

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2744

Title: Approval of two Croydon Homes to be treated in line with HUG2 Scheme

Executive Summary:

This decision seeks formal approval to fund retrofit works for two homes in Croydon. The homes were originally batched under the Home Upgrade Grant Phase 2 (HUG2) scheme, but will now be funded from alternative GLA funding.

The two homes in question were assessed as suitable for retrofit, and homeowners were advised they would receive improvements. However, following instructions from the Department for Energy Security and Net Zero (DESNZ)'s delivery agent, Salix Finance, they must now be removed from the GLA HUG2 programme to ensure compliance with programme rules. To prevent these households from missing out on much-needed energy efficiency measures, this decision proposes using other GLA budget to fund the works. This approval will ensure that the affected households still receive the planned retrofit measures without disruption while maintaining compliance with HUG2 funding rules.

Decision:

That the Assistant Director of Energy approves expenditure of £23,915.36 capital funding for the treatment of two homes in Croydon under the HUG2 programme.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. Available funding is allocated from the Warmer Homes capital budget, which was intended to supplement HUG2 but remains underspent.

No conflicts of interest have been identified in relation to this decision.

It has my approval.

Name: Megan Life

Position: Assistant Director of
Environment and Energy (Interim)

Signature:



Date:

04/03/2025

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Home Upgrade Grant Phase 2 (HUG2) is a government-funded programme aimed at improving the energy efficiency of eligible homes. The GLA is delivering HUG2 in partnership with Sureserve/Everwarm under Mayoral Decision (MD) 3132, focusing on assisting low-income Londoners.
- 1.2. During the batching process, two homes in Croydon were mistakenly included in the scheme. Salix Finance, acting as a delivery agent for the Department for Energy Security and Net Zero (DESNZ), has since clarified Croydon's withdrawal from the GLA-led HUG2 scheme. Croydon is instead part of a consortium led by Portsmouth City Council. To ensure there is no duplication of funding, we have reached out to Salix and Arup for confirmation that these homes are not being funded via another HUG2 consortium.
- 1.3. These homes remain eligible for retrofit measures but now require alternative funding due to their administrative removal from HUG2. To maximise the impact of available funding and ensure continuity of service to affected residents, GLA Warmer Homes capital funds (approved through MD3132) will be used to cover the costs of these two homes.

2. Objectives and expected outcomes

- 2.1. The primary objective of this decision is to ensure compliance with the Home Upgrade Grant Phase 2 (HUG2) funding agreement by formally removing the two Croydon properties from the GLA-led HUG2 programme. As Croydon is not part of this specific programme, this step is necessary to align with the funding rules set by the Department for Energy Security and Net Zero (DESNZ) and its delivery agent, Salix Finance.
- 2.2. In addition to compliance, this decision aims to maximise the number of London homes benefiting from approved retrofit measures by reallocating resources appropriately within the GLA's retrofit programmes. By securing alternative funding, the affected households will still receive the planned energy efficiency improvements, contributing to the broader goal of reducing fuel poverty in London.
- 2.3. Finally, this decision will directly support two households in Croydon that were initially included in the HUG2 programme, ensuring they are not disadvantaged due to administrative errors. These homes have already been assessed as eligible for retrofit measures, and this funding will enable them to proceed with much-needed energy efficiency improvements, helping the families to reduce their energy costs and improve the comfort of their homes.

3. Equality comments

- 3.1. This decision does not alter the eligibility criteria or scope of HUG2 and will continue to support low-income households in improving home energy efficiency. No adverse impact on those with protected characteristics is expected.

4. Other considerations

- 4.1. The risk of non-completion for these homes is mitigated by securing alternative GLA funding.
- 4.2. There is a potential reputational risk if Croydon Council is not informed of the decision, as it could have sought alternative funding routes for the affected households. To mitigate this, the GLA has

contacted Salix and Arup to confirm that these homes are not receiving support from another HUG2 consortium.

4.3. There is no risk of overspending as funds are within the approved budget.

5. Financial comments

5.1. This adjustment does not alter the total funding allocation for HUG2 delivery.

5.2. The cost for treating these two homes is £23,915.36.

5.3. This funding will be drawn from the Warmer Homes capital budget, meaning there is no new financial commitment beyond approved expenditure.

5.4. The funding aligns with the objectives of the Energy Unit's capital allocation for home energy efficiency improvements.

6. Planned delivery approach and next steps

Activity	Timeline
Official removal of two Croydon homes from HUG2	31 January 2025
Submission of revised funding request	31 January 2025
Approval of GLA funding for Croydon homes	10 February 2025
Instruction to retrofit supplier to proceed	11 February 2025
Completion of retrofit works	31 March 2025
Final valuation & invoicing	30 April 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 either be published 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 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:

James Murray has drafted this report in accordance with GLA procedures and confirms the following:

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 3 March 2025

✓

ASSISTANT DIRECTOR, FINANCIAL SERVICES:

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

Signature:

Anna Eastcott

Date:

03/03/2025