

# WARM HOMES: LOCAL GRANT

Delivering retrofit improvements to eligible privately owned and rented Plymouth homes



## 1. EXECUTIVE SUMMARY

Plymouth City Council has been allocated a grant award from central government department of Energy Security and Net Zero (DESNZ) of £3,024,995.00 to fully fund thermal and heating improvements to over 200 eligible privately rented and owned homes across the city over the next 3 years up to March 2028.

## 2. BACKGROUND

The Warm Homes Local Grant (WH:LG) is a central government designed scheme to fully fund retrofit improvements to privately owned homes; as well as fully funding the first privately rented landlord property, and subsequently providing a 50% match fund for any further homes the same landlord chooses to elect from their portfolio into the scheme.

The eligibility criteria set for residents and homes to benefit from the grant fund is as follows:

- The home must have a total annual household income of £36,000.00 or less

Or

Is located within an IMD 1-2 postcode area

Or

The resident is in receipt of means tested benefits

And

- The home has an Energy Performance Certificate of D or lower (E, F, G)

In December 2024 Plymouth City Council submitted an ambitious Expression of Interest to the Central Government Department of Energy Security and Net Zero (DESNZ) to improve eligible Plymouth homes over the project's delivery duration, which runs for 3 years from 01/04/2025 – 31/03/2028.

On 28 February 2025 DESNZ confirmed that Plymouth City Council had been successful in receiving allocated grant funding, however due to a significant oversubscription of the fund from Local Authorities across England, all LA expressions of Interest were scaled down by 2/3'rds.

As a result Plymouths grant award is currently £3,024,995.00 to improve over 200 x eligible homes over the next 3 years.

### Current Business Need – Plymouths Housing Stock:

Based on [Parity Data](#), Plymouth currently has ~123,360 homes, some facts on these homes are:

- 70% constructed prior to 1975
- 77% prior to 1984, the Building Act
- 6.7% constructed after 2012
- 67% are houses
- 28% are flats
- 48% are owner occupied
- 30% are privately rented
- 22% are social housing
- 64% of all homes either have, or are estimated to have, an EPC of D or lower

**Current Business Need – Plymouth demographic, household composition and average earnings:**

In the most recent census taken in [2021](#), Plymouth demographic was reported as:

- 264,700 total population
- 59% of the population over the age of 16
- 18.5% of population over the age of 65

53% of adults were in employment

22.7% were economically inactive

21.8% were retired

The 2021 census also recorded the household composition for Plymouth:

- 44% of homes either a one-person or lone parent household
- 41% of homes have a co-habiting couple
- 15% were HMO's

The Office for National Statistics produces annual salary data, broken down to LA area earnings and hours worked, by place of residence / local authority

The most recent [2023 dataset](#) records Plymouth's annual FTE salaries to be:

- Male median salary - £34,249.00
- Female median salary - £28,216.00

These statistics are important in suggesting that a large proportion of Plymouth residents may potentially be eligible to access the Warm Homes: Local Grant through the household income route, irrespective of whether or not their home is located within an IMD 1-2 postcode.

**Current Business Need – Plymouths IMD 1-2 Postcode Areas:**

Living in an IMD 1 or 2 postcode is another eligible route a resident can take to access the funding.

Index of Multiple Deprivation (IMD) is a countrywide measure for calculating the level of deprivation at a postcode level, a method that has been used since 1970. IMD1 and 2 postcode areas are categorised as having the highest level of deprivation. The ranking is based on 7 x category measures:

1. Income
2. Employment
3. Education
4. Health
5. Crime
6. Barriers to housing & services
7. Living environment

According to the [DESNZ dataset](#), Plymouth currently has 1,705 postcodes that fall into IMD 1 or 2. These 1,705 postcodes equate to:

- 23,220 homes located in an IMD 1 postcode area
- 17,367 homes located in an IMD 2 postcode area

= 40,587 (33%) of Plymouth homes in total

**3. PROPOSED CHANGES AND REASONS**

Plymouth City Council has the opportunity to deliver the WH:LG, targeting the funding towards the many homes that are most in need, ensuring the thermal and energy performance of these households are improved to create a warmer, healthier internal living environment for the resident, whilst seeking to reduce their annual utility bills.

The WH:LG funds both insulation measures, as well as clean heat technology installations, so whilst improving the building fabrics heat retention capabilities, we are also seeking to improve the heating methods, making the home more energy self-sufficient through measures such as solar pV to generate electricity, and should the scheme allow, to also install battery storage.

In working with each of these homes we will partner with supporting services to ensure that where a resident vulnerability or further need is identified, a need beyond that of the grant fund, we will signpost the resident into the relevant supporting service, ensuring they have access the full support services they may be entitled to.

We are already starting to generate partnership connections with other services beyond PECs fuel poverty advice team, partnerships such as with Devon & Somerset Fire and Rescue Service, to offer free fire safety visits, which could result in residents receiving free smoke and carbon monoxide alarms and help with safe exit plans from the home in the event of an emergency.

The Net Zero Delivery Team is also in discussion with both the Health Determinants Team and PEC's Fuel Poverty Advice Team to explore how we can most effectively evaluate the retrofit improvements delivered to a home, ensuring it does improve comfort and reduce heating costs, and if improvements identified, how we implement these to continually improve what is installed and how we work with the resident to ensure a long term noticeable benefit/ cost reduction is achieved.

#### **4. ALTERNATIVE OPTIONS**

1. To apply for a smaller grant, to treat a smaller number of homes over the 3-year period – this was rejected as Plymouth's objective is to secure the maximum grant allocation possible to support, treat and improve as many eligible homes as possible over the next 3 x year period. We also evaluated our internal capacity and staff resourcing in partnership with delivery partner Plymouth Energy Community, and it was agreed between both organisations we have enough resource to deliver the maximum size of scheme available to us.

2. To apply for a larger grant to treat a higher number of homes over the 3 year period – this was rejected as application rules prevented Plymouth from applying for any further funding, and our currently submitted Expression of Interest was at the maximum value allowable based on the set calculation of previous best delivery performance over a 6 x month period, and then increased by 10%

3. To receive funding for our original bid submission of £11m to treat 770 x homes. Unfortunately, in the grant allocation award letter issued to PCC on 28/02/2025 DESNZ noted that there was a 3-fold oversubscription to access this funding from LA's across England, and total bids received for DESNZ's currently ringfenced £500m warm homes fund, were in excess of £1.7billion. As a result, each Local Authority's Expression of Interest was proportionately scaled down by over 2/3rds. In Plymouth City Council's case we have been allocated 27% of what we bid for.

4. Not to participate and deliver this funding – this option is rejected as it is Plymouth City Council's responsibility to ensure this funding can be accessed by our residents; and as a council we have a mature and well developed retrofit delivery team, working cross organisationally with our delivery partner Plymouth Energy Community. Across the 2 x organisations we have embedded a clear process and set of procedures to reach and treat eligible privately owned and privately rented homes across the city. The cross organisational team is competent and skilled to work with each household, each with varying circumstances and needs, to ensure the funding is maximised to best benefit the occupants and use of the home.

#### **5. FINANCIAL IMPLICATIONS AND RISK**

##### **Capital**

This grant covers 100% of the capital delivery cost.

There will be no capital borrowing or risk request attached to the delivery of this grant.

#### Revenue

The grant terms allocate <15% of total grant funding for revenue expenditure. Revenue funding is required to be spent on administration and ancillary resulting from delivering this grant.

A maximum of £76,577.34 revenue can be allocated to fund PCC staff salary costs. This means there will be a shortfall funding to pay for PCC staff salaries, creating a financial risk.

It is requested the Revenue Cost Centre GL2265 Retrofit Grant Delivery, which currently holds un-ringfenced funding from previous grant schemes now closed, is agreed to be utilised to support the project delivery staffing costs, mitigating financial exposure or risk of PCC exceeding the grant term that Admin and Ancillary/ Revenue costs must remain at <15%.

## 6. TIMESCALES

28 February 2025	DESNZ notified Plymouth City Council of WH:LG funding award
Before 28 March 2025	Plymouth City Council sign a Memorandum of Understanding with DESNZ to agree the grant value, proposed number of homes to treat and scheme requirements
March 2025	Plymouth City Council arranges a Mid Mobilisation Review to check our delivery structure
March – April 2025	Plymouth City Council undergoes a Delivery Assurance Check, and audit to confirm operationally ready to deliver the grant
01 April 2025 - 31 March 2028 (Funding awarded 1 April 2025, decision taken June 2025)	3 x year scheme duration to retrofit 206 eligible homes
May/June 2028	Final closure report submission to grant funder