

OPEN

Council

Date: 10 December 2025

Warm Homes Local Grant

**Report of: Ashley Hughes, Executive Director of Resources and
Section 151 Officer**

Report Reference No: C/13/25-26

Ward(s) Affected: All

For Decision or Scrutiny: Decision

Purpose of Report

- 1 Authority is required to accept a grant from the Department of Energy Security and Net Zero for the purpose of improving energy efficiency in domestic properties.

Executive Summary

- 2 In February 2025 the Council was successful in its expression of interest to the Department of Energy Security and Net Zero (DESNZ) for Warm Homes Local Grant funding, a capital grant to improve the energy efficiency of the worst quality privately owned homes. The Council was awarded £7,792,725 over a 3-year period, to 31 March 2028.
- 3 DESNZ recently notified the Council that, following a review of delivery performance and capacity, they had allocated the Council a provisional grant allocation uplift of £600,000 for the Warm Homes Local Grant project.

RECOMMENDATIONS

Council is recommended to:

1. Accept the Warm Homes Local Grant uplift of £600,000
2. Approve a supplementary capital estimate of £600,000 for 2025/26 financial year, fully funded by grant from DESNZ.
3. Notes/Accepts the requirement to sign an Addendum to the Memorandum of Understanding with DESNZ, previously signed in March 2025 and authorises the Director of Growth and Enterprise to execute the Addendum

Background

- 4 In its manifesto, the Government committed to a Warm Homes Plan to upgrade five million homes over five years to cut bills for families and deliver warmer homes to slash fuel poverty. This ambition is a key part of the Government's wider ambition to reach net zero by 2050. As part of the Warm Homes Plan, the Government has committed to partnering with combined authorities, local and devolved governments to deliver insulation measures and other improvements such as solar panels, batteries and low carbon heating.
- 5 On 21 March 2025, the Chief Executive made an Urgent Decision on behalf of Council, in consultation with Members, to accept a Warm Homes Local Grant award of £7,792,725 from the Department of Energy Security and Net Zero (DESNZ). The purpose of the grant was to improve energy efficiency in domestic properties, targeting low-income households living in the worst quality, privately owned homes from 1 April 2025 to 31 March 2028. As a result of this decision, the Council entered a Memorandum of Understanding (MOU) with DESNZ on 7 April 2025. This Urgent Decision was reported to Council at its meeting on 14 May 2025.
- 6 On 20 November 2025 DESNZ wrote to the Council to advise of a provision grant allocation uplift of £600,000 for the financial year 2025/26. The Council must sign an Addendum to the MOU dated 7 April 2025 to accept the grant allocation uplift.
- 7 The grant needs to be accepted by 10 December 2025 to ensure that funds are secured and available for the Council to use to deliver the

Warm Homes Local Grant scheme. As notification of the grant award was received on 20 November 2025 and the next Committee meeting is not until January 2026 which is past the deadline for returning and signing the grant acceptance, a decision by the Council is required.

Consultation and Engagement

- 8 The funding is intended to supplement an existing scheme; therefore no consultation and engagement is necessary.

Reasons for Recommendations

- 9 The Grant must be spent within a restricted timescale and must be accepted by 10 December 2025.
- 10 The Council's Constitution states that successful grant applications require a Supplementary Estimate to incur spending.

Other Options Considered

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Option	Impact	Risk
Do nothing	Worst-quality homes will not be upgraded	Domestic carbon emissions will not be reduced as part of the road to net zero

Implications and Comments

Monitoring Officer/Legal/Governance

- 12 The addendum referred to above has been reviewed by Legal, Legal is happy that it deals solely with the issue of additional funding and does not otherwise impact the MOU. There is no other comment from Legal, this report accords with the process laid out in the constitution for the acceptance of grant awards.

Section 151 Officer/Finance

- 13 The Council's approved budget 2025/26/Medium Tern Financial Strategy (MTFS) currently includes £7.793m budget for Warm Homes Local Grant (DESNZ), fully funded by grant within the Capital Programme:
- | | |
|---------|---------|
| 2025/26 | £1.354m |
| 2026/27 | £3.252m |
| 2027/28 | £3.187m |
- 14 The provision of the additional grant allocation for the financial year 2025/26, if accepted, will require an increase to the 2025/26 Warm Homes Local Grant capital programme via a Supplementary Capital Estimate of £600,000 fully funded via grant. In accepting the grant, the Council must sign an Addendum to the MOU dated 7 April 2025 to accept the grant allocation uplift.
- 15 As indicated in paragraph 8 the additional funding is required to be accepted by 10 December 2025 and once accepted the funds are to be spent with a restricted timescale which is by 31 March 2026. The Council has received the additional grant allocation following a review of delivery performance and capacity of the current programme. Any 2025/26 funding not spent by 31 March 2026 would need to be repaid to DESNZ.
- 16 15% of the funding can be used for administrative and ancillary costs (being staffing and management costs, resident engagement, surveys, planning applications, preparatory works and abortive costs); this is a sufficient allocation to be able to administer the grant, undertake all accounting and reporting responsibilities, and deliver the scheme at no cost to the Council.
- 17 Delivery and administration of the scheme will be undertaken by Cheshire East Council on behalf of Cheshire West and Chester Council and Warrington Borough Council, with retrofit surveys and installations being completed by suppliers procured in accordance with public procurement regulations. Cheshire West and Chester Council and Warrington Borough Council will have oversight of the scheme through regular reports and governance meetings. This delivery framework provides greater cost efficiency for the scheme, eliminating duplication of costs across the three areas, and enables Cheshire East as the grant recipient to maintain control over how the funds are spent.
- 18 There is an existing Collaboration Agreement with Cheshire West and Chester Council and Warrington Borough Council for the delivery of

sustainable warmth projects, setting out the roles and responsibilities of each party in the delivery of collaborative grant schemes, covering all aspects needed to deliver the scheme including grant administration, monitoring and reporting, resident engagement, procurement, contract management and quality assurance. The existing Collaboration Agreement will be updated to reflect the Warm Homes: Local Grant Scheme.

Human Resources

19 There are no direct implications for human resources.

Risk Management

20 Failure to sign and submit the signed Addendum to the MOU would place the funding offer at risk of withdrawal by DESNZ.

Impact on other Committees

21 There is no impact on other Committees.

Policy

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Commitment 1: Unlocking prosperity for all

Carbon neutral council with minimum offset by 2030, influencing carbon reduction and green energy production across the borough by 2045

Borough-wide Carbon Neutrality Action Plan

Directly allocate available funding for retrofit or prioritise delivery of grant funding of low energy efficiency homes in the borough, for the most vulnerable households.

Equality, Diversity and Inclusion

23 There are no direct implications for equality, diversity and inclusion.

Other Implications

24 There are no other implications.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy) :</i>			
Ashley Hughes	S151 Officer	02/12/25	02/12/25
Kevin O'Keefe	Governance, Compliance and Monitoring Officer	01/12/25	02/12/25
<i>Legal and Finance</i>			
Tracy Baldwin	Finance Manager – Strategic Finance & Accounting	01/12/25	01/12/25
Adrian Leslie	Principal Lawyer - Place	01/12/25	01/12/25
<i>Other Consultees:</i>			
<i>Executive Directors/Directors</i>			
Peter Skates	Director of Growth and Enterprise	01/12/25	01/12/25

Access to Information	
Contact Officer:	Karen Whitehead, Housing Standards & Adaptations Manager karen.whitehead@cheshireeast.gov.uk
Appendices:	n/a
Background Papers:	The background papers relating to this report can be inspected by contacting the report writer.