

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3366

Title: Warm Homes Local Grant 2025-2028

Executive Summary:

The Mayor is committed to making London a net zero carbon city by 2030, while ensuring that the most disadvantaged are supported, particularly by tackling fuel poverty.

The GLA has successfully secured £53,470,024 from the Department for Energy Security and Net Zero through the Warm Homes Local Grant (WHLG) competition for delivery in London between 2025 and 2028. This funding will enable energy inefficient improvements to homes and low carbon heating upgrades for low-income households in energy-inefficient homes. This decision seeks formal approval to accept and allocate this funding.

Decision:

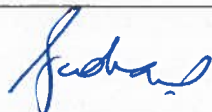
That the Mayor approves receipt and expenditure of £53,470,024 of Warm Homes Local Grant funding from the Department for Energy Security and Net Zero.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

2/4/25

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

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 a stretching ambition given the scale of fuel poverty and the low take-up of energy efficiency measures. He has also committed to forging a bold new approach to retrofit, working with London's local authorities and housing associations.
- 1.2 In 2023 there were an estimated 379,000 households living in fuel poverty in London, which 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.
- 1.3 Low-income Londoners are facing a cost-of-living crisis, exacerbated by increases in energy prices and inflation. Since October 2020, the price cap on energy bills has risen significantly.

Warmer Homes London

- 1.4 Warmer Homes London (WHL) was announced in February 2025 and will see the Mayor of London and London Councils work in partnership with London local authorities and housing associations to unlock millions of pounds from a national pot of £1.79 billion to spend on energy saving measures for the most vulnerable residents in the capital. WHL will make London's homes greener and turbocharge the installation of insulation, solar panels and heat pumps across the capital.
- 1.5 The Mayor of London and London Councils are funding WHL together, with the Mayor investing up to £10 million (see Director Decision 2716) to establish a new hub to ensure that the programme is delivered at pace. London local authorities are also investing £400,000 in start-up costs.
- 1.6 Warm Homes London Grant (WHLG) is the element of the Warm Homes Plan funding, announced by the government in September 2024, available to low-income owner-occupiers and private tenants. Delivery of the programme will initially be led by the GLA as lead authority.
- 1.7 In parallel, London Councils have secured £77.9 million in funding from the Warm Homes Social Housing Fund to improve an estimated 8,058 homes across 27 boroughs and housing associations. For the sake of continuity, Warm Homes Social Housing Fund will be delivered through WHL immediately whereas WHLG is expected to transition by April 2026 as the hub develops sufficient capacity to take on both programmes.

Warm Homes Local Grant

- 1.8 Officers made a successful bid for £53,470,024 to the Department for Energy Security and Net Zero (DESNZ) for funding from WHLG. In line with the delivery and eligibility requirements of the WHLG programme, this will be used to improve the energy efficiency of around 3,665 low income, low energy efficiency homes. It will be available to residents of 30 London boroughs and the City of London, with residents of Barking & Dagenham and Croydon able to access funds through their boroughs' own allocations.
- 1.9 Should approval be granted the programme will commence in April 2025 and continue until no later than March 2028. The GLA will receive an initial payment of £1.99 million in May/June 2025 and will receive the remainder in instalments following approval of regular batch submissions of assessed homes. Payments from DESNZ will follow up to eight weeks after approved submissions. Where batches have to be amended due to resident dropouts, resulting overpayments will be debited from the succeeding payment. Delivery will be carried out in line with the requirements set by the funder, as laid down in the WHLG policy and delivery guidance. Successful delivery to target dates will be dependent on the supply chain and the limitations posed by the criteria set by government.

- 1.10 Eligible households will be those living in homes with an Energy Performance Certificate rating of D to G and who own their own home or rent privately. They will also be required to either live in income-deprived postcodes as defined by DESNZ or be on means-tested income or otherwise on a low income as defined by DESNZ. Eligible measures include various types of insulation, solar photovoltaic panels and low carbon heating. Eligible owner occupiers are eligible for up to £30,000 of funding per home, with private landlords able to receive up to £30,000 for their first property and up to 50 per cent of the cost for second and subsequent properties, up to £15,000 per home.
- 1.11 Procurement of services required for the delivery of the programme will be conducted in liaison with TfL Procurement. The GLA, in partnership with London Councils, is conducting a market engagement exercise in March and April 2025 to inform the potential procurement of services related to the WHLG, Warm Homes Social Housing Fund, and other similar future initiatives for which the GLA may secure funding.
- 1.12 Any contract award will be subject to the TfL Commercial approval process and approval for the GLA by a senior member of staff (Assistant Director or above, as appropriate).

Summary of budget and resources

- 1.13 The table below provides a summary of the full budget request in this MD:

Funding source	Category	Item	Value (£)
DESNZ	Capital grant for works	Energy efficiency improvements to homes	45,449,520
	Administration and ancillary	GLA resourcing and contingency	2,620,040
		Other costs: contractor fees, marketing, compliance costs etc	5,400,464
		Total	53,470,024

- 1.14 Administration and ancillary costs cannot exceed the amount specified above (£8,020,504) but may be reallocated between the two items within the category according to business need. GLA resourcing costs are in line with the 4.9 per cent available to Greater Manchester and West Midlands Combined Authorities for the purposes of the Decarbonisation Devolution Programme.

Governance

- 1.15 The Environment and Energy Unit will lead the delivery of the WHLG funding, with staffing resource created to deliver this. A Project Board has also been established with representation from the GLA and London Councils, with agreed terms of reference and governance structure for meetings, decision-making and programme delivery. This in turn reports to the WHL Board.
- 1.16 The contractors for WHLG will report to the GLA on performance against KPIs on a weekly basis, as well as current and forecast activities for each work stream and programme-wide and project-specific risks and issues. The GLA, as grant recipient, will in turn report to DESNZ on WHLG delivery monthly.
- 1.17 The overall WHL Board oversees the WHL hub and provides strategic direction for London government's investment in scaling up retrofit to make London's 3.7 million homes warmer, safer, and cheaper to run. GLA representatives are the Statutory Deputy Mayor, the Deputy Mayor for Environment and Energy and the Deputy Mayor for Housing and Residential Development. London Councils' members are their Executive Member for Environment and Transport, Executive Member for Housing and Shadow Member for Housing.

2. Objectives and expected outcomes

- 2.1 The expected key output from the grant programme is the retrofit of up to 3,665 low-income households. These households will benefit from a range of energy-efficiency measures, but principally insulation, solar photovoltaic arrays and the installation of heat pumps.
- 2.2 The programme will be primarily focused upon addressing fuel poverty. Based on analysis undertaken by the Environment and Energy Unit and the policy proposals set out in the London Environment Strategy, there are several key principles to ensure the programme achieves the best possible outcomes and paves the way for increased uptake of home energy-efficiency packages. These are that it should:
- support the most disadvantaged in society through grants to fuel-poor households
 - provide a flexible approach to delivery to build on the success of WHL and meet residents' needs, regardless of tenure
 - ensure high-quality outcomes by implementing best-practice standards; and build a trusted, London-based supply chain
 - work with other programmes including Warm Homes Social Housing Fund and the Zero Carbon Accelerator to maximise impact and share best practice
 - work with partners, including London boroughs, to increase local delivery capacity
 - contribute to the development of a strong evidence base to help lobby government.

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, sex 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 equalities 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 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. The project team will therefore particularly engage with Black, Asian and minority ethnic communities, and people with disabilities or long-term illness in designing and delivering the

programme. This should include continuing to work with the NHS to develop London-wide pathways for the latter. The Environment & Energy Unit and WHL will make efforts to reach these populations through engagement with partners in boroughs and in the community sector and civil society.

4. Other considerations

Links to Mayoral strategies and priorities

4.1 Relevant London Environment Strategy policies include:

- 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 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.

4.2 The relevant Equality, Diversity & Inclusion Strategy objectives are Objective 4 – to lower the city's carbon emissions – and Objective 6 – addressing financial hardship.

4.3 The relevant Health Inequalities Strategy objective is: through the Mayor's London Food Strategy and Fuel Poverty Action plan, work with partners to tackle food poverty and fuel poverty and their impacts on vulnerable Londoners.

Key risks

4.4 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 timeframes.	2	4	8	A delivery plan has been prepared.
2	Low uptake of fuel-poverty grants scheme, including finding suitable properties.	2	4	8	The programme will be targeted in its outreach; will be data-driven; and will heavily involve the boroughs. The success of the marketing will be regularly reviewed.
3	Continuing supply chain problems limit the ability to deliver.	2	3	6	We intend to procure multiple suppliers rather than a single supplier as has been the case previously. A revised delivery plan would be prepared in the event of supply chain limitations.
4	Insufficient specialist sub-contractors to deliver the	2	4	8	We intend to procure multiple suppliers rather than a single supplier as has been the case previously. We

	different installations.				will seek regular reporting from our suppliers on recruitment.
5	Insufficient GLA staffing resources.	2	4	8	Posts will be recruited to within the budget available.
6	Low understanding and capacity to engage with the programme amongst fuel-poor Londoners.	2	3	6	We are working with boroughs, community groups and other public services to engage vulnerable Londoners.
7	Poor borough engagement in promotion of the programme.	3	3	9	The GLA and London Councils will promote directly to residents.

Conflicts of interest

- 4.5 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 the receipt and expenditure of £53,470,204 of WHLG funding from the Department for Energy Security and Net Zero.
- 5.2 The WHLG funding is new funding that has been successfully secured from the Department for Energy Security and Net Zero for the 2025-26, 2026-27 and 2027-28 financial years.
- 5.3 This funding is not included within the GLA's approved budget therefore relevant budget adjustments will need to be made during Q1 of the 2025-26 financial year. The grant will be paid partly in advance with £1,988,300 paid at the start of the first financial year with the remainder paid via a grant claim process based on delivery, and further payments made at the start of the second and third financial years with the remainder for each year again paid via a grant claim process based on delivery. In the second and third years, upfront payments may be less than that indicated based on DESNZ assessment of delivery so far and the balance of funding retained by the GLA at each stage. See table below.
- 5.4 The expected profile of the receipt of the WHLG grant is shown below. The Memorandum of Understanding with the Department for Energy Security and Net Zero sets out that it is expected funding will be spent within the financial year that it is received. Should performance fall short or exceed expectations these annual amounts may vary.

	25-26	26-27	27-28	Total
Annual up-front payment	£1,988,300	£4,397,337	£4,308,347	
Payments based on delivery	£7,953,305	£17,589,346	£17,233,389	
Total	£9,941,605	£21,986,683	£21,541,736	£53,470,204

- 5.5 This Mayoral Decision relates to the Improving London's Housing Stock programme. As

highlighted above there will need to be appropriate budget adjustments made in Q1 of the 2025-26 financial year.

6. Legal comments

6.1 The foregoing sections of this report indicate that the decisions that it is proposed be sought from the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of the improvement of the environment in Greater London and in formulating the proposals in respect of which decisions are sought officers must comply with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people
- 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
- consult with appropriate bodies.

6.2 When taking any decisions requested, the Mayor 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, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010).

6.3 If the Mayor makes the decisions sought, officers must ensure that they:

- are satisfied that they can comply with terms upon which the Department for Energy Security and Net Zero is making the award of funding
- enter into all necessary agreements with the Department for Energy Security and Net Zero before acting in reliance of the funding
- develop and implement arrangements for the delivery of the funded programme which is fully compliant with the Department for Energy Security and Net Zero's funding terms
- do not commit to any expenditure which relies upon future years' budgets or until such budgets have been confirmed definitively
- where expenditure concerns the purchase of works, supplies and/or services, procure the same in accordance with the GLA's Contracts and Funding Code (the "Code") and where applicable the Procurement Act 2023 (the "Act"), liaise with Transport for London's procurement and supply chain team, which will determine the detail of the procurement strategy to be adopted in accordance with the Code and the Act and put in place appropriate contractual documentation and ensure it is executed by the chosen service provider and GLA before the commencement of those services
- where expenditure concerns the award of grant funding, distribute the funding fairly and transparently, in accordance with the GLA's equalities duties and within the requirements of section 12 of the Code and put in place an appropriate funding agreement between the GLA and the recipients before making any commitment to provide funding.

7. Activity table

Milestone	Date
DESNZ Delivery Assurance Check 1 completed	April 2025
Approval of receipt of funds	April 2025
Memorandum of Understanding signed	April 2025
Delivery under interim contractor starts	April 2025
First upfront payment received	May 2025
Procurement exercise completed and contract awarded	September 2025
DESNZ Delivery Assurance Check 2 completed	October 2025
New contractors onboarded	October 2025
Completion of WHLG 2025-2028	March 2028

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 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:

✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Mete Coban has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board


This decision was agreed by the Mayoral Delivery Board on 31 March 2025.

✓

CHIEF FINANCE OFFICER:

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

Signature:



Date:

31/03/2025

pp. Anna Casbolt, Assistant Director, Financial Services, on behalf of the Chief Finance Officer

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature:



Date:

31/03/2025

