

# HUG 2 April Roundtable

- Actions from previous roundtable – **Catherine Murphy**
- Queries from GRs – **Kevin Smallwood**
- HUG2 closure timeline and processes – **Kevin Smallwood**
- Data reconciliation – **Kevin Smallwood**
  - DMS walkthrough – **Catherine Murphy/Gareth James**
  - Energy Efficiency Checker – **Lorenza Ravallesse**
- Finance: payments and clawback – **Catherine Murphy/Ross Ewing**
- Fraud and audit – **Beric Dawson**
- Transition to WH: LG – **Catherine Murphy/Alex Satchwell**

# Congrats!

- The HUG 2 scheme officially closed on the 31<sup>st</sup> March.
- A huge thank you to all the GRs for your hard work and dedication over the past 2 years.
- While this marks the end of the scheme, there is still work to be done to fully close out the scheme, we appreciate your continued effort as we move forward.

Guess the no. of homes completed as of 28<sup>th</sup> Feb:

7056

8621

9143



# Homes Completed



- 9,143 homes completed – 422 over the minimum target and counting!
- 7,555 homes completed in Year 2 thanks to your efforts in maximising delivery

# Previous roundtable recap

The last roundtable in March covered several key areas including GR support, closure timeline and processes, extenuating circumstances, finance payments and clawback, capitalisation of costs, internal audit and transition to WH: LG.

Action	Update
GRs to complete any outstanding Data Sharing Agreements for the Energy Efficiency Measure Checker tool and return to <a href="mailto:installchecker@energysecurity.gov.uk">installchecker@energysecurity.gov.uk</a> to facilitate access to Trustmark lodgement data.	All GRs have received a copy. Update to be provided today
DESNZ/Salix to provide a walkthrough of the DMS and communicate a step-by-step process for identifying and correcting errors in DMS submissions.	To be provided today
Salix to review and address outstanding legacy queries from GRs that are unresolved.	Update to be provided today
Salix to coordinate with PwC to outline the timeline and requirements of their end-of-scheme audit and provide communications to GRs regarding the audit process and expected timelines.	Audit content provided today
DESNZ to provide clarification on whether costs need to be attributed to individual properties.	To be provided today
GRs who haven't yet signed version 2 of the MoU were to do so by 28th March 2025. DESNZ to finalise and distribute version 3 of the MoU to all GRs for information.	Final Mou v3 distributed 01/04. 3 MoU v2s outstanding

# Queries from GRs

GRs raised at the last roundtable that there were queries outstanding from last year. SPOCS have now checked with every GR to ask whether there are any legacy queries and added any found to the query list.

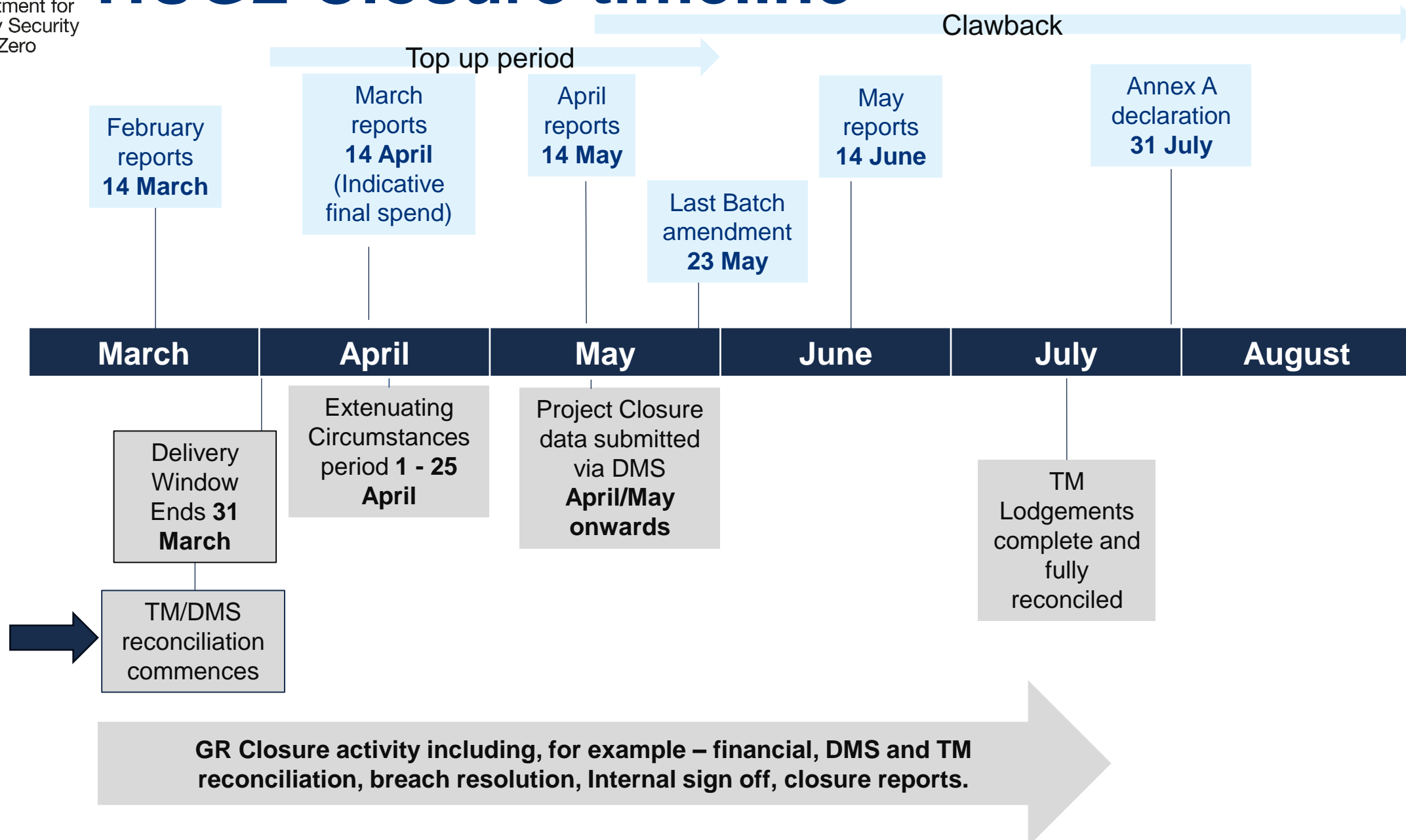
FAQ's
Total FAQs open on HUG2
40

Additional resource has been brought in to swiftly clear these queries so GRs should expect a resolution in the coming week. Where a query is more complex and cannot be cleared in that timeframe, the relevant GR will be notified.

Main themes of queries received are finance, TrustMark/PAS, policy and closure. Where possible, answers to these questions/themes will become content on the HUG Hive so that all GRs benefit from information provided to individuals.



# HUG2 Closure timeline



# Data Reconciliation

Going forward, all data submissions must be comprehensive and of high quality to ensure informed decision-making regarding final payments and closure processes, including potential clawback considerations.

## **Communications**

Please continue to escalate queries and issues via your SPOCs

Conversations with individual GRs regarding data reconciliation detail will begin once the GR final report is submitted via DMS.

## **Process**

To support you in the data reconciliation activity, the next couple of sections will focus on final reporting in DMS and Trustmark lodgement checks

# DMS Walkthrough – submitting final report

## How to submit your final HUG2 report

**Step 1:** Your final report is due when you have completed all your lodgements. Please continue to do monthly reports until that time. Once your lodgements are complete for all properties/measures notify your SPOC so that DESNZ can activate the final report setting on the web portal.

**Step 2:** log into the web portal and select the 'Final report' update link for the data return period

Data Return Period	Date Due	Status	Action	Admin
Final Report	31/10/2025	AWAITING	<a href="#">Update</a>	
October 2024	14/11/2024	CLOSED		<a href="#">Re-open</a>
▶ <a href="#">September 2024</a>	14/10/2024	CLOSED		<a href="#">Re-open</a>

**Step 3:** upload your final report and click 'Submit'. The template will be the same as the usual monthly template.



# DMS Walkthrough – cost data accuracy

**Step 1** – refer to [guidance](#) and identify where there are costs you have been attributing to A&A but where these can be attributed to either capital ‘measures’ or additional capital costs:

## Examples

	‘Measure’ Capital	‘Additional’ Capital	A&A
Measure product & material costs			
Installer labour costs			
Measure & installer transportation costs			
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			
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)			
Survey costs, e.g. structural condition surveys, asbestos etc.			
PAS retrofit assessor/ coordinator/ evaluator/ adviser/ 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			
Project management, resourcing, reporting and governance costs;			

**Any changes to capitalisation of A&A must be included in your March report (DEADLINE: 14th APRIL)**

# DMS Walkthrough – cost data accuracy cont.

**Step 2:** Do your calculations – calculate your new amounts for A&A and capital based on your revised assessment in step 1. Keep your own detailed accounts of any changes and ensure you get necessary internal approvals from relevant account/finance colleagues as per your organisation’s governance and approvals processes. There is no requirement to submit the detailed information to DESNZ, although you may wish to have them to hand during data reconciliation conversations to inform discussion.

**Step 3:** Input revised figures into DMS on Performance Monitoring KPIs tab via Total Project Administration and Ancillary Spend and Total Project Capital Spend columns. Note – there is no way of splitting out additional capital so please combine that total with capital ‘measures’ to provide one capital total.

		KPIs						Other	
Plan for next Period	Commercial Partner	Homes Signed Up This Month	Total Homes Signed Up	Homes Assessed This Month	Homes Treated This Month	Total Project Administration and Ancillary Spend	Total Project Capital Spend	Is there any additional information you wish to bring to our attention? (Optional)	Good News Stories (Optional)
									announced.htm

e
Performance Monitoring (KPIs)
Fraud
Risks
Homes in Progress
Application or Property Details
Installed Measures
Ins
...
+

# DMS Walkthrough – other key sections

- **Which properties to include – all of them, not just one month's worth.**
- **Trustmark Data Accuracy** – Data reported must be from lodgements made to Trustmark, ensuring the Trustmark Unique Measure Reference number is present. Reconciliation of data submitted in monthly reports, against Trustmark lodgement data is crucial.
- **EPC Data Accuracy** - Give the SAP score the property received after work was completed. A SAP Rating is a way of comparing energy performance of different homes – it results in a figure between 1 and 100+ (100 representing zero energy cost and anything over means you are exporting energy). Instances where the resulting SAP score is lower are not permitted by data validation rules. In such cases the same number should be reported twice, with details/explanations included
- **Application Reference Number accuracy (instances identified where GRs have changed application references for the same property)** - Provide the unique reference number, assigned by the LA, for each application to ensure data can be linked and accurately monitored.
- **Accurate 'month completed' information for properties** - Only once a home has had all measures installed, and received its relevant TrustMark Unique Measure Reference numbers, should it be reported to DESNZ, with the month completed column confirming when the home was finished
- **Queries from GRs:**
  - **'Wet central heating' measure** – To record this, report it as the measure installed as part of the main work. For example, ASHP.
  - **Wall Type Information Accuracy** – needed so that we can do calculations for cost cap breaches. Provide the type of wall that was treated when installing the measure from the following options: Solid Wall (Sandstone, Granite, Solid) , Cavity Wall or Other (Timber, System Build, Park Home). If walls are not treated, please select N/A.

# Energy Efficiency Installation Checker



Prevent duplicate  
funding of measures



Verify measure is lodged  
with TrustMark or MCS.



Use Energy  
Performance  
Certificate information  
to manage fraud and  
error

You will **only** have access to the checker once the DSA has been signed  
and users to adhere to the User Access Policy

A separate walk-through session will be organised for those with access  
and full training materials will be shared.

# Energy Efficiency Installation Checker

## Data Sources

Scheme  
Administrators –  
provide address and  
measure details

Monthly Refresh

Lodgement Data  
(TrustMark/MCS)

Live Link

Energy Performance  
Certificate

Refreshed every 6 weeks

Validation &  
Loaded into  
the Checker

## Users

e.g.

- DESNZ
- Scheme Administrators (LAs, Ofgem).
- Energy Suppliers
- DESNZ Delivery Partners

# Energy Efficiency Installation Checker

## Property details

UPRN

Address

## Measures installed at this property (8)

## About the property

### Loft Insulation (from HUG2)

**Data Source** Home Upgrade Grant Phase 2 (HUG2)

**TrustMark certificate**

#### Measure details

**Post Installation Sap** 84

**Pre\_installation Heating Fuel Source** Electricity

**Number of Walls Treated** 0.0

**Wall Type** Cavity Wall

### Loft Insulation (from TrustMark)

**Data Source** TrustMark

**Installation date** 15 August 2024

**TrustMark certificate** P219274-1

#### Measure details

**Scheme name** HUG2

**Measure Type** Loft insulation where there is less than or equal to 100mm pre-existing insulation

**Handover Date** 09/09/2024

**Unique Measure Reference** P219274HRUR

**Lodgement Type** HUG

**Trustmark Trade Code** 93



Department for  
Energy Security  
& Net Zero

## Energy Efficiency Installation Checker

Email signed DSAs and enquiries to:  
[installchecker@energysecurity.gov.uk](mailto:installchecker@energysecurity.gov.uk)



# Finance: Payments and clawback

## Top up payments

- DESNZ wrote to all GRs 19th March confirming the current understanding of financial position and the value of the March payment.
- The first round of top up payments will be made in April for those GRs whose February data returns indicated a requirement for further funding. Confirmation to recipient GRs will be issued w/c 7 April.
- The March data return will be used to calculate whether any additional payments are necessary in May.

## Final payment

- If necessary, a final payment will be made at scheme end once final data has been submitted and cleared.
- The March, April and May data returns will inform that potential payment, along with information gathered as part of the data reconciliation process.

## Clawback

- Return of funding by Grant Recipients to the Department will take place after final spend reports and financial reconciliation is complete - from May at the earliest.
- DESNZ will work with the GRs to identify unspent funding and any policy breaches which may be subject to clawback.
- Clawback decisions will be informed by the data provided by GRs in the monthly uploads and the data reconciliation outcomes.





# Fraud

HUG counter fraud closure actions	2025						
	March	April	May	June	July	August	September
HUG scheme closure (31 March 2025)		◆					
DP update of scheme-wide FRA		◆					
GRs to update HUG FRA and FMP							
GR engagement session on scheme closure		◆					
Conclusion of ongoing/legacy cases							
Reporting of new cases to the DP							
"Significant cases" will continue to be reported to DP							
No further cases reported to the DP							◆
Site Visits							
GRs to make final Trustmark lodgements							
Monthly Trustmark lodgement reconciliations (DP)		◆	◆	◆	◆		
Outstanding Trustmark lodgements reported and agreed with to the Department							

# Transition

## Eligible

- For those GRs that have had Extenuating Circumstances rejected.

## Approach

- Where a home has been assessed under HUG2 but not delivered we require this to be recorded as an abortive cost (under HUG2) which is considered as A&A spend. If eligible, the home will be transferred over to Warm Homes Local Grant and capital costs will be spent under WHLG scheme.

## Extenuating Circumstances transitions: Next Steps

- This is **not** applicable to all projects and therefore, we will be organising a transition specific session with relevant GRs to discuss in further detail, please look out for this invite.
- Where homes were included in the batch system but not scheduled for delivery under HUG2 by 31 March, please follow the same approach above.

**Q: Is paying invoices received after 31 March 2025 permissible from the HUG2 24-25 allocation?**

A: Yes – funding paid by the department is for 24/25 allocation. All payments to fund HUG 2 works was requested by GRs in 24/25; therefore, all invoices received by GRs after 31st March pertain to 24/25 works.

**Q: The deadline for Chief Exec/Internal Auditor declaration is 5th May 2025, is there scope for this to be extended?**

A: Yes – to 31 July 2025.

**Q: How can GRs close off any missing grant payments before the process closes?**

A: There will be another top up payment opportunity in May to close off any additional funding requirement for scheme delivery.

**Q: What is the process for receiving the additional grant that GRs have budgeted for but was held back to cover costs?**

A: If applicable ,there will be another top up payment opportunity in May to close off any additional funding requirement for scheme delivery.

**Q: As completion of our scheme has been extended into April, can we claim staff time for April from A&A?**

A: The department expects GRs to have A&A costs after 31/03 and therefore expects some A&A expenditure to be recorded after 31/03.

**Q: Are you able to share current findings from the HUG2 EWI/IWI inspections following the ministerial announcement in January?**

A: Work is progressing on Capital Schemes audits, findings and outcomes will be shared with relevant GRs in due course alongside next steps and responsibilities of the GR. We will also organise another town hall session once we have shared the findings to discuss next steps.

**Q: What are the lessons learned from HUG2 that Local Authorities should consider in the mobilisation and delivery of the WHLG?**

19 A: Salix will be hosting 3 lessons learned webinars: 30/04, 07/05 and 15/05. Information on how to participate will be circulated on Monday.