

East Herts Council

Date: 2nd October 2025

Report by: Jonathan Geall, Director for Communities

Report title: Commissioning National Energy Foundation (NEF) to deliver the Warm Homes:Local Grant programme in East Herts

Ward(s) affected: All

Summary

On 14th May 2025, Council accepted an allocation of £1.5m Warm Homes : Local Grant (WH:LG) funding from the Department of Energy Security and Net Zero (DESNZ) thus adding it to East Herts Council's (the council's) capital and revenue budget and enabling officers to contract with a suitably experienced managing agent to distribute home energy efficiency grants to qualifying households.

This reports the decision of the appropriate officer, that being the Director for Communities, to let a contract to the National Energy Foundation (NEF) in pursuance of Council's decision of 14th May 2025.

RECOMMENDATIONS FOR DECISION: That:

The National Energy Foundation (NEF) be commissioned to manage and deliver the Warm Homes:Local Grant programme in East Herts

1.0 Proposal(s)

1.1 To commission NEF to manage and deliver the Warm Homes:Local Grant programme in East Herts.

2.0 Background

- 2.1 Warm Homes: Local Grant (WH:LG) is a UK government initiative designed to improve the energy efficiency of homes, specifically for low-income households.
- 2.2 The council has been allocated £1.5 million under the WH:LG initiative to fund energy efficiency retrofit measures to eligible homes in the district across the coming three years.
- 2.3 The council do not have the required internal capacity or capability to deliver the scheme without a Managing Agent.
- 2.4 The Watford Borough Council Framework Agreement for Domestic Retrofit and Associated Environmental Improvement Services in Hertfordshire and Buckinghamshire (Framework) has been used for the evaluation of and eventual selection of NEF as Managing Agent.
- 2.5 Officers were granted a procurement waiver for direct award under terms of the Framework on 3rd April 2025 and this direct award agreement is to NEF.
- 2.6 The council has a good working relationship with NEF, an independent charity focused on improving the use of energy in buildings, with regard to the delivery of other energy efficiency schemes.
- 2.7 The terms of the Order Form and Call off Contract have been mutually agreed and are ready for signature.

3.0 Reason

- 3.1 NEF have been selected and will be secured into contract under the terms of the Framework with specific permissible contract clause modifications which fully satisfy the council in terms of risk mitigation.
- 3.2 Not agreeing to the contract will mean the council will not be able to deliver WH:LG and will have to surrender its funding allocation.

- 3.3 Not executing the contract in a timely manner may result in the funding being reduced.
- 3.4 Selecting an alternative supplier will imply the same risks as at 3.1 and 3.2.

4.0 Options

- 4.1 Internal delivery – NOT RECOMMENDED because the council does not have the required capacity or capability to deliver a scheme of this scale or technical scope.
- 4.2 Do not commission NEF and instead commission another supplier – NOT RECOMMENDED because other suppliers under the Domestic Retrofit and Associated Environmental Improvement Services in Hertfordshire and Buckinghamshire Framework were considered and rejected on the basis of NEF being able to provide the best value along with their expertise in this field.
- 4.3 Reject the grant and not participate in the WH:LG programme – NOT RECOMMENDED because Council agreed to accept the grant at a meeting on 14th May 2025.
- 4.4 Commission NEF – RECOMMENDED for the reasons outlined in this report).

5.0 Risks

- 5.1 The contract with NEF acknowledges and accepts that the contract is funded by DESNZ under the terms of the MOU between the council and DESNZ. The council is subject to certain repayment/clawback provisions in the MOU for underperformance. In executing the contract, NEF will also be bound to the terms of the DESNZ MOU. Specific contract clauses have also been inserted, stipulating that NEF shall promptly repay to the council any funding which has been paid to them under this contract where NEF is required to repay such funding under the terms of the MOU for whatever reason. This reduces the council's

financial risk associated with clawback for underperformance by the Managing Agent to nil.

- 5.2 All districts in Hertfordshire, bar St Albans and East Herts, have Indices of Multiple Deprivation (IMD) where residents in those areas automatically qualify for the grant. The council will have more work to do to identify qualifying residents and meet the number and value of home interventions performance criteria.
- 5.3 Capital costs for retrofit measures identified and ready to be commissioned by NEF's retrofit supplier network (subcontractors) will be drawn down in batches from DESNZ by the council. Upon confirmation from DESNZ that a batch payment has been authorised, NEF will submit an invoice for the same amount for payment within ten days. This enables works to commence and for NEF's supplier network to be paid promptly upon successful completion. The timescale between capital payment authorisation and receipt could be between 6 and 7 weeks. The council has agreed that it can cover the cash flow implications for the intermediary period.
- 5.3 The contract is confidential in its entirety. An NDA will be signed by the council and NEF before distribution of the contract bundle for execution.
- 5.4 NEF will be contacting, visiting and carrying out works to residents and their homes on the council's behalf. All considerations including reputation, confidentiality, professional conduct, fraud risk, health and safety, insurances, post installation guarantees, warranties and associated escalation processes have been covered off in the contract terms and/or via the council's, DESNZ's and Rise's (agent on DESNZ behalf) rigorous examination of the procedural documentation for NEF executing their role as Managing Agent. In order to proceed to delivery, the council and NEF will also have to have passed a Delivery Assurance Check (DAC) conducted by DESNZ and Rise. Execution of this contract with NEF is the last item requiring completion before the DAC is passed.

6.0 Implications/Consultations

- 6.1 All contractual implications have been accounted for. This includes internal consultations with Procurement, Finance, Legal, Information Governance and Data Protection Management and Communications. All correspondence has been captured in written format, stored and inserted in the contract as appropriate.
- 6.2 Council accepted the allocation of £1.5m Warm Homes : Local Grant (WH:LG) and the intention to procure NEF as Managing Agent at Full Council on 14th May 2025
- 6.3 Public consultation is not required in relation to letting this contract.

Community Safety

Retrofit Assessors and installing suppliers within NEF's Supplier Network will be visiting residents' homes. Safeguarding has been factored within the contract and two safeguarding leads have been identified at NEF.

Data Protection

Sensitive data relating to, for example, a household's income or a resident's health condition(s) will be collected and processed as part of this scheme. The council has relied on its current well-developed data protection protocols and officer experience to ensure all data clauses within the contract and its implied processes are robust.

Equalities

National evidence has found that many people with protected characteristics under the Equality Act 2010 are likely to experience lower incomes than others. It is thus to be expected that individuals with protected characteristics would form a notable proportion of retrofit grant recipients. The council and NEF will monitor the characteristics and accessibility requirements of recipients throughout programme delivery to ensure equitable grant-making, with steps taken to handle any under-representation identified.

Environmental Sustainability

The WH:LG grants to individual householders will have a direct beneficial impact on the reduction of carbon emissions across the whole district.

Financial

All considerations around clawback for underperformance by DESNZ, insurances and liabilities associated with the contract delivery by NEF and the internal processes for grant draw down, capital and revenue allocations, purchase orders, invoicing and payment have been fully considered and included both in the contract and via internally agreed processes.

Health and Safety

The contract makes specific provisions for health and safety.

Human Resources

Nil

Human Rights

Nil

Legal

Acceptance of the WH:LG allocation has required the council to accept DESNZ's grant conditions which will in turn be accepted by NEF as part of this contract.

Specific Wards

All

7.0 Background papers, appendices and other relevant material

Full Council Report of 14th May 2025

[Acceptance and proposed use of Warm Homes Local Grant monies.pdf](#)

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