

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3399

Title: Warm Homes Local Grant contract

Executive Summary:

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

The GLA has successfully secured £53,470,024 for London from the Department for Energy Security and Net Zero's (DESNZ) Warm Homes Local Grant programme. Funds will be spent on improving the energy efficiency of owner-occupied homes and homes in the private rented sector between April 2025 and March 2028. Receipt and expenditure of this funding was approved through MD3366. Delivery of the programme will initially be led by the GLA as lead authority before transitioning into Warmer Homes London in 2026.

This decision seeks approval to exercise the existing contract's extension option with SureServe Ltd, extending service delivery from September 2025 to September 2026, at the value of £9m, to support Year 1 delivery of the Warm Homes Local Grant (WHLG). Extension of this contract will enable the effective mobilisation of newly procured service providers, allow for structured handover arrangements, and ensure continuity of service to applicants without disruption. Due to the complexity of the delivery handover and the public-facing nature of the service, a seamless transition is critical to maintaining public confidence and ensuring delivery against the WHLG programme.

Decision:

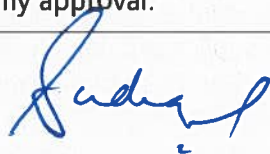
That the Mayor approves expenditure of up to £9,000,000 from the GLA's secured grant funding to cover the extended provision of services from SureServe Ltd to September 2026.

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:

3/7/25

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 boroughs and housing associations.
- 1.2 The delivery plan for the Mayor's Improving London's Housing Stock programme of work will set out the activities the GLA is taking around domestic decarbonisation. It will include delivery of the Warmer Homes Local Grant programme as a key initiative.

Warmer Homes London

- 1.3 Warmer Homes London (WHL) was announced in February 2025. It is a new organisation set up by the Mayor of London and London Councils to oversee delivery of domestic decarbonisation delivery in London. Through partnership with London boroughs and housing associations, it will seek to unlock millions of pounds to spend on energy saving measures for the most vulnerable residents in the capital. WHL will make London's homes greener, healthier and more affordable to heat.

Warm Homes Local Grant

- 1.4 Warm Homes Local Grant (WHLG) is the element of the Warm Homes Plan funding, announced by the government in September 2024, which is available to low income owner-occupiers and private tenants. The GLA secured £53.5m of funding for the period 2025 to 2028. Receipt and expenditure of this funding was approved through Mayoral Decision (MD) 3366. Delivery of the programme will initially be led by the GLA as lead authority before transitioning into Warmer Homes London in 2026. The total value of the grant in 2025-26 is £9,941,605 and this must cover all contractor costs and GLA costs.
- 1.5 In order to maintain continuity of service and ensure effective delivery of Year 1 of the Warm Homes Local Grant (WHLG) programme, it is proposed that the GLA exercises its option to extend the existing contract with SureServe Ltd (formerly Everwarm Ltd). This extension will provide the necessary capacity to initiate and manage programme activity from April 2025, support the mobilisation of future service arrangements, and enable the completion of any residual close-out activity associated with Year 1 delivery. A procurement exercise to appoint new service providers will be launched in summer 2025, with timelines aligned to the duration of the extension to ensure a smooth transition and avoid disruption to delivery.
- 1.6 The GLA's 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, with a total potential contract value of £13.7m. Prior to DESNZ funding being confirmed, approval was secured through Director Decision (DD) 2737 to extend the contract until September 2025, enabling the continuation of services to align with the approved additional funding.
- 1.7 Now that DESNZ funding is confirmed, a further extension is sought to allow us to extend the value and duration of the contract to cover the period until the above-mentioned procurement and subsequent mobilisation period has been completed. The extension would therefore be for twelve months, from September 2025 until September 2026. The current procurement timetable would see any new service providers in place before then, but this extension provides us with sufficient contingency to account for any delays within the procurement process and to ensure delivery is supported through Year 1 of the programme. If the procurement of the Managing Agent and Retrofit Contractors is delayed and SureServe Ltd is required to deliver in Year 2 of the programme, this will be subject to change control and a variation in the value of the contract.

- 1.8 SureServe Ltd has indicated that they have several households who were ineligible for HUG2 support but would be eligible for WHLG and for whom work could take place from July 2025. This would allow the GLA to make an early start on delivery under the WHLG programme.

2. Objectives and expected outcomes

- 2.1 The expected key output from WHLG 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. This will make their homes greener and cheaper to heat.
- 2.2 The proposal in this MD will contribute to meeting the following London-level outcomes:
- Londoners' homes are safe and decent
 - London is a net zero carbon city.

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 seek to 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 Warmer Homes London 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 Delivering the Warm Homes Local Grant programme is a key project to achieve the objectives of the Improving London's Housing Stock mandate and will be included in the forthcoming associated delivery plan.
- 4.2 This project will contribute towards proposals 10.1.2a, 6.1.2a, 6.1.1b, and 6.1.1a in the London Environment Strategy. The relevant elements of the Mayor's Equality, Diversity & Inclusion Strategy objectives are objectives 4 and 6. Finally, WHLG will also operate in line with the Mayor's Health Inequalities Strategy.

Key risks

- 4.3 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 Warm Homes Local Grant programme timeframes.	2	4	8	A delivery plan has been prepared. This will be monitored against monthly targets to ensure delivery timescales are met or any delays highlighted well in advance.
2	Low uptake of the scheme and difficulty finding suitable properties.	2	4	8	The programme will be targeted in its outreach; will be data-driven; and will heavily involve the boroughs and engagement with community organisations. The success of the marketing approaches will be regularly reviewed and improved to improve effectiveness of resident engagement.
3	Challenges in securing borough engagement in promotion of the programme	3	3	9	The GLA and London Councils will promote directly to residents. The contractor will track and report on response rates to different campaigns to access and improve effectiveness of methods.

Conflicts of interest

- 4.4 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 being sought for the following:

- expenditure of up to £9,000,000 from the WHLG allocation for 2025-26 on the costs of extended provision of services required for continued delivery from SureServe Ltd to September 2026.

Warm Homes Local Grant

- 5.2 The proposed extension of the Warmer Homes London programme to September 2026 up to the value of £9m will be funded from WHLG funding secured from DESNZ as approved by MD3366. This funding is part of the overall government grant award of £53.4m for the period 2025 to 2028.
- 5.3 The total allocation of the funding for 2025-26 is £9,941,605 and this will meet all the contractor and in-house costs of this project in the first year. The government grant to fund this project will be paid partly upfront (£1,988,300), with the remainder paid via a grant claim process on delivery that is appropriately evidenced.
- 5.4 It should be noted that the grant from DESNZ is being paid to the GLA as a capital grant, but 15 per cent can be utilised, at the discretion of the Authority, on administration and ancillary costs (as per the signed Memorandum of Understanding). As such, part of the monitoring of this programme will include ensuring costs are correctly accounted for within the GLA accounts.

6. Legal comments

- 6.1 Under section 30 of the Greater London Authority Act 1999 (the Act) the GLA may do anything that it considers will further one or more of its principal purposes, which are promoting: economic development and wealth creation in Greater London; social development in Greater London; and the improvement of the environment in Greater London.
- 6.2 In determining whether to exercise its power to further one or more of its principal purposes, the GLA is required to consider the effect this may have on the remaining purpose or purposes — in so far as that is practicable — and, over a period of time, to secure a reasonable balance between furthering each of its principal purposes.
- 6.3 Section 33 of the Act requires the GLA to make appropriate arrangements with a view to securing that, in the exercise of its general power, there is due regard to the principle that there should be equality of opportunity for all people. The GLA is also subject to the public sector equality duty imposed by section 149(1) of the Equality Act 2010 in relation to the exercise of its functions (see section 3 above).
- 6.4 Section 34 of the Act enables the GLA to do anything that is incidental to the exercise of its functions, including its general powers under section 30.
- 6.5 If the Mayor makes the decisions sought, officers must ensure that the contract with Sureserve Ltd. is extended prior to its current expiry, with notice being served accordingly.

7. Activity table

Milestone	Date
Contract with Sureserve Ltd extended	September 2025
Contract ends	September 2026

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 30 June 2025.

✓

CHIEF FINANCE OFFICER:

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

Signature:

Fay Hannan

Date:

02/07/2025

CHIEF OF STAFF:

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

Signature:

D. Bellamy

Date:

02/07/2025