

MIDDLESBROUGH COUNCIL	
------------------------------	--

Report of:	Director of Environment and Community Services – Geoff Field
Relevant Executive Member:	Executive Member for Neighbourhoods – Cllr Ian Blades
Submitted to:	Executive
Date:	12 November 2025
Title:	Warm Homes: Local Grant – Home Energy Efficiency Improvement Scheme
Report for:	Decision
Status:	Public
Council Plan priority:	A healthy place
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000
Subject to call in?	Yes
Why:	Non-Urgent Report

Proposed decision(s)
That Executive: • APPROVES the Council taking part in the Warm Homes Local Grant Scheme. • APPROVES entry into associated agreements in relation to the grant. • NOTES that the scheme will be delivered by Darlington Borough Council on behalf of Middlesbrough Council. • NOTES that the Public Protection service will performance manage the grant usage of the scheme in Middlesbrough and report this to the Director of Environment and Community Services.

Executive summary
A consortium of Tees Valley Councils (Middlesbrough, Stockton on Tees, Redcar and Cleveland and Darlington), has been awarded £13.9m by the Department for Energy Security and Net Zero (DESNZ) to deliver home energy efficiency improvements and low carbon heating to low-income households in Tees Valley. The Warm Homes: Local Grant scheme will be targeted towards low-income households

and properties that have an Energy Performance Certificate (EPC) rating of D to G with the aim of improving EPC ratings to (at least) C.

Energy improvement measures will range from enhanced property insulation and thermal protection through to the installation of solar panels and air source heat pumps. Many households will qualify on postcode eligibility alone, which are the addresses in Income Deciles 1-2 of the Indices of Multiple Deprivation. Other residents may be able to qualify on their household income.

The scheme will be delivered over three years and will see a single energy provider being appointed to manage and deliver the scheme on behalf of the Tees Valley consortium. Darlington Borough Council are leading the scheme on behalf of the other authorities and will receive and administer the grant funding from DESNZ. Details of the energy provider are not being made public until contracts have been agreed.

The scheme aims to improve the energy performance of more than 700 homes across Tees Valley. There will be no direct minimum spend per property, but the scheme will see an average spend of around £12,400 per eligible property. In Middlesbrough the target number of properties to be benefit from the scheme is a minimum of 150, which is dependent on the number of applications received and their eligibility to be included in the scheme, together with the costs incurred per property for energy improvement.

Purpose of this report and its contribution to the achievement of the Council Plan ambitions

1.1 The purpose of this report is to seek approval for the Council to take part in the Warm Homes Grant Scheme which will enable eligible residents to access funding to make their homes warm and safe to inhabit.

1.2 Use of the grant will have the following impacts on the Council Plan aims:

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	Enabling more people to live in houses of decent standard will contribute to actions that improve the overall health of the Council's population, enabling more people to be able to work in the town and more children to live in safe, warm homes, putting them in a better position to be able to achieve good educational outcomes.
A healthy Place	Use of the grant will support improved health and wellbeing, including reducing fuel poverty, improved thermal comfort and afford better housing standards.
Safe and resilient communities	Not applicable.
Delivering best value	Not applicable.

2. Recommendations

2.1 That Executive:

- **APPROVES** the Council taking part in the Warm Homes: Local Grant scheme.
- **APPROVES** entry into associated agreements in relation to the grant.
- **NOTES** that the scheme will be delivered by Darlington Borough Council on behalf of Middlesbrough Council.
- **NOTES** that the Public Protection service will performance manage the grant usage of the scheme in Middlesbrough and report this to the Director of Environment and Community Services.

3. Rationale for the recommended decision(s)

- 3.1 The proposed recommendation supports the Council's ambition to achieve a healthy place. To improve the energy efficiency of properties occupied by low-income households and properties that have substandard energy performance ratings.
- 3.2 The grant will improve energy performance in private residential dwellings to reduce fuel poverty and the health risks associated with poor energy protection, including risks linked to damp and mould. It will also make houses more cost-efficient to heat and create more sustainable dwellings.

4. Background and relevant information

- 4.1 The UK government has committed to partnering with combined authorities, local and devolved governments to deliver insulation measures and other improvements such as solar panels, PV batteries and low carbon heating. Their aim is to cut bills for families, reduce fuel poverty, and reduce carbon emissions in support of its net zero 2050 target.
- 4.2 The Warm Homes: Local Grant scheme is a government-funded scheme delivered by local authorities that will take the first steps to delivering on the ambitions of the Warm Homes Plan. It will provide grants for energy performance upgrades and low carbon heating to low-income households living in the worst quality, privately owned homes in England to achieve energy bill savings and carbon savings.
- 4.3 Middlesbrough Council, in partnership with Darlington Borough Council, Redcar and Cleveland Borough Council and Stockton on Tees Borough Council has been awarded Warm Homes grant funding of £13.9m. The scheme aims to improve the energy efficiency rating of around 700 homes in Tees Valley.
- 4.4 The four local authorities have been developing the Tees Valley scheme to ensure the requirements for administering the grant funded scheme are met. The scheme will be delivered by a single private energy provider, chosen through the NEPO framework, and who has a proven track record of delivering energy efficiency schemes. The provider will use its own workforce and local trades to identify properties that will benefit from home energy improvements, assess what energy efficiency measures can be made to dwellings and carry out works to improve energy efficiency rating to EPC 'C' or above. By working with an energy provider, who has extensive knowledge and experience delivering home energy improvements, this enables a more streamlined, cost-effective and manageable delivery of the scheme. A turnkey provider can handle the complexities

of delivering this large-scale programme of home improvements, deliver consistent services, address technical issues and supply issues effectively, as well as provide a single report on the delivery of scheme to consortium members. Should the delivery of the grant scheme be managed by the local authorities granted funding, this would significantly increase the demand on resources in each authority and as such may lead to the scheme not being viable.

4.5 There are three ways that properties can be approved for energy efficiency improvement works. These are:

- i. The household lives in a valid postcode that falls within eligible income deciles 1-2 of the Indices of Multiple Deprivation [Properties in Income Deciles 1-2 of the Indices of Multiple Deprivation in Middlesbrough are predominantly in postcode areas TS1, TS2, TS3, and TS4].
- ii. The household is in receipt of a specified means-tested benefit.
- iii. The household's gross annual income is below £36,000 (or the equivalent 'after housing costs' threshold for their household composition).

4.6 Darlington Council will coordinate and manage the grant funding on behalf of the consortium members and Middlesbrough Council's Public Protection Service will performance manage the grant usage in Middlesbrough and report this to the Director of Environment and Community Services.

4.7 All member authorities will receive a payment from the grant funding up to 15% of the total project spend to cover own costs in administering and the management of the scheme.

4.8 The average spend per property will be £12,400 and in Middlesbrough the scheme aims to see energy improvements made to, at least, 150 properties, although the actual number of properties supported will depend on the number of eligible applications received and the actual cost of works per property.

4.9 Applications can be made by owner-occupiers, landlords and tenants whose properties have an EPC rating of D, E, F or G and/or properties located with specified postcodes.

4.10 The scheme will be promoted through various media channels and through direct contact with residents and landlords.

5. Ward Member Engagement if relevant and appropriate

5.1 There has been no member engagement up to this stage. It is our intention to engage with members following approval of the grant by Executive.

6. Other potential alternative(s) and why these have not been recommended

6.1 Not to approve Middlesbrough's involvement in the delivery of the Warm Homes: Local Grant scheme. This decision is not recommended due to the benefits the scheme will bring to low-income households and the investment in housing stock in Middlesbrough.

6.2 Many local authorities have taken a consortium approach when applying for grant funding for local home improvements. This approach enables authorities to benefit from economies of scale, maximum the amount of grant funding that could be awarded, effectively engage with a single turnkey provider and deliver the scheme on a large scale. Darlington Council has developed considerable experience in the delivery of home energy improvement schemes, alongside Stockton on Tees and Redcar & Cleveland and by joining with these Councils it has enabled Middlesbrough Council to offer a home energy improvement scheme that will benefit local people, particular those in low-income households.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	There are no negative impacts of the scheme. The scheme will see investment in housing stock, improvement in energy efficiency, reduction in the impact of fuel poverty and a higher standard of rental dwellings. The costs of the scheme will be met by the grant. Any cost to Middlesbrough in terms of resources to approving grants to individual properties will be met by the scheme.
Legal	The Council will be subject to the terms of the grant agreement and the terms of the contract in place with Darlington Council to administer the grant on the Council's behalf.
Risk	The application of the scheme will provide funding for those in most need to be able to stay in their homes and for their homes to be of a decent standard, reducing the likelihood of people living in cold, damp homes which can be a contributing factor to ill health.
Human Rights, Public Sector Equality Duty and Community Cohesion	Not applicable. The terms of the grant and its use are set nationally by government.
Reducing Poverty	The scheme will help to address fuel poverty and create cost-effective, energy efficient homes, with particular benefit to low-income households.
Climate Change / Environmental	The scheme supports national energy efficiency targets.
Children and Young People Cared for by the Authority and Care Leavers	This policy does not impact on Young People Cared for by the Authority and Care Leavers.
Data Protection	The scheme will be delivered in full compliance with data protection requirements.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Once approved the grant agreement will be signed	Judith Hedgley / Wayne Flowers	Within three months of Executive.

and the scheme will be launched. Applications for energy efficiency improvements for dwellings in Middlesbrough will be accepted and processed.		
---	--	--

Appendices

1	None
2	
3	

Background papers

Body	Report title	Date
UK government - Gov.uk	Warm Homes: Local Grant Policy Guidance for Local Authorities - Warm Homes: Local Grant policy guidance	16 June 2025

Contact: Judith Hedgley
Email: Judith_hedgley@middlesbrough.gov.uk

Contact: Wayne Flowers
Wayne_flowers@middlesbrough.gov.uk