

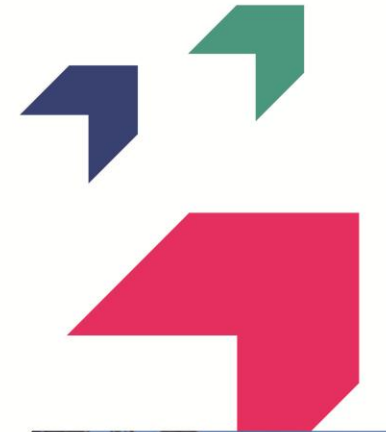
Low Interest Domestic Retrofit Loan

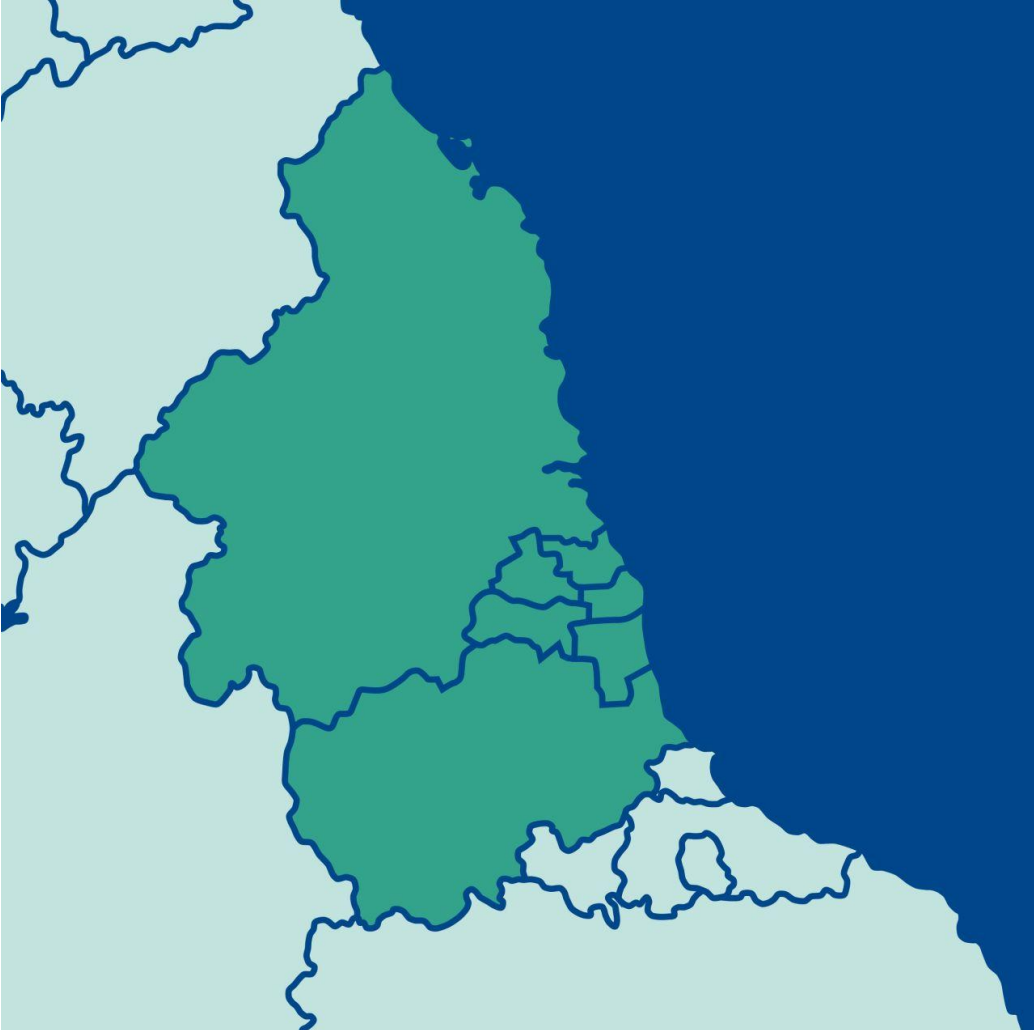
Market Engagement Event

Laura Hood

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North East Combined Authority





Home of real opportunity

A North East we are proud to
call home

Home to a growing and vibrant
economy for all

Home of the green energy
revolution

A welcoming home to global
trade



Our strategic priorities

Mayor's overarching mission: improve people's lives

Tackling fuel poverty

Reducing child
poverty

Improving
standards
in rented
accommodation

Creating good,
future-proofed
green jobs

Devolution – delivering for the region

The regional picture

In the North East

- **56% of homes** in the region are EPC band D or below
- Domestic emissions account for **31% of the region's total carbon emissions**
- **10.1% of households** in the North East are living in fuel poverty

Challenges in the Private Rented Sector

- Disproportionately poor housing conditions
- Higher rates of fuel poverty
- Split incentives between landlords and tenants
- Limited upfront capital to invest in improvements



Our retrofit programme: what's already in place?

Currently in delivery

- North East One Stop Shop for domestic retrofit advice
- North East Warm Homes Taskforce
- Development of a regional retrofit strategy and action plan
- Launching in August: solar collective buying scheme

Our approach

- Long-term and regionwide
- Advice-led
- Focused on removing barriers to action

North East Warm Homes

Free in-home support tailored to you

Expert support to help you reduce your energy bills and create a warmer home.





North East Warm Homes One Stop Shop

A practical, region-wide intervention:

- £2.31m North East CA service running to March 2027
- Advice to 3,000+ households.
- Support for 1,600 energy saving measures & 245 major retrofits
- Targeted at fuel-poor families in the worst private rented housing
- Specialist support for rural households



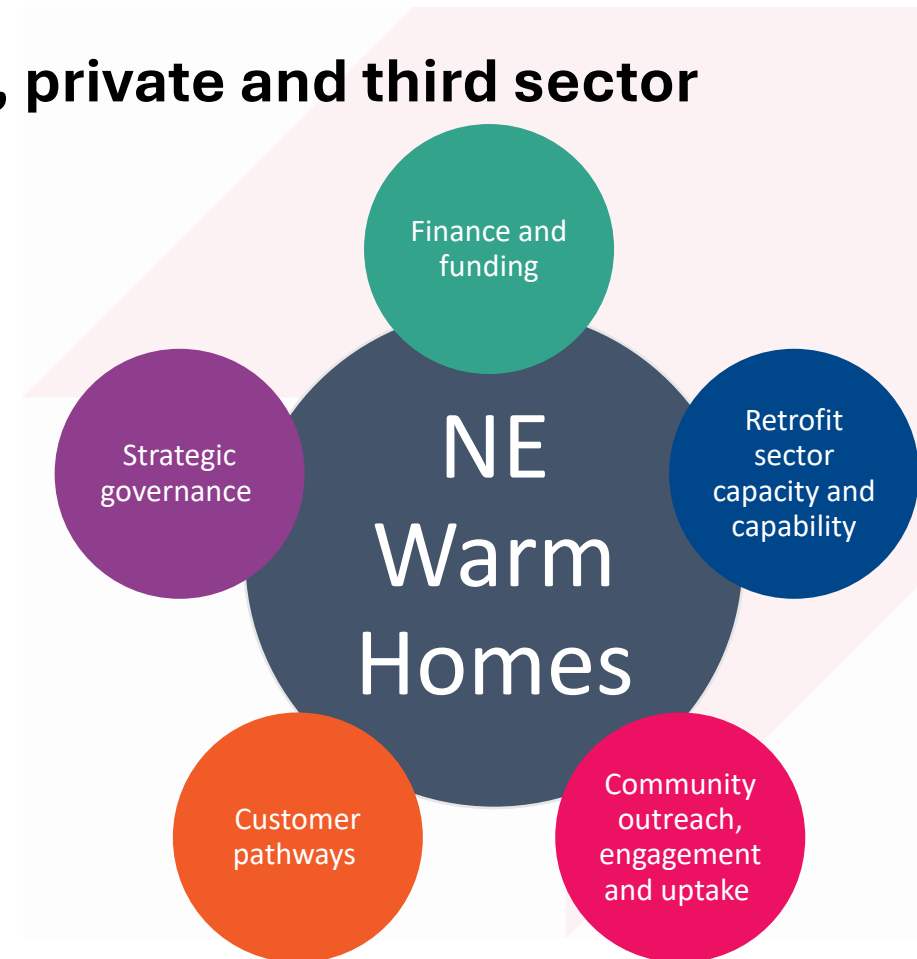


Warm Homes Taskforce – informing strategy development

Convening leaders from across the region – public, private and third sector

- Launched October 2025
- Purpose - to tackle poor quality housing through:
 - Engaging key regional and national stakeholders
 - Establishing the evidence base for action
 - Supporting strategy development
- 5 advisory sub-groups driving forward actions

northeast-ca.gov.uk



Solar collective buying scheme

Enabling take-up of solar PV, battery storage and EV charge-points

- Targeted mailout to 120k able-to-pay households across the region in August
- Reverse auction to get residents most competitive price – saving up to 20% of market rates
- Loan to align with scheme to present joined-up package to residents



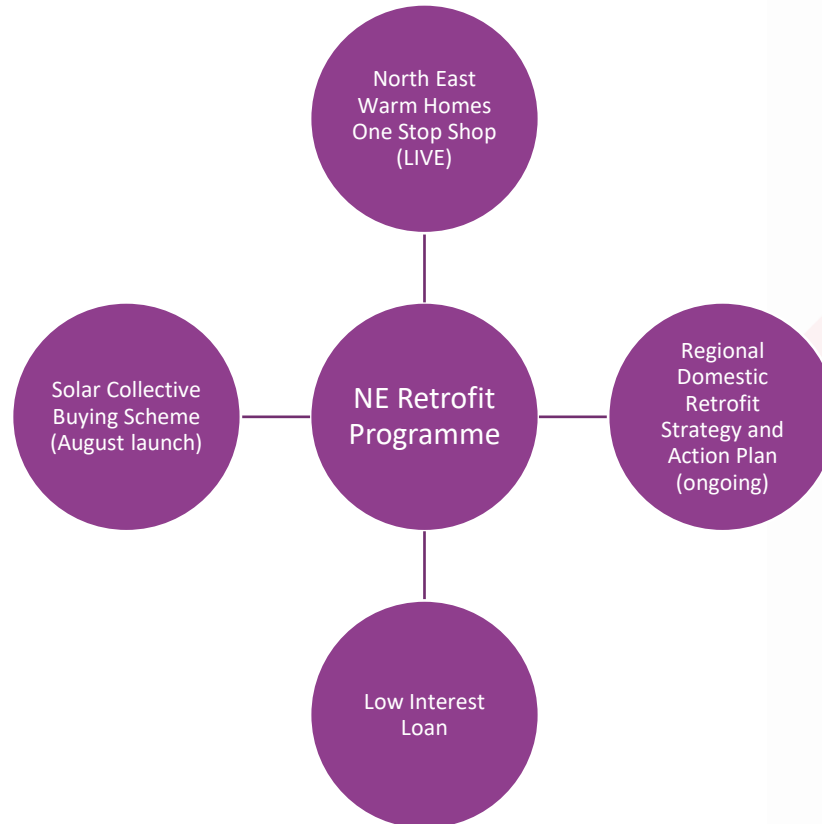


Why a domestic retrofit loan?

- Limited eligibility for grants
- Complexity of national schemes
- Upfront capital costs not covered by available funding
- Commercial finance often unaffordable
- Opportunity to align with other interventions and national regulations - MEES



Role of the loan within the retrofit programme





Key loan parameters

- Loan value: **£2,000 to £25,000**
- Maximum loan term: **10 years**
- Initial interest rate: **4% APR (fixed at launch)**
- Early repayment: **permitted without penalty**
- Eligibility limited to properties within the **North East CA region**
- Total capital available: **£1 million loan pot**



Eligibility

Tenure

- Owner-occupiers and private landlords
- Primary focus on **private rented sector landlords**

Measures

- Insulation
- Solar PV and solar thermal
- Battery storage
- Air and ground source heat pumps
- Biomass boilers
- Glazing and ventilation (where installed alongside insulation)
- Remediation works required to enable installation where installation also occurs



Minimum mandatory requirements

At a minimum, the appointed provider will be required to:

- Establish and administer the low-interest domestic retrofit loan
- Ensure compliance with **FCA regulation and consumer credit legislation**
- Deliver accessible application routes, including online and paper-based options
- Integrate fully with the North East Warm Homes One Stop Shop
- Undertake affordability checks and responsible lending assessments
- Manage loan disbursement, repayment collection and arrears handling
- Deliver monitoring, reporting and data protection in line with UK GDPR
- Lead communications and engagement aligned with North East Combined Authority branding and priorities



Outputs and outcomes

By 31.03.2028:

- Delivery of **at least 200 loans**
- Full allocation of the **£1 million loan pot**
- Minimum **95% capital repayment rate**
- Minimum **85% customer satisfaction**
- Approximately **300 retrofit measures installed**



Contract, funding and reporting

- Single provider
- **Fixed price** contract running to May 2038. Most activity concentrated in the first phase of the contract until 31.03.2028. April 2028 – May 2038: handling loan repayments.
- Maximum service fee of **£350,000 (excluding VAT)**, inclusive of all delivery and administration costs
- Quarterly payments in arrears
- Monthly and quarterly monitoring and reporting requirements set out in the specification
- Up to **10% of the service fee** may be retained subject to KPI achievement
- Loan repayments collected by the provider will be remitted to the Combined Authority on a monthly basis



Indicative milestones

Mobilisation at pace is essential. Key milestones set out in the specification include:

- Procurement opportunity goes live: **15.05.2026**
- Deadline for tender submissions: **18.06.2026**
- Contract award: **August 2026**
- Mobilisation and setup: **August 2026**
- Service live: **August / September 2026**
- Loan distribution phase: **November 2026 to March 2028**
- Ongoing loan administration and repayment management: **April 2028 to May 2038**



Procurement Process and Next Steps

**Roger Guy Senior Procurement Business
Partner**



Procurement Process

The Low Interest Domestic Retrofit Loan Procurement is timed go live on **Friday 15th May 2026** via the Open e-tendering platform

The initial term of a Contract for Service is anticipated to start in **August 2026** and will run until **May 2038** with reviews in March 2027, May 2028 and May 2038.

Once the ITT is live, all questions must be submitted via the e-tendering system – no communication can be undertaken with the North East CA outside of this process



Registration with our e-tendering system

Urgent Action for all Suppliers to Register on our Procurement Platform

As a supplier or potential supplier to North East CA you need to be registered on our new e-tendering system, Open. Open is the place to find and compete for tendering opportunities in the North East. It is **free to register and use.**

You will need to create an account on Open **to access and bid for public sector opportunities issued by the North East Combined Authority**, including this Connect to Work IPS Intervention.

Visit www.open-uk.org to register an account.

The Open Hub provides resources and information to help you get the most out of the system. There is an FAQ section and a range of how-to guides so you can familiarise yourself with the system at your own pace.

Visit the [Open Hub](#) to find out more, or contact open.support@nepo.org



Timeline and next steps



15.05.2026
Invitation to
Tender
Launched



Deadline for
Receipt of
Tenders



Intent to
Award
Letters



Contract Go
Live



08.06.2026
Last Date
for
Clarification
Requests



Evaluation



Contract
Award






**North East
Mayoral**
Strategic Authority

Kim McGuinness
North East
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