.8 Innovation (max 500 words)

Use this section to describe aspects of your project that demonstrate innovation. It is an opportunity to highlight any innovative approaches, technologies or techniques used in your project.

If you are applying to the Innovation Fund, you should pay special attention to explaining how your project is innovative and how it meets the priorities of the fund.

Organisations applying under the Innovation Fund or Carbon Emissions Reduction Fund can upload up to two feasibility reports or options appraisals that help to explain their project, as supporting documents.

### **3.9 Scope for replication or learning (max 250 words)**

To maximise the impact of the Energy Redress Scheme we are keen to support projects that will benefit other future activities to achieve the scheme's aims.

For Carbon Emissions Reduction Fund projects, the immediate or direct carbon saving impact during the project timeframe is likely to be small. Replication potential is therefore a very important consideration. You should provide an evidence-based assessment of the broader, long-term carbon reductions that your project could unlock. This can reference sources such as credible documented research, reports, or opinion surveys and should aim to give a clear picture of the scale of impact that the project could have over the longer term.

Explain how the approach that you propose could be replicated elsewhere and how you will encourage replication and share the lessons learned with others, including those outside of your own network.

### **3.10 Next steps (max 150 words)**

Explain what will happen at the end of the funding period. Will your project continue with funding from elsewhere? Do you intend to start up an activity that will be self-supporting in the long term? Does this project enable something else to happen once it is completed?

If you are applying for continuation funding for a redress funded project explain why this has been necessary and any alternative funding schemes you have applied for. Ensure that the dates for the funding round are appropriate and explain any overlaps or gaps in provision.

## **Step 4: Risk management**

### **4.1 Project risk assessment**

The Energy Redress Scheme funds projects that are delivered diligently and safely for all of those involved. Use the table to describe the risks associated with delivering your project, the likelihood of the risks happening (low, medium, high), the potential impact they could have on the project (low, medium and high) and what measures you will put in place to mitigate against the risks.



Risks are anything that could stop your project from being successful or problems that might arise from your activity e.g., loss of staff, a data breach, safeguarding or health and safety issues. If your project involves collecting any personal data, ensure you comply with the General Data Protection Regulation (GDPR) and always collect appropriate consents from the people that you work with. More information is available here: [UK GDPR](#).

**Please note that to qualify for funding, you must have adequate insurance in place to protect the organisation against any financial loss due to fraudulent activity,**

For most projects it is good practice to ensure you have the following in place:

- Health and Safety Policy (including lone worker policy and risk assessments for home visits)
- Data Protection Policy
- Equal Opportunities Policy
- Safeguarding Vulnerable Adults Policy
- Everyone involved in delivering face to face advice to vulnerable adults has passed an [Enhanced DBS check](#), or in Scotland a satisfactory disclosure from [Disclosure Scotland](#).

**COVID-19** – All applicants should consider how they would deliver their project safely with the possibility of a re-emergence of COVID-19 or other pandemic restrictions during the project lifetime. How could the project be adapted to continue to support clients if further restrictions were imposed. The wellbeing of the project team and project clients should always be the priority.

## Step 5: Project budget

### Ensuring cost-effectiveness

Cost-effectiveness is an important criterion when reviewing Energy Redress Scheme applications. This is evaluated by considering the cost of the project against the planned activities and expected impact. Energy Redress aims to fund projects that will achieve as much positive impact as possible from the funding they receive.

You will need to make sure you explain in your application what impact you expect to achieve from your activities. For example:

- If funding a local coordinator to manage a community-based bulk-procurement club, an applicant could estimate the number of customers reached, the number of installations resulting and savings in carbon emissions and cost within the timescale of the project. It would also be helpful to describe longer term plans for the club and how the project will help others to replicate it if successful.

The Energy Redress Scheme can fund up to 100 percent of the cost of a project. However, including details of your own in-kind contributions, other match funding (including potential investments in

measures made by able-to-pay beneficiaries) in the Project Activities section of the application form is helpful to assessors.

If your project incorporates an advice element, you should consider how this advice translates to impact. For CERF projects, showing how you will monitor and assess whether carbon emissions reductions have been achieved as a result of your advice helps to inform the assessment of cost-effectiveness.

Refer to Annex 3 for further information regarding carbon emissions reduction, capital measures and other sources of public funds.

**Note that Energy Redress Scheme grants are paid quarterly in arrears, on submission of a progress report and evidence of expenditure. Please ensure you are confident that your organisation can manage these payment terms prior to submitting an application.**

## 5.1 Project costs

The budget section is broken down into tables for staff costs, capital costs and other costs. Please ensure that your grant request and match funding (where applicable) equal the total costs in each table. It may be helpful to use the Excel spreadsheet that can be downloaded from the website to ensure it is correct: [energyredress.org.uk/application-pack](https://energyredress.org.uk/application-pack) **VAT will only be funded if you cannot reclaim it, so all costs should exclude reclaimable VAT.**

**Note that all awards are subject to audit and grantees will be expected to maintain a project folder that evidences and accounts for all grant expenditure. Evidence of project outputs may also be requested. Grantees should retain these records for 7 years from the grant start date to comply with their grant agreement.**

## 5.2 Staff cost breakdown

List all the staff posts that will be funded by the project, including the name of the person (where known), their role in the project, the organisation they work for and the task or deliverable they are responsible for.

Include the day rate for each member of staff. Decide if you wish to include a percentage towards the overheads of your organisation against the staff costs (up to a maximum of 25 percent) and then include the number of days the person will be working on the project e.g. 48 for one day/week on the project, 233 for a full-time post.

Will fund the working days of the staff on the project, therefore Maternity/Paternity Leave cannot be funded.

If your project only lasts one year, please put zero in the year two columns.

Note: the staff costs budget can only be used to fund staff members who are spending time working on the project, and cannot be used to pay for Maternity/Paternity/Adoption or other special leave e.g. jury service. It can, be used to fund temporary replacement staff who step in to cover a role whilst the original staff member is unable to work on the project. Staff sick leave should be accounted for within your overheads, as detailed below.

## How to calculate staff day rates

The staff day rates should be calculated by splitting the annual gross cost of employing the person (including National Insurance, Tax and Pension) by the actual number of days worked by them.

We ask you to base this on the number of working days (removing weekends) minus the number of days taken as holiday. Using this approach will ensure that you cover the full cost of staff, both full time and part-time. For example:

If a full-time staff member had a total cost (salary, National Insurance, tax and pension) of £30,000 and worked five days a week – the number of weekdays in a year would be 260 (5 x 52 weeks), the staff member has 20 days annual leave, plus seven days statutory leave (bank holidays) so does 233 days' work per year. This would give a day rate of £128.76 ( $£30,000 \div 233$ ). Using this higher day rate, rather than dividing by 365 days per year, ensures that the full cost of the staff member's time is covered.

## How to account for overheads

Overheads include things like the share of office rental, utilities, office consumables, staff sick leave and insurance that are attributable to the project. You can choose either to:

- charge a flat overhead rate of up to a maximum of 25 percent in the staff cost table or;
- charge on a full cost recovery basis, where the cost of all overheads linked to the project is calculated and detailed individually within the 'Other costs' budget table

Please be aware that we may ask for evidence of how your overhead rate is calculated, whichever approach you use.

Costs such as staff travel or IT equipment and phones for project workers are not classed as overheads so can be charged separately.

## How to account for partner staff time

When working with partners, there are two choices on how they will participate which affect the staff rates they can charge. These are:

- They can be project partners named in the application; in which case they must charge actual staff cost plus overhead (not a commercial day rate) but have the benefit of not having to go through procurement.
- They can be subcontractors; in which case they must go through a fair and open procurement process after the grant is secured (so are not guaranteed the opportunity to work on the project), but they can charge a commercial day rate. In cases like this, the project lead will be responsible for securing good value through their procurement process.

### 5.3 Capital costs

Capital costs are purchases of equipment or products such as energy-saving measures or equipment for your staff. Be as specific as you can for each item you are going to purchase and only budget for equipment directly attributable to the delivery of the project. Get quotes or undertake some basic research so that you include realistic costs for the items. Refer to Annex 3 and 4 to check which energy related measures can be covered by the Energy Redress Scheme.

### 5.4 Other costs

Other costs can include subcontracted services (be clear about what the subcontractor will be doing for the project), promotional resources, venue hire, travel, training, and volunteer expenses. This section should not be used to claim overhead costs if you have already included overheads against the staff costs.

## Step 6: Important information

### 6.1 Ofgem regulated companies

Energy Redress Scheme payments cannot be made to any Ofgem licensee, or any other person or company that Ofgem regulates, which makes a voluntary redress payment. This includes delivery partners as well as the lead body making a grant application.

Energy companies regulated by Ofgem are those which have an Ofgem licence and include, but are not limited to, suppliers of electricity and/or gas, companies which transport electricity and/or gas and companies which generate electricity or produce gas. Further information on Ofgem licences is available here: [ofgem.gov.uk/licences-codes-and-standards/licences](https://www.ofgem.gov.uk/licences-codes-and-standards/licences)

To determine whether your organisation or project partners have close links to an organisation regulated by Ofgem, consider the following rules:

- eligible organisations should **not** share branding with any Ofgem regulated energy company e.g., on their website or in their logo

- eligible organisations should **not** be legally under the control of, or a subsidiary of, a regulated energy company

If you are confident that no organisation that will receive income from your project has close links to an Ofgem regulated company, tick the checkbox.

## 6.2 Data protection

Remember to read the data protection statement before signing it and use it as a reminder to check that your project is compliant with the General Data Protection Regulation (UK-GDPR).

## 6.3 Signature

The “Authorised Signatory” should be someone with authority to sign contracts to the level of your requested grant on behalf of the organisation that is submitting the proposal. The signatory is confirming that the information in your application is true, accurate and complete. If you are the lead partner of a partnership project, be aware that you could be liable for any incorrect information provided by partners.

## Step 7: Upload documents

The last step of the application form is where you can upload documents to support your application. The only additional documents that can be uploaded as part of your application are:

- letters of support from partner organisations or other interested parties
- the ‘Detailed Project Programme’ spreadsheet if you are asking for over £500,000 in grant
- up to two feasibility reports/options appraisals
- the ‘Carbon Reduction Targets’ spreadsheet (CERF) where measures will be installed
- the calculation methodology underpinning your estimates for direct carbon emissions reductions achieved by ‘Other LoCO2 Measures’ (CERF, if applicable)
- the methodology used to assess the market potential that you indicated under section 3.9 Scope for replication or learning (CERF)

Let each document fully upload before uploading the next one to avoid uploading duplicates.

Once the documents are fully uploaded you should be able to save the application and then submit if a funding round is open. If the application is submitted successfully, you will receive an e-mail acknowledgment and it will be recorded in the table on the Energy Redress Dashboard as submitted.

**For queries relating to applications, please contact the Energy Redress Team at:**  
[energyredress@est.org.uk](mailto:energyredress@est.org.uk)

## Annex 1 Further information

### Useful information on energy, fuel poverty and vulnerable customers

The following is a list of information and tools related to energy and vulnerable energy consumers in the UK. This document also lists other funding sources and services, which you should consult to ensure that the Energy Redress Scheme is the most appropriate source of funding for your project and that it does not duplicate other existing programmes.

Be aware that many of these sources of information, tools, funding sources and/or funded services are owned by third parties and neither Energy Saving Trust nor Ofgem makes any warranties or representations (whether expressed or implied) or gives any undertakings in relation to the accuracy, sufficiency or completeness of such sources of information, tools, funding sources and/or funded services. Please exercise the same caution you would with any internet-based information or resources.

If you are aware of other funds, services or resources that would be useful to other organisations, please email us at [energyredress@est.org.uk](mailto:energyredress@est.org.uk). Note that only non-commercial, free information will be included here.

### Useful links

Local authorities may be interested in partnering with organisations on projects funded by the Energy Redress Scheme. To find useful contacts in your area, please contact your local authority or look at The Association of Local Energy Officers website: [ALEO](#).

The Community Energy Hub, managed by Community Energy England, provides information and links to a wide range of resources relevant to local action on energy efficiency, fuel poverty and renewable energy. It also includes links to community energy societies who may be interested in partnering on Energy Redress Scheme projects: [hub.communityenergyengland.org](http://hub.communityenergyengland.org)

Community Energy Associations:

- [communityenergyengland.org](http://communityenergyengland.org)
- [communityenergywales.org.uk](http://communityenergywales.org.uk)
- [communityenergyscotland.org.uk](http://communityenergyscotland.org.uk)

## Tools and information

- The Energy Saving Trust website has free and impartial information on home energy efficiency as well as renewable energy and sustainable transport: [energysavingtrust.org.uk](https://energysavingtrust.org.uk)
- National Energy Action (NEA) the national Fuel Poverty charity: [nea.org.uk](https://nea.org.uk)
- Local Energy Advice Partnership (LEAP): [The Energy and Money Saving Service](#)
- Centre for Sustainable Energy: [cse.org.uk/resources](https://cse.org.uk/resources)
- Smart Energy GB, resources related to the roll out of smart meters: [smartenergygb.org](https://smartenergygb.org)
- Sheffield Hallam University undertook a three-year project to research ways to reach those hardest to reach with energy advice. Their conclusions and recommendations can be found here [Reaching the 'Hardest to Reach' with energy advice](#)
- The Energy Saving Trust: [On the path to net zero collection](#)
- The Energy Networks Association's Smarter Networks Portal includes a variety of reports and other material relating to innovation and decarbonisation of the UK electricity network: [smarternetworks.org](https://smarternetworks.org)

## Current services and support programmes:

These services and support programmes can be relevant to energy innovation and carbon emissions reduction projects. Please ensure that your project does not duplicate any of the services listed here, but you should consider whether and how your project could work alongside or partner with these services, programmes and funds.

### UK:

- UK Government information on grant funding for energy efficiency measures - [Find energy grants for your home - GOV.UK](#)
- UK Government energy efficiency advice: [Find ways to save energy in your home - GOV.UK](#)
- UK Government information on the [Boiler Upgrade Scheme](#)
- Ofgem Energy Advice for Households - [Ofgem](#)

### England:

- Citizens Advice - [Your energy supply - Citizens Advice](#)
- National Council for Voluntary Organisations (NCVO) - [NCVO](#)
- Energy Advice for London - [Energy Advice London](#)

## Scotland:

- Home Energy Scotland advice service from Scottish Government provides impartial energy advice and access to grants and interest-free loans: [homeenergyscotland.org](https://homeenergyscotland.org)
- Local Energy Scotland and Community and Renewable Energy Scheme (CARES) from Scottish Government provides support and funding for community and locally owned renewable energy projects: [localenergy.scot](https://localenergy.scot)
- Historic Environment Scotland:
  - Advice & Support - [historicenvironment.scot/advice-and-support](https://historicenvironment.scot/advice-and-support)
  - Grants & Funding - [historicenvironment.scot/grants-and-funding](https://historicenvironment.scot/grants-and-funding)
- Foundation Scotland community grants: [foundationscotland.org.uk/grants-and-funding-for-organisations/grant-programmes](https://foundationscotland.org.uk/grants-and-funding-for-organisations/grant-programmes)
- Net Zero Nation information and resources on climate change and support to reduce carbon emissions: [netzeronation.scot/](https://netzeronation.scot/)
- Community Energy Scotland – independent advice and financial support for community owned renewable energy projects: [communityenergyscotland.org.uk](https://communityenergyscotland.org.uk)
- Scottish Council for Voluntary Organisations (SCVO) - [scvo.scot](https://scvo.scot)

## Wales:

- Welsh Government Warm Homes Nest fuel poverty support scheme: [nest.gov.wales](https://nest.gov.wales)
- Welsh Government home improvement loans: [gov.wales/home-improvement-loan](https://gov.wales/home-improvement-loan)
- Welsh Government Energy Service, supports local and community energy projects: [gov.wales/energy-service-public-sector-and-community-groups](https://gov.wales/energy-service-public-sector-and-community-groups)
- Disabled Facilities Grants: [gov.wales/adapt-your-home-if-you-are-disabled-or-older-person](https://gov.wales/adapt-your-home-if-you-are-disabled-or-older-person)
- Wales Council for Voluntary Action: [wcva.org.uk](https://wcva.org.uk)



## Annex 2 Indicators, metrics and targets

In your grant application we ask you to set some measurable targets that the project will achieve. Targets are expected to be realistic for the length and scale of the project, as well as showing good value for money. You are free to choose the indicators that best reflect what you aim to achieve. We will expect you to report on progress against these indicators, so make sure to choose ones that you are able to monitor accurately and efficiently.

### Possible indicators

**Energy saved** – resulting from advice or the installation of measures. This could be tracked through data from energy bills or energy metering or could include assumed savings where these assumptions are robust.

**Money saved/gained** – resulting from advice delivered through the project e.g., on switching tariff or supplier, behavioural change, energy debt write off or the installation of measures.

**Tonnes of carbon emissions saved** – resulting from the installation of energy efficiency measures or renewable technologies. You can find the latest UK government recognised and regularly updated conversion factors available here: [gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal](https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal)

For the purposes of the simplified target indication requested in the **Carbon Reduction Target Table**, we have adopted the simplified ‘Consumption and generation-based emission factors’ and ‘Conversion factors for final energy demand’ as detailed in the Treasury Green Book supplementary guidance (Table 1 and Table 2a). These can be obtained from the UK Government website, [here](#).

**Households reached with advice** – distinguish between the different types of intervention you are offering in the ‘targets’ section and the Advice Targets Table. The numbers reached can be monitored with sign-in sheets, spreadsheets or more comprehensive Customer Relationship Management systems (CRMs).

**Measures installed** – ensure you can accurately record how many of each measure you distribute or install throughout the project.

**Health and wellbeing impacts** – are you able to demonstrate the health and wellbeing benefits of energy efficiency interventions. Please consider using customer surveys or other social impact tools, to demonstrate the wider impact of your project. Useful resources include; The Warwick-Edinburgh Mental WellBeing Scale ([WEMWBS](#)) and the [HACT](#) social value calculator.

## **Annex 3 Carbon emissions reduction capital measures**

The Carbon Emissions Reduction Fund can support a variety of established and emerging technologies that deliver reductions in carbon dioxide emissions associated with energy generation, distribution and end-use consumption. Note that this also includes renewable energy electrical generation technologies.

Most of these measures will deliver a return on investment in energy and fuel costs saved or income paid for energy generated, and applicants should take account of this in budgeting. In all cases, applicants should only seek the funding that is required to make a project financially viable. Projects seeking 100 percent capital funding are unlikely to be successful unless there is a very clear evidence base for why this is necessary. Applicants should consider how future projects could replicate activity without the same level of funding.

The types of technologies that the Carbon Emissions Reduction Fund can support includes, but is not limited to:

- Solar Photovoltaic energy systems
- Wind Turbine generator systems
- PV –Thermal or Solar–Thermal Panels
- Enabling storage (electrical or thermal batteries)
- Renewable electricity self-consumption optimisation technologies (such as PV-immersion controllers)

A key parameter for support under the Carbon Emissions Reduction Fund priority is that the applicant can demonstrate that the measures have potential to deliver meaningful and permanent carbon reduction benefits. Applicants should therefore pay particular attention to addressing the carbon reduction and replication elements of the application form.

Do check whether other sources of public funds may be available and whether there are any restrictions on combining with Energy Redress Scheme support.

Where capital measures are to be implemented, most will require professional installation. Applicants should clearly explain who will be installing any measures proposed within their projects and how they will ensure the work is undertaken safely and to a good standard. Relevant regulations, quality standards or accreditation requirements (where they exist), should always be complied with. Products and installations in the small-scale renewable sector shall adhere to the appropriate Microgeneration Certification Scheme (MCS) standards. Electrical, ventilation, plumbing, heating / hot water and microgeneration installations, must always be undertaken by an appropriate competent person(s) and be installed so as to provide for safety and proper functioning for the intended use.

## **Note on carbon emissions reduction measures and sources of public funds**

Energy Redress funding will not cover any capital costs that are already covered by government funding. If your project is using sources of public funding, please explain in your application why Energy Redress Scheme funding is needed in addition and confirm that there is no duplication of funding.

**Measures the Energy Redress Scheme cannot fund as they are outside of Ofgem's regulatory area include:**

- tree-planting / sequestration
- carbon offsetting initiatives
- measures addressing the transport sector
- organic waste projects
- climate change adaptation projects

## Annex 4 Energy efficiency related capital measures

The Energy Redress Scheme can fund small measures and equipment that help energy consumers to save energy and money in their homes and to have safer, healthier living environments.

Note that if these measures are being installed in “able-to-pay” households rather than those in vulnerable situations, you should provide a justification for why Redress funding is needed and consider what is an appropriate intervention level (% of the cost that will be paid through an Energy Redress grant).

The table below is a guide for what measures the Energy Redress Scheme can fund. Many of the measures can be installed without the help of a professional, but applicants should clearly explain who will be installing any measures proposed within their projects and how they will ensure the work is undertaken safely and to a good standard. Where quality standards or accreditations exist, these should always be complied with e.g. CIGA, HETAS.

The resident’s permission must be secured before any measures are installed in their property.

Measure	Energy saving properties
Cavity wall insulation*	Reduces radiative and convective heat loss through external walls.
Chimney draught excluders	Reduces convective heat loss through an open chimney.
Draught proofing foam strips	Reduces convective heat loss through gaps in windows and doors. All have their own merits and different situations that they are best suited for.
Draught proofing seals with brushes	
Flexible fillers for skirting boards and floorboards	Reduces convective heat loss through gaps in floor and skirting boards.
Foam tube pipe insulation	Reduces wasted heat through internal exposed pipes.
Heating programmer*	A timer connected to a heating system, which will reduce instances of heating being on for longer than needed.
Hot water cylinder thermostats	Hot water cylinder thermostats will prevent them being set at higher temperatures than needed (should be 60–65°C)
Insulation around loft hatches	Prevents convective heat loss through gaps in loft hatch.
Keyhole cover	Prevents convective heat loss through keyhole.
LED bulbs (any sort)	Uses less energy than CFLs and GLS bulbs.
Letter box brushes	Prevents convective heat loss through letterboxes.
Loft insulation up to 300mm*	Reduced radiative and convective heat loss through roof.
Polyurethane foam/silicone fillers	Reduces convective heat loss through gaps around doors, windows, pipework, skirting boards.

Power down plug in devices/ remote control sockets	Helps avoid standby and idle power on devices.
Radiator reflector panels	Reflects radiative heat into the room, better savings on solid walls.
Room thermostat	Allows room temperature to be set and switches off heating once met. Prevents overheating and wasting energy.
Secondary glazing units	Good alternative to double glazing, usually for historic homes in conservation areas as some have building restrictions.
Thermally lined curtains	In addition to double/secondary glazing it will decrease the heat loss rate from windows.
Thermostatic Radiator Valves	Allows different rooms to be set to different temperatures, reducing the heat needs in rooms that are less used.
Underfloor insulation fibre	A typical way you would insulate a solid or suspended floor.
Underfloor insulation spray foam*	This is a less typical way you would insulate a solid or suspended floor but still fine.
Water efficient shower head	This reduces the flow rate of hot water and mixes it with some air to deliver good performance with less energy.

**\*Only where it can be evidenced that the householder is not eligible for ECO but is still vulnerable.**

This table is under constant review and will be amended as new technologies or materials are developed that are proven to save energy in an average property.

The Energy Redress Scheme can also fund the following measures in vulnerable households:

**Carbon monoxide alarms** in homes with open fires or where the boiler is in a living area/bedroom.

**Cold monitors** that let people know (with sound or light) if the ambient temperature is getting too cold for them so that they put the heating on.

**Minor Repairs** to make a house airtight and to make other energy saving measures more effective.

**Monitoring equipment** for energy use and temperature, where this is needed to measure the impact of a project. When installing energy monitoring equipment, projects should explain why this is needed in addition to smart meters.

**Winter warmth packs** containing warm clothes and blankets, to help very vulnerable people in emergency situations.

### Capital items the Energy Redress Scheme cannot fund:

- ECO eligible measures if a client is eligible for ECO, this includes top up funding to enable ECO installations
- Capital items that a housing association or private landlord has a statutory duty to provide/maintain
- Any costs already covered by a government grant scheme
- Measures that are simply to improve the appearance of a property
- Measures purely designed to save water