

GREATER **LONDON** AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2737

Retrofit contract extension

Executive summary:

The Mayor wants to make London a net zero-carbon city by 2030, while protecting the most disadvantaged by tackling fuel poverty. A core element of this is action to decarbonise London's building stock, which is the source of more than 60 per cent of the capital's emissions. In December 2024 the GLA submitted an Expression of Interest to the Warm Homes Local Grant funding programme, the guidance for which indicates that we can expect to receive a funding allocation for the period 2025 to 2028, even if the quantum is to be confirmed. The Department for Energy Security and Net Zero (DESNZ) expect us to us to have contractors in place by the end of March in order to pass a Delivery Assurance Check and commence delivery. To allow time to procure an installer base large enough to deliver this retrofit programme we intend to exercise the GLA's option to extend the contract with our current service provider until such time as we are awarded funding and are able to request a Mayoral Decision to receive this funding and to cover the period until a fuller procurement process can be completed.

Decision:

That the Executive Director of Good Growth approves expenditure of up to £219,000 to allow an extension of the contract with Everwarm Ltd for six months.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

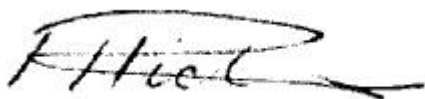
It has my approval.

Name: Rachael Hickman

Position: Interim Executive Director,
Strategy and Communications

Signature:

Date: 19 February 2025



pp. Rachael Hickman on behalf of Philip Graham

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Mayor wants to make London a net zero-carbon city by 2030, whilst protecting the most disadvantaged Londoners by tackling fuel poverty. This is an extensive ambition, given the scale of fuel poverty and the low take-up of energy-efficiency measures. The Mayor has also committed to working with boroughs and housing associations to forge a bold new approach to retrofitting buildings and reduce energy costs.
- 1.2. According to the latest data, in 2023 there were an estimated 379,000 households living in fuel poverty in London. This equates to 10.2 per cent of all households. The Mayor has set out his programme of actions to address fuel poverty in London (consistent with his powers) in his Fuel Poverty Action Plan. Homes account for around 36 per cent of London's carbon emissions, so there is also significant potential to reduce emissions through retrofit.
- 1.3. The Mayor's Warmer Homes programme has operated since 2018 and has delivered significant benefits. Overall investment from the Mayor to date has been £17.1m, alongside match-funding of £65m from central government, energy suppliers and boroughs. By December 2024 it had improved the homes of over 5,100 Londoners.
- 1.4. The Mayor approved the receipt and expenditure of Homes Upgrade Grant 2 (HUG2) funding (MD3132). A contract award was subsequently made to Everwarm Ltd to deliver the HUG2 programme.
- 1.5. In December 2024 the GLA, in collaboration with London Councils, 30 boroughs and the City of London through the Warmer Homes London hub, submitted an expression of interest to the Warm Homes Local Grant programme to secure funding to retrofit the homes of low-income owner-occupiers and private tenants. The guidance for this funding programme indicates that the GLA can expect to receive an allocation over the three-year period 2025–2028 although the amount has not yet been communicated to us. A Mayoral Decision will be sought to approve receipt of this funding.
- 1.6. Our intention is to procure a group of contractors to work across London to deliver the programme, however this process is expected to take until the end of summer 2025. In the meantime, we propose to exercise the GLA's option to extend the contract of the current provider, Everwarm Ltd, to permit delivery from April 2025 until such time as this procurement is completed. Our contract with Everwarm Ltd commenced in March 2024 and was procured on the basis of an initial term of 12 months (ending on 12 March 2025) with options to extend for up to two further years. Therefore approval of a six-month extension is sought to allow us to extend the value and duration of the contract to cover the period until the above-mentioned procurement has been completed and a decision has been made on any award for Warm Homes Local Grant funding to the GLA. If the GLA's funding allocation is confirmed, all spend approved through this Director Decision will be recouped from our Warm Homes Local Grant award.
- 1.7. The GLA's contract with Everwarm Ltd was awarded under a 3rd Party Dynamic Purchasing System for Retrofit Programme Delivery Services set up and administered by ProcurePlus Ltd, Publication reference: 2021/S 000-012219, publication date: 1 June 2021.
- 1.8. Everwarm Ltd has indicated that they have several households who were ineligible for HUG2 but are eligible for Warm Homes Local Grant and where work could take place from 1 April 2025, allowing the GLA to make an early start on delivery under this programme.
- 1.9. In due course, responsibility for the coordination of the Warm Homes Local Grant programme, and liaison with the associated contractors, will transfer to the new Warmer Homes London office that is being established jointly by the GLA and London Councils.

2. Objectives and expected outcomes

2.1. The proposed contract extension will:

- provide time to procure an installer base large enough to deliver the Warm Homes Local Grant programme across London
- ensure that we have a contractor in place to begin early delivery of on our obligations under the Warm Homes Local Grant from April 2025, avoiding a considerable gap whilst we procure new suppliers.

3. Equality comments

3.1. Under section 149 of the Equality Act 2010, as a public authority, the GLA is subject to the public sector equality duty and must have due regard to the need to:

- eliminate unlawful discrimination, harassment, and victimisation
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a relevant protected characteristic and those who do not.

3.2. Protected characteristics under section 4 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (all except the last being “relevant” protected characteristics).

3.3. The GLA will take appropriate steps to ensure there are no potential negative impacts on those with protected characteristics in relation to the development, design, targeting, marketing, and delivery of the scheme. This will be done by ensuring compliance with the Mayor’s Equality, Diversity and Inclusion Strategy; and developing and testing in line with GLA guidance on equality and diversity. Those with protected characteristics will gain from the positive benefits of this scheme in equal measure, should their households be eligible; and there will be equality of access to participate in the delivery of, and benefit from, the scheme, without discrimination.

3.4. Black, Asian and Minority Ethnic communities are almost 60 per cent more likely to be fuel-poor than White households. Those with disabilities or long-term illnesses are 50 per cent more likely to be fuel poor. According to GLA polling (2023), 51 per cent of social housing tenants and 40 per cent of private tenants in London said they would definitely or probably struggle to meet their housing payments in the next six months. Londoners from a Black, Asian or Minority Ethnic background were more likely to have struggled to meet housing payments in the last six months; and to feel less confident about meeting them, without a struggle, in the next six months.

3.5. Efforts are made to reach the above populations for retrofit programmes through engagement with partners. Resident engagement work, and the objectives that have been formulated through consultation with community energy groups, will need continued testing and refinement through working with community groups.

4. Other considerations

[Links to Mayoral strategies and priorities](#)

4.1. The items listed in this decision form will contribute towards delivery of the three Mayoral mandates for improving London’s housing stock, reducing non-residential emissions and upgrading London’s infrastructure.

- 4.2. The programmes funded through this DD will help achieve several relevant London Environment Strategy policy proposals:
- Proposal 10.1.2.a: To support start-ups and business growth across the economy, including in the low carbon and environmental goods and services sector.
 - Proposal 10.1.1.e: The Mayor will work with stakeholders from across the financial and environmental sectors to develop financing mechanisms.
 - Proposal 6.1.2.a: The Mayor will work with partners to help alleviate fuel poverty in London through implementing the recommendations of the Fuel Poverty Action Plan.
 - Proposal 6.1.1b: Pilot innovative methods to implement the stronger energy-efficiency retrofitting needed.
 - Proposal 6.1.1a: Contribute to helping Londoners improve the energy-efficiency of their homes, where appropriate, by providing technical assistance, support, and funding.
- 4.3. The relevant Equality, Diversity & Inclusion Strategy objectives are objectives 4 (to lower the city's carbon emissions) and 6 (to address financial hardship).
- 4.4. The relevant Health Inequalities Strategy objective is: through the Mayor's London Food Strategy and Fuel Poverty Action plan, to work with partners to tackle food poverty and fuel poverty and their impacts on vulnerable Londoners.

Key risks

- 4.5. The key risks to the delivery of this programme are set out in the table below:

Risk no.	Risk	Likelihood (1-4)	Consequence (1-4)	Rating	Mitigation
1	Not meeting programme time frames	2	4	8	This decision request allows sufficient time and TfL Procurement have been fully engaged.
2	Contractor does not agree to contract variations	2	4	8	Preliminary discussions have taken place with the contractor and they are familiar with the requirements of the Warm Homes Local Grant
3	Delay in receiving Warm Homes Local Grant funds	1	3	3	This extension allows us sufficient time
4	Procurement exercise taking longer than anticipated	2	4	8	We have engaged specialist support through the Zero Carbon Accelerator (ZCA) framework to ensure timely award

Conflicts of interest

- 4.6. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1 Approval is requested for expenditure of up to £219,000 to allow for an extension to the contract with Everwarm Ltd for a period of six months. This is composed of £186,000 for works and up to £33,000 for administration and ancillary costs, including contractor management fees and house assessment costs.
- 5.2 This expenditure will be funded from the HUG2 indicative budget for 2025-26. It is important to note that the 2025-26 budget has not yet been approved and until it is this budget is subject to change.

6. Legal comments

- 6.1 The decisions requested of the Director fall within the general powers of the GLA in section 30 of the Greater London Authority Act 1999 (GLA Act) to do anything which it considers will further any one or more of its principal purposes. Those principal purposes include furthering the promotion of social and economic development in Greater London. Section 34 of the GLA Act also allows the GLA to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In formulating the proposals in respect of which a decision is sought, officers have complied with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people under section 33 of the GLA Act
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom under section 30(4) and (5) of the GLA Act
 - consult with appropriate bodies under section 32 of the 1999 Act.
- 6.2 In taking the decisions requested, the Director must have due regard to the Public Sector Equality Duty namely the need to: eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; advance equality of opportunity and to foster good relations between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Director should have particular regard to section 3 (above) of this report.
- 6.3 If the Director makes the decisions sought officers must ensure that:
- no reliance is placed on nor commitments made in reliance of Warm Homes Local Grant funding until its award is confirmed on a legally binding basis
 - the GLA's contract with Everwarm limited is extended in accordance with its provisions.

7. Planned delivery approach and next steps

- 7.1 The project will be delivered according to the following timetable:

Activity	Timeline
Contract variations agreed	21 February 2025
TfL Commercial Assurance Meeting	3 March 2025
Contract extension begins	11 March 2025

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

John Kolm-Murray has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Megan Life has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 17 February 2025.

✓

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date: 19 February 2025