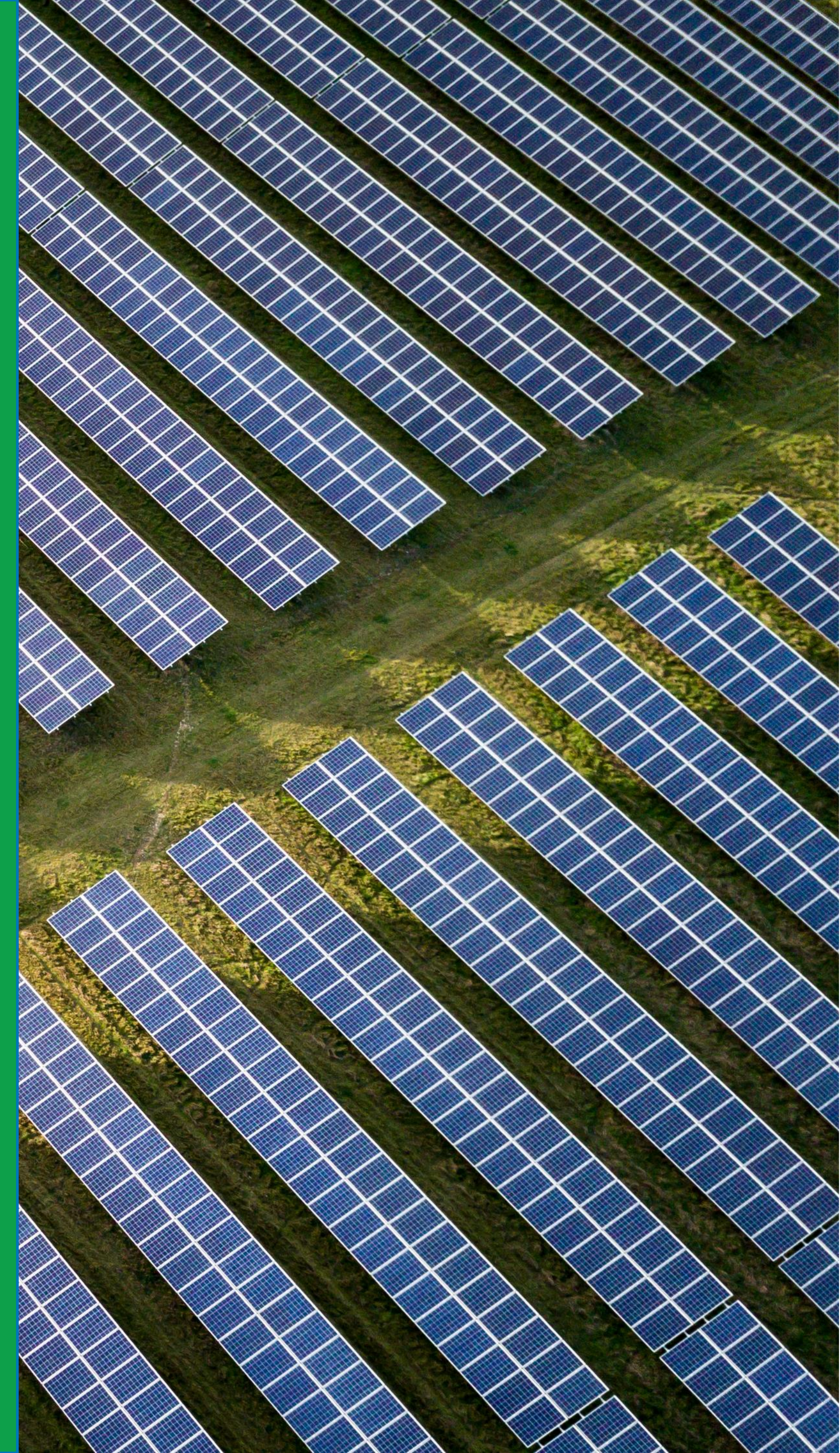




Department for
Energy Security
& Net Zero



Introduction and Purpose

In the first phase of HUG, there were only two categories of cost: Admin & Ancillary (A&A) and capital costs.

For Phase 2 of HUG, alongside A&A, two sub-categories of capital costs ('measure' and 'additional') have been introduced enable Government to distinguish how much is being spent on the measures themselves, versus other capital costs related to the whole property, such as surveys or assessments.

Grant Recipients have flexibility to decide how to categorise a wide range of costs against these categories according to the specifics of their project. The following slides provide guidance on this, building on the high-level advice provided in the guidance published on [gov.uk](https://www.gov.uk), rather than superseding it.



Categories

'Measure' capital

What is it?

Capital costs relating specifically to the installation of a measure (including labour and transportation), e.g. energy efficiency upgrades and low carbon heating

How should it be recorded?

All 'measure' capital costs must be recorded in the appropriate section of the batch form/system.

'Additional' capital

What is it?

Capital costs that do not relate to a specific measure but relate to the entire house, can be recorded as 'additional' capital.

Note that, grant recipients have the alternative option of recording these costs as A&A.

How should it be recorded?

Where a grant recipient elects to record these costs as 'additional' capital, they must be recorded in the appropriate section of the batch form/system.

The 'upfront' expenditure table of the batch form/system should be used only if the grant recipient intends to utilise the upfront capital payment provided at the start of the year.

Administrative & Ancillary (A&A) Costs

What is it?

Administrative costs – such as resource, administration, reporting, data, search costs

Ancillary costs – such as loft clearance, piping, radiators, old boiler removal, insulation removal where not covered by guarantees/insurance from previous install.

Total A&A costs are capped at 15% of the total HUG 2 funding.

How should it be recorded?

A&A costs should be excluded from the batch form and recorded via the reporting template instead.



Examples

	'Measure' Capital	'Additional' Capital	A&A
Measure product & material costs	Green	Red	Red
Installer labour costs	Green	Red	Red
Measure & installer transportation costs	Green	Red	Red
Radiators, pipework, oil boiler removal	Green	Red	Green
Measure specific enabling works, e.g. costs associated with IWI/ EWI/roof insulation such as fixing roof linings, ledges, piping, or window alignments, loft clearance etc		Red	Green
Access hatch costs		Red	Green
Waste management costs		Green	Green
Scaffolding		Green	Green
Pre and Post Building Works, for multiple measures or a whole property (remedial works; rendering a wall, painting, post-install checkups, equipment guarantees, planning permission, boiler removal, hotel stay, toilet facilities for labourers, skip etc)	Red	Green	Green
Survey costs, e.g. structural condition surveys, asbestos etc.	Red	Green	Green
PAS retrofit assessor/ coordinator/ evaluator/ adviser/ design costs	Red	Green	Green
PAS on-site compliance costs e.g air tightness test, RdSAP measurements, electrical testing, commissioning, certification	Red	Green	Green
SAP/ EPC assessments	Red	Green	Green
Ventilation upgrades or assessments	Red	Green	Green
Trustmark lodgement fees	Red	Green	Green
Heritage impact assessment	Red	Green	Green
Planning applications & statutory body approvals	Red	Green	Green
Project management, resourcing, reporting and governance costs;	Red	Red	Green
Services or to support householders with a disability	Red	Red	Green
Search costs (e.g. resident recruitment costs, income verification, comms & marketing, targeting, and lead generation)	Red	Red	Green
After-care services, & follow up visits	Red	Red	Green
Retrofit coordinator training costs	Red	Red	Green
Failed insulation costs or extraction costs (only if not covered by insurance of guarantee of previous install)	Red	Red	Green

Providing inclusion doesn't result in the measure cost exceeding the departments value for money upper limits

- Red - Measures excluded
- Green – Measures included

'Additional' Capital Costs

Definition: Capital costs that do not relate to a specific measure but relate to the entire house, can be recorded as 'additional' capital .

Note: Where a grant recipient elects to record these costs as 'additional' capital, they must be recorded in the appropriate section of the batch form/system. The 'upfront' expenditure table of the batch form should be used only if the grant recipient intends to fund the cost via the upfront capital payment provided at the start of the financial year.

Grant recipients have the alternative option of recording these costs as A&A - [in such cases the expenditure should be excluded from the batch forms/system and recorded via the reporting template instead].

Can Include (at grant recipient's discretion)

- Survey costs, e.g. structural condition surveys, asbestos etc.
- PAS retrofit assessor, coordinator, evaluator, adviser, or design costs.
- PAS on-site compliance costs (e.g air tightness test, RdSAP measurements, electrical testing, commissioning, certification)
- SAP/ EPC assessments
- Ventilation upgrades or assessments
- Trustmark lodgement fees
- Heritage impact assessment
- Planning applications & statutory body approvals
- Scaffolding
- Pre and Post building works, for multiple measures or a whole property (remedial works; rendering a wall, painting, post-install checkups, equipment guarantees, planning permission, boiler removal, hotel stay, toilet facilities for labourers, skip etc)
- Waste management

'Measure' Capital Costs

Definition: Capital costs relating specifically to the installation of a measure (including labour and transportation), e.g. energy efficiency upgrades and low carbon heating

Note: all 'measure' capital costs must be recorded in the appropriate section of the batch form/system.

Must include

- Measure product & material costs
- Installer labour costs
- Measure & installer transportation costs

Can include (providing inclusion doesn't result in the measure cost exceeding the departments value for money upper limits)

- Radiators, pipework, oil boiler removal
- Measure specific enabling works, e.g. costs associated with IWI/ EWI/roof insulation such as fixing roof linings, ledges, piping, or window alignments, loft clearance etc
- Access hatch costs
- Waste management costs
- Scaffolding

Note: Grant recipients have the alternative option of recording the costs above as A&A instead.



Administrative & Ancillary (A&A) Costs

Definition: administrative costs (resource, administration, reporting, data, search costs) and ancillary costs (loft clearance, piping, radiators, old boiler removal, insulation removal where not covered by guarantees/insurance)

Note: A&A costs should be excluded from the batch form and recorded via the reporting template instead.

Must include

Admin

- Project management, resourcing, reporting and governance costs;
- Services or to support householders with a disability
- Search costs (e.g. resident recruitment costs, income verification, comms & marketing, targeting, and lead generation).
- After-care services, & follow up visits
- Retrofit coordinator training costs

Ancillary

- Failed insulation costs or extraction costs (only if not covered by insurance or guarantee of previous install – grant recipients must check this and retain evidence in case of audit)

Can Include

Note: the list below can be recorded as either A&A, or 'additional' capital costs

- Survey costs, e.g. structural condition surveys, asbestos etc.
- PAS retrofit assessor, coordinator, evaluator, adviser, or design costs.
- PAS on-site compliance costs (e.g air tightness test, RdSAP measurements, electrical testing, commissioning, certification)
- SAP/ EPC assessments
- Ventilation upgrades or assessments
- Trustmark lodgement fees
- Heritage impact assessment
- Planning applications & statutory body approvals

Note: the list below can be recorded as either A&A, or 'measure' capital – providing inclusion in 'measure capital' doesn't result in the measure cost exceeding the departments value for money upper limits

- Radiators, pipework, oil boiler removal
- Measure specific enabling works, e.g. costs associated with IWI/ EWI/roof insulation such as fixing roof linings, ledges, piping, or window alignments, loft clearance etc
- Access hatch costs
- Waste management costs

Note: the list below can be recorded as either A&A, 'measure' capital, or 'additional' capital.

- Scaffolding
- Waste management costs