

---

**Title:** Retrofit Advice Programme – Short-term Contract Extensions  
**Report of:** Rob Hamilton, Interim Strategic Lead Economic Growth and Innovation  
**Portfolio:** Housing and Land

## A. Summary

This report seeks approval for the extension of the current One Stop Shop (OSS) and Local Energy Advice Demonstrator (LEAD) contracts by four months, from 01.04.25 to 31.07.25, to allow for the procurement of a longer-term retrofit advice service without a break in service. The OSS contract will also be widened to cover the full NECA area; the LEAD project has always covered the full North East Combined Authority (North East CA) geography and will continue to do so. Approval is sought under the delegation provided to the Chief Executive in July 2024 when Cabinet approved the North East CA Strategic Portfolio Plans which include continuation of retrofit activity and development of a strategic regional approach (Cabinet meeting 30<sup>th</sup> July 2024, Minute no. C24/7/24).

The total cost of contract extensions for four months is £306,523. Approval is sought to fund delivery across the North of Tyne geography (Newcastle, North Tyneside and Northumberland) with UKSPF Transition Funding and for Investment Funding to fund delivery across the South of Tyne area (Durham, Gateshead, South Tyneside and Sunderland).

## Recommendations

The Chief Executive, in agreement with the Director of Finance and Investment and the Monitoring Officer and in consultation with the Mayor and the relevant Cabinet Member, is recommended to:

- i. Approve the variation of contract and the additional allocation of £175,155 of Investment Funding and £131,368 of UKSPF Transition Funding for the extension of the Domestic Retrofit programme for four months from April to July 2025 to allow for procurement of a longer-term retrofit advice service in line with the delegations agreed by Cabinet on 30 July 2024 and 28 January 2025.

## 1. Background

The need to accelerate retrofit across the North East is clear: over 60% of homes in the region are in EPC band D or below with domestic emissions accounting for 31% of the region's total carbon emissions<sup>1</sup>, higher than the national average of 20%<sup>2</sup>. 14% of households in the region are in fuel poverty. As well as reducing carbon emissions, improving thermal comfort and reducing energy bills, and the associated benefits to residents' wellbeing, the scale of activity required has the potential to support, across the region, between 1,500 and 3,500 full-time equivalents in the retrofitting sector up to 2030, and between 2,500 and 5,800 FTEs from 2030 to 2050.

Modelling conducted by the Energy Saving Trust found that reaching net zero regionally by 2050 would require over 61,000 homes to be retrofitted per year, significantly higher than the business-as-usual rate of 16,800<sup>3</sup>. Consumer understanding of, and confidence in, retrofit is a known barrier and there is a need to increase this, improving awareness of the need and benefits of retrofitting across all tenures and providing bespoke support for households.

The [English Devolution White Paper](#) confirms that Warm Homes and Public Sector Decarbonisation funding will form part of integrated settlements by 2028 at the latest. NECA must have a robust plan and the capacity

---

<sup>1</sup> [UK local authority and regional greenhouse gas emissions statistics, 2005 to 2022 - GOV.UK \(www.gov.uk\)](#)

<sup>2</sup> <https://assets.publishing.service.gov.uk/media/62447a158fa8f527729bfab2/2021-provisional-emissions-statistics-report.pdf>

<sup>3</sup> Modelling was conducted on behalf of the former North of Tyne Combined Authority; figures have been extrapolated to cover the full North East CA area however these are approximate.

to deliver this retrofit funding locally; the White Paper confirms that this funding transition will follow capacity, capability and a track record of delivery being established. Key to this will therefore be the ability to demonstrate impact of a sustained retrofit service delivered at the CA level with LA partners, and delivery mechanisms in place to target and channel devolved funding.

In an effort to increase demand for retrofit, in December 2023 the former North of Tyne Combined Authority (NTCA) gained approval for delivery of the initial stage of the One Stop Shop (OSS) for retrofit advice (Annex A: Delegated Decision Report OSS and LEAD, 8<sup>th</sup> December 2023). Funded by UKSPF until 31<sup>st</sup> March 2025, this is currently being delivered by a procured delivery partner, Energy Saving Trust, and offers free, impartial retrofit advice to residents across Newcastle, Northumberland and North Tyneside. The project also includes work to develop a trusted local supplier network and an end-to-end offer for the able-to-pay market.

Energy Saving Trust were also procured to deliver the Local Energy Advice Demonstrator (LEAD) across the North East Combined Authority (North East CA) region; this is part of the Department for Energy Security and Net Zero (DESNZ) funded programme to trial different approaches to in-person retrofit advice provision and is also funded until 31<sup>st</sup> March 2025. Both projects are being delivered under one overarching brand, Home Energy Advice North East.

During its first 10 months of delivery, 1,634 households were supported by Home Energy Advice North East and as a result of advice retrofit measures have been installed in 66 homes. In addition, the advice has led to behaviour change in a significant portion of those engaged with the service with an estimated 40% of consumers adopting small energy saving measures (see *2.1 Outputs and Outcomes*). 36 community champions have received domestic retrofit training to enable them to further spread awareness and understanding throughout their communities. Engagement with the service and achievement of KPIs has increased as delivery has progressed (e.g. from 73 households receiving support to take up energy efficiency measures via the OSS in Q2 24/25, to 417 in Q3 24/25) and the proposed extension and longer-term service to follow will build on this momentum.

Alongside quantifiable outputs, there are wider benefits to maintaining and developing the regional advice service, some of which may not be realised in the short-term. Although some capital funding for retrofit exists in the form of government grant schemes, navigating these is complex and there is a need to provide impartial, trusted advice for consumers to drive up-take of available financial support over the longer-term. [Research commissioned by NTCA](#) identified the long-term One Stop Shop model as the key strategic approach to increasing awareness, demand and confidence in the sector among residents and the supply and skills chain, and ultimately scaling up delivery. The key recommendation was to utilise the CA's position as regional leader to launch an advice service with the potential to develop and evolve; this is in common with other CAs who are increasingly adopting this model. Current delivery is the first step in this, with continuation necessary to ensure preparedness for devolution of retrofit funding by 2028.

In addition, it is necessary to ensure a delivery mechanism is in place regionally to maximise use of Warm Homes funding from April 2025; this is particularly important for the Local Grant strand which is open to private landlords and owner occupiers. The OSS Partnership Officer is engaging with private landlords via local landlord forums and would provide a key point of contact and referral to increase awareness of and drive up-take of the funding into the extension period. The current advice service has been successful in developing effective referral routes into LA-administered grant schemes and the extended service would continue and build on these to leverage grant funding.

## **2. The Investment Proposal**

The proposal is to extend the current OSS and LEAD contracts held by Energy Saving Trust for a four month-period until 31<sup>st</sup> July 2025 to allow for the procurement of the advice service for the longer-term, ensuring no break in service for residents and continued support for those already engaged with it. The longer-term service will form part of the overall Retrofit Programme 2025-27 which includes the development of a regional retrofit strategy and action plan, co-produced with key stakeholders across the sector.

Under the short-term extension, the service would continue to be delivered under the existing Home Energy Advice North East brand which was developed as part of the current project. The extended service would comprise in-person, digital and telephone retrofit advice across the region as well as some of the other

elements of the current OSS service including work to develop the local supply chain and partnership activity. The service will be open to all residents across the North East CA geography as well as private landlords who own properties in the region.

The OSS model has emerged as the preferred approach by Combined Authorities for providing retrofit services to residents and many provide a similar service or are in the process of developing one; the discontinuation of Home Energy Advice North East would put North East CA behind the curve in terms of local retrofit and energy advice services. The impact of contract extension will be the continued awareness raising around retrofit, including the benefits to residents and options available, as well as bespoke end-to-end support for residents to tackle barriers to retrofit and successfully progress to measure installation. The outcomes of this will be improved thermal comfort of homes and reduced fuel bills, and the associated increased wellbeing, plus reduced carbon emissions from the region's housing stock. Increased, sustained retrofit activity will also have an impact on the local supply chain.

## 2.1 Outputs and Outcomes

The quantifiable outputs are listed below; as per 1. *Background* above, there are wider ongoing benefits to continuation of service which are not captured by the following KPI targets.

<b>OSS Outputs</b>	<b>01.04.25 - 31.07.25</b>
OSS KPI1: Number of unique households receiving support	400
OSS KPI2: Households supported to take up energy efficiency measures	250
OSS KPI3: Number of people reached (web users)	2400
OSS KPI4: Increased take up of energy efficiency measures <sup>4</sup>	12

<b>LEAD Outputs</b>	<b>01.04.25-31.07.25</b>
LEAD KPI1: Number of people provided with in-person advice	165
LEAD KPI2: Number of homes with measures installed following advice	10
LEAD KPI3: Customer satisfaction with advice and empowerment levels (as a % of all users)	95%
LEAD KPI4: Households that are both Hard-to-reach and Hard-to-treat identified locally, and barriers to retrofit identified and overcome	33
LEAD KPI5: Harder-to-treat only homes identified locally, and barriers to retrofit identified and overcome	32
LEAD KPI6: Hard-to-reach only consumers identified locally, and barriers to retrofit identified and overcome	33
LEAD KPI7: PAS 2035 retrofit assessments completed (including referred to other schemes)	60
LEAD KPI8: Household supported by PAS 2035 retrofit coordinator (through referrals to other schemes)	19

The projected number of homes with measures installed during the four-month period does not reflect all of those where retrofit is likely to happen as a result of intervention due to the lag between advice commencing and installation concluding. This can take several months and some of the outputs will therefore fall outside of the four-month period. In addition, this KPI accounts for only retrofit installation rather than the use of energy saving measures or behaviour change following advice. The LEAD project has collated figures of customers who have adopted energy saving measures (e.g. LED lightbulbs, draught excluders, etc.) while working towards larger retrofit installs following advice, and this applies to approximately 40% of those engaged with the service.

## 2.2 Timetable for Implementation

Milestone	Forecast Date
-----------	---------------

<sup>4</sup> Advice provided is related to the property rather than being time- or person-specific and we expect the outcomes related to installation of measures to increase over time and for some of the installs that follow advice provided during the extension period to occur after 31.07.25.

Approval gained for extension of contracts	By 28.02.25
Contract extensions executed	By 31.03.25
Contracts in delivery	01.04.25
Contracts end	31.07.25

### 2.3 Appraisal

A small-scale business case has been developed and appraised; this RAG rated the proposal green.

Overall RAG assessment		
Risk Rating	Strategic case	Green
	Commercial case	Green
	Economic case	Green
	Financial case	Green
	Management case	Green
	<b>Overall rating</b>	<b>Green</b>

### 2.4 Recommended Conditions of Funding

The award of funding would be subject to the following proposed funding conditions.

No.	Conditions
1.	<p>1. The Recipient confirms that it will not receive any economic advantage for its role in the Project. Any such advantage will flow through to the Project beneficiaries i.e. the individuals receiving support under the Project. The Recipient shall operate the Project on a not for profit basis.</p> <ol style="list-style-type: none"> <li>a. To ensure compliance with condition 1, the Recipient confirms that any of its costs claimed from North East CA for delivery of the Project (whether attributable to management, delivery, labour costs or otherwise) shall be remunerated strictly in accordance with market conditions. At the end of delivering the Project, the Recipient will be required to account to North East CA for any residual advantage it has obtained through the Funding.</li> <li>b. Pursuant to condition 1, the Recipient agrees that it shall collect appropriate information to demonstrate that it has received no such economic advantage from the Funding (which shall be supplied to the North East CA upon request).</li> </ol>

### B. Potential Impact on North East Combined Authority Objectives

80% of 2050s homes are already built; net zero cannot be reached without reducing carbon emissions from existing housing. Working with partners to accelerate retrofit is a key strategic priority for the North East CA and delivers against two of the missions outlined in the [Corporate Plan 2024/28](#): 'Home of the green energy revolution', and a North East we are proud to call home'. Energy Saving Trust's modelling found that increased retrofitting of homes across the North East, achieved through interventions including provision of a One Stop Shop advice service, has the potential to reduce the region's carbon emissions by 37% by 2050, compared to a 22% reduction based on business as usual rates without intervention. As well as carbon emission reduction, retrofit has a direct impact on residents in terms of improved wellbeing through improved thermal comfort and reduced energy bills. Improved energy efficiency could result in average annual bill savings of £565 per household and contribute to tackling fuel poverty, and associated child poverty, the Mayor's key priority.

Through the [Deeper Devolution Deal](#), the North East CA committed to bringing forward a North East capacity building programme, identifying measures needed to promote a viable, stable long-term approach to retrofit. This activity, as well as continued delivery of retrofit advice, is incorporated into the Housing and Land portfolio and is reflected in the strategic portfolio plan approved by Cabinet on 30<sup>th</sup> July 2024.

Continued retrofit delivery and the development of a strategic regional approach will be key to ensuring the North East CA's preparedness to receive devolved retrofit funding by 2028 and its ability to demonstrate this to Government. Capital grant schemes are delivered directly by housing providers and Local Authorities across the region and, in order to demonstrate capacity, capability and delivery track record, the North East CA must therefore deliver complementary activity at a regional level which supports these schemes as well as accelerating retrofit for the able-to-pay market, and which creates the right conditions to channel funding once devolved.

### C. Key risks

A risk register has been developed as part of the business case and has been assessed. The main risks are around varying the contracts in time in order to avoid a break in service and also to avoid delivery partner staff leaving towards the end of their contract. Mitigating activity includes seeking approval ahead of the main retrofit programme and continuing to communicate with delivery partners.

### D. Financial and other resources implications

	North East CA Investment Fund	UKSPF Transition Fund	
LEAD	£52,063	£39,048	
OSS	£123,092	£92,320	
Total	<b>£175,155</b>	<b>£131,368</b>	<b>£306,523</b>

### E. Legal implications

The extension of contracts for a short-term (a period of four months) has been assessed by officers following legal advice, to ensure it is permissible under the relevant regulations.

### F. Equalities implications

The North East CA follows the [Public Sector Equality duty](#) and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010.

The proposal is to extend projects currently in delivery which were both subject to programme-level Equality Impact Assessments. A full EIA will be produced for the main Retrofit Programme advice service which will follow this extended service.

### G. Consultation and engagement

Extensive consultation with internal and external stakeholders has been carried out regarding both the proposed contract extension and the overall Retrofit Programme 2025-27 which the extensions would enable.

### H. Appendices

None

### I. Background papers

Annex A – Delegated Decision Report OSS and LEAD, 8<sup>th</sup> December 2023

### J. Contact officers

Name: Rob Hamilton

Title: Interim Strategic Lead – Economy and Innovation  
Email address: [rob.hamilton@northeast-ca.gov.uk](mailto:rob.hamilton@northeast-ca.gov.uk)

Name: Laura Hood  
Title: Programme Manager (Domestic Retrofit)  
Email address: [laura.hood@northeast-ca.gov.uk](mailto:laura.hood@northeast-ca.gov.uk)

**K. Glossary**

DESNZ – Department for Energy Security and Net Zero  
North East CA – North East Combined Authority  
NTCA – North of Tyne Combined Authority  
LEAD – Local Energy Advice Demonstrator  
OSS – One Stop Shop  
UKSPF – UK Shared Prosperity Fund

**L. Consultees**

Cabinet Member:	Director/Head of Service:	Director of Finance and Investment:	Monitoring Officer:
Yes	Yes	Yes	Yes