



Report To:	Cabinet
Date:	9 th July 2025
Subject:	Home Energy Advice and Retrofit Team
Purpose:	To gain Member approval for the operation arrangements for SLECP delivery of Warm Homes – Local Grant and Energy advice across the sub-region
Key Decision:	Yes
Portfolio Holder:	Councillor Chris Mountain, Portfolio Holder for Climate Change and Sustainability
Report Of:	Christian Allen, Assistant Director - Regulatory
Report Author:	Sarah Baker, Group Manger – Climate Change and Environment
Ward(s) Affected:	All
Exempt Report:	No

Summary

Funding of **£5,639,746** has been secured from the Department for Energy Security and Net Zero (DESNZ) for the next round of energy-efficiency grant delivery under the banner of Warm Homes – Local Grant across the South and East Lincolnshire Councils Partnership (SELCP) area. This paper sets out the proposed operational arrangements and eligibility criteria for the next round of grants which runs from 2025 to 2028. It is proposed the funding will be managed within the Climate Change and Environment Team on behalf of SELCP as has been the case for the last three years.

In addition, working with charity partners PECT, funding of **£362,720.15** has also been secured to rollout the Home Energy Advice Service (previously the Local Energy Area Demonstrator) across the SELCP area for two years, building on the experience learnt from the East Lindsey pilot.

Recommendations

1. That Cabinet approve the principle of East Lindsey District Council acting as the lead authority and accountable body for the Warm Homes – Local Grant programme and the Home Energy Advice Service on behalf of Boston Borough Council;
2. Approve the entering into of an appropriate written agreement between East Lindsey District Council and Boston Borough Council for delivery of the two programmes, subject to legal advice, with delegated authority given to the Assistant Director Regulatory in consultation with the Portfolio Holder to agree the terms of the agreement; and
3. Approve the continuation of a Programme Monitoring Board for Warm Homes – Local Grant and for this Board to also receive updates in relation to delivery of the Home Energy Advice Service as outlined in paragraph 2.13.

Reasons for Recommendations

To provide continuity and consistency of grant support and energy advice across the sub-region.

Other Options Considered

Not to approve the operational arrangements.

To implement alternative arrangements, such as implementing the scheme internally rather than with East Lindsey District Council as Lead Authority and Accountable Body.

1. Background

- 1.1. Recent funding announcements by the Department for Business, Energy and Industrial Strategy have confirmed that funding of **£5,639,746** has been secured for Warm Homes -Local Grant, across the three Partnership Councils of East Lindsey, Boston and South Holland.
- 1.2. ELDC's Executive Board considered the operational arrangements on 7 May 2025 and approved the approach.
- 1.3. This paper sets out, in more detail, the arrangements that will enable Council officers to lead on the delivery of Warm Homes – Local Grant.
- 1.4. In addition, working in partnership with Peterborough-based environmental charity PECT, funding has been secured from the Energy Industry Voluntary Redress Scheme to support the continuation of the Home Energy Advice Service – previously referred to as the Local Energy Advice Demonstrator (LEAD) - which ran as a pilot in East Lindsey until 31 March 2025. This funding will enable the service to be rolled out across Boston and South Holland for the first time.
- 1.5. The Partnership's in-house Home Energy Advice and Retrofit Team has gained wide recognition for its delivery of both of these schemes over the last few years.

- 1.6. The previous Home Upgrade Grant 2 scheme is now in its closedown period and has delivered in the region of £9.86 million of energy efficiency improvements to circa 520 homes across SELCP over the last two years.
- 1.7. The previous LEAD programme saw the establishment of four dedicated Home Energy Advice Officers and a mobile electric Energy and Retrofit Information Clinic (ERIC the Energy Van) which has taken support into communities across East Lindsey as part of a funded pilot. Since 30 November 2023, the team has provided in-person support to over 6,500 residents and seen more than 500 households benefit from the installation of energy efficiency measures of various types as a result of the advice provided.
- 1.8. Furthermore, hundreds of residents have received support to lower, and in some cases completely wipe off, significant fuel debt, totalling circa £28,000. Almost 400 residents have been referred into providers for support such as Wellbeing or the Good Homes Alliance. The team's work has also included the distribution of more than £30,000 from the Household Support Fund to provide vouchers for food and utility costs and/or portable heaters to over 270 residents in desperate need of support. Just under 500 residents have been signposted to other forms of financial support outside of energy efficiency grants and almost 200 residents have benefitted from moving to the Anglian Water LITE tariff saving an estimated collective £35,000 a year on water bills alone.

2. Report

Warm Homes – Local Grant

- 2.1. Warm Homes – Local Grant is administered by the Department for Energy Security and Net Zero (DESNZ) to support delivery of the Government's Warm Homes Plan. To date, East Lindsey District Council's dedicated team has delivered four phases of funding totalling circa £21 million, supporting in the region of 1,330 homes across the sub-region. Over the last three schemes, more than 200 properties have been improved in Boston Borough.
- 2.2. In November 2024, DESNZ invited Expressions of Interest for Warm Homes – Local Grant with the assurance that all who applied would receive some level of funding based on previous delivery success.
- 2.3. The previous track record of delivery put SELCP in a strong position to win funding however budgetary pressures at a national level has seen the retrofit budget reduced and the funding award received is around 20% of that requested. This figure is reflected across the sector and has necessitated some operational changes to be made.
- 2.4. Whilst it is disappointing to have received a lower award than anticipated, there is the prospect that additional funding could be secured throughout the lifetime of the programme depending on how other local authorities perform. It also presents an opportunity, particularly in FY 2025/26 for the team to review their processes fully, after four years of concurrent scheme delivery, and explore alternative options for supporting residents and securing alternative funding opportunities.

- 2.5. The Warm Homes – Local Grant scheme provides for properties on the mains gas network after two years of targeted funding solely to homes considered to be ‘off-gas’. This change is expected to be a major benefit to Boston Borough residents as the number of eligible ‘off-gas’ properties is limited and will this change will open up grant support to more residents.
- 2.6. The funding is for a three-year programme which will run until 31 March 2028 and the split across the years is shown in the table below:

Table 1:

	Revenue	Capital	TOTAL
2025/26	£72,507	£410,871	£483,378
2026/27	£390,681	£2,213,857	£2,604,538
2027/28	£382,774	£2,169,056	£2,551,830

- 2.7. The split of funding awarded by local authority area was to award 51% to ELDC, 22% to BBC and 27% to SHDC based on Government figures. This split will be monitored by the Programme Monitoring Board to ensure each authority receives its fair proportion.
- 2.8. ELDC made the Expression of Interest bid as the lead partner for the SELCP consortium – a departure from the model used in previous years of joining the Midlands Net Zero Hub (MNZH) consortium. This decision was primarily to ensure that the maximum amount of funding available would be received by SELCP, whereas MNZH would previously have retained a percentage for administration. This demonstrates the confidence in delivery that has been gained over recent years to enable SELCP to work as a standalone consortium.

Resourcing and Operational Arrangements

- 2.9. In 2024, the experienced Green Homes Grants Team was rebranded to reflect the new offer of an energy advice service and their experience in supporting residents to access a variety of different funding avenues. It is therefore proposed that ELDC’s Home Energy Advice and Retrofit Team (HEART) continues to act as the lead accountable body for Warm Homes – Local Grant funding and the expanded Home Energy Advice Service across the three Partnership councils to provide efficiencies in financial and administrative processes.
- 2.10. Updated legal agreements will be drawn up between East Lindsey District Council and Boston Borough Council and between East Lindsey District Council and South Holland District Council to clearly set out the relationship and responsibilities of each partner in delivering the Warm Homes – Local Grant scheme and the Home Energy Advice Service across the sub-region.
- 2.11. The Revenue budget for Warm Homes – Local Grant is unfortunately much lower than previous years and than had been anticipated so delivery arrangements have been adapted accordingly.
- 2.12. The budget for the Home Energy Advice Service is also less generous than the previous funding award however the current model of delivery remains the most effective way of delivering the scheme for the SELCP sub-region.
- 2.13. Monitoring of Warm Homes – Local Grant and the Home Energy Advice Service delivery will be undertaken through the continuation of the current Programme Monitoring Board with representation from relevant portfolio holders across the three

Councils and Corporate Management Team via Assistant Director Regulatory. The Board is Chaired by the Portfolio Holder for Community Safety, Leisure and Culture, and Carbon Reduction at East Lindsey District Council and meets every two months.

- 2.14 In addition, monthly progress reports have to be submitted to DESNZ for Warm Homes – Local Grant alongside monthly progress meetings with our Single Point of Contact.
- 2.15 The Home Energy Advice Service will report quarterly via PECT to the funders on progress.

Scheme Criteria: Warm Homes – Local Grant

Eligibility

- 2.16. The criteria for the scheme is set by DESNZ and is broadly similar to previous funding rounds with a few minor changes. The key details are:
 - 2.16.1. Properties can be on or off mains gas – this is hugely positive as HUG2 was restricted to those without a mains gas connection.
 - 2.16.2. Properties must have an Energy Performance Certificate (EPC) rating of D, E, F or G.
 - 2.16.3. The household income threshold must not exceed more than £36,000 per year with some limited discretionary flexibility permitted under the new scheme in certain circumstances.
 - 2.16.4. Properties that have received funding under a previous scheme are eligible for further support however the property must either reach EPC band C or receive a low carbon heating technology measure.
 - 2.16.5. Private rented sector landlords may receive one home fully funded per landlord under Warm Homes: Local Grant. A 50% cost contribution will be required from the private landlord for any additional homes upgraded after the first.
 - 2.16.6. The cap on the number of Park Homes that could be treated has been lifted although spend caps remain.
 - 2.16.7. For the first time, DESNZ has asked that local authorities take savings into account when considering eligibility for the scheme. This will be set at a threshold of less than £16,000 (aligning with means tested benefits) to be eligible given that demand for the scheme is likely to far outweigh available funding.

Funding

- 2.17. Local authorities will not receive 100% of the grant payment at the start of the delivery window. Instead batch applications must be submitted throughout the programme for release of funds.
- 2.18. Cost caps will still exist for certain measures which may continue to make it difficult to treat some of our more rural, solid-walled properties – more detail is still awaited on this element of the programme.

2.19. The overall spend cap on properties is £15,000 per home for energy efficiency upgrades and £15,000 per home for low carbon heating – a total of £30,000 per property. Spend caps can be averaged across the project.

2.20. The spend cap on Park Homes remains at £15,000.

Assessments and eligibility checks

2.21. The Sustainable Housing Officers will be responsible for ensuring checks on individual applications are completed as required. It is intended to move income checks back in house rather than asking contracted surveyors to undertake these. This will mean that every single customer receives an in-person visit from a member of the team at some point during the process, helping to ensure that any additional support needs may be picked up during the visit. All documentation relating to the scheme will be handled using a Case Management System.

2.22. Where possible, retrofit assessments will be undertaken by members of the team adding a further degree of independency of assessment from the contractors. This also enables the Councils to charge back to the project these assessment costs, bringing in an additional income stream.

Procurement

2.23. The longer delivery window ensures that we can take an open tender route to procuring contractors for this programme rather than being restricted to using Framework routes as for previous schemes.

2.24. Work on this process began in late 2024 once the Expression of Interest had been issued for the scheme to ensure delivery was not unduly delayed by awaiting the grant funding announcement.

2.25. An early market engagement exercise was undertaken in January 2025 and the full invitation to tender has now closed and applications being reviewed. The Procurement Team is supporting with the contracting of delivering of the new scheme.

2.26. The tender sets out a number of expectations in relation to the Social Value afforded by the scheme and the final contract will include KPIs around local contractors, training and apprenticeships to ensure the retrofit skills opportunities presented by the funding for the local area are realised

Scheme Criteria and Delivery: Home Energy Advice Service

2.27. There are no set criteria for engagement with the Home Energy Advice Service and this is open to anyone to obtain advice and information on how to improve the energy efficiency of their home and reduce utility costs.

2.28. Proactive engagement is however targeted to those living on low-incomes and in properties with an Energy Performance Certificate of E, F or G.

2.29. The Team will continue to maintain access to some small discretionary funding to support residents in desperate need through the provision of heaters, fuel vouchers and warm packs. They are also able to provide free-of-charge basic home energy saving boxes which include LED bulbs, radiator foils and draught proofing materials.

- 2.30. The funding also provides for a training budget which will assist with helping local volunteers to act as community energy champions within their towns and villages. This will link directly into the Home Energy Advice Service whilst providing information on basic energy efficiency advice and signposting aimed at those in particular who may be digitally or socially excluded from accessing this elsewhere.
- 2.31. Table 2 outlines the funding breakdown with the grant allocation all supporting revenue spend associated with operation of the service for the two-year programme. This includes staffing costs, running costs and maintenance of the Energy Van, marketing materials and expenses:

Table 2:

	Revenue
2025/26	£179,874.50
2026/27	£182,845.65
TOTAL	£362,720.15

3. Conclusion

- 3.1 The Warm Homes – Local Grant programme marks a significant investment in domestic retrofit across the areas of East Lindsey, Boston and South Holland. It will not only help to reduce carbon emissions significantly through improved energy efficiency of properties but will also help to reduce energy costs for residents and support people to live more comfortably in their homes, assisting with tackling fuel poverty and addressing issues of social and digital exclusion and isolation.
- 3.2 The programme must be completed by the deadline of 31 March 2028 and is the first time there has been a lengthy delivery window which will assist in both improved tendering processes as well as longer term opportunities to improve and build the local retrofit skills and supply chain within the sub-region.
- 3.3 The extension and roll out of the Home Energy Advice Service will provide further support to residents across the sub-region regardless of their circumstances, to ensure that impartial advice and signposting can be accessed.

Implications

South and East Lincolnshire Councils Partnership

Warm Homes – Local Grant is a high-profile scheme that comes with a large associated budget and publicity on a national stage. There are significant reputational implications of any failure to deliver. We do however have a proven track record of delivery and can demonstrate competency in successfully executing the requirements of these schemes to ensure outcomes are achieved and potential for additional funding awards is maximised.

Corporate Priorities

The Warm Homes – Local Grant programme and Home Energy Advice Service will contribute towards the ambitions around the Environment and Healthy Lives as outlined in the Sub-regional Strategy.

Staffing

The external funding provided by this grant provides a budget for the administration of the team which will cover the resources required in full over the lifetime of the scheme.

Workforce Capacity Implications

None. As outlined the external funding will cover the costs of any workforce requirements.

Constitutional and Legal Implications

The conditions and eligibility criteria of the Warm Homes – Local Grant programme will be published online and clearly communicated to all enquirers. Once approved, funding for measures will be subject to a signed offer letter setting out the financial and procedural obligations.

No funding is exchanged between the Council and the applicants. Instead, ELDC will procure contractors who will invoice the ELDC directly. Payment will be made following a satisfactory inspection of the completed works and confirmation that all necessary industry certifications and guarantees have been filed as appropriate. Monthly valuation reports from the contractors will be independently cross-checked against the agreed Schedule of Rates prior to payment certificates being issued. Procurement will be undertaken through an Open Tender process.

Data Protection

Data Sharing Agreements will be established between the Council and DESNZ, the Contractors, PECT and any other relevant parties with support from the Data Protection Officer to prepare and assess. Sharing of personal data will be done using a secure data sharing platform. A Data Protection Impact Assessment has been undertaken.

Financial

Funding for the Warm Homes – Local Grant programme and Home Energy Advice Service is from external sources and as such does not require any financial contribution from the Council.

Risk Management

Risk implications from this report are relatively low. The main risks are reputational rather than financial should delivery of the scheme fail.

A Risk Register and Fraud Risk Assessment for the programme are being developed and will be reviewed regularly with any concerns addressed and/or escalated as appropriate.

Stakeholder / Consultation / Timescales

Approval for the operational arrangements was received by ELDC's Executive Board on 7 May 2025. Consultation has taken place during the production of this report with relevant portfolio holders at each council together with the portfolio holder for finance at ELDC.

Reputation

There is a potential reputational risk should the Council fail to deliver the Warm Homes – Local Grant programme by the March 2028 deadline to the scale and quality it demands.

There is also a reputational risk should the Home Energy Advice Service fail to meet KPI targets as part of the grant agreement between PECT and the Energy Industry Voluntary Redress Scheme for which we are delivering.

Mitigation of these risks will be managed through the Programme Monitoring Board.

Contracts

ELDC will need to enter into a contract with approved suppliers to deliver the works. Procurement is currently underway.

A Partnership Agreement will be signed between PECT and ELDC for delivery of the Home Energy Advice Service.

Crime and Disorder

None.

Equality and Diversity / Human Rights / Safeguarding

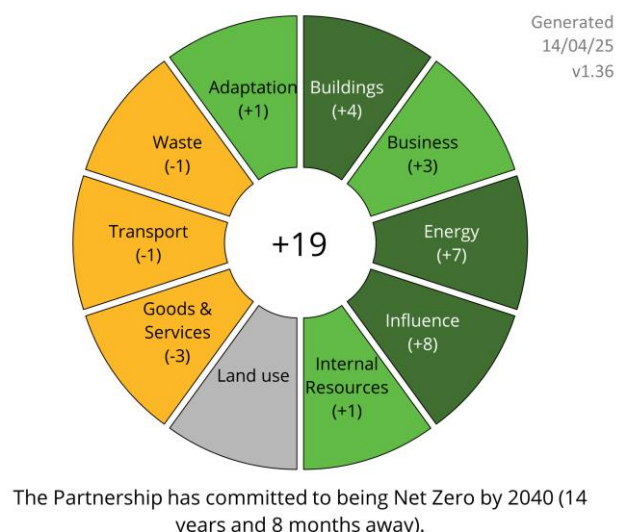
This programme will help to tackle the inequalities associated with fuel poverty through helping the most vulnerable in our communities to make improvements to properties that would not be possible without significant financial support.

The Home Energy Advice and Retrofit Team will also consider any wider support and safeguarding concerns that may arise from communication with owner occupiers, tenants and landlords and will refer through to relevant partner agencies where appropriate.

Health and Wellbeing

The improved insulation of properties has the potential to reduce health inequalities as a result of people living in cold, damp and hard to heat properties.

Climate Change and Environment Impact Assessment



The overarching impact of this programme will be positive from a Climate Change and Environment perspective. The negative aspects surround the need to travel to site extensively across the sub-region, the use of new materials such as insulation and renewable technologies and the availability of local contractors.

All these aspects are being addressed through the procurement process and through contract KPIs as far as possible but it will be almost impossible to reduce the impact to

zero at this time. The Home Energy Advice Service operates an electric-van which will minimise fossil-fuelled vehicle movements across the sub-region.

Acronyms

DESNZ – Department for Energy Security and Net Zero
EPC – Energy Performance Certificate
HUG2 – Home Upgrade Grant 2
HEART – Home Energy Advice and Retrofit Team
PECT – formally Peterborough Environment City Trust – now known simply as PECT
MNZH - Midlands Net Zero Hub

Appendices

None

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

None

Report Approval

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