

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3420

### Warmer Homes London funding allocation 2025-28

#### Executive summary

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

Warmer Homes London was announced in February 2025. It is a joint initiative set up by the Mayor and London Councils to oversee delivery of domestic decarbonisation 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.

To facilitate this, the GLA will provide grant funding of £9,084,000 to London Councils (LC), to meet LC's running costs relating to Warmer Homes London, from 2025-26 to 2027-28 inclusive.

#### Decision:

That the Mayor approves expenditure of up to £9,084,000, by way of a grant to London Councils, to cover:

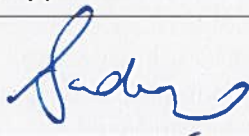
- the costs of London Councils commissioning services, works and products, from 2025-26 to 2027-28, for Warmer Homes London
- related core running costs.

#### 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:

20/10/25

## 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 (see: Mayoral Decision (MD) 3396) sets out the activities the GLA is taking around domestic decarbonisation. It includes 'establishing and clienting Warmer Homes London'. MD3396 sets out the intention for a separate MD to approve expenditure on the project, given the quantum of funding. This decision form provides that approval.

##### *Warmer Homes London*

- 1.3. Warmer Homes London (WHL) was announced in February 2025. It is a joint initiative set up by the Mayor of London and London Councils to oversee delivery of domestic decarbonisation in London. Through partnership with London boroughs and housing associations, it seeks 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; more conducive to supporting Londoners' health; and more affordable to heat.
- 1.4. Through WHL, the Mayor is working with London Councils to tackle the fragmentation around retrofit delivery in London, which has driven up costs; and hindered the development of the necessary data, skills and supply chain. WHL will provide a single, cross-London coordinating function to remove barriers to delivery; reduce unit costs; and support delivery at pace. It will focus initially on social housing and low-income private households, with the aim of enabling councils and housing associations to upgrade more homes and reduce energy costs. By bringing together the administration of multiple funding streams, it will enable a more data-driven, strategic approach. It will provide a strong platform to deploy any future devolved or more flexible funding effectively. This includes seeking opportunities to leverage private finance at scale; and to expand, over time, into new sectors.
- 1.5. In September 2024, the Executive Director of Good Growth approved £916,000 of grant funding to London Councils to undertake the initial establishment of WHL (then referred to as the London Office for Retrofit) (DD2716). If approved by the Mayor, this MD will allow the GLA to provide a further £9,084,000 grant funding to London Councils. This will bring the total grant funding to London Councils, for WHL, to the full £10m commitment made by the Mayor.
- 1.6. Through the Improving London's Housing Stock programme, the GLA has committed to provide grant funding to London Councils to meet its core running costs and its procurement of goods and services over three financial years (2025-26, 2026-27, 2027-28). The first WHL delivery plan (published on 11 July 2025) sets out the detail of spend and outputs for the first year and beyond.

##### *Warmer Homes London governance*

- 1.6. A programme board has been established with representation from the GLA and London Councils, with an agreed terms of reference and governance structure for meetings, decision-making and programme delivery. This in turn reports to the WHL Board.
- 1.7. The WHL Board oversees WHL and provides strategic direction for London government's investment in scaling up retrofit to make London's 3.8m homes warmer and cheaper to run. GLA representatives on the WHL Board 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 the

Executive Member for Environment and Transport; the Executive Member for Housing; and the Shadow Member for Housing.

## **2. Objectives and expected outcomes**

2.1. As set out in the Improving London's Housing Stock programme delivery plan, we will know this project has succeeded when:

- the GLA, London Councils and London boroughs are working effectively in partnership through WHL, demonstrating to national government a strong track record of delivery to unlock future funding and the changes necessary to create viable opportunities for private investment in domestic retrofit
- an initial portfolio of at least 11,000 homes has received energy-efficiency upgrades through WHL, reducing energy bills and carbon emissions
- London's partnership working has built a credible pipeline of thousands more homes suitable for retrofit, facilitating future investment at scale.

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 any WHL programmes. This will be done by requiring 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. 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 illnesses, in designing and delivering the programme. This should include continuing to work with the NHS to develop London-wide pathways.

The Environment and 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. Establishing WHL is a key project to achieve the objectives of the Improving London's Housing Stock mandate and delivery plan, published in MD3396.
- 4.2. This project will contribute the following proposals in the London Environment Strategy:
- 6.1.1a: Contribute to helping Londoners improve the energy efficiency of their homes, where appropriate, by providing technical assistance, support and funding
  - 6.1.1b: Pilot innovative methods to implement the stronger energy efficiency retrofitting needed
  - 6.1.2a: The Mayor will work with partners to help alleviate fuel poverty in London through implementing the recommendations of the Fuel Poverty Action Plan
  - 10.1.2a To support startups and business growth across the economy, including in the low carbon and environmental goods and services sector
- 4.3. The relevant objectives in the Mayor's Equality, Diversity and Inclusion Strategy are:
- 4: Improve Londoners' air quality and access to green space and lower the city's carbon emissions so that inequalities in exposure to harmful pollution and climate risks are reduced
  - 6: To address the specific barriers faced by those groups of Londoners most likely to experience financial hardship, helping them understand and access their entitlements and available support.
- 4.4 Finally, WHL will also operate in line with the Mayor's Health Inequalities Strategy.

##### *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	WHL does not meet objectives	2	4	8	A delivery plan has been published for 2025-26; those for future years will follow. Governance is in place to monitor performance, including quarterly performance reporting; a steering group chaired by the Assistant Director of Environment and Energy; and a Board chaired by the Deputy Mayor for Environment and Energy.
2	WHL goes over budget	2	4	8	Governance is in place to monitor forecast and spend, including monthly financial reporting; a steering group chaired by the Assistant Director of Environment and Energy; and a Board chaired by

					the Deputy Mayor for Environment and Energy.
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### *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.

### *Subsidy control*

- 4.7. The Subsidy Control Act 2022 (the SCA) provides a four-limbed test for the purpose of assessing whether financial assistance amounts to a subsidy. Officers have considered that test. The second limb of the test requires a subsidy to confer an economic advantage on one or more enterprises. London Councils is constituted as a joint committee of London local authorities under sections 101 and 102 of the Local Government Act 1972, permitting local authorities to collaborate and delegate functions to joint bodies, since it is not engaged in the provision of goods, works or services on a market. WHL is a joint initiative of the GLA and London Councils (the founding partners). The proposed award of GLA funding is a contribution to London Councils' costs of undertaking activity that aligns with the aims of the initiative, and falls within London Councils' discharge of its public functions; and whose benefit will accrue to London and Londoners. Officers are of the view, therefore, that the proposed award is not a subsidy.
- 4.8. London Councils will, in undertaking the funded activity, deliver Warm Homes Social Housing Fund activity and Warm Homes Local Grant (at a later date) in up to 30 London boroughs and City of London Corporation areas. Only local authorities may access Warm Homes Local Grant funding; and only local authorities and registered providers of social housing may access Warm Homes Social Housing Fund funding. Where the Warm Homes Local Grant and Social Housing Fund funding is used by the GLA, London Councils, boroughs and registered providers to procure services, supplies or works to undertake upgrades to public housing stock, such procurements will be undertaken on a competitive basis, fully in accordance with all applicable procurement law requirements.
- 4.9. The financial assistance provided to London Councils is solely for the purpose of supporting the operating costs of WHL. It is provided on the basis that London Councils is a co-founder, with the GLA; and that it is best placed to collaborate with boroughs (its constituent members) and registered providers of social housing to meet the programme objectives.

## **5. Financial comments**

- 5.1. The table below details the proposed budget profile, as set out in the GLA: Mayor budget 2025-26. It was originally agreed that this would be funded entirely from reserves, however the work undertaken to develop the Improving London Housing Stock programme delivery plan has enabled a reduction in the call on reserves.
- 5.2. Future years' budgets will still be subject to the annual budget-setting process. Any contracts that cover future years will need to have break clauses. Any changes in the anticipated profile of spend across the years will be reflected as updates during the budget setting process.

Source	2025-26	2026-27	2027-28	Total
Energy base budget	£3,025,000	£2,425,000	£2,575,000	£8,025,000
Climate emergency reserve	£-	£600,000	£459,000	£1,059,000
<b>Total</b>	<b>£3,025,000</b>	<b>£3,025,000</b>	<b>£3,034,000</b>	<b>£9,084,000</b>

- 5.3. Any additional funding secured for the programme will be used to enhance the programme with the appropriate budget adjustments being made.



## 6. Legal comments

### *Power to undertake the requested decisions*

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general powers; and fall within the GLA's statutory power to do such things considered to further, or that are facilitative of, or conducive or incidental to, the promotion of the improvement of the environment within Greater London. 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
  - 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 UK
  - consult with appropriate bodies.
- 6.2. In taking the 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 between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

### *Grant funding*

- 6.3. Approval is sought for the award of grant funding, of up to £9,084,000, to London Councils as a contribution to its costs of commissioning of services, works and products over the three financial years 2025-26, 2026-27, 2027-28 for the WHL and related core establishment and operating activity. Accordingly, officers must ensure that the funding be distributed fairly, transparently, in accordance with the GLA's equalities and with the requirements of section 12 of the Authority's Contracts and Funding Code. Furthermore, the officers must ensure that an appropriate funding agreement be put in place between the GLA and London Councils before any commitment to fund is made or any part of the funding is paid.

### *Subsidy control*

- 6.4. The SCA requires that the proposed provision of grant funding by the GLA be assessed in relation to its four-limbed test. Officers have made this assessment at paragraphs 4.5 to 4.7, above; and have concluded that the proposed funding does not amount to a subsidy for the purposes of the SCA.

## 7. Activity table

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

Milestone	Date
Year 1 delivery commenced	April 2025
Delivery Plan 2025-26 published	July 2025
Grant funding agreement signed with London Councils	October 2025
Permanent Managing Director appointed	December 2025
Delivery plan 2026-27 published	Summer 2026
Warm Homes Local Grant delivery transfers to Warmer Homes London	December 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 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:

✓

### 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 6 October 2025.

## CHIEF FINANCE OFFICER:

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

Signature: 

Date: 15 October 2025

## CHIEF OF STAFF:

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

Signature: 

Date: 14 October 2025