



Department for Energy Security & Net Zero

GRANT ADDENDUM NOTICE

The Department for Energy Security and Net Zero (the Authority) and Lead Grant Recipient (Receiving Party)

HUG 2 Memorandum of Understanding between the Authority and the Grant Recipient (MOU)

MOU Addendum dated (26/03/2024)

Addendum Notice no HUG20001

1. The Authority and the Grant Recipient (in receipt of this MOU Addendum) acknowledges the amended terms below of the above referenced MOU, effective from 26th of March 2024:

Summary variation:	of The HUG2 policy criterion will change based on the following aspects, under Paragraph 26 (the Authority may amend the cost caps during the Funding Period by reasonable notice in writing to respond to market conditions or other considerations) within the MOU: <ul style="list-style-type: none">• Increasing the gross annual household income threshold to £36,000 (currently £31,000).• Regrading high retention storage heaters from a Grade C measure to a Grade B measure, for electrically heated flats not able to install a heat pump. High retention storage heaters installed in other circumstances, as well as previously installed high retention storage heaters, will remain at Grade C.• Simplifying the per home cost cap structure to the following:
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	Energy Efficiency			Low Carbon Heat	
	Archetype	Cavity	Solid	Archetype	Amount
	Flat	£8k	£15k	Flat	£14 k
	Mid-terrace			Mid-terrace	
	End of terrace/semi/detached	£12k	£24k	End of terrace/semi/detached	
<ul style="list-style-type: none"> Providing flexibility for Grant Recipients to temporarily exceed the cost caps by a maximum of 20% for Energy Efficiency and Low Carbon Heating. GRs must bring down the average cost by the scheme end, and will need to pay any difference above the cost cap. There will be a review of the position of Grant Recipients at the year 2 mid-point (September 2024) to identify if corrective action is likely to be required to bring averages down. 					
Reason for variation:	<ul style="list-style-type: none"> DESNZ officials have conducted a review of HUG2 policy, taking into consideration feedback from grant recipients received to date, to identify policy iterations that would unlock more delivery without negatively impacting on scheme outcomes and continuing to maintain value for money. The implementation of these changes is required as quickly as possible, to allow increased delivery of the scheme and to maximise benefits. 				
Revised Grant:	N/A				
Revised Funding Period:	Policy changes to be implemented effective from 2 nd of April 2024 and to run to the end of the HUG2 scheme.				
Revised Payment Arrangements:	N/A				
Additional obligations:	<p>Amendment to the Definitions to include the following “Confidential information”.</p> <p>Confidential Information means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party’s personnel) whether before or after the date of the Grant Funding Agreement, including but not limited to:</p> <p>a) any information that ought reasonably to be considered to be confidential (whether or not it is so marked) relating to</p>				

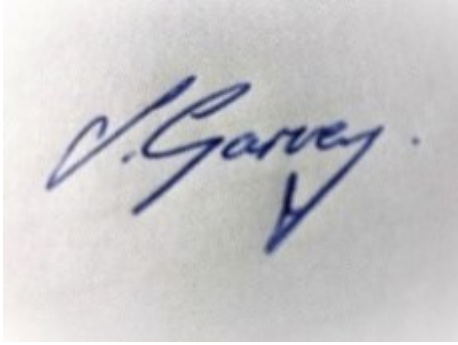
	<ul style="list-style-type: none"> i. the business, affairs, customers, clients, suppliers or plans of the disclosing Party; and ii. the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing Party; <ul style="list-style-type: none"> b) any information developed by the Parties in the course of delivering the Funded Grant Activities; c) the Authority Personal Data; and d) any information derived from any of the above; <p>Confidential Information shall not include information which:</p> <ul style="list-style-type: none"> e) was public knowledge at the time of disclosure (otherwise than by breach of paragraphs 193A.1- 193A.6. of this MOU); f) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party; g) is received from a Third Party (who lawfully acquired it) without restriction as to its disclosure; or h) is independently developed without access to the Confidential Information. <hr/> <p>The following words will be added to the MoU as paragraph 193A under the heading “<i>Confidentiality</i>”:</p> <p>CONFIDENTIALITY</p> <p>193A.1. Except to the extent set out in paragraphs 193A.1- 193A.6. of this MOU or where disclosure is expressly permitted, the Grant Recipient is expected to treat all Confidential Information belonging to the Authority as confidential and should not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, which may include the requirement to enter into a non-disclosure agreement.</p> <p>193A.2. Nothing in paragraphs 193A.1- 193A.6 may prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:</p> <p>193A.2.1. For the purpose of the examination and certification of the Authority’s accounts; or pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources.</p> <p>193A.2.2. to any government department, consultant, contractor or other person engaged by the Authority, provided that in disclosing</p>
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	<p>information under the Authority only discloses the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate; or</p> <p>193A.2.3 where disclosure is required by Law, including under the Information Acts.</p> <p>193A.3. Nothing in paragraphs 193A.1- 193A.6 may prevent either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the MOU Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.</p> <p>193A.4. The Authority reserves the right to halt payment, request repayment of funds or terminate the MoU and potentially impose future restrictions of fund allocation on similar schemes and well as use formal legal procedures, in line with the outlined processes, in cases of significant risk or concern of disclosure of Confidential Information.</p> <p>193A.5. The Grant Recipient acknowledges that it may become ineligible for Grant support and may be required to repay the Grant fund monies back under the Grant if it engages in disclosure of Confidential Information.</p>
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2. Apart from that set out in the table above, the rest of the MOU shall remain in full force and effect.
3. Terms defined in the MOU shall have the same meaning when used in this Addendum Notice, unless defined otherwise.

**Authorized to sign for and on behalf
of the Secretary of State for the
Authority**

Signature:

A photograph of a handwritten signature in blue ink on a light-colored surface. The signature is written in a cursive style and appears to read 'S. Garvey'.

Name in Capitals:

Shaun Garvey

Position in the Authority:

Programme Director

Date: 26th of March 2024