

The Warm Homes Plan

Summary and Next Steps

Warm Homes Plan

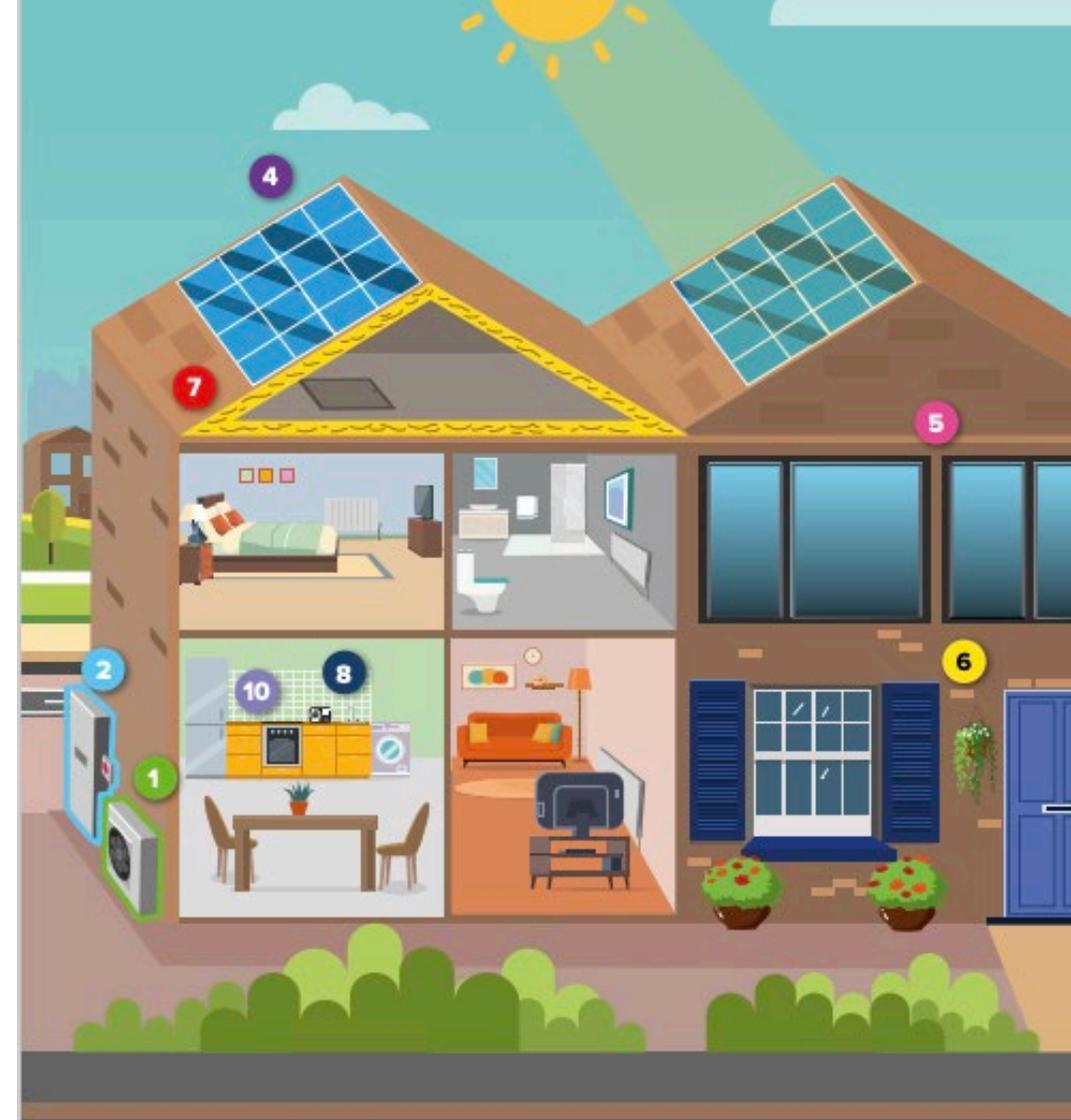


CP 1470

Credit: Roy Keller

Overview

- Clear ambition to cut energy bills, tackle fuel poverty, create good jobs, deliver energy security, and address the climate crisis.
- Already taken £150 of costs off energy bills from April 2026 – but we need to go further.
- Largest ever public investment in home upgrades - £15 billion to upgrade up to 5 million homes over this Parliament .
- An offer for every household – homeowners, private renters, and social housing.
- Solar, batteries, heat pumps, and insulation can save families hundreds of pounds per year.

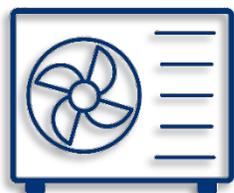


- | | | |
|--------------------------|---|---|
| 4 Solar panels | 7 Loft insulation | 10 Induction hob and electric oven |
| 5 Reflective film | 8 Smart meter | 11 Home energy management system |
| 6 Window shutters | 9 Electric Vehicle (EV) and EV charger | |

By 2030, we will:



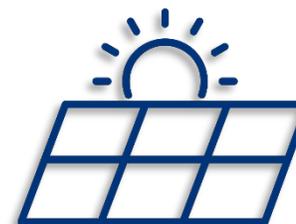
Upgrade up to 5 million homes



Deliver over 450,000 heat pump installations per year



Help lift up to 1 million households out of fuel poverty



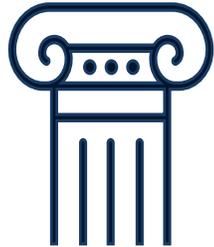
Triple the number of homes with solar today



Create up to 180,000 high-quality jobs

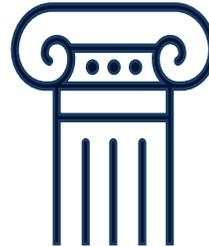
The 'Three Pillars' of the Warm Homes Plan

Direct support for low-income households



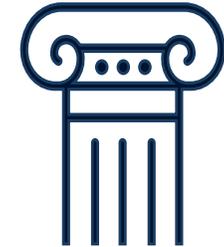
- Free packages (backed by £5bn of government investment) for low-income households through existing capital schemes.
- E.g. families could receive free solar panels and a battery, normally costing between £9,000-£12,000.
- Social housing could be upgraded by entire streets at a time.

An offer for everyone



- First ever zero & low interest loans for bill saving home upgrades e.g. solar and battery through Warm Homes Fund.
- Expanding the Boiler Upgrade Scheme (BUS) scheme with £2.7bn to 2030. A £7,500 grant for heat pumps and first ever offer for air-to-air heat pump.

New protections for renters



- New minimum energy efficiency standards for private landlords and proposed standards for social landlords.
- Private renters could save on average £210 per year on energy bills.
- Taken together, will help lift up to 1 million out of fuel poverty.

Enhancing Delivery

Warm Homes Agency

- Transform people's experience of home upgrades via advice and quality installations.
- Bring together some schemes as well as advisory and assurance services currently split across DESNZ, Ofgem, and Salix.
- Consolidation brings together expertise and improves efficiency, accountability, and value for money.
- Investment in consumer support, not a rebrand of the current landscape.
- Intending to be UK-wide (pending final decisions).
- Expect initial operations to begin in 2027, subject to legislation and final decisions.



Consumer Protection

- Done correctly, high quality home upgrades are the best tool to fight fuel poverty and lower bills.
- Government will institute tight controls and tough sanctions, through a single system of oversight for retrofit work.
- To simplify the system for consumers and installers, we will consult on options to reduce the number of certification bodies in energy efficiency and microgeneration.
- We will also consult this year on options for bringing the oversight of installations for government schemes under closer government control and the role of the Warm Homes Agency.
- Clear redress pathways will be made possible by this simplified system.
- Action already taken - suspended high-risk installers, rules tightened on company registration, and close work with TrustMark.



Heat Networks

- Target to more than double heat demand met via heat networks – 7% (27TWh) by 2035, with them expected to provide a fifth of all heat by 2050.
- Providing the tools to build more heat networks through introduction of heat network zoning in 2026.
- Driving investment through the Green Heat Network Fund with £195m/year to 2029/30 and mobilising the National Wealth Fund.
- Regulating heat networks for the first time to ensure current and future heat network customers receive fair prices and fair treatment.
- Creating 18,000 jobs in the heat network sector by 2030, representing a £60 billion industry in the UK by 2050



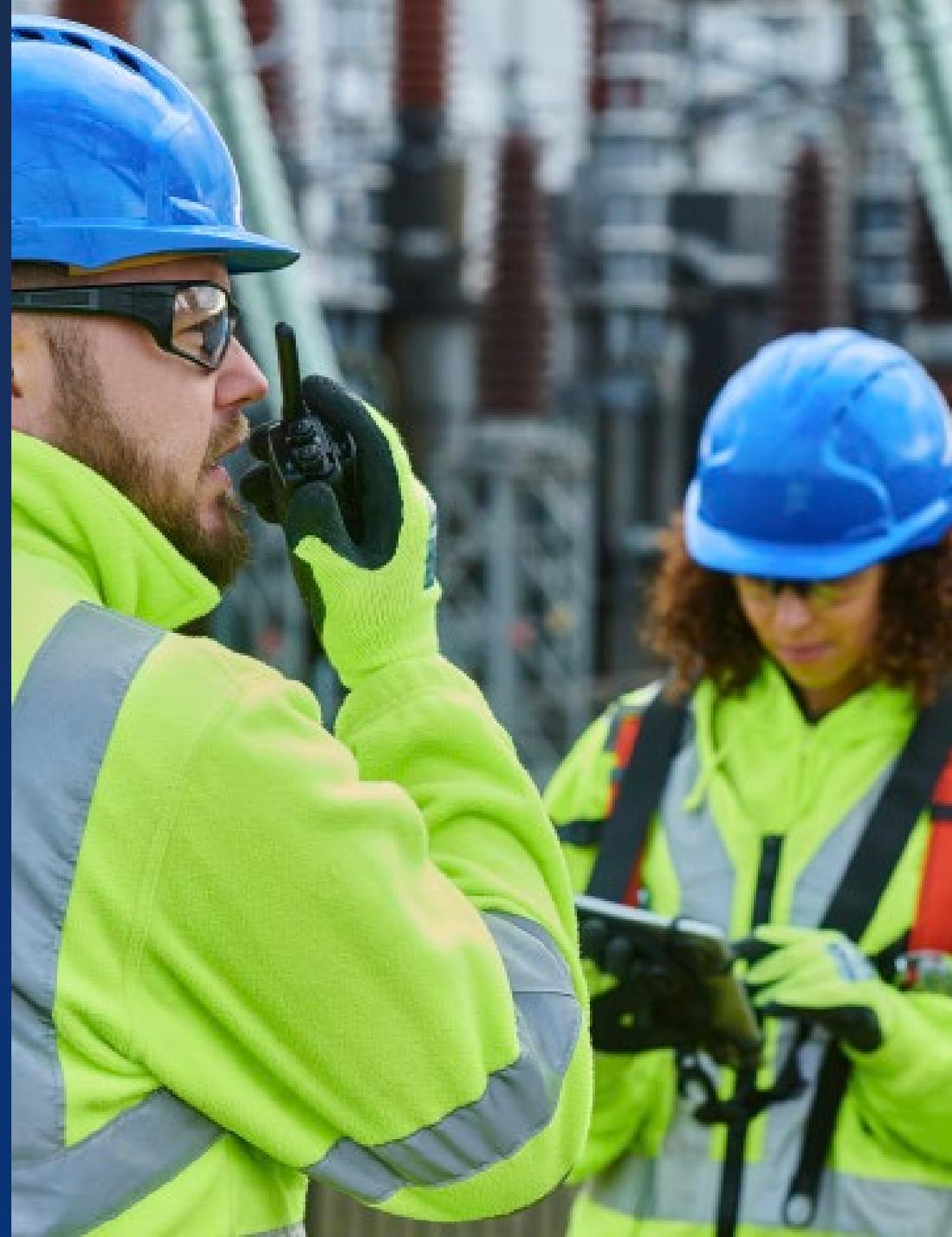
Backing Local Leaders

- Local Authorities and Mayoral Strategic Authorities in the driving seat for transitioning local areas.
- Utilise their understanding of housing stock, communities, and local supply chains.
- Exploring how best to utilise Distribution Network Operators (DNOs) to coordinate delivery with LAs and align with RESPs, LEAPs, and other energy planning.
- Look to use Warm Homes Fund to accelerate consumer offers for solar PV.
- Warm Homes Agency will support local partnerships.



Creating Good Jobs

- 60,000 jobs (2023) → 240,000 jobs (2030) in energy efficiency and clean heating.
- WHP Taskforce, in partnership with the TUC, will support workers to training to high-quality roles in low-carbon sectors,
- Ensuring the right support is in place, with good working conditions, and attracting a diverse workforce.
- Ambition to ensure 70% of the heat pumps installed in the UK by 2035 are made in the UK.
 - Allocated up to £90m across 2027-28 to 2029-30 for the Heat Pump Investment Accelerator Competition.
- Increasing the Heat Training Grant to up to £21m to support existing heating engineers to upskill.
- Alongside an £8m Warm Homes Skills Programme for qualifications in solar panels, insulation, and assessment.
- Maintaining the UK's position as a leader in residential⁹ heating.



Managing the Transition From ECO

- Following the NAO report and Budget last year, the decision was made to end the levy to fund the supplier obligation scheme ECO4 in December 2026.
- We recognise the immediate pressures that this decision has been having on the ECO supply chain, and we want to work closely with you to address these challenges.
- We also want to effectively manage the transition away from ECO4 and encourage more suppliers (including SMEs) to take on additional work from the Social Housing Fund and Local Grant.
- There may be opportunities for EEA members to support this work – it is essential that we utilise your knowledge, experience, and skilled workers within the sector.



Additional WH:SHF Wave 3 Funding For FY26/27

- From 2025 to 2028, funding for low-income home upgrades will be delivered through WH:SHF and WH:LG as previously announced.
- An additional £295m grant funding will be available for all existing WH:SHF Wave 3 Grant Recipients in FY 26/27.
- This includes Mayoral Strategic Authorities that are receiving devolved retrofit funding through Integrated Settlements.



Future Single Low-Income Capital Scheme

- For future scheme delivery, we intend to integrate the WH:SHF and WH:LG into a Single Low-Income Capital Scheme which will shift towards area-based delivery.
- This will build on the successes of schemes to date, whilst implementing lessons learnt along the way.
- We expect this integrated scheme to be delivered from 2027/2028 onwards, and we will say more about our plans for this in Spring 2026.



Boiler Upgrade Scheme (BUS):

Additional funding and changes to scheme, incl. grants for air-to-air and removal of EPC requirements

Next Steps

OFFICIAL

Over 450,000 heat pump installs a year

Warm Homes Fund:
Investments will start from 2027/28, depending on options agreed.

Up to 5m homes upgraded and 1m out of fuel poverty

Low-income households benefitted from over £5bn in home upgrades

Early 2026: Call for Evidence to identify where else in the market the WHF can deliver the greatest impact

Future Homes Standard



2026

2027

By 2030

April 2026: Budget measures taking average of £150 off energy bills kick in

Spring 2026: Further details on the Future Single Low-Income Capital Scheme

Spring 2026: Up to £295m in additional WH:SHF Wave 3 funding

Warm Homes Agency:
Operational from second half of 2027

April 2027: Consumer Loans Scheme - up to £1.7bn of the WHF, combined with £300m of government funding.

Solar Revolution: triple the number of homes generating via solar

PRS MEES: Requirement to meet standards by Oct 2030.

SRS MEES: Proposed standards in force