



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Council

Thursday, 16 July 2026

Report of Councillor Bridget Ley
Cabinet Member for Finance

Warm Homes Social Housing Fund Grant

Report Author

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Purpose of Report

To consider recommending to Cabinet the acceptance of the additional Warm Homes Social Housing Fund (WH-SHF) grant of £999k which the Council has been awarded by the Department for Energy Security and Net Zero (DESNZ), approve a budget increase of £1.598m to the Housing Revenue Account (HRA) Capital Programme and approve the transfer of £599k from the HRA Priorities Reserve in order to comply with the match funding condition.

Recommendations

Full Council is asked to:

- 1. Recommend that Cabinet accept the additional £999k Warm Homes Social Housing Fund grant which has been awarded to the Council by the Department for Energy Security and Net Zero.**
- 2. Note there is a match funding requirement attached to the grant.**
- 3. Upon acceptance of the grant approve a budget increase to the HRA Capital Programme of £1.598m and approve the transfer of £599k from the HRA Priorities Reserve in order to comply with the match funding condition.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Sustainable South Kesteven Housing Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 Following a grant application to DESNZ the Council has been successful in being awarded £999k which it is required to match fund to the same amount. The council's element will be funded from a £599k transfer from the HRA Priorities Reserve and £400k already included in the HRA Capital Programme budget which meets the eligibility criteria.
- 1.2 As a result, the capital programme for 2026/27 will need to be increased by £1.598m to reflect the cost of the additional works.

Completed by: David Scott – Assistant Director of finance and Deputy S151 Officer.

Legal and Governance

- 1.3 Due to the level of proposed budgetary increase, Full Council are required to consider approving the expected increase to the HRA capital programme. This is subject to Cabinet accepting the grant funding.

Completed by: James Welbourn, Democratic Services Manager

Climate Change

- 1.4 The allocation of additional funding via the Warm Homes: Social Housing Fund will allow for additional energy efficiency and heat decarbonisation measures to be installed in Council owned properties. Investment in these properties via grant

funding and allocated HRA funding will also help to reduce running costs for tenants, address risk of fuel poverty and promote warm and efficient homes.

Completed by: Serena Brown, Sustainability and Climate Change Manager

2. Background to the Report

- 2.1 The Council submitted a bid to Department for Energy Security and Net Zero (DESNZ) for additional grant from the Warm Homes Social Housing Fund of £999k to enable energy efficiency improvement works to be completed on an additional 106 properties in the Council's Housing Stock during 2026/27. Confirmation was received in June 2026 that the Council has been awarded the grant which needs to be spent by 31 March 2027, a report will be presented to Cabinet on 21 July 2026 to seek approval to accept the grant.
- 2.2 The planned energy efficiency improvement works will increase the EPC ratings on the properties included in the bid from a D, E or F to a C which will support the Council with achieving EPC rating of C by 2030 across the housing stock.
- 2.3 Table 1 provides details of the proposed energy efficiency works that will be installed at each of the properties, these are subject to change following the completion of retrofit surveys and energy modelling at each of the properties as these reports could identify alternative works to achieve an EPC rating of C.

Table 1 – Proposed Energy Efficiency Works

Works	Number of Properties
Air Source Heat Pumps	10
Loft Insulation	32
Replacement Windows	12
Solar PV Panels and Replacement Windows	10
Air Source Heat Pumps, Solar PV Panels and Loft Insulation	42
Total	106

- 2.4 As part of the grant terms and conditions the Council is required to provide match funding of £999k. This can be met by transferring £200k budget from the window and doors programme and £200k budget from the heating programme as properties currently scheduled to receive works under these schemes can be transferred to the Warm Homes programme. A transfer of £599k will also be required from the HRA Priorities Reserve to provide the balance of the match funding. There is sufficient funding in this reserve to enable the match funding to be provided.
- 2.5 If acceptance of the grant award is approved by Cabinet the HRA Capital Programme budget will need to be increased by £1.598m to reflect the cost of the additional works. The amendment consists of the £999k grant funding and the

£599k transfer from the HRA Priorities Reserve as the balance of £400k is already included in the HRA Capital Programme budget.

Table 2 – Summary Funding

Funding	Amount
Grant Funding	£999k
Match Funding:	
HRA Priorities Reserve	£599k
Existing HRA Capital Programme Budget	£400k

3. Key Considerations

- 3.1 The Council is required to achieve an EPC rating of C across the housing stock by 2030 so acceptance of this grant and the associated match funding, and the budget amendment will support this requirement.

4. Other Options Considered

- 4.1 Full Council could choose not to approve the budget increase and the transfer from the HRA Priorities Reserve, but this would not support the achievement of an EPC rating of C across the Council's housing stock by 2030.

5. Reasons for the Recommendations

- 5.1 Approval of the recommendations in this report will ensure the Council is able to proceed with the proposed energy efficiency improvement works detailed in table 1.