



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Cabinet

Tuesday, 21 July 2026

Councillor Virginia Moran
Cabinet Member for Housing

Warmer Homes Grant

Report Author

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Purpose of Report

To seek approval for the acceptance of the additional Warm Homes Social Housing Fund (WH-SHF) grant of £999k which has been awarded to the Council by the Department for Energy Security and Net Zero (DESNZ) and approve the award of an additional £1.998m of works to Equans Buildings Ltd, the Council's approved contractor for the installation of energy efficiency and low carbon measures in Council Owned properties.

Recommendations

Cabinet are asked to:

- 1. Approve the acceptance of 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. Approve the award of an additional £1.998m of works to Equans Buildings Ltd who are the Council's contractor for installing energy efficiency and low carbon measure in Council owned properties.**

Decision Information

Is this a Key Decision?	Yes
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Sustainable South Kesteven Housing
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 Subject to approval at the Council meeting on 16 July 2026 the HRA Capital Programme for 2026/27 will be increased by £1.598m to reflect in increased funding requirement to deliver the extended scheme. This amount plus existing eligible match funding of £400k already included within the HRA capital programme will provide sufficient budget to meet the new contract cost of £1.998m.

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

Procurement

- 1.2 It is confirmed that a fully compliant procurement process was completed in 2025 and the Council's Procurement Lead has been consulted throughout the process. On 13 May 2025 Cabinet approved the award of £7.81m to Equans Building Ltd due to the reduced funding award from Government however the signed contract with Equans contains an optional, one year extension to 31/03/2028 valued at £3.7m. The total value of the contract including the optional extension therefore is £11,500,000.
- 1.3 The framework this contract was awarded under was let under Public Contracts Regime 2015.
- 1.4 Regulation 72 (c) of PCR2015 provides that a contract or framework agreement can be modified during their term without a new procurement procedure if:
 - (c)where all of the following conditions are fulfilled:—
 - (i)the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
 - (ii)the modification does not alter the overall nature of the contract;
 - (iii)any increase in price does not exceed 50% of the value of the original contract or framework agreement.

The additional value sought would not exceed 50% of the original contract value and is therefore compliant

Completed by: Helen Baldwin, Procurement Lead

Legal and Governance

- 1.5 Grant funding at this level requires approval by Cabinet as it is over the Key Decision threshold.

Completed by: James Welbourn, Democratic Services Manager

Climate Change

- 1.6 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 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, so this now needs to be formally accepted.
- 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 report was presented to Full Council on 16 July 2026 to seek approval for a transfer of £599k from the HRA Priorities Reserve to provide the balance of the match funding should acceptance of the grant be approved by Cabinet.
- 2.5 The report presented to Full Council on 16 July 2026 also requested approval to increase the HRA Capital Programme by £1.598m to reflect the cost of the additional works if acceptance of the grant award is approved by Cabinet. 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

- 2.6 If Cabinet approve the acceptance of the additional £999k DESNZ grant funding there will be a requirement to award an additional £1.998m of works to Equans to enable the installation of the energy efficiency measures detailed in table 1 to commence.

3. Key Considerations

- 3.1 The Council is required to achieve an EPC rating of C across the housing stock by 2030 so approving the acceptance of this grant, will support with the meeting this requirement.

4. Other Options Considered

- 4.1 Cabinet could choose not to accept the additional grant funding, 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.

6. Background Papers

6.1 Contract Award for Warm Homes Social Housing Fund works

<https://moderngov.southkesteven.gov.uk/documents/s46587/Contract%20Award%20for%20Warm%20Homes%20Social%20Housing%20Fund%20works.pdf>