

# GREATER LONDON AUTHORITY

**REQUEST FOR MAYORAL DECISION – MD3508**

**Warm Homes Local Grant expenditure approval**

**Programme: Improving London's housing stock**

**Executive summary:**

The GLA successfully secured £53,470,024 for London from the Department for Energy Security and Net Zero's Warm Homes Local Grant programme for delivery between April 2025 to March 2028. The aim of this programme is to improve the energy efficiency of owner-occupier and private rented homes for Londoners in, or at risk of, fuel poverty. MD3366 approved receipt and expenditure of this funding.

This decision seeks approval to increase the current spend allocated to the incumbent contractor (Sureserve Ltd) through the Warmer Homes 4 (HUG2) JCT Measured Term Contract. This is to enable continued delivery throughout summer 2026, until a new delivery model is in place. MD3399 approved up to £9 million of spend by Sureserve.

This proposed spending increase, of £3.26 million, is to maximise the available value of the contract; and ensure continuity of service to applicants without disruption. Funding for this increase comes from the grant funding approved within MD3366.

**Decision:**

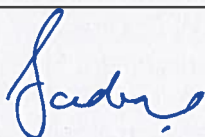
That the Mayor approves further spending, of up to £3,264,895 from the GLA's secured grant funding, to continue the provision of services from Sureserve from July 2026 to September 2026.

**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:**

27/6/26

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The Mayor wants to make London a net zero-carbon city, 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. The Mayor 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 sets out the Greater London Authority's (GLA) activities around taking around domestic decarbonisation. Delivering the Warm Homes Local Grant (WHLG) programme is a key initiative for this.

#### *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 in London. Through partnership with London local authorities and housing associations, it seeks to unlock millions of pounds to spend on energy-saving measures for the most vulnerable residents. WHL will make London's homes greener, healthier and more affordable to heat.

#### *Warm Homes Local Grant*

- 1.4. The Department for Energy Security and Net Zero's (DESNZ's) WHLG is the element of the government's Warm Homes Plan funding, announced in September 2024, that is available to low-income owner-occupiers and private tenants. The GLA secured £53.4 million of WHLG funding for 2025 to 2028 (the funding split by financial year is set out in Appendix 1). Mayoral Decision (MD) 3366 approved receipt and spend of this funding. The programme is one of the two capital schemes overseen by WHL, with the other being Warm Homes: Social Housing Fund.
- 1.5. In 2024, the GLA procured Sureserve Ltd (formerly Everwarm Ltd) from the Procure Plus framework to deliver the Home Upgrade Grant 2 (HUG2) scheme and subsequent schemes, with a potential contract value of £13.7 million (GLA82511 – Warmer Homes 4 (HUG2) JCT Measured Term Contract). HUG2 was a government-funded scheme targeting low-income households in energy-inefficient, off-gas grid homes. The GLA's contract with Sureserve (Sureserve contract) commenced in March 2024 for an initial term of 12 months; this aligned with the delivery timeframes of HUG2. This scheme ended in March 2025; and the spend with Sureserve, over the life of the scheme was £1.5 million (as set out in Appendix 2).
- 1.6. The Sureserve contract included options to extend for up to two further years (one year plus one year). Prior to DESNZ funding being confirmed for the WHLG, Director Decision 2737 approved extending the Sureserve contract until September 2025; this meant Sureserve's service could continue for at least the first year of the WHLG scheme. This had the benefit of ensuring delivery could commence immediately while the GLA took the time to develop a new delivery mechanism, including six installers, working across two London regions, to provide a more resilient and scalable service than would be the case with a single installer.
- 1.7. Following confirmation of the WHLG funding (accepted under MD3366), MD3399 authorised spend of up to £9 million by Sureserve under the WHLG programme; and extended the contract through to September 2026 (as set out in Appendix 2).
- 1.8. To mitigate delays in mobilising the new delivery mechanism (now expected in September 2026), and to maintain delivery throughout summer 2026, Sureserve will continue delivering up until the end of the contract. At the end of year one of the WHLG, £3.3 million funding is remaining within the approved spend by MD3399 (see Appendix 2). Sureserve forecast that this remaining funding will be

spent by July 2026. As a result, there are expected to be two months (July and August 2026) without delivery, before the six new contractors come on board.

- 1.9. Within year two of the WHLG, the GLA has £21.9 million of grant funding available. To ensure that this funding is used to support low-income households, and to manage risks associated with delays around mobilisation of the six new contractors, this decision requests a spend increase of up to £3.26 million, to the maximum value of the contract (as set out in Appendix 2). This increase will enable delivery of additional energy-efficiency improvements to 100 low-income and vulnerable households; and enable Sureserve to undertake further eligibility assessments on applications, to provide the new contractors with a robust pipeline of work, to support rapid mobilisation. This will allow one-third of the grant funding to be used before the new contractors are mobilised, mitigating risks of potential underspend.
- 1.10. Spend to date, and the spend approved by MD3399, is set out at Appendix 2, which also includes the remaining available contract volume. The framework provider (Procure Plus) has been notified and has confirmed there is volume in the framework to increase to spend under this contract. Using the maximum contract value (£13.7 million) does not require any amendments to contractual rates; and is deemed to be a Permitted Modification under Regulation 72(1)(a) of the Procurement Act 2015, as it was provided for expressly in the initial procurement documentation and does not alter the overall nature or scope of the contract.

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

- 2.1. The expected key output from WHLG is the retrofit of up to 2,603 low-income households. This figure has been refined with the benefit of delivery data and reflected in revised targets agreed with DESNZ. It is lower than stated in MD3399, due to the increased average cost per home. Households supported through WHLG will benefit from a range of energy-efficiency measures, principally insulation, solar photovoltaic arrays and the installation of heat pumps. This will make their homes greener and cheaper to heat.
- 2.2. Increasing the available spend within the Sureserve contract, as proposed in this MD, will enable the retrofit of around 100 homes (which would otherwise have to wait for the new contractors to be available); and provide a pipeline of 600 eligible households that can be handed over to the six new contractors. This will support mobilisation of the new contractors; and mitigate risk of reduced delivery following handover from the incumbent to the new contractors.
- 2.3. This proposal contributes to 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 2010 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 continues to 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 WHLG programme, as it is defined by DESNZ. This is achieved by complying with the Mayor’s Equality, Diversity and Inclusion Strategy; and by developing and testing in line with GLA guidance on equalities and diversity.
- 3.4. Black, Asian and minority ethnic communities are almost 60 per cent more likely to be fuel-poor than White households; and 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 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. Delivering the WHLG programme is key to achieving the objectives within the Improving London’s Housing Stock delivery plan.
- 4.2. This project aligns with proposals, included below, in the London Environment Strategy, the Mayor’s Equality, Diversity & Inclusion Strategy and the Mayor’s Health Inequalities Strategy.

##### 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 start ups and business growth across the economy, including in the low carbon and environmental goods and services sector

##### Mayor’s Equality, Diversity and Inclusion Strategy:

- Objective 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
- Objective 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.

##### Mayor’s Health Inequalities Strategy:

- 3.4: Impact of poverty and income inequality on health is reduced
- 3.6: Housing availability, quality and affordability improves

##### *Key risks*

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

<b>Risk No.</b>	<b>Risk</b>	<b>Likelihood (1-4)</b>	<b>Consequence (1-4)</b>	<b>Rating</b>	<b>Mitigation</b>
1	Limited delivery during summer 2026 results in failure to meet associated targets in Improving London's Housing Stock Delivery Plan and risk of underspend within year two of the WHLG programme.	3	4	12	Increase spend available for Sureserve to ensure continuous delivery during summer 2026. A more resilient delivery model, with greater capacity, will increase delivery from autumn 2026 onwards.
2	Further delays in mobilisation of six new contractors.	3	3	9	Exit plan designed with Sureserve to hand over pipeline of 600 eligible households to new contractors. This will support a swift transition from mobilisation into delivery for the new contractors.
3	Residents drop out of the programme due to loss of interest, caused by the complexity of the retrofit journey.	3	3	9	A digital platform is being configured to improve transparency associated with resident journey. Test-and-learn pilots are being run to throughout the programme to improve resident experience.

*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 to spend up to £3,264,895 from the Warm Homes 25-29 capital budget for 2026-27, to enable delivery from Sureserve to continue to September 2026. This falls under the delivering domestic retrofit improvements funded through Warm Homes: Local Grant (WH:LG) project, of the Improving London's Housing Stock programme.

- 5.2. The proposed spend of £3.26 million will be funded from WHLG funding secured from DESNZ as approved by MD3366. This funding is part of the overall government grant award of £53.4 million for 2025 to 2028.
- 5.3. The total allocation of the funding for 2026-27 is £21,986,683. This will meet all the contractor and in-house costs of this project in this year.
- 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 used at the GLA's discretion 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
  - 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 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. Officers have confirmed, at sections 1.5 to 1.10 (inclusive), above, that:
  - the contract with Sureserve Ltd was procured expressly with an estimated contract value which accommodates the additional expenditure on the services proposed
  - the services in question fall within the scope of the contract
  - no changes are to be made to the rates chargeable.

On that basis, the proposed expenditure falls within the remit of a Permitted Modification under regulation 72(1)(a) of the Public Contracts Regulations 2015; and the Mayor may make the decision sought, should he wish.

- 6.6. If the Mayor makes the decisions sought, officers must ensure that notice is served on Sureserve Ltd to document the provision of additional services prior to commencement of those services.

## **7. Planned delivery approach and next steps**

7.1. This work will be carried out according to the following timetable:

<b>Activity</b>	<b>Timeline</b>
Sureserve contract – contract notice served	June 2026
Six new contractors appointed	August 2026
Sureserve contract – contract ends	September 2026
Six new contractors mobilised	September 2026

**Appendices and supporting papers:**

Appendix 1 – WHLG Grant Funding

Appendix 2 – Spend against Sureserve contract

**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.

**Strategic Programmes**

**Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES**

If YES, which programme/s does this fall within: Improving London's housing stock

**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:**

Ben Hebbert has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Phil 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.

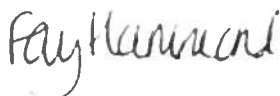
✓

**Mayoral Delivery Board**

This decision was agreed by the Mayoral Delivery Board on 8 June 2026.

**CHIEF FINANCE OFFICER:**

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



**Date** 10 June 2026

**Signature**

**CHIEF OF STAFF:**

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



**Date** 10 June 2026

**Signature**