HNES Q&A.

Questions	Answers
When match funding is required to be collected through service charges from leaseholders, would a Section 20 notice need to be undertaken before any application?	Ideally, the Section 20 notice would be undertaken before an application is submitted. This will grant us greater confidence that the matched funding will be available. If applicants prefer to undertake this after grant funding has been awarded, a justification must be provided in the application, including what level of risk there is that the leaseholders reject the increase in service charges and where else the funding could come from to ensure the project can go ahead.
What is the maximum amount of funding that can be provided for a single capital grant application?	Applicants can apply for up to, but not including, 50% of the total amount incurred for the capital measures.
Are tertiary pipework and radiator upgrades not eligible if a project is replacing a warm air heating system and installing a new wet system including pipework and radiators alongside the HIU?	Yes, any pipework or radiators within dwellings are ineligible for funding.
How can I direct people towards the right information for HNES?	This application seminar is recorded and will be available on YouTube. For more information on the scheme, please visit Gemserv's website or find our guidance documents here.
Is the recommended revenue budget range of £15,000-£24,000 per financial year or per application?	This range is per optimisation study.
The current capital application form only allows funding up to 2025/26. Is there a new application form to include 2026/27 and if so, when will this be available?	The new application form with the updated years is available from 19th June 2024. To receive a copy, please email hnes@gemserv.com.
Are obsolete HIUs eligible for funding whether demised or not to leaseholders?	Replacing HIUs are eligible for funding if replacing them improves efficiency and customer experience. If a leaseholder owns the HIU and is responsible for its maintenance, then this would be eligible under HNES. However, This may prove difficult if you need to get approval (and potentially commitment for matched funding) from all leaseholders to replace HIUs.
How long does the first pass review take?	This should take around a week, depending on how many other applications are asking for a review. This can get busier towards the round deadlines.
Will Round 8 be impacted by the	No, we are not expecting any major

election?	changes to funding rounds due to the election. The only major impact has been the delay to Round 6 outcomes. There has always been cross-party support for heat networks.
Will the financial model be required as evidence as part of the capital funding application?	There is no requirement to submit a financial model as required for GHNF. However, when submitting a HNES application, we would like to understand the calculations made behind the scenes to develop costings for a project and targeted savings. Any supporting information is welcome.

NOTES TO EDITORS

HNES can provide up to 50% of eligible project costs for capital grant applications and up to 100% of eligible project costs for revenue (Optimisation Study) grant applications. Applicants will need to submit a completed application form along with supporting evidence – and will be assessed and scored against criteria.

Those interested in applying for the scheme can express their interest by emailing HNES@gemserv.com.

The Heat Network Efficiency Scheme Guidance is available on the gov.uk website here.

General enquiries and expressions of interest can be sent to HNES@gemserv.com.

More information about HNES including upcoming events can be found on Gemserv's website, the delivery partner for the HNES Scheme, here.

Gemserv has been appointed as the Delivery Partner for HNES supported by Ramboll who will be providing technical assessment, Turner & Townsend providing applicant support and Lux Nova providing legal support.

Department for Energy Security & Net Zero

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