

CABINET

DATE	1 st April 2026
REPORT OF	Councillor Stewart Swinburn - Portfolio Holder for Housing, Infrastructure and Transport
RESPONSIBLE OFFICER	Carolina Borgstrom – Director of Economy, Environment and Infrastructure
SUBJECT	Warm Homes Local Grant Procurement Options
STATUS	Open
FORWARD PLAN REF NO.	CB 04/26/03

CONTRIBUTION TO OUR AIMS

The implementation of the 'Warm Homes: Local Grants' (WH:LG) scheme will support the Council Plan 2025 - 2028 outcome of 'Stronger Communities' by enabling investment to achieve 'Good & Sustainable Homes' which supports the Council's aims 'where everyone has the right to have a safe place called home' and by contracting with providers will result in 'improvements to the quality of existing homes within the Private Rented Sector' across the Borough of North East Lincolnshire.

In addition, the scheme will 'support people to create greener and more energy efficient homes' and support the Council's ambition where 'we want everyone in North East Lincolnshire to benefit from a green economy and high-quality environment' which will also support 'support North East Lincolnshire to hit the target of carbon net zero by 2050'.

EXECUTIVE SUMMARY

This report sets out the intentions of the Council to progress with a procurement exercise and award a contract to deliver energy efficiency measures through funding awarded by Central Government under the 'Warm Homes: Local Grants' (WH:LG) scheme. The scheme has already commenced year one (1) and for years two (2) and three (3) will be awarded via a framework.

The funding requires spending by 31 March in each respective year and by the end of the scheme and funding, the Council will have successfully improved the lives of people living in the most fuel poor homes and who will benefit from improved properties within North East Lincolnshire.

RECOMMENDATIONS

It is recommended that Cabinet

1. Approves the commencement of a procurement exercise for year two (2) and three (3) of the Warm Homes Local Grant scheme for energy efficiency improvements for eligible homes across North East Lincolnshire.
2. Delegates authority to the Director of Economy, Environment, and Infrastructure, in consultation with the Portfolio Holder for Housing, Infrastructure and Transport, to deal with all matters leading to and including the award of contracts for the provision of professional support with this matter and thereafter deal with implementation and all ancillary matters reasonably arising.
3. Authorises the Assistant Director Law and Governance (Monitoring Officer) to execute and complete all requisite legal documentation in relation to the matters outlined above.

REASONS FOR DECISION

To enable the Council to progress with the procurement through a framework to award a contract for year two (2) and three (3) of the 'Warm Homes: Local Grants' (WH:LG) scheme.

1. BACKGROUND AND ISSUES

On the 5th September 2024, the Department for Energy, Security and Net Zero (DESNZ), invited Local Authorities (LAs) to submit Expressions Of Interest (EOIs) to receive funding within the new 'Warm Homes: Local Grants' (WH:LG) scheme. This programme follows on from the 'Local Authority Delivery 3' and 'Home Upgrade Grant 2' which the Council delivered previously.

On the 5th November 2024 Business Development Group (BDG) approved a Business Case Service Statement to allow the Council to submit the EOI in Partnership with Midlands Net Zero Energy Hub (MNZEH)

The criteria of the scheme that will be delivered through framework contracts will provide energy efficiency upgrades and low carbon heating via local authorities to households who are:

- Low Income (the income threshold has increased from previous schemes)
- Have an Energy Performance certificate (EPC) between D and G
- Privately owned or privately rented
- Postcodes located within Income deciles 1-2 of the Indices of multiple deprivation (IMD:ID-1-2)

The measures include:

- Insulation (LI/IWI/EWI/CWI)
- Solar Panels
- An air source heat pump if suitable

- Energy efficiency Improvements

On the 3rd March 2025 MNZH were awarded an estimated allocation of funding over a three-year period, outlined in table one (1) below. Year one (1) of the project is being delivered by Y.E.S Energy Solutions, an extension from LAD 3 and HUG 2. Funding allocated in each financial year must be spent within each year and cannot be deferred or transferred to another financial year.

Table 1 - The allocation over three (3) years is as follows

	Capital	A&A (10% Capital)	FY Total
FY 25/2	£125,000	£12,500	£137,500
FY 26/27	£380,000	£38,000	£418,000
FY 27/28	£375,000	£37,500	£412,500
Scheme Total	£880,000	£88,000	£968,000

On 7th August all grant documentation was sent for approval from MNZH.

The primary objective is to tackle fuel poverty and to meet the statutory fuel poverty 2030 target. This scheme will assist the most vulnerable residents who are unable to access funding on existing schemes. The energy efficiency measures will improve the properties EPC rating to a C, resulting in residents paying less for their fuel and lift them out of fuel poverty.

The secondary objective is to progress towards reaching the net zero 2050 target for the Borough through achieving carbon savings in home upgrade and improving the health and wellbeing of residents

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

Spending the allocation for the first year by March 2026

Opportunities will improve residents health and lifestyle living in a warmer home, and improve the energy rating and performance of the properties.

Equality Issues improve quality of housing and residents lifestyle

3. OTHER OPTIONS CONSIDERED

- 3.1. Option 1 - Do Nothing – Is not considered as a viable option as the funding would be unspent and have to returned to the government and residents will still live in fuel poor homes.
- 3.2. Option 2 - Would be to go through a full procurement process and explore the options in the market . This issue with this option is the arrangement would not be in place for 01 April 2026, and the Council could lose the funding. The time and resources of carrying out a full procurement.

- 3.3. Option 3 – Deliver the three year programme and reprocore through a framework for year 2 and 3, using Fusion 21. Having a streamline process from year 1. Fully compliant framework with selected suppliers who comply with a pre-agreed set of terms and prices in compliance with the Public Procurement 2015. This would be in place for 01 April 2026. This is the recognised framework and has been benchmarked against other Council's.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 Delivering the scheme using available funding will generate positive reputational and communications benefits for the Council, as it will support households in fuel poverty and reduce CO2 emissions.
- 4.2 A communication plan will be in place to ensure residents and landlords are aware of the scheme and furthermore will be supported throughout the project. The scheme provides a positive message to support improving the external appearance of properties in some our most deprived wards.

5. FINANCIAL CONSIDERATIONS

To achieve the proposed energy efficiency improvements within the borough by spending the grant funding allocated. No match funding is required.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

This funding could improve the children's lives and living standards improving the energy efficiency rating of the properties. Giving the household a better standing of living

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

This proposal will make an overall positive contribution to the Council's published commitments on climate change and the environment by reducing CO2 in the Borough and supporting the delivery of a low carbon future for North East Lincolnshire.

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

The proposal of implementing the Warm Homes Local Grant will improve energy ratings of properties through energy efficiency improvements. Residents housing conditions and living standards will be improved. The proposal supports the delivery of the Joint Health and Wellbeing strategy and aligns with several Marmot Principles

9. CONSULTATION WITH SCRUTINY

There has been no consultation with Scrutiny to date.

10. FINANCIAL IMPLICATIONS

The Warm Homes: Local Grants scheme is fully funded by external grant funding. The procurement exercise should ensure no impact on core council budget whilst also delivering value for money.

11. LEGAL IMPLICATIONS

11.1 The approach recommended is a framework contract which has the benefits of approved suppliers already meeting certain benchmarks and flagging agreement in advance to appropriate terms and conditions. Further, the Council may achieve better terms by combining its volume with the other public bodies also taking part.

11.2 There are further advantages of assurance in that any such framework by necessity must be compliant with Procurement Act 2023. A framework approach is considered good practice and comes with its own efficiencies.

11.3 The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Procurement Act 2023, and supported by relevant officers. Legal Services will support the completion of the contractual documentation on award.

12. HUMAN RESOURCES IMPLICATIONS

There are no anticipated TUPE implications for the delivery of the service and the procurement. Oversight of the framework will be delivered within existing resources.

13. WARD IMPLICATIONS

The policy will affect all wards in North East Lincolnshire.

14. BACKGROUND PAPERS

None

15. CONTACT OFFICER(S)

Jade Hassan – Environmental Health & Housing Manager
Paul Wilmot – Housing Enforcement Manager
Debra Fox – Home Energy Officer

Councillor Stewart Swinburn
Portfolio Holder for Housing, Infrastructure and Transport