



Report to: Cabinet Meeting - 21 April 2026
 Portfolio Holder: Lee Brazier, Housing
 Director Lead: Suzanne Shead, Housing, Health & Wellbeing
 Lead Officer: Wayne Fox, Business Manager - Building Safety & Asset Management

| Report Summary | |
|--------------------------|---|
| Type of Report | Open Report / Key Decision |
| Report Title | Warm Homes Scheme Update |
| Purpose of Report | To update Cabinet on plans for the delivery of the Warm Homes Programme for 2026-27 and 2027-28 and to seek approval for the increase in the Capital Programme for 2027-28 in preparation of an additional bid being successful, subject to match funding. |
| Recommendations | <p>That Cabinet:</p> <ul style="list-style-type: none"> a) approve acceptance of £2,428,408 grant from the Department of Energy Security & Net Zero (DESNZ) for the Warm Homes: Social Housing Fund (WH:SHF) programme in line with paragraph 3.5 of this report, to improve the energy efficiency and thermal comfort of the Council's housing stock; b) in addition, approve the increase in capital programme of £1.4m for 2027-28 financed by £700,000 grant funding from DESNZ and £700,000 from the Major Repairs Reserve, taking the total budget for 2027-28 to £2,990,680; c) note the Portfolio Holder decision taken on 13 April 2026 to accept an additional £500,000 grant funding, match funded with £500,000 from a favourable variance in the Capital programme for 2025-26 to extend the WH:SHF programme for the current year, taking the total budget for 2026-27 to £2,551,880; d) approve acceptance of £1,056,000 grant from DESNZ the Warm Homes:Local Grant (WH:LG) programme targeting homes in the private rented sector to be administered in conjunction with Nottinghamshire County Council; |

| | |
|---------------------------------------|---|
| | <p>e) approve the addition of £960,000 to the Capital Programme as per paragraph 3.6, financed fully by the grant; and</p> <p>f) delegated approval be given to the Director - Housing Health & Wellbeing in consultation with the S151 Officer and Portfolio Holder for Housing to enter into a contract for both schemes following a compliant procurement process.</p> |
| Alternative Options Considered | None, given the wide benefits that the Warm Homes Programme delivers. |
| Reason for Recommendations | To continue the Council's progress to low carbon heating, improving the energy efficiency of tenants' homes and to maximise the opportunities presented by Government funding to contribute to the financial cost. |

1.0 Background

- 1.1 Two strands of the Warm Homes Scheme were announced by the Government in Autumn 2024: Warm Homes: Social Housing Fund (formerly known as the Social Housing Decarbonisation Fund) and the Warm Homes: Local Grant (replacing the Home Upgrade Grant and previous Local Authority Delivery Fund). The Council has previously upgraded over a hundred council owned homes utilising the previous funding streams and has successfully applied for funding for 2026-27 and 2027-28.
- 1.2 The Warm Homes: Social Housing Fund (formerly the Social Housing Decarbonisation Fund (SHDF)) is a programme designed to facilitate the improvement of energy efficiency and reduce carbon emissions for providers of social housing. The fund works by providing housing providers with match funding to drive improvements in this area. The programme aims to:
- Increase the energy rating to individual properties and provide a higher level of thermal comfort to our customers.
 - Reduce carbon emissions in line with national and local targets.
 - Provide greater energy efficiency and reduce fuel poverty.
- In 2025, the Council successfully bid for grant under this fund of £775,940.00 (2026-27), and £795,340,00 (2027-28), which, together with match funding from the Council, gives a total budget of £1,551,880.00 for 2026-27 and £1,590,680.00 for 2027-28 respectively. The funding also includes an element of administration and ancillary costs (10% of the capital grant) to support both the resourcing and preparatory work necessary to deliver the scheme.
- 1.3 Since the initial award, the Council took an opportunity to apply for further, additional funding under the WH:SHF and were also successful. Due to confirmation of accepting the funding being required before the date of this Cabinet, the Portfolio Holder for Strategy & Finance approved, via a Portfolio Holder decision made on 13 April 2026, to accept additional £500,000 grant funding from DESNZ, match funded from a favourable variance in the capital programme for 2025-26 to extend the capacity of the WH:SHF programme in 2026-27.

- 1.4 Warm Homes: Local Grant (WH:LG) is targeted at low-income households living in private sector homes (owner-occupied or rented) and primarily aims to lower energy bills (secondary is reducing carbon emissions). There are three main ‘pathways’ to qualify for grant, and the average grant ceiling per property is £15K for energy performance measures (e.g. insulation, solar PV, window replacements etc) and/or £15K for low carbon heating measures such as air source heat pumps. Eligible owner-occupiers receive all measures for free. Landlords get their first property upgraded at no cost to the landlord providing their tenant/home qualifies but must pay a 50% contribution for all subsequent homes upgraded via this scheme, with declarations required from landlords to confirm the Minimum Financial Assistance threshold will not be exceeded.
- 1.5 The Council has secured 100% grant funding of £960,000 & 10% Administration and Ancillary costs, totalling £1,056,000 over two years to support improvements within the Private Rented Sector. This scheme is managed as a county-wide consortium arrangement which helps district/borough councils with limited in-house resources to take advantage of the Warm Homes: Local Grant scheme by re-assigning the authority’s funding allocation to the County Council in exchange for a fully procured and managed collaborative delivery arrangement in conjunction with local Charity, Nottingham Energy Partnership.
- 1.6 The current energy performance data for the Councils’ own homes, is being reviewed by the Asset Team following changes to the Energy Performance Rating parameters. A separate report will be brought to Cabinet to update on the decency of our homes and detail upcoming reforms to the Energy Performance of Buildings regime expected in 2027, which aims to make it easier to understand how a home is performing as well as our preparations for the new Decent Homes standard.
- 1.7 With Local Government Reorganisation in progress, this programme will take the Council into the new Unitary Council, where there will be opportunities to grow and consolidate our experience and skills around decarbonisation across both social and private rented sector and give economies of scale to accelerate a broader programme of decarbonisation.

2.0 Proposal/Options Considered

- 2.1 The WH:SHF programme will deliver the upgrade of oil boilers to low carbon heating, with solar panels and battery storage to maximise the benefits of solar power and be used to target low performing properties with targeted measures to improve the thermal comfort and efficiency of homes. Table 1 shows the breakdown of budgets and grants for the original scheme.

Table 1

| WH:SHF (HRA) | 2026/27 | 2027/28 | Total |
|----------------------|------------------|------------------|------------------|
| NSDC 50% | 775,940 | 795,340 | 1,571,280 |
| Grant funded (DESNZ) | 775,940 | 795,340 | 1,571,280 |
| Total | 1,551,880 | 1,590,680 | 3,142,560 |

As set out in section 1.3, the Council has accepted additional grant funding to increase the programme for 2026-27 to from £1,551,880 to £2,551,880.

In total, for the WH:SHF this gives a total capital investment over the two-year programme of £5,542,560 as shown in Table 2.

Table 2

| WH:SHF (HRA) | 2026/27 | 2027/28 | Total |
|-------------------------------|------------------|------------------|------------------|
| NSDC 50% | 1,275,940 | 1,495,340 | 2,771,280 |
| Grant funded (DESNZ) | 1,275,940 | 1,495,340 | 2,771,280 |
| Total budget available | 2,551,880 | 2,990,680 | 5,542,560 |

The Council also receive a revenue contribution for administration and ancillary costs totalling £157,128 (see paragraph 3.4) that will support staffing costs and survey requirements

- 2.2 The WH:LG programme will deliver improvements to private rented homes in Newark and Sherwood, subject to applicant process and a full assessment against agreed criteria. Whilst this a smaller scheme, it fully funded by the Government, and the Council have received confirmation of the following grant:

| WH:Local Grant (GF) | 2026/27 | 2027/28 | Total |
|----------------------------|----------------|----------------|----------------|
| Grant funded (DESNZ) | 485,000 | 475,000 | 960,000 |
| Total | 485,000 | 475,000 | 960,000 |

Again, the Council also receives a revenue contribution for administration and ancillary costs totalling £96,000, (see paragraph 3.6) that will support staffing costs and survey requirements.

- 2.3 A further bid is currently with DESNZ for up to £700,000.00 for 2027-28, and this report is proposing that in anticipation of a successful outcome of this bid, £1,400,000 is added to the Capital Programme for 2027-28. If this bid is unsuccessful, the existing capital programme will increase by £700,000 NSDC match funding and deliver a smaller programme.
- 2.4 A preferred contractor has now been identified, following a robust evaluation of cost, quality, and alignment with Warm Homes scheme objectives. Cabinet approval is required to give delegated authority to the Director of Housing Health and Well Being in conjunction with s.151 and Portfolio Holder for Housing to enter into a contract to enable both programmes to commence as soon as practicable.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

| Implications Considered | | | |
|---|-----|----------------------|-----|
| Yes – relevant and included / NA – not applicable | | | |
| Financial | YES | Equality & Diversity | YES |
| Human Resources | NA | Human Rights | NA |
| Legal | YES | Data Protection | NA |
| Digital & Cyber Security | NA | Safeguarding | NA |
| Sustainability | NA | Crime & Disorder | NA |
| LGR | NA | Tenant Consultation | YES |

3.1 Financial Implications (FIN26-27/5228)

3.2 **WH:SHF programme**

The WH:SHF programme is included in the Capital Programme as outlined in table 1 at paragraph 2.1.

Considering the additional £1,000,000 approved by Portfolio Holder on 13 April 2026, together with the proposal in this report to increase the capital budget in 2027-28 by a further £1,400,000 of which £700,000 relates to grant funding currently under consideration by DESNZ, the total capital programme investment within the HRA will be £5,542,560.

3.3 The total HRA Capital budget and financing of the proposal making up the £5,542,560 is shown at table 2, with the NSDC match funding being the Major Repairs Reserve (MRR).

As per paragraph 2.3, should the £700,000 additional not be successful, it is proposed that the £700,000 NSDC match is still added to the budget from the MRR and a smaller programme be delivered.

3.4 The grant funding also provides 10% of the capital fund value for administration and ancillary costs incurred by the Council, the expenditure budget for which is included in the budget, therefore just the income will be received as follows:

| Year | WH:SHF (HRA) |
|----------------------|----------------|
| 2026/27 | 77,594 |
| 2027/28 | 79,534 |
| Revenue Total | 157,128 |

3.5 This brings the total grant receivable for WH:SHF to £2,428,408. There will be no further implications on the revenue budget.

| WH:SHF (HRA) | 2026/27 | 2027/28 | Total |
|--------------------|----------------|------------------|------------------|
| Capital original | 775,940 | 795,340 | 1,571,280 |
| Capital additional | * | 700,000 | 700,000 |
| Revenue (A&A) | 77,594 | 79,534 | 157,128 |
| Total | 853,534 | 1,574,874 | 2,428,408 |

*£500,000 approved as part of portfolio holder decision.

3.6 WH:Local Grant

In addition to the above in the HRA, there is also the Local Grant, which is 100% grant funded for the private sector housing. This budget will be required within the General Fund as follows:

| WH:Local Grant (GF) | 2026/27 | 2027/28 | Total |
|----------------------------|----------------|----------------|----------------|
| Grant funded (DESNZ) | 485,000 | 475,000 | 960,000 |
| Total | 485,000 | 475,000 | 960,000 |

3.7 Revenue

The original grant funding also provides 10% of the capital fund value for administration and ancillary costs incurred by the Council, the expenditure budget for which is included in the budget, therefore just the income will be received as follows:

| Year | WH:LG (GF) |
|----------------------|-------------------|
| 2026/27 | 48,500 |
| 2027/28 | 47,500 |
| Revenue Total | 96,000 |

3.8 Taking the total grant receivable to £1,056,000. There will be no further implications on the revenue budget.

3.9 Legal Implications - LEG2627/7945

This aligns with the Council's climate change objectives. The Council's Legal team have been instructed previously in relation to this matter and will continue to provide advice and support to officers in relation to the agreements associated with the funding streams. The Legal team will provide any advice required in relation to procurement and any required contracts.

3.10 Tenant Consultation

Involved tenants tell us they support a measured approach to decarbonising homes and ideally, reducing bills through the measures fitted whether that is improving insulation or fitting solar panels and batteries. The programme outlined in this report takes the Council in the right direction but does not over commit or over stretch the team delivering the programme.

3.11 Equality and Diversity Implications

The Social Housing Fund will be used to target Council social rented homes with older and more expensive heating – particularly in the current climate with the high volatility of oil prices impacting tenants who may not be able to absorb or budget for these unexpected costs. It is not anticipated that the proposals will have an adverse effect on any residents with one or more protected characteristics.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None
