UK Government

Warm Homes Fund: Call for Evidence

Closing date: 1 June 2026

Department for Energy Security and Net Zero (2026)

Contents

Ministerial Foreword

The affordability crisis is the number one issue facing Britain today, with millions of families suffering the injustice of living in fuel poverty. That is why the Warm Homes Plan commits to the biggest ever public investment to upgrade British homes and cut bills. Going beyond our manifesto commitment, the Warm Homes Plan will deliver £15 billion of public investment to upgrade up to 5 million homes and help lift up to one million households out of fuel poverty by 2030.

Our mission to make Britain a clean energy superpower will deliver cheap, clean, homegrown energy. As the country takes back control with record investment in renewables and nuclear, the Warm Homes Plan will bring the benefits of clean power to people in their homes and communities as quickly as we can. This will cut people's bills, create good jobs across the country and free households from exposure to the volatile international fossil fuel markets.

Alongside the steps we are taking to make electricity cheaper and break down the barriers to home upgrades, this historic investment will help millions seize the benefits of electrification. All this will accelerate Britain's solar rooftop revolution, which could see a major growth in the number of homes generating their own energy and cutting their bills with solar panels by 2030.

The Warm Homes Fund is a key part of this record investment in home upgrades. With £5 billion of financial transactions to deploy, the Fund will deliver financing that generates a return for the taxpayer. It includes £1.7 billion already allocated to consumer loans, supported by £300 million capital investment. The remaining £3.3 billion will be available as innovative finance for investments in and loans to the building upgrade and retrofit sector.

This public investment will also encourage a step change in private investment into proven technologies and will stimulate the warm homes supply chain, turbocharging progress towards our home and building upgrades target. It could be utilised by consumers, local authorities, community organisations, network companies, heat networks and companies offering innovative new ways to finance building upgrades. In doing so, the Fund will help more consumers meet the upfront costs of improving their homes. We will also consider, as part of this call for evidence, how the Fund could support non-domestic buildings, including voluntary and community sector buildings, mixed-use and smaller commercial sites.

There are multiple opportunities the Fund could pursue to benefit consumers, and it is important that the public and the industry have the chance to voice their views on how the Fund should invest. We look forward to hearing your responses.

Martin McCluskey MP
Parliamentary Under-Secretary of State

General information

Why we are conducting this Call for Evidence

The Warm Homes Plan published earlier this year announced the creation of a Warm Homes Fund containing £5 billion Capital Departmental Expenditure Limits (CDEL) Financial Transactions (FTs). The Fund will support the home upgrade and retrofit supply chain. Initially, £2 billion, comprised of £1.7 billion from the Fund and £300 million capital grant, will be allocated to the consumer loans scheme announced in the Plan, which is being supported by the Green Home Finance Strategic Partnership. The remaining £3.3 billion will be available as innovative finance for investments and loans to support homes and communities.

There are a range of options for how this funding could be allocated, including opportunities to bring down energy costs and scale up deployment of solar panels, batteries, heat pumps, heat networks and other technologies. The purpose of this Call for Evidence is to help identify proposals for how the Fund could deliver the greatest impact by helping as many households as possible upgrade their homes and save on energy bills, while delivering a return for the taxpayer.

The Call for Evidence seeks views on the draft aims and scope for the Fund, as well as the strategic opportunities and challenges for using government finance to drive forward investments in home upgrades. It also seeks views on different use cases for the finance, including loans, equity investment, subscription or ‘energy as a service’ models, bulk purchasing, skills, community energy and heat networks.

We expect to set out the future direction for the Warm Homes Fund later in 2026.

Consultation details

Issued: 24 March 2026

Respond by: 23:59 on 1 June 2026

Enquiries to:

Warm Homes Fund Team
Department for Energy Security and Net Zero
3rd Floor
3 Whitehall Place
London
SW1A 2AW

Email: warmhomesfund@energysecurity.gov.uk

Consultation reference: Warm Homes Fund: Call for Evidence

Audiences:

This call for evidence will be of particular interest to local government, organisations involved in delivering social housing, participants in the energy market and the retrofit of low carbon and energy efficiency technologies markets, organisations involved in heat networks, Public Finance Institutions such as the National Wealth Fund, the financial services sector, organisations interested in the role that Green Finance is playing in the transition to a net zero economy and households interested in achieving the green transition.

The call for evidence is not limited to these stakeholders - any organisation or individual is welcome to respond.

Territorial extent:

Through this call for evidence we are exploring ideas on proposals which could be implemented across the United Kingdom. We will ensure we engage with the devolved administrations throughout the period that the Call for Evidence is open. Decisions about the devolution implications may be specific to the precise funding mechanisms and projects which we chose to pursue through the Fund.

How to respond

We encourage respondents to use the online e-consultation platform wherever possible as this is government's preferred method of receiving responses. However, responses in writing or by email will also be accepted. If you wish to submit your main response on the e-consultation platform, but provide supporting information by hard copy or email, please be clear that this is part of the same response.

Respond online at: energygovuk.citizenspace.com/energy-efficiency/warm-homes-fund-innovative-finance

or

Email to: warmhomesfund@energysecurity.gov.uk

Write to:

Warm Homes Fund Team
Department for Energy Security and Net Zero
3rd Floor
3 Whitehall Place
London
SW1A 2AW

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our privacy policy.

We intend to retain this information for 10 years in order to preserve the intelligence for the Warm Homes Fund throughout its potential duration. We foresee that the financial transactions of the sort proposed as part of the Warm Homes Fund will be a feature of policymaking over the medium term. We may use Artificial Intelligence (AI) to process responses, especially in the case of a large number of responses.

We will summarise all responses and publish this summary on GOV.UK. The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the government's consultation principles.

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

Introduction

The Warm Homes Plan sets out how the government will cut energy bills and upgrade homes, making them warmer and ready for a net zero future through promoting the deployment of low carbon technologies. In doing so, it will help tackle the affordability crisis.

We are designing a Warm Homes Fund that will support these goals. As part of the biggest ever public investment to upgrade British homes and cut bills, the Fund will make loans and buy equity across the low carbon technology retrofit supply chain.

The Warm Homes Fund will have £5 billion of capital for investment and could deliver a massive increase in the investment going into low carbon technologies by overcoming upfront cost barriers, spreading the costs of investment over time.

We would like to gather information and views that will help inform the design of the Warm Homes Fund so that it best meets our aims. As such, the purpose of this call for evidence is to inform decisions on where the Warm Homes Fund is best targeted. It consists of two sections:

- **Section 1:** Seeks views and evidence on our assessment of the strategic opportunities and challenges of utilising government finance to drive forward the deployment of domestic solar, batteries, clean heat and energy efficiency measures, and the draft aims and scope of the Warm Homes Fund. This includes consideration of whether the Fund should support non-domestic settings, for example community buildings.
- **Section 2:** Seeks views on specific innovative use cases and target groups where the Warm Homes Fund might have the most impact.

Next steps

Following the completion of the Call for Evidence in June 2026, we will aim to set out further detail on the future direction for the Warm Homes Fund later in 2026.

Call for Evidence questions

Section 1: Warm Homes Fund strategic case, aims and scope

Strategic Case

The features of government loans and equity investment

Question 1: Do you agree with our assessment of the strategic opportunities, challenges and risks presented by warm homes financial transactions? Please provide evidence to support your response.

Question 2: What evidence is there on the factors that most significantly limit the uptake of green finance?

Question 3: What wider loan or equity-based interventions in the warm homes market could unlock demand at scale?

Question 4: How should the Warm Homes Fund ensure that it includes an offer suitable for those on low incomes? Any information on specific models is encouraged.

Potential aims, scope and eligibility

Aims

Question 5: Do you agree with the proposed overarching aims of the Warm Homes Fund? Please provide evidence to support your answer.

Scope

Question 6: Do you agree with the proposed technology scope and are there any technologies missing that you think the Fund should focus on? Please provide evidence to support your response.

Question 7: What is the extent to which the Warm Homes Fund could support additional measures in new build social and affordable housing? Please describe how the resulting benefits could be realised from Warm Homes Fund investment.

Question 8: Do you agree with the proposed list of activities the Warm Homes Fund could support and are there any other types of activities that should be supported?

Question 9: What barriers in the current finance landscape prevent non-domestic and mixed-use buildings from investing in low carbon technologies?

Question 10: How could the Warm Homes Fund address these gaps with repayable finance where the government makes a return?

Question 11: Should government focus non-domestic funding on one or more of the following groups:

A) Voluntary, Community, Social Enterprise Sector (VCSEs)
B) Small and Medium Businesses (SMEs)
C) Hospitality and Retail Sector
D) Other non-domestic sectors

Eligibility

Question 12: Do you agree with the proposed list of groups that the Warm Homes Fund may support and are there any other groups which should be supported?

Section 2: Investing across the value chain

Section 2A: Owner-occupiers

Question 13: How do you think the Warm Homes Fund could best support owner-occupiers to invest in home upgrades?

Energy Performance Certificates (EPCs)

Question 14: How are financial institutions currently using EPCs to inform their financial products, and are there any other implications of the use of EPCs for financial products that we should consider?

Low and no interest consumer loans

Question 15: How could the loans scheme be designed to encourage new products or entrants into the market?

Question 16: What loan attributes (e.g. lower interest rates, stronger consumer protection, an easier customer journey, more innovative finance products) would be most valuable to expand in the market?

Property Linked Finance (PLF)

Question 17: Would Property Linked Finance (PLF) support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 18: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 19: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 20: What are the wider policy barriers that may need to be overcome to realise the benefits from PLF? Please consider any specific areas of law, regulation or other policy which may need to change.

Section 2B: Landlords and tenants

Overview – private landlords

Question 21: What barriers and opportunities do private landlords encounter when accessing loans or investing in warm homes upgrades for their properties and how could the Warm Homes Fund help them overcome these barriers?

Overview – social landlords

Question 22: What are the barriers that affect the ability for social housing providers to invest in warm homes upgrades? And how could the Warm Homes Fund support?

Question 23: What risks or unintended impacts should government consider if using public finance to incentivise above-minimum warm homes standards in new-build social and affordable housing?

Revenue and savings sharing models

Question 24: Would revenue and savings sharing models support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 25: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 26: How could government finance address this gap for revenue and savings sharing schemes, with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 27: What are the wider policy barriers that may need to be overcome to realise the benefits from revenue and savings sharing schemes? Please consider any specific areas of law, regulation or other policy which may need to change.

Question 28: Are there differences in Housing Association property ownership structures (i.e. direct development, partnerships or joint ventures) or any other factors that would affect the ability of those social housing owners to take on a loan?

Section 2C: Local government

Local equity and recycling funds

Question 29: Would area-based investment funds support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 30: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 31: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work. Please also consider whether financing for retrofit could be meaningfully combined with existing local investment funds.

Question 32: What are the wider policy barriers that may need to be overcome to realise the benefits of local investment funds? Please consider any specific areas of law, regulation or other policy which may need to change.

Public private partnerships and blended funds

Question 33: Would blended financing support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 34: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 35: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 36: What are the wider policy barriers that may need to be overcome to realise the benefits of blended finance? Please consider any specific areas of law, regulation or other policy which may need to change.

Section 2D: Electricity market participants

Question 37: What are the barriers and constraints on distribution network operators (DNOs) receiving finance and how could they use the Warm Homes Fund to help deliver the draft aims?

Question 38: What are the barriers and constraints on Gas Distribution Networks receiving finance and how could they use the Warm Homes Fund to help deliver the draft aims?

Question 39: What are the barriers and constraints on energy suppliers receiving finance, and how could they use the Warm Homes Fund to help deliver the draft aims? Are there specific balance sheet requirements or policies such as the Ofgem Price Cap that inform your view?

Solar and energy as a service models

Question 40: Would the energy as a service models outlined (or any others, including those emphasising consumer-led flexibility) support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 41: Is there a need for finance to support the growth of particular energy as a service models and what are barriers that prevent the private sector from filling it?

Question 42: How could government finance address this gap for energy as a service models, with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 43: Is there an opportunity for government to buy equity in companies that offer energy as a service, including solar subscription services?

Question 44: What are the wider policy barriers that may need to be overcome to realise the benefits from energy as a service models? Please consider any specific areas of law, regulation or other policy which may need to change.

Loans to enable network connections

Question 45: Would loans to enable network connections support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 46: Is there a need for finance here, and what are barriers that prevent the private sector from filling it?

Question 47: How could loans to enable network connections address this gap, with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 48: What are the wider policy barriers that may need to be overcome to realise the benefits from loans to enable network connections? Please consider any specific areas of law, regulation or other policy which may need to change.

2E: Manufacturing and supply chain

Bulk purchasing

Question 49: How could bulk purchasing support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 50: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 51: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 52: What are the wider policy barriers that may need to be overcome to realise the benefits of bulk purchasing? Please consider any specific areas of law, regulation or other policy which may need to change.

Equity investment

Question 53: How could equity investment support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 54: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 55: How could government finance address this gap with equity where government earns a return? Where possible, please describe how this model could work.

Question 56: What are the wider policy barriers that may need to be overcome to realise the benefits of equity investment? Please consider any specific areas of law, regulation or other policy which may need to change.

Loans for training and skills

Question 57: How could loans for skills and training support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 58: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 59: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 60: What are the wider policy barriers that may need to be overcome to realise the benefits of skills loans? Please consider any specific areas of law, regulation or other policy which may need to change.

Section 2F: Heat networks

Question 61: How could the Warm Homes Fund support the market growth of heat networks as set out in the Warm Homes Plan?

Question 62: Would investment in heat networks – whether for connection costs, compliance with Heat Network Technical Assurance Scheme requirements, capital support – contribute to the draft Warm Homes Fund aims? When could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 63: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 64: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 65: What are the wider policy barriers that may need to be overcome to realise the benefits from the outlined investments into heat networks? Please consider any specific areas of law, regulation or other policy which may need to change.

Section 2G: Community Energy

Question 66: How would investments in community energy projects (including generation and flexibility) or community buildings support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Question 67: Is there a need for finance in community energy, and what are the barriers that prevent the private sector from filling it? Please also specifically consider how government financing can support building upgrades in the community sector.

Question 68: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 69: What are the wider policy barriers that may need to be overcome to realise the benefits of community energy? Please consider any specific areas of law, regulation or other policy which may need to change.

Section 2H: Other use cases

Question 70: What other potential use cases are there for the Warm Homes Fund? Please provide details of how these might work, and evidence to support your suggestion.

Section 1: Warm Homes Fund strategic case, aims and scope

Strategic case

This section sets out the strategic opportunities, risks and challenges of using government loans or equity investments to deliver on the aims of the Warm Homes Plan. We are looking for stakeholders to provide us with feedback on this assessment.

The features of government loans and equity investment

Overview of the Financial Transactions Framework

At Autumn Budget 2024, the government announced reforms to its fiscal framework which enable the recognition of the financial assets created by well-directed public loans or equity investment. Where equity investments or loans create financial assets, this does not increase public debt as measured by the public sector net financial liabilities (PSNFL) because the new asset balances against the new liability. An example of this is where the government invests in a company (equity) or extends a loan, where the government can expect to be repaid over time (including to cover the cost of borrowing).

The new framework provides opportunities for government to make financial investments that support growth while generating a return for the taxpayer, and in the case of the Warm Homes Fund, contribute towards both the economic growth mission and the clean energy mission. Through this Call for Evidence, government wants to gather views on the potential for loan and equity investments to accelerate deployment of domestic solar, batteries, clean heat technologies including heat pumps and heat networks, energy efficiency measures and other low carbon technologies.

Government must also invest responsibly and the move to target public sector net financial liabilities is accompanied by controls on financial transactions (FTs), where the public sector acquires or sells financial assets. Adherence to the Financial Transactions Control Framework[1] will ensure that government's use of FTs is fiscally sustainable and does not cause debt to rise over time.

Opportunities and vision for the Warm Homes Fund

As set out in the Warm Homes Plan, widespread retrofitting of low carbon technologies, including solar panels and batteries, would reduce household energy bills, improve UK energy security and help to meet government's statutory fuel poverty targets and carbon budgets. Finance in the form of loans and equity investment can play a key role in enabling investment in these technologies across the value chain.

[1] Financial transaction control framework - GOV.UK

In the case of consumers, an owner-occupier three-bedroom mid-terraced home which gets solar panels and a battery could save £450 on their annual energy bills. A three-bedroom detached house with a cavity wall that installs solar panels, a battery and adds a heat pump as well could save up to £550 a year on their annual energy bills, compared to a gas boiler.[2] Improved home energy efficiency may, alongside appropriate ventilation, also lead to better thermal comfort and indoor air quality, contributing directly to enhanced physical and mental health for occupants, particularly vulnerable groups. However, the upfront cost of these technologies remains a significant barrier to uptake. Previous research has shown that high upfront costs deter people from investing in energy efficiency improvements with the National Home Energy Survey 2024 stating that 48% of people report the upfront cost of renewable energy is a barrier for them to invest.[3]

Finance can remove the need for a large amount of upfront capital, where projects are investable and generate a return. As shown above, government analysis for the Warm Homes Plan shows that installing low carbon technologies (such as solar, batteries and heat pumps) can regularly generate a return in a variety of domestic settings. The specific savings and returns of a project will vary depending on types of technology installed and the type of property they are installed in. Where projects can generate a return large enough to justify the cost of financing, the upfront cost barrier can be effectively overcome. This would potentially make the prospect of warm homes upgrades available to a far greater proportion of the population than has been the case to date.

A key example of this is the forthcoming consumer loans scheme which will make home upgrade loans available to consumers alongside grant funding through the Boiler Upgrade Scheme (BUS). The BUS currently provides £7,500 of funding towards the cost of installing a hydronic heat pump but this is a partial grant - overall project costs tend to be higher than the grant level. The remaining upfront costs of installing a heat pump tend to still need to be paid from savings or borrowing. Evidence from the recently published 2025 Interim Evaluation Report showed that 65% of property owners paid their bill with savings/investments or regular income from current account, whilst 9% used a loan to pay their bill.[4] The consumer loans scheme will enable a larger group of people with lower amounts of savings to take advantage of the BUS and upgrade their home at no upfront cost. The need for property owners to use existing savings to “top up” the BUS grant would be reduced.

Finance can also complement the grant support that local and strategic authorities and housing associations receive. We are seeing innovative models such as Octopus’ Tenant Power revenue sharing model and the Sun Save energy as a service model being developed.

[2] Source: Internal DESNZ Analysis based on DESNZ (2021) Cost Optimal Domestic Electrification (CODE) – GOV.UK. Notes: (1) Analysis assumes that households adopting a heat pump will no longer pay the gas standing charge. Households which continue to use gas, such as in cooking appliances, would experience a lower bill saving. The costs associated with disconnecting from the gas grid have not been considered here. (2) The modelled solar PV installation is equivalent to 4kW of photovoltaic panels, and the battery is equivalent to 4kWh of storage. Savings will vary depending on the capacity of installations. (3) Figures based on average UK energy prices for 2024

[3] National Home Energy Survey 2024

[4] Boiler Upgrade Scheme evaluation: Property owner survey data tables Wave 3

Introducing loans and investment into the low carbon technology market can help to gradually lower the level of subsidy in the market. While lower income groups will always need direct support to lower the cost of home upgrades, those households that can afford to contribute to the cost of their home upgrade should do so. The Warm Homes Plan set out an ambitious target to hit 450,000 heat pump installations per annum by 2030. Our landmark investment of £15 billion, including the Warm Homes Fund, and long term signals will help heat pump costs to fall further, and we will keep the grant level and eligibility of BUS funding under review. Countries that are further ahead in their programme of warm home upgrades, like Germany, have established low-cost lending to supplement their grant subsidy. KfW, the German state development bank offers low-cost, long-term lending to households[5] to ensure the pace of the transition is as fast as possible and financially sustainable.

Enabling investments further up the value chain can also be useful in lowering costs for consumers and communities, whilst supporting jobs. This could include equity investments to build manufacturing and supply chain capacity and capability, or loans to develop the workforce. Finance that enables the bulk purchase of low carbon technologies at a lower price, or supports local network upgrades that may be required to enable greater building electrification, could feed through lower prices to consumers. In the heat network sector, finance could enable construction, improvements and connections.

If the Warm Homes Fund is successful, the market for low carbon technologies and warm homes upgrades will grow and warm homes upgrades will have been shown to be investable projects. Government will have contributed to de-risking the sector and shown the private finance sector that lower levels of risk and lower costs of financing should be applied to the warm homes upgrades sector to enable the mass uptake that will be necessary to deliver lower bills, warmer homes and the net zero transition.

Challenges and nuances of financial transactions

Currently, financing options exist for a wide variety of retrofit and supply chain issues and the market is growing and innovating; government is not looking to displace private sector finance. Instead, the Warm Homes Fund aims to supplement or invest alongside private finance. This might be in areas which are deemed too risky for private finance (such as early-stage funding), where returns sought are too high for there to be high consumer demand (such as consumer finance), or where there are other barriers to financing such as complexity. As an example, consumer demand for retrofit finance is influenced by a range of factors, including awareness of technologies, trust in installers, perceived disruption, confidence in savings, payback periods, the consumer protection environment and availability of affordable products. The Warm Homes Fund offers an opportunity to address these factors by reducing financial barriers, simplifying the customer journey, and supporting market confidence. We welcome evidence on which factors most significantly limit uptake today and what interventions could unlock demand at scale. Potential levers include improving advice and information, offering more flexible repayment models, ensuring protections for consumers, and coordinating with supply chain initiatives that improve installation quality and reduce hassle for households.

[5] Heating subsidy: application process opens today for owner-occupied single-family homes | KfW

Interviews with private lenders about green finance products suggest that demand for these products continues to be low and that lack of demand is one of the key barriers to the growth of the green finance market[6]. The numbers of mortgages for retrofit range from single digits to a few thousand, which among the millions of customers of these lenders represents 'a drop in the ocean'. The policies announced in the Warm Homes Plan will seek to address these barriers to demand.

The Warm Homes Fund will aim to deliver investments that attract a return to offset the government's cost of financing (i.e. the prevailing gilt rate). This helps balance better access to retrofit for households, with building up a sustainable, home-grown industry around retrofit, and value for money for the taxpayer. As such, proposals for investments that do not require grant subsidy will be more likely to be taken forward within the design of the Fund. Investments requiring subsidy are not ruled out where blending funds can enable investments that are otherwise unviable and may be particularly relevant for the low-income allocation of the Fund, but nevertheless this preference for non-subsidised finance should be kept in mind when responding to the Call for Evidence.

Loans made direct to consumers and the extra debt they entail might mean that they are not suitable for all sections of society, particularly low-income groups. Additionally, government has to consider creditworthiness and price any loans according to the risk they won't be repaid, in line with the Financial Transaction control framework.[7] The price of an unsecured loan direct to a low-income individual would likely be an unaffordable interest rate. Even a 0% loan would result in an additional monthly cost to repay the loan principal. Innovative solutions are likely to be required when thinking about how the Warm Homes Fund could serve the needs of low-income groups and ensure they are not barred from achieving the savings that can result from warm homes upgrades.

Supporting low-income households

The Warm Homes Plan set out that up to £600 million of the Warm Homes Fund would be allocated to support low-income households, ensuring the transition to low carbon homes is fair and delivers for all. We are seeking views on how this commitment should be delivered to maximise impact and reach those most in need.

We are interested in views on the viability of making loans work for low-income households at the household level, where energy usage can be lower and payback via bill savings less feasible, in particular for those living in fuel poverty or those that might already be in debt to their energy supplier. The government knows that more needs to be done to tackle the problem of energy debt. In November 2025, Ofgem published an update of its Debt Strategy including an update on proposals for introducing a Debt Relief Scheme, which aims to tackle around £1bn of debt built up by some consumers during the energy crisis. Options for viable finance for low-income households could include offering more generous loan terms (for example as part of the consumer loans scheme), enhanced grant-loan blends, or funding

[6] Green Home Finance: state of the market review - GOV.UK
[7] Financial transaction control framework - GOV.UK

models that minimise additional repayment obligations that may be unsuitable for households facing existing debt and financial vulnerability.

We would also welcome evidence on models where third parties finance and install home-upgrade technology for low-income and vulnerable households. This could be through using wider societal savings and avoided costs to help to repay finance, building upon partnerships between energy, housing, health and local government, rather than a full 'pay as you save' model. For example, the Building and Research Establishment found that tackling cold homes would save the National Health Service £540 million per year[8]. Trials from the Warm Home Prescription service developed by the Energy Systems Catapult in collaboration with the energy and health sectors identified that every £1 of expenditure supports £5 of social value as measured in 'wellbeing adjusted life years' by targeting fuel poor households with occupants who have health risks that may be exacerbated by living in a cold home.[9]

Whilst there are challenges with direct finance to low-income households there are other clear opportunities to ensure that low-income households are beneficiaries of the Warm Homes Fund. These are highlighted throughout the call for evidence in the relevant sections including finance for landlords, local government and community energy projects, all of which offer place-based solutions which have the potential to benefit entire communities through clean energy and bill saving interventions.

There may also be a role for the Warm Homes Fund in supporting clean energy technology that can disproportionately benefit low-income households, for example low carbon replacements for direct electric heating.

Finally, consideration is also needed on how best to target support, whether through existing eligibility frameworks, local delivery partners, or data-driven approaches, and how to ensure that low-income households experience reduced bills, improved comfort, and meaningful carbon savings as a result of the intervention.

Delivery and realising benefits

This Call for Evidence focuses on what different use cases could be for financing building decarbonisation, and the Warm Homes Fund is likely to pursue multiple options. We will use the evidence received to develop policy and consider which delivery models can most effectively deliver outcomes in different sectors. This will inform how the Warm Homes Fund will work, such as how government financing might be structured and delivered, what delivery partners we will use, and how finance can be accessed. However, we welcome comments on the questions throughout the Call for Evidence that have implications for delivery models.

A key part of our considerations as to where to utilise Warm Homes Fund financing will be the speed at which benefits can be realised. This may lead us to focus more in areas where there are existing institutional structures and established, experienced operators who can deploy

[8] Tackling cold homes would save the NHS £540mn per year, new BRE research reveals
[9] Warm Home Prescription® | Energy Systems Catapult

financing quickly. This will need to be balanced against our ambition for the Warm Homes Plan to catalyse innovative finance and business models in the sector.

Public Financial Institutions (PuFIns) and other public bodies, such as GB Energy or the National Wealth Fund may play an important role in the effective deployment of the Warm Homes Fund. This could be through providing expertise in financial structuring, risk-sharing mechanisms, and partnership models that leverage private sector investment. PuFIns could support the Fund by co-investing in new financial products, helping standardise lending approaches, or facilitating aggregation of projects to attract institutional capital. We will work closely with the PuFIns to ensure the Warm Homes Fund is the most complementary to the wider funding environment, including the potential for collaboration with existing national or regional public finance bodies. Insights on governance, accountability, and the appropriate balance between public and private roles will help shape this aspect of the Warm Homes Fund design.

Question 1: Do you agree with our assessment of the strategic opportunities, challenges and risks presented by warm homes financial transactions? Please provide evidence to support your response.

Question 2: What evidence is there on the factors that most significantly limit the uptake of green finance?

Question 3: What wider loan or equity-based interventions in the warm homes market could unlock demand at scale?

Question 4: How should the Warm Homes Fund ensure that it includes an offer suitable for those on low incomes? Any information on specific models is encouraged.

Potential aims, scope and eligibility

Aims

Overarching aims

We are considering setting overarching aims for the Warm Homes Fund to provide clarity on the Fund's purpose and the outcomes it is seeking to achieve to guide investment decisions. Building on what we set out in the Warm Homes Plan, we are seeking views on the following draft aims for the Fund:

To reduce consumer energy bills and accelerate decarbonisation, by supporting the building upgrade supply chain with loans and equity investments to bring down costs and scale up the deployment of low carbon technologies.

Question 5: Do you agree with the proposed overarching aims of the Warm Homes Fund? Please provide evidence to support your answer.

Scope

This section seeks views on the technologies, activities, properties and eligible recipients and property types for the Warm Homes Fund. We are also keen to understand views on the territorial extent of the Fund and the extent to which non-domestic buildings should be in scope.

Technology scope

We are considering setting a technology-based scope for the Warm Homes Fund which would include the following low carbon technologies (LCTs). We envisage this list would be kept under review throughout the lifetime of the Fund:

- Domestic solar photovoltaic (PV) panels, including plug-in solar
- Domestic battery electricity storage systems (BESS)
- Clean heat technologies, including heat pumps and heat batteries
- Heat networks, including the connection of buildings
- Building energy efficiency and adaptation measures
- Technologies that support consumer-led flexibility, including smart meters, and smart and bidirectional vehicle-to-grid (V2G) electric vehicle (EV) chargers
- Other technologies which support the electrification of homes within the UK, for example local network upgrades

Question 6: Do you agree with the proposed technology scope and are there any technologies missing that you think the Fund should focus on? Please provide evidence to support your response.

New build vs retrofit

As set out in the Warm Homes Plan, the Fund is intended to focus on home upgrades and retrofit, rather than new builds. The upcoming Future Homes Standard will require all suitable new homes in England to be fitted with onsite renewable electricity generation, such as solar panels, and clean heating as standard. The new build market is also characterised by well-established access to financing. The regulation and financing applicable to the retrofit market is not as well-established.

While the primary focus of this Call for Evidence is on upgrades to existing homes, we are keen to explore the potential benefits from the Warm Homes Fund supporting targeted financing for additional measures in new build social and affordable housing (for example rolling out batteries), to maximise energy bill savings for households. Whilst most developers will be able to recover costs of installing additional measures through sales, this may not be the case for social landlords building for affordable or social rent.

Question 7: What is the extent to which the Warm Homes Fund could support additional measures in new build social and affordable housing? Please describe how the resulting benefits could be realised from Warm Homes Fund investment?

Activities across the value chain

We are considering setting a clear scope for the types of activities across the home upgrades and retrofit value chain that the Warm Homes Fund would support, to provide clarity to consumers, businesses and investors. We are considering the following activities to be included in scope:

- Innovative delivery models within the UK
- Manufacturing within the UK
- Supply chain and skills development within the UK
- Procurement and equipment purchase
- Network connections and upgrades to support domestic low carbon technology (LCT) installation, including unlooping
- Installation of LCTs and integration with existing heating and power systems
- Maintenance

Question 8: Do you agree with the proposed list of activities the Warm Homes Fund could support and are there any other types of activities that should be supported?

Use of property scope

Domestic properties: The Warm Homes Plan is focused on driving down energy bills for households and families, enabling them to take advantage of new and innovative technologies to upgrade their homes. As such, the scope of the Warm Homes Fund will include domestic buildings.

Non-domestic buildings: Non-domestic buildings include commercial, public sector, third sector and community premises. The majority of the c.1.8 million non-domestic buildings in England and Wales will require retrofits for efficiency, clean heat and climate adaptation in the next 25 years. As with the domestic sector, the upfront cost of retrofit remains a significant barrier for many non-domestic buildings. There is a need for a well-developed green finance market that meets the needs of a range of businesses and property owners. We are interested in views from respondents on how the Warm Homes Fund could support smaller non-domestic and community buildings, particularly small businesses and voluntary, community and social enterprises who traditionally lack support.

Financial products, such as further advances and green mortgages, can lower costs for businesses investing in energy upgrades. We are interested in scoping the current green finance offer for non-domestic buildings and identifying groups struggling to finance these retrofits.

Mixed-use buildings: These buildings combine residential space with commercial, cultural, or community functions. There is limited data on the exact scale and numbers of mixed-use buildings across the UK, but they form a significant part of the country's building stock. Around 23% of non-domestic premises are estimated to be within a building shared with domestic

premises.[10] Shop owners living above their premises or similar mixed-use arrangements are common on high streets, and mixed-use developments encompassing both flats and offices are a growing trend.

Purpose-built mixed-use buildings are frequently owned either by individual private landlords or larger investors. They can often operate under a leasehold structure, with individual units owned under leasehold, and the land and structure owned by a freeholder. These complex ownership structures create additional barriers and conflicts of interest when deciding whether to invest in energy saving measures and somewhat mirror the divergent interests of domestic landlords and tenants.

Small buildings containing both a business and a home, such as a flat above a shop, may be wholly owned by the business owner, or they may be privately rented as a whole, or as separate residential and commercial units. Again, the differences in building use and variety in tenure type create complex barriers to incentivising investment in energy saving measures and accessing finance.

We are interested in views on how the Fund could support mixed-use properties. We believe some of the options outlined later in this Call for Evidence would be applicable to mixed-use buildings, including support for heat networks and community energy. However, we are particularly interested in evidence on existing barriers to investing in energy saving measures and accessing finance, whether and how government could meaningfully invest to help address these barriers, and how support could be designed to ensure uptake across a wide range of tenure types.

Question 9: What barriers in the current finance landscape prevent non-domestic and mixed-use buildings from investing in low carbon technologies?

Question 10: How could the Warm Homes Fund address these gaps with repayable finance where the government makes a return?

Question 11: Should government focus non-domestic funding on one or more of the following groups:

- **A) Voluntary, Community, Social Enterprise Sector (VCSEs)**
- **B) Small and Medium Enterprises (SMEs)**
- **C) Hospitality and Retail Sector**
- **D) Other non-domestic sectors**

Eligibility

Groups eligible for support and territorial extent

Through this Call for Evidence we are exploring ideas which could be implemented across the United Kingdom. We will ensure we engage with the devolved administrations throughout the period that the Call for Evidence is open. Decisions about the devolution implications may be

[10] https://www.gov.uk/government/publications/national-buildings-database-phase-1-non-domestic-building-stock-in-england-and-wales table 5

specific to the precise funding mechanisms and projects which we chose to pursue through the Fund.

The following UK-based groups are proposed to be eligible to be the end recipients of support from the Warm Homes Fund:

- Homeowners including both freeholders and leaseholders
- Landlords, including private, social and council landlords
- Local authorities and Strategic Authorities[11]
- Electricity and gas network companies
- Energy suppliers, aggregators, load controllers, flexibility service providers or optimisers
- Manufacturers and supply chain companies
- LCT installers
- Heat networks
- Small businesses
- Community energy and retrofit projects
- Voluntary, community and social enterprises (VCSEs)
- Care homes

Consideration will be given to how eligibility might differ between standard offers and those targeted at low-income households or hard-to-treat homes.

Question 12: Do you agree with the proposed list of groups that the Warm Homes Fund may support and are there any other groups which should be supported?

[11] Due to government accounting rules for financial transactions, we are assuming that local authorities and strategic authorities cannot be the end recipient for the loan investment without affecting government's balance sheet. Local and strategic authorities could deliver financial transactions in their local area on behalf of the central government.

Section 2: Investing across the value chain

In this section we are seeking views on our analysis of the benefits and challenges in supporting different groups and specific innovative use cases for Warm Homes Fund finance.

Note on answering questions in this section

Most questions in this section focus on innovative potential use cases for Warm Homes Fund finance. The questions are standardised across the use cases, although we have highlighted specific issues which respondents may wish to consider in their response. The first question on each use case focuses on the overall strategic policy benefits and risks of the use case (e.g. in supporting Warm Homes Fund aims, the potential risks to consumers e.g. lack of flexibility in changing energy supplier). The second and third questions focus on the specific finance gap, how government finance may unlock investment and the potential business model that could enable this. The fourth question focuses on the changes that would be required in the wider policy environment to enable the use case to be viable.

We encourage respondents to contribute to the questions where they can provide the greatest insight based on their experience, expertise or interests.

Section 2A: Owner-occupiers

Overview of the owner-occupier sector

Most domestic buildings (65%) in England are owner occupied.[12] Owner-occupiers may be freeholders, leaseholders or common holders who own their home outright or have a mortgage. They may live in houses, flats or other types of accommodation (for example park or mobile homes), all which come with different challenges when it comes to installing low carbon technologies and managing their energy bills.

Owner-occupiers can directly benefit from investment in upgrading their homes with low-carbon technologies through lower energy bills, potential income from exported electricity and flexibility services, improved comfort and health, and higher property values. However, high upfront costs and long payback periods remain major barriers to uptake.

There is a wide range of private finance available for owner-occupiers (such as loans, green mortgages) to help smooth these upfront costs. However, take-up to date has been low due to factors including high borrowing costs, strict eligibility requirements and the hassle and difficulty involved in figuring out the right measures for your home and the right finance to go with it.

The government's Boiler Upgrade Scheme provides a £7,500 grant to help reduce the upfront cost of switching to clean heating technologies. Building on this, the Warm Homes Plan

[12] English Housing Survey 2024 to 2025: headline findings on demographics and household resilience - GOV.UK

announced the government's commitment to allocate up to £2bn to new low- and zero-interest consumer loans to help more households meet the upfront costs of improving their homes at a lesser rate of interest than available on the commercial market. The scheme will help spread the cost of installing solar panels, batteries and heat pumps, thus enabling immediate electricity bill savings.

We are seeking views on where government support for additional financing could help stimulate the market for owner-occupier products by supporting consumers directly as well as supporting innovative ways of financing green home improvements.

Question 13: How do you think the Warm Homes Fund could best support owner-occupiers to invest in home upgrades?

Energy Performance Certificates (EPCs)

EPCs estimate the energy costs of a dwelling and are already used by some financial institutions to inform financial products (especially green loans and mortgages). We are reforming EPCs and on 21 January, we responded to the EPC consultation sections on EPCs metrics and when they are required. You can find the response here. The response confirmed that we will introduce four complementary headline metrics – Fabric Performance, Heating System, Smart Readiness, and Energy Cost – for domestic EPCs. These metrics will work together to highlight the main aspects of a building's energy performance.

On 21 January, we also published the Home Energy Model (HEM)-EPC consultation which seeks industry input on the new Home Energy Model methodology for producing EPCs. This consultation closed on 18 March, and you can find the consultation here.

The improved accuracy and flexibility offered by the new EPC framework may support financial institutions in developing more tailored green loans and mortgages for their customers.

Question 14: How are financial institutions currently using EPCs to inform their financial products, and are there any other implications of the use of EPCs for financial products that we should consider?

Innovative potential use cases

We are seeking views on how the following innovative use cases could support owner-occupiers to invest in home upgrades. These examples may also be applicable to some other groups, for example private landlords.

Low and no interest consumer loans

The Warm Homes Plan announced a new Consumer Loans scheme, which will predominantly be targeted at domestic owner-occupiers, to help overcome the upfront cost barrier and also bring down the cost of financing investments in solar, batteries, heat pumps and other technologies (subject to approval processes). We will work with the finance industry including through the Green Homes Finance Strategic Partnership to develop a range of products suitable for different consumers and different technologies. Our aim is to support a range of

lending products to suit different needs and expand the scheme over time in response to demand.

Learning from previous government programmes, we will prioritise making sure the offer for consumers is straightforward and the scheme is simple to navigate. The scheme will also benefit from the robust consumer protection improvements being rolled out across the sector. Further details of this scheme will be announced in due course and will be subject to further approval processes and engagement with the sector.

Question 15: How could the loans scheme be designed to encourage new products or entrants into the market?

Question 16: What loan attributes (e.g. lower interest rates, stronger consumer protection, an easier customer journey, more innovative finance products) would be most valuable to expand in the market?

Property Linked Finance

Property linked finance (PLF) is a long-term finance product that is attached to a property (instead of a homeowner) and can finance the upfront cost for qualified energy projects with repayment obligations linked to the property. This means that the loan does not need to be settled before the property is sold; instead, the new owner will benefit from the upgrades and will be responsible for loan payments, which helps overcome the payback period barrier. In the USA, this model is more commonly referred to as PACE (property-assessed clean energy), and the additional charge is typically collected via property tax. In the UK, PLF can be delivered via a Local Land Charge approach: creating a new statutory instrument that legally ties the payment obligations to the land (e.g. through Land Registry title). This would require enabling primary legislation to establish the Local Land Charge approach and which entities are able to create that charge.

PLF is best suited to recipients that would struggle to meet the full upfront cost of a warm homes investment but can spread the cost of the investment plus some interest over the useful lifetime of the installed low carbon technologies. Additionally, the low carbon technologies could result in bill savings, which also help the property owner to finance the cost of the PLF. Conversely, we are conscious that PLF may be an additional barrier in property sales which we would want to avoid. We are also conscious of difficulties experienced by consumers in the former Green Deal scheme, and would seek to avoid such issues in any potential mechanisms.

Other financial mechanisms linked to property also exist, such as via accumulated equity whereby consumers do not pay any fees for the installation of green retrofit, but instead pay a portion of equity (for example 3% of their house's value), which is to be paid upon sale of the property.[13]

[13] Green Finance Institute - Property Linked Finance (2024)

Question 17: Would Property Linked Finance (PLF) support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer. Please specifically consider:

- How it could increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.
- The potential risks and unintended consequences for consumers, government and industry, such as friction in the property market.

Question 18: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 19: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 20: What are the wider policy barriers that may need to be overcome to realise the benefits from PLF? Please consider any specific areas of law, regulation or other policy which may need to change. Please also consider barriers that could limit take-up, and whether this might vary depending on whether the model was administered by a local authority, a green bank or other lender, a financial regulator, or a third party.

Section 2B: Landlords and tenants

This section covers landlords and their tenants. Generally speaking, most private renters, whilst responsible for paying energy bills, are subject to landlord (or in some cases, freeholder) decisions on investments in home upgrades. As the Warm Homes Fund is likely to focus on supporting capital investments, we have focused this section on landlords. However, once homes have been upgraded, tenants will be able to benefit through reductions in the energy needed to heat their home and the resulting bill savings.

Overview of the private landlord sector

Approximately 4.7 million homes in England are privately rented[14]. Under current Minimum Energy Efficiency Standards (MEES) regulations in place since April 2020, private landlords must ensure that their properties are at least Energy Performance Certificate (EPC) rating E (or hold a valid exemption) to be rented out.

In 2025, we consulted on increasing the standard to require domestic private rented properties to be an EPC C by 2030. On 21 January 2026, a government response[15] was published alongside the Warm Homes Plan. The response announced that as part of the private rented sector enhancements, landlords will need to upgrade their properties to meet EPC C across two metrics by October 2030, unless their property has a valid exemption. Private rented

[14] English Housing Survey 2024 to 2025 – Chapter 1: Profile of households and dwellings - GOV.UK
[15] Improving the energy performance of privately rented homes: 2025 update - GOV.UK

homes will be required to meet a primary standard set against the fabric performance metric on new EPCs and a secondary standard set against either the smart readiness metric or the heating system metric on new EPCs. Landlords will be able to choose what will work best for their property, and the spending cap will be limited to £10,000 per property, with an average predicted cost of around half of that.

Support is currently available to landlords to improve their properties, for example, for eligible landlords support will continue to be available through the Boiler Upgrade Scheme (BUS). Funding is also currently available for eligible private rented homes for the installation of a range of relevant measures through schemes including the Warm Homes: Local Grant.

Throughout the recent consultation on improving the energy performance of privately rented homes, landlords indicated that they would welcome access to loans and highlighted factors that could make loans preferable to grants in some instances. First, some stakeholders indicated low awareness or understanding of grants. Second, they shared that grants are often based on tenant eligibility, but that is much easier for landlords to upgrade a property in between tenancies while it is vacant (making them ineligible for some grants). Evidence from the consultation and continued stakeholder engagement will be considered alongside responses to this call for evidence.

Question 21: What barriers and opportunities do private landlords encounter when accessing loans or investing in warm homes upgrades for their properties and how could the Warm Homes Fund help them overcome these barriers?

When answering please also consider the specific barriers and opportunities that financial institutions encounter when offering products to the private rented sector.

Overview of the social landlord sector

The social housing sector is a significant part of the UK housing stock. As of March 2025, England alone had 4.5 million social and affordable rented homes.[16] This equates to about 17% of total dwellings.[17] Of these, 1.6 million are owned by local authorities, the rest (2.9m) are owned by private registered providers (including housing associations). Social and affordable rented housing includes categories like council housing and supported housing. As such, local authorities and housing associations have a big role to play in upgrading the UK's housing stock to be energy efficient: in making sure new build housing is of high quality but also in retrofitting existing stock.

Local authorities are part of the public sector (and have access to existing financing mechanisms such as the Public Works Loan Board (PWLB)), but housing associations are private entities with individual balance sheets and financing. Housing associations can raise finance through commercial bank loans,[18] investment from patient capital like pension funds

[16] Registered provider social housing stock and rents in England 2024 to 2025 - GOV.UK
[17] Of a total estimated 25.6 million dwellings as of March 2024 (latest available statistics: Dwelling Stock Estimates, England: 31 March 2024 - GOV.UK).
[18] Including lending guaranteed by the National Wealth Fund for example National Wealth Fund News

and issuing bonds, all serviced by the rental income from their social housing stock. They cannot access borrowing via the PWLB.

Social landlords face restrictions on how much rents can rise by and therefore face a challenge to invest in home upgrades that have a large upfront cost. The Regulator of Social Housing (RSH) has published the Rent Standard 2026 for social landlords. Social landlords will generally be allowed to increase rents for social rent and affordable rent homes by up to Consumer Price Index (CPI) +1% each year from 1 April 2026 onwards.[19]

The Warm Homes: Social Housing Fund (WH: SHF) provides grant funding to the social rented sector to upgrade existing homes and deliver bill savings to residents. This has increasingly provided incentives to deploy low carbon technologies and in particular low carbon heating. However, there remain challenges to increasing the pace and scale of adoption and the opportunities to deliver further bill savings to even more residents. We would be interested to hear views on what could help this deployment to occur at a faster rate. We think the finance provided by the Warm Homes Fund could play a key role in overcoming upfront cost barriers, enabling a programme of national renewal and upgrade of our social housing stock, making it fit for a net zero future and delivering comfort to tenants.

Question 22: What are the barriers that affect the ability for social housing providers to invest in warm homes upgrades? And how could the Warm Homes Fund support?

Please consider whether different barriers exist for new build versus retrofit, as well as the financing structures or products that could best incentivise the deployment of warm homes technologies above minimum regulatory standards. Please also consider differences in Housing Association property ownership structures (i.e. direct development, partnerships or joint ventures), and whether this would affect the ability of those social housing owners to take on a loan.

Question 23: What risks or unintended impacts should government consider if using public finance to incentivise above-minimum warm homes standards in new-build social and affordable housing?

Innovative potential use cases

Revenue and savings sharing models

Low carbon technologies, including rooftop solar and battery storage, are becoming increasingly mature and, in some cases, capable of delivering commercially viable returns that payback over the medium term. A range of revenue sharing models for solar and battery installations have begun to emerge across different housing tenures, including social housing.

Where deployed, these models can reduce electricity costs for tenants while enabling landlords to receive a return on their investment. Examples of such approaches already in operation include local authority led and partnership-based schemes that combine rooftop solar, battery

[19] Regulator of Social Housing publishes the Rent Standard 2026 - GOV.UK

storage and innovative billing or ownership structures. For example, Camden Council [20] is developing a large scale solar and battery retrofit programme for its social housing stock using a special purpose vehicle (SPV) model, blending council investment with institutional finance and enabling tenants to access cheaper electricity while the asset owner receives a return.

Other social landlords have explored revenue sharing or tenant facing tariff models. Hackney Council[21], for instance, has worked with Emergent Energy to pilot a micro grid linked to onsite solar generation, allowing tenants to benefit directly from locally generated electricity, while not requiring upfront investment to install the assets.

Octopus have developed an innovative “Tenant Power Tariff”, which shares the return from solar power and batteries between social landlords and tenants. This model utilises a bill-splitting mechanism and sub-metering to optimise a home battery to generate export income and provide grid services, while affording the tenant a fixed reduction in their energy unit rate. The battery can be charged and discharged to the grid as required without impacting the tenant, generating revenue for the landlord or investor.

Social landlords appear to be most suited to this type of revenue sharing arrangement as they are more likely to remain in the property rental market over the medium to long term and thus achieve the payback and profit from these investments, compared to private rented landlords who might need or want to sell their property at any time.

All the examples of this approach currently being explored or implemented by social landlords, such as models involving direct ownership of assets, require upfront capital investment to fund the installation of solar panels and battery systems. This upfront cost can present a barrier to scaling delivery or to adopting revenue sharing models, particularly for social landlords with constrained access to capital and restrictions on rent increases.

There may be a role for finance from the Warm Homes Fund to help landlords with the upfront cost of equipment and installation. This could enable wider deployment of revenue sharing for solar and battery models, thereby unlocking potential benefits for both tenants and landlords. For example, there is potential for wider energy system benefits from avoided network upgrade costs however this needs to be assessed in the round. There are a range of different models for providing this finance. Funding could be provided directly to landlords, who could service the cost of the loan through the revenue they receive from the revenue sharing arrangement. Alternatively, the Warm Homes Fund could provide finance to an electricity supplier who would install and optimise the solar and battery system.

In line with its company strategy and the recently published Local Power Plan, we know that Great British Energy (GBE) is interested in developing its approach to increasing the pace and scale of the delivery of rooftop solar and battery schemes to the social rented sector. We will engage with GBE as appropriate.

[20] Cheaper bills for 3,000 council households thanks to huge ‘retrofit’ investment
[21] Solar power | Hackney Council

Some electricity companies have initial experience of operating these kinds of revenue sharing models already. This evidence, together with GBE's interest may mean that revenue sharing could be an effective delivery model that could be quickly scaled up.

In answering the following questions, please consider the main barriers, risks, or considerations that discourage adoption of revenue sharing solar and battery models, particularly in social housing. If you are a social landlord, we would be interested in whether you currently use, or would consider using, a revenue sharing model for solar and battery deployment on your housing stock, and what factors might influence that decision.

Question 24: Would revenue and savings sharing models support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Please specifically consider:

- How it would increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.
- The potential risks and unintended consequences for consumers, government and industry.

Question 25: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 26: How could government finance address this gap for revenue and savings sharing schemes, with repayable finance where government earns a return? Where possible, please describe how this model could work.

Please consider what different roles the government could play to stimulate adoption, and factors such as the scale of deployment required for an investor to see a sensible return as well as reasonable contract lengths for consumers.

Question 27: What are the wider policy barriers that may need to be overcome to realise the benefits from revenue and savings sharing schemes? Please consider any specific areas of law, regulation or other policy which may need to change.

Question 28: Are there differences in Housing Association property ownership structures (i.e. direct development, partnerships or joint ventures) or any other factors that would affect the ability of those social housing owners to take on a loan?

Section 2C: Local government

Overview of the local government sector

Beyond their role in the social rented sector, local authorities and strategic authorities have a wider role in delivering improvements in energy efficiency and carbon reductions. This includes

areas such as regional growth, housing and regeneration, retrofit including of public sector buildings, and provision of green skills.

Local government can already access government borrowing via the Public Works Loan Board (PWLB) and the National Wealth Fund (NWF) at near-gilt rates. The Warm Homes Fund is not intended to replace PWLB lending, but rather to explore where there are financing gaps or innovative financial solutions that do not neatly fit in direct loans but can drive forward the government's green ambitions. There may also be benefits in government providing solutions that work at scale or across the public sector, even where financing methods have been proven to work in isolation such as place-based approaches trialled by mayoral strategic authorities (MSAs).

Innovative potential use cases

Local equity and recycling funds

There are a variety of locally led investment funds that reinvest proceeds in sectors such as housing, homelessness prevention, and local growth.[22] These funds invest in projects that deliver a return for the taxpayer, as well as social goods for their area, such as housing or jobs. Although these funds may aim to catalyse private investment, or otherwise stimulate the market, by design they are in areas where the market may be risk averse or demand higher returns than can be delivered. Government can in these cases accept more risk, or lower returns (e.g. gilt rate), than the private sector could. A historic similar example is the Public Sector Energy Efficiency and Loans Scheme which recycled savings into further energy efficiency measures.

Loan capital from central government could potentially help scale up or extend their use to green finance and decarbonisation. Recycling helps ensure that savings (e.g. from green retrofitting) can be redeployed and reinvested. This may be helpful in combination with guarantees, as the effect of de-risking could help MSAs invest in riskier propositions such as equity investments. We anticipate that government financing could be delivered by building on or otherwise combining with existing investment funds. The presence of existing investment funds indicates that this could be an effective delivery model for the Warm Homes Fund to deploy investment quickly.

Question 29: Would area-based investment funds support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer. Please specifically consider:

- How it could increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.
- The potential risks and unintended consequences for consumers, government and industry.

[22] E.g. Invest in Manchester | Greater Manchester £1 bn Good Growth Fund Announced

Question 30: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 31: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work. Please also consider whether financing for retrofit could be meaningfully combined with existing local investment funds.

Question 32: What are the wider policy barriers that may need to be overcome to realise the benefits of local investment funds? Please consider any specific areas of law, regulation or other policy which may need to change.

Public-private partnerships and blended funds

We believe communities are strongest when they are at the heart of leading their own net zero transition - designing and shaping it, leading it and sharing the benefits. That holds true for the net zero transition where different places will have different needs, opportunities and demands. In the past, commercial and government financing has been on an asset-by-asset basis, leading to stop-start programmes and poor project sequencing that do not work for local places and communities. Programmes like Department for Energy Security and Net Zero's (DESNZ) Local Net Zero Accelerator, combined with the government's agenda on devolution through the integrated settlements model – show a different way of doing things that put people and their communities in the lead. Similar moves from Great British Energy (GBE) and National Wealth Fund also support place-based investment solutions, responding to local calls to move away from centrally managed schemes.

We are interested in better understanding the options to deliver place-based investment, or whole place-based interventions that span multiple assets and services. We want to explore how the government can help support a one-stop-shop for communities to finance their innovative and people-focussed plans and unlock delivery at pace, as well as catalyse more private and commercial sector investment.

We think driving scaled up capital, shaped around local assets, projects, and supply chains will deliver faster, cheaper and fairer outcomes. To that end, the government and its PuFIns[23] are exploring how to mobilise capital in smarter ways to accelerate crowding-in of commercial and private finance to deliver scale, pace and flexibility. We are already seeing innovative solutions that work through models like the Greater Manchester's Good Growth Fund[24], which provides a proven, investable vehicle to help translate devolution into delivery at scale and with lower risk, ensuring better use of and value for public money.

We think models of public private partnerships and blended funds are promising delivery models that could effectively deploy investment from the Warm Homes Fund. The government will explore these models further, working with PuFIns and stakeholders to consider how blended capital might be delivered. We are primarily looking at large, mixed capital vehicles

[23] For example, Warm Homes financial transaction capital, alongside Great British Energy, National Wealth Fund and other public institutions.
[24] Greater Manchester Combined Authority Good Growth Fund

capable of mobilising commercial and community investors, possibly backed by anchor funding from government. For example, we believe utilising Warm Homes funding, and GBE's ability to take a more patient investor approach, could crowd-in greater commercial/private investment and improve fiscal multipliers. These vehicles could be organised on a regional basis to benefit from region-specific underwriting that enables effective management of risks, such as around planning and grid connections. However, the government will need to balance the benefits of standardised national scalable models against any higher administrative costs of multiple funds and the benefit of creating replicable models.

By doing so, we aim to deliver a fresh approach to financing net zero transition, putting power back into communities to manage their transition and provide long term financial stability, turbo-charging the creation of good green jobs through local supply chains across the country. The government will move away from doing change to communities, and towards community-led change, backed by flexible and large-scale investment for their net zero transition plans that can help to ensure that entire communities see the benefits of the transition to net zero, transforming deprived communities and the lives of low-income households.

Question 33: Would blended financing support draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer. Please specifically consider:

- How it could increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.
- The potential risks and unintended consequences for consumers, government and industry.
- Whether these approaches should operate on a regional or national basis, and who should be eligible to access investment vehicles.

Question 34: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 35: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 36: What are the wider policy barriers that may need to be overcome to realise the benefits of blended finance? Please consider any specific areas of law, regulation or other policy which may need to change. Please also consider whether there are additional steps needed to ensure communities are able to also invest and share in the return of those investments and ownership of the assets.

Section 2D: Energy market participants

Overview of distribution network operators

The electricity distribution network comprises approximately 800,000km of buried and overground cables across Great Britain and approximately 58,000km in Northern Ireland, transporting electricity from where it is generated to our homes and businesses. Distribution network operators (DNOs) own and operate these networks, and consumers pay for them through energy bills.

As the UK accelerates towards decarbonisation, the electricity distribution system must be ready to accommodate rapid electrification, widespread uptake of low carbon technologies, heat pumps, electric vehicles, battery storage and increasing volumes of distributed generation including solar PV panels.

DNOs are key enablers of the warm homes and building decarbonisation agenda. Ensuring customers can connect to the electricity network where they want and at a time that they want is key to supporting a cheaper transition to a more decentralised and cleaner energy system whilst also delivering wider economic growth. Vulnerable customers, and those on lower incomes may also need to be supported to ensure that they can access the benefits of these new technologies.

DNOs achieve relatively low costs of financing through their status as low risk regulated monopolies. The income that DNOs receive from charging suppliers for using their network is predictable given the regulated price controls. DNOs are experienced players in the corporate bond market and will continue to be, given Ofgem's signalling of the need for increased investment from 2028 onwards. The provision of finance, including long term finance, would be familiar to DNOs.

Question 37: What are the barriers and constraints on distribution network operators receiving finance and how could they use the Warm Homes Fund to help deliver the draft aims?

Overview of gas distribution networks

The gas distribution network in Great Britain is made up of over 270,000 kilometres of pipework. The network is divided into geographically distinct regions with each region being owned and operated by one of four Gas Distribution Network (GDN) operators. GDNs are responsible for delivering gas to approximately 22 million homes and businesses across GB.

Natural gas has reliably served the nation's heating, industrial and power needs for many decades. However, as we set out in last year's Midstream Gas Update to Market[25], the role of gas in our energy system is changing. As we roll out cleaner heating solutions, fewer homes will rely on gas boilers and many may disconnect from the gas network.

[25] Midstream gas system: update to the market - GOV.UK

Ensuring a well-coordinated consumer transition is crucial and could see long-term cost savings compared to a business-as-usual approach. A coordinated transition in this context could mean strategic alignment between electricity network upgrades, clean heating installation, and gas network disconnection. In addition to reducing overall transition costs, this sort of coordination could drive targeted support for hard-to-reach consumers to ensure no one is left behind.

GDNs are therefore key in supporting the warm homes agenda, reliably supplying gas to homes and other buildings until they are ready to switch to cleaner heating options, and providing timely, safe disconnections from the gas network once they have done so. Due to the extent of their existing infrastructure, GDNs may be well-placed to receive investment from the Warm Homes Fund, leveraging their technical expertise, customer relationships and view of the changing energy landscape.

Question 38: What are the barriers and constraints on Gas Distribution Networks receiving finance and how could they use the Warm Homes Fund to help deliver the draft aims?

Examples could include supporting the cost of consumer gas network disconnections and supporting delivery of a coordinated energy transition.

Overview of energy suppliers

Energy retail suppliers are the companies that sell energy to consumers. This customer-facing role has meant that energy suppliers have played and will continue to play an important role in the warm homes agenda. While the Energy Company Obligation (ECO) has delivered a significant volume of home energy efficiency improvements that have reduced bills, it has not been without challenges as set out recently by the National Audit Office. The Chancellor announced at the Budget in November that the government will not replace ECO and the associated Great British Insulation Scheme (GBIS) when the current schemes end in April 2026, removing the costs of those schemes from energy customers' bills.

The energy crisis revealed a lack of financial resilience with the retail market. To address this Ofgem has introduced robust new rules to encourage greater financial resilience amongst suppliers and to ensure that they have adequate capital to protect consumers. We have seen improved stability in the market as a result. Despite this, the cost of capital in the sector remains relatively high. If energy suppliers were recipients of Warm Homes Fund support, the cost of financing would have to price in the risk of default (as elsewhere).

Question 39: What are the barriers and constraints on energy suppliers receiving finance and how could they use the Warm Homes Fund to help deliver the draft aims? Are there specific balance sheet requirements or policies such as the Ofgem Price Cap that inform your view?

Innovative potential use cases

Solar and energy as a service

Energy as a service (EaaS) is a business model where third-party providers manage a customer's energy infrastructure. EaaS provides end-to-end management of a customer's energy assets and services. Through EaaS, providers are also able to pool clients' resources into a larger 'smart energy community', facilitating grid upgrades and load balancing across a wider market, saving customers money.

Some nascent EaaS propositions seek to fully combine energy supply with provision of low carbon technology in a single product, with the financing of the product covered by ongoing energy costs. Typically, these models aim to replace traditional energy billing with fixed 'subscription' payments for energy, in return for a particular outcome. These EaaS offers may also be able to leverage supplier control of smart assets in order to access low prices and value from flexibility markets, providing benefits for the wider energy system.

EaaS includes technology-specific models such as solar as a service or heat as a service. Customers pay a fixed fee to a provider which covers installation, maintenance and monitoring of the equipment and can take into account savings through, for example, solar energy generation or smart charging of batteries (including for electric vehicles). These models can remove upfront costs for customers for equipment such as solar and battery storage.

Financing models that could be included in an EaaS model are described below. Assets are either owned and operated by the provider or supplied to the homeowner under a fixed-term financial agreement which could enable bill savings from consumer-led flexibility. This could contribute towards the Clean Power Action Plan target to realise 10 – 12GW of consumer-led flexibility by 2030.

We are committed to expanding access to solar energy generation and other clean power and heat technologies through the Warm Homes Plan. If the market shifts towards more frequent adoption of EaaS business models in place of traditional energy supplier contracts, there is an opportunity for the Warm Homes Fund to invest to support the proliferation of commercial EaaS models that help remove the upfront cost of access to these technologies from the consumer.

Support for EaaS from the Warm Homes Fund would likely require government to set up a new delivery mechanism, working with relevant partners and careful consideration of how any EaaS model would be compliant with UK consumer protection legislation and regulation.

Solar and energy subscription services

Solar and energy subscription services are innovative models that make use of fixed-term finance agreements to allow a customer to install their own warm homes upgrades, such as solar and battery equipment, at no upfront cost. To access the service, customers pay a fixed monthly subscription fee over an extended period, e.g. 20 years, thus paying for the installation over time through a regulated credit arrangement as part of subscription. These schemes

enable households to achieve annual net savings on energy bills, derived from reduced grid energy consumption and revenue for exporting surplus electricity.

Solar subscription services are different to older ‘rent a roof’ schemes, which involved a homeowner renting out their roof space to a third-party energy services company under a long-term lease, e.g. 20-25 years. Under ‘rent a roof’, the company would install and maintain solar panels over a roof at no upfront cost to the homeowner, who could receive reduced electricity bills through solar generation. However, there have been significant issues with these schemes in the past, including substantial consumer protection concerns around unfair contracts and maintenance costs impacting social housing landlords and tenants, alongside disincentives for homeowners caused by restrictions on selling the home or altering the roof.

By contrast, solar and energy subscription services are relatively new to the market, and under these schemes legal ownership is transferred to the homeowner at installation. This makes them more attractive than other models, including older ‘rent a roof’ schemes. They also offer installation of warm homes equipment such as rooftop solar and batteries with no upfront cost and no deposit.

However, if we are to support these schemes we need to ensure lessons are learned from past models such as ‘rent a roof’. We also need to consider how to ensure the customer retains the freedom to switch energy supplier if assets are supplied alongside their energy tariff. If the customer moves house, it is possible for the subscription to be transferred to the buyer through the home sale, but it adds a layer of complexity to the sale. We therefore believe these models are likely to be most appropriate to support consumers who are likely to own the same home long-term, such as owner-occupiers or social landlords, and are interested in views on this.

These solar and energy subscription services already exist in the market. We are interested in hearing how the Warm Homes Fund could play a role in quickly scaling up their operation and making them available for higher numbers of people and properties.

Hire purchase agreements

Hire purchase agreements allow a customer to pay for their equipment in instalments over a number of years and own the equipment at the end of the agreement. Such agreements can be offered bundled together with a customer’s energy tariff, or agreed separately. The customer would slowly pay for the equipment through a single fixed monthly fee and often a final lump payment. This model could be used to finance a range of warm homes technologies, including solar panels and batteries. Under hire purchase arrangements, the customer would not own the system until the last payment had been made but would still benefit from bill savings in the meantime.

However, there are significant regulatory barriers that can make hire purchase arrangements difficult to implement. Importantly, energy generation and clean heat equipment such as solar PV are fixed, permanent installations that cannot be easily returned, or repossessed if a customer defaults on their contract or bill. Equipment is difficult to remove and has unclear residual value. Learning from previous schemes, we must make sure that consumers are not left in a vulnerable position in case of default or voluntary termination of any agreement.

Moreover, consumer protection regulations make lenders jointly liable with the retailer for the quality and performance of financed products. For lenders, this substantially increases risk. There can be practical issues when a property is sold, and it is unclear whether agreements should be settled by the seller or transferred to the new owner.

When answering the below questions please specify which energy as a service model you are discussing.

Question 40: Would the energy as a service models outlined (or any others, including those emphasising consumer-led flexibility) support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Please specifically consider:

- How the specific energy as a service model you are discussing would increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.
- The potential risks and unintended consequences for consumers, government and industry.

Question 41: Is there a need for finance to support the growth of particular energy as a service models and what are the barriers that prevent the private sector from filling it?

Question 42: How could government finance address this gap for energy as a service models, with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 43: Is there an opportunity for government to buy equity in companies that offer energy as a service including solar subscription services?

Question 44: What are the wider policy barriers that may need to be overcome to realise the benefits from energy as a service models? Please consider any specific areas of law, regulation or other policy which may need to change.

Please consider which consumers solar and energy subscription models would be most appropriate for, whether they restrict buying and selling of homes, the merits of centrally operated or consumer-led models, and how models could prevent consumers from being locked into a contract with a single supplier. Please also consider what other barriers can affect take-up of solar and energy subscription schemes, as well as what lessons should be learned from ‘rent a roof’ solar schemes and what should be done differently.

Loans to enable network connections

To be able to install an electric vehicle (EV) charger, a heat pump, solar panels and battery along with all other electrical appliances that are a part of modern life, some houses require upgraded electrical connections in the electrical cabling system leading up to the house.

Requests for increased supply capacity are already rising as more homes seek to electrify their activities. Without a proactive strategy, the volume of reactive upgrades may grow substantially. This risks creating bottlenecks for DNOs, slowing electrification and inconveniencing consumers. A more proactive approach would help ensure that supply upgrades are delivered ahead of demand, rather than in response to it.

Many homes in Great Britain face limits on the amount of power they can draw due to being connected to the electricity grid through a “looped” connection. Properties on a looped connection are connected to the grid via a service cable that is shared with one or more neighbouring properties. This reduces the maximum power that can be drawn by those properties, which can limit their ability to access the lower bills enabled by warm homes upgrades. Some households also face constraints due to the capacity of their property’s service cable, fuse, or “cut-out” which houses the fuse. As a result, some households cannot fully benefit from lower-cost, low-carbon technologies until their supply is upgraded. It is estimated that 11-17% of Great Britain’s housing stock (3.1 - 4.7 million homes) may be affected by looped connections.[26]

It will take decades to unloop all properties in Great Britain, at the current rate. The department recently published a research paper[27] that suggested considering strategic funding mechanisms that could be established to incentivise proactive unlooping efforts, ensuring a more efficient and effective approach.

Two Distribution Network Operators (DNOs) in GB currently have proactive unlooping programmes. For the next electricity distribution price control period (ED3) from 2028 to 2033, we expect all DNOs to have ambitious, evidence-based programmes of proactive unlooping, ready for large-scale rollout and effectively targeted at properties that will electrify sooner.

The Warm Homes Fund could play a central role in supporting this shift by providing targeted financing to accelerate supply upgrade programmes alongside unlooping efforts. By enabling DNOs to carry out strategic, area-wide upgrades rather than relying solely on individual customer requests the Fund could help reduce costs, minimise repeat visits, and better prepare networks for the electrification expected in the ED3 price control period.

Ofgem is also currently consulting on a strengthened role for DNOs in the planned, efficient rollout of electrified homes and associated network investments. The Warm Homes Fund could support DNOs to play that enhanced role which could see them join with local and strategic authorities to form local partnerships that drive forward area-based rollout that engages communities to achieve the bill savings of the warm homes agenda together.

If DNOs achieve lower costs of financing compared to their long term average, then this translates into lower bills for consumers over time which is a key aim of the Warm Homes Plan.

[26] Unlooping electricity network connections - GOV.UK
[27] Ibid

We are keen to learn more about the opportunities of this novel delivery model and how this type of financing might interact with the overall Ofgem price control of DNOs.

Question 45: Would loans to enable network connections support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.

Please specifically consider:

- How it could increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.
- The potential risks and unintended consequences for consumers, government and industry.

Question 46: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Please also consider what terms of lending would incentivise distribution network operators (DNOs) to take loans from the Warm Homes Fund, including interest rate and tenor, making reference to current terms of lending achieved by DNOs through corporate bonds.

Question 47: How could loans to enable network connections address this gap, with repayable finance where government earns a return? Where possible, please describe how this model could work.

Please consider at what scale of deployment loan providers would expect to see reasonable returns.

Question 48: What are the wider policy barriers that may need to be overcome to realise the benefits from loans to enable network connections? Please consider any specific areas of law, regulation or other policy which may need to change.

Please consider what the benefits of the Warm Homes Fund making loans to enable network connections would be, what non-finance barriers to grid connections the Fund would not be able to address, and how closely tied the terms of lending to DNOs should be to the activities that enable electrification and warm homes upgrades.

Section 2E: Manufacturing, supply chain and skills

Overview of the manufacturing and supply chain

The supply chain for low carbon technologies is a critical enabler for the net zero transition. The UK is the largest producer of residential gas boilers in Europe, which puts us in a strong position to achieve a competitive advantage in the clean heat market. Whilst currently the UK market is dominated by foreign manufacturing, the Department for Energy Security and Net Zero (DESNZ) has an ambition to develop the UK supply chain to manufacture at least 70% of heat pumps installed in the UK by 2035. Through policies like the Heat Pump Investment

Accelerator Competition and the Clean Heat Market Mechanism, we want to stimulate further investment to expand UK capacity.

For solar panels and batteries, the UK is reliant on imports, as is the case for the majority of the world. However, the UK does have strengths in solar and battery innovation, as well as bidirectional electric vehicle (EV) charging technology.

Overview of the workforce

Our Warm Homes Plan is projected to increase the number of jobs supported across the UK in energy efficiency and clean heating from 60,000 in 2023, to up to 240,000 in 2030. These will range from heat pump, insulation, solar photovoltaic (PV) and battery installers, to retrofit coordinators, to low-carbon and energy efficiency manufacturers.

The Construction Skills Mission Board RMI Skills Working Group identified cross-cutting challenges; including skills shortages across all trades, an ageing workforce, poorly matched training, inaccessible funding and weak consumer trust in workforce competence. Structural barriers, such as weak local coordination between the skills system, the retrofit supply chain and project commissioners, have contributed to slow supply chain growth and underinvestment in retrofit skills for some professions.

Innovative potential use cases

Bulk Purchasing

We know that the Warm Homes agenda will require the purchase of large numbers of low carbon technologies such as solar panels, batteries and heat pumps. There could be scope to reduce the average price of these high-cost items while supporting the UK's industrial strategy through bulk purchasing schemes which could drive demand for UK manufactured products.

Whilst the heat pump itself only constitutes around a third of the total cost of a heat pump installation, research by Eunomia for the Department for Energy Security and Net Zero (DESNZ) in 2024[28] suggested that discounts of 5% on the unit costs could be achieved for purchase up to 100 units and potentially up to over 20% for over 100 purchases.

Bulk purchasing could be beneficial for domestic batteries since the cost of a domestic battery product itself can make up a large proportion of the final installed cost, especially with larger batteries and less complex installations.

Government could supply finance to bulk purchase low carbon technologies at a discounted rate which are then sold on to others in the Warm Homes ecosystem at a price that covered the cost of the financing. However, these products would potentially need to be stored, and distributed, which may incur additional costs that could offset the savings achieved by the bulk purchasing. Depending on the volumes purchased, there could also be risks of technological obsolescence if products are stored and not used quickly enough.

[28] Cost of Domestic and Commercial Heating Appliances, Eunomia, https://eunomia.eco/reports/title-the-cost-of-heating-appliances-a-comprehensive-uk-database/

Financing a bulk purchasing scheme would be most effective when paired with a programme to increase low carbon technology installations. This would ensure that the technologies purchased would actually be installed and this would help keep warehouse storage costs to a minimum. An example of this is London's RE:FIT scheme which is a framework that links public sector decarbonisation to aggregating purchases (and installation).

Consideration would need to be given to the extent to which bulk purchasing could support the development of UK based manufacturing; the degree to which bulk purchasing could genuinely achieve cost savings; and exposure to wider supply chain risks.

Question 49: How could bulk purchasing support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer. Please specifically consider:

- How it could increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.
- The potential risks and unintended consequences for consumers, government and industry.

Question 50: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 51: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 52: What are the wider policy barriers that may need to be overcome to realise the benefits of bulk purchasing? Please consider any specific areas of law, regulation or other policy which may need to change.

Equity investment

The government is also looking at equity investments, for example in companies that may strengthen UK manufacturing capacity for low-carbon technology and support training programmes for installers. Although there are existing finance options for companies, these may not always be available for the size and risk profile of start-up or innovative companies working on new ways of doing things, or companies looking to scale up solutions. The government is keen to explore how government financing might help in situations where companies may otherwise struggle to attract financing. In exploring how deliverable equity options are, we would look to build on and complement the existing investment plans from the National Wealth Fund and Great British Energy.

Question 53: How could equity investment support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer. Please specifically consider:

- How it could increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.

- The potential risks and unintended consequences for consumers, government and industry.

Question 54: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it? Please specifically consider if there are particular areas of manufacturing and the supply chain where financing or investment is a barrier to companies providing more innovative solutions, and whether there are particular challenges faced by low carbon technology innovators bringing first-of-a-kind products to market, which equity investment could overcome.

Question 55: How could government finance address this gap with equity where government earns a return? Where possible, please describe how this model could work. Please specifically consider how equity investment schemes could be designed to complement or build upon other investment accelerator schemes, such as the heat pump investment accelerator.

Question 56: What are the wider policy barriers that may need to be overcome to realise the benefits of equity investment? Please consider any specific areas of law, regulation or other policy which may need to change.

Loans for training and skills

The Warm Homes Plan signals a significant expansion in demand for home energy efficiency upgrades and is expected to support up to 180,000 additional high-quality, well-paid, future-proofed jobs in energy efficiency and clean heating by 2030. We have established a new Workforce Taskforce in partnership with the Trades Union Congress to ensure that new entrants and existing workers receive the right support throughout the transition to low-carbon employment. Since launch in April 2023, the Heat Training Grant has supported trainees in England with over 15,000 training courses on heat pumps or heat networks, and we are increasing its total funding to £31m. The Warm Homes Skills Programme is providing £8m of funding to training providers and further education colleges in England.

The Warm Homes Fund presents a further opportunity to accelerate investment in skills and jobs. This could be through the provision of targeted support for prospective trainees and training providers to build training capacity and uptake and/or by supporting small and mid-tier contractor businesses to integrate training provision into their operating model and expand local supply chains.

We are seeking views on whether loans provided through the Warm Homes Fund could expand retrofit skills provision and further improve the rates at which trainees go on to have active, fulfilling careers in the sector following completion of training. Providing loans would be a change to the existing grant support and so we are interested in views on how this novel delivery model could be designed effectively.

In particular, we note that a number of organisations and social enterprises have diversified their operating model to deliver industry-led skills training while forming partnerships within their supply chain to tackle local skills shortages. This model aligns training investment with

tangible employment outcomes and helps ensure that retrofit trainees can progress directly into meaningful work on public-funded retrofit projects. We are also interested in what the most appropriate design would be to encourage investment in industry-led skills training that is closely aligned to local labour market and supply chain needs. This helps ensure the scaling of high-quality, local retrofit capacity, and that retrofit trainees can progress directly into meaningful retrofit work. We are particularly interested in whether the provision of this type of financial support could encourage more organisations to adopt an integrated approach where contractors and social enterprises establish dedicated local work and training hubs that combine the delivery of retrofit measures with skills provision to meet local labour market needs. These hubs could be operated in-house or developed through partnerships with accredited training providers, industry bodies or further education institutions.

Question 57: How could loans for skills and training support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer. Please specifically consider:

- How it could increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.
- How it could facilitate skills provision that is linked to forecasted local deployment pipelines, employer demand or area-based retrofit programmes.
- The potential risks and unintended consequences for consumers, government and industry.

Question 58: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 59: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 60: What are the wider policy barriers that may need to be overcome to realise the benefits of skills loans? Please consider any specific areas of law, regulation or other policy which may need to change.

Section 2F: Heat networks

Overview

Heat networks are systems where heat is generated centrally and then distributed to homes and businesses through insulated pipes. In the right settings, they are solutions which can provide the lowest-cost, low-carbon heat for consumers compared to an individual heating option. By 2050, we expect to see low-carbon heat networks meeting around a fifth of all heating demand. To drive action over the next decade, the Warm Homes Plan sets a target to more than double the amount of heat demand met via heat networks in England by 2035, to at least 7% (27 TWh).

The growth of low-carbon heat networks in England has so far been limited in part due to heat network developers' and investors' lack of confidence that buildings will connect. Government is implementing a range of measures designed to boost the confidence of developers and investors.

Heat Network Zoning, which we will launch this year, will provide greater certainty for developers and local communities, and the tools to accelerate heat network rollout. To ensure coordination of the development of a local heat network, local government-sponsored zone coordination bodies will be able to require some types of buildings in zones to connect to a heat network within a specified timeframe.[29] We will be supporting at least 10 of the largest English towns and cities to establish their heat network zones soon after heat network zoning regulations go live later this year, with further zones to follow.

To meet our ambitious target for growth, and to build on the certainty that zoning will offer to developers and investors, we have committed to £195m per year of grant funding until 2029/30 for the development of new and existing low carbon heat networks through the Green Heat Network Fund (GHNF). As of January 2026, 53 funding awards totalling nearly £622m have been announced since scheme launch in March 2022.

Improving the performance of existing heat networks will improve the reputation of the technology, bolster overall developer, investor and user confidence in the sector and support further growth. To support existing heat networks to make efficiency improvements, the Heat Network Efficiency Scheme (HNES) currently provides up to £15 million per year in capital grants until 2029/30.

We have just launched a consultation on proposals to mandate minimum heat network technical standards through the forthcoming Heat Network Technical Assurance Scheme (HNTAS) to tackle poor performing networks and improve energy efficiency, leading to lower costs, lower carbon emissions, and reductions in unplanned outages.[30] One of the key questions in the consultation is how we strike the right balance between upfront costs to deliver the required improvements, many of which will be paid for by consumers through bills, and the energy efficiency improvements which will improve consumer outcomes and lead to cost reductions over the longer term. Existing heat networks will need to meet certain performance outcomes, with networks given several years to make necessary improvements.

However, even with the existing government support through GHNF and HNES we need to consider how we can further support the development and retrofit of heat networks overall to help them compete with gas heating. We are looking at how we can accelerate connections of buildings to heat networks; support the sector to meet forthcoming technical standards under the Heat Network Technical Assurance Scheme; and reduce the cost of finance of developing low-carbon heat network projects. The following section discusses and asks for views on how the Warm Homes Fund could facilitate action on these core issues.

[29] Proposals for heat network zoning 2023: government response (accessible webpage) - GOV.UK
[30] Heat network technical standards 2026: government consultation (accessible webpage) – GOV.UK

Question 61: How could the Warm Homes Fund support the market growth of heat networks as set out in the Warm Homes Plan?

Innovative potential use cases

In this section a series of use cases are described with questions on all of them grouped at the end of the section.

Connection costs

Loans to households

The cost of connecting to low-carbon heat networks can be prohibitive for buildings that currently use gas for heating. One way the Warm Homes Fund could help overcome the upfront cost of connections is to offer loans to help spread the cost of a connection.

Increasingly, as heat network zones are built out, individual households will be able to connect to the zone's heat network to cut bills over time and lower emissions. For households that could afford connection to a low-carbon heat network, we are considering simple, affordable loans that would allow households to spread the upfront cost of a connection over a number of years, similar to the loan scheme described in Section 2A. We also want views on how connection finance could work alongside or as part of the consumer loans scheme (see section 2A) so a household that chooses to do so can take a single product that includes a heat network connection and, where it improves affordability, other upgrades such as insulation or solar. We are interested in how this could be offered in a straightforward way and aligned with any local heat network zone so that neighbouring homes could connect with minimal disruption.

For low-income households, a loan may not be suitable on its own and grant funding may be required to enable them to connect to a low carbon heat network where it would be the most cost-effective solution for them in the long run. Heat networks can also be a leading option for housing associations and other providers, who can coordinate cheaper, cleaner heat for their residents. Consequently, we are also interested in how to fund connections fairly and efficiently in buildings with multiple dwellings, public sector buildings, non-domestic buildings, mixed-tenure buildings and streets, and area-based offers that could reduce unit costs when delivered on a street-by-street basis. We are interested to hear views on how this novel delivery mechanism could deliver investment quickly.

Energy-as-a-service for heat networks

Public sector buildings are often core 'anchor loads' that heat network projects need to connect to be financially viable. In recent years public sector buildings have been able to use the Public Sector Decarbonisation Scheme (PSDS) to address the cost of connecting to a heat network. The government confirmed that there will be no further funding rounds after 2027/28. We are considering post-2028 delivery options. One option we are considering is a form of energy-as-a-service model similar to the one described in section 2D for solar, where a developer pays for the upfront capital cost of connecting to a heat network, which would then be paid back

over time by the connected building via a subscription fee (this is only one type of energy-as-a-service, and we would welcome views on others that would be suitable for heat networks).

We are interested to hear views on how this novel delivery mechanism could deliver investment quickly. Questions on options to overcome high upfront cost of connections are at the end of the section.

Financial support to help networks meet HNTAS requirements

As part of the new market framework for heat networks, we have been developing proposals to mandate minimum technical standards for both existing and new build networks, through the Heat Network Technical Assurance Scheme (HNTAS). This is designed to maintain standards for the many networks performing well, but also, importantly, to raise standards for those that are older, poorly maintained or which were badly designed.

While consumers will often save money over time, many of these improvements will have high upfront costs and so we are keen to explore the use of Warm Homes Fund investment. This could help spread and lower upfront costs for consumers, leading to bigger cost and carbon benefits from the Scheme.

Across the entire sector, including operational networks of varying ages, sizes, and starting efficiencies, the cost of retrofit to meet the proposed standard is estimated to be £5,500 per dwelling on average, with high variation against this average. As set out in the consultation Options Assessment,[31] data from government capital schemes such as the Heat Network Efficiency Scheme (HNES) suggest that the cost of improvements on certain networks may range from £6,000 to £15,000 per dwelling. Networks that are already performing to the required standard will not need to make any improvement works and therefore will not be subject to any retrofit costs.

Government recognises that the difficulty in implementing such standards where costs are borne up-front and the benefits of improving performance, including lower fuel input costs and longer heat network lifespans, accrue over decades. HNES currently provides up to £15 million per year in capital grants until 2029/30. However, the estimated sector-wide cost of meeting the proposed HNTAS performance requirements is approximately £2.9 billion across the course of eight years from regulation being introduced.

In many cases, particularly private, non-domestic heat networks, we expect that heat network operators and suppliers will be able to finance efficiency improvements through capital market investment.

Many smaller communal networks, networks owned and operated by social housing providers, local authorities or other not-for-profit entities may not be able to easily access capital markets. These networks are more likely to face funding challenges and are more likely to contain a higher proportion of vulnerable consumers, making the cost of these requirements regressive.

[31] https://assets.publishing.service.gov.uk/media/69395aac33c7ace9c4a41f0f/heat-networks-technical-standards-options-assessment.pdf

We are therefore seeking evidence on how the Warm Homes Fund could be targeted to most effectively support heat networks in Great Britain as they undertake improvements and become HNTAS compliant. We are also interested in any examples of existing financial mechanisms that could provide insight for investment in this space. Draft Code and Standards documents setting out the proposed technical requirements are available from the HNTAS webpage and may be used to inform responses to the questions at the end of the section.[32]

We are interested to hear views on how this novel delivery mechanism could deliver investment quickly.

Capital support for heat networks

Capital support for heat networks is needed to ensure that we can deliver the targets set out in the Warm Homes Plan and low carbon heat cost is competitive relative to fossil fuel alternatives. The Green Heat Network Fund (GHNF) currently mitigates some of these barriers to adoption by offering capital grants for new and existing heat networks in England to adopt low-carbon technologies and will deliver over £1bn in grants to the sector by 2029/30. Incoming sector regulation through the Market Framework and Heat Network Zoning will also help developers overcome some of the other barriers to market growth.

Even with the GHNF planning to deliver over £1bn in grants to the sector by 2029/30, the sector is struggling to raise investment to the levels needed for sector growth in line with required deployment. Uncertainty about the delivery, costs and demand for low carbon heat networks leads investors to perceive them as higher risk and often expect higher returns on investment. These lead to deployment levels of low-carbon heat networks which are lower than necessary.

We are continuing to work with the National Wealth Fund (NWF) and the Green Finance Institute (GFI) on innovative finance options (equity and debt) that could reduce the sector's need for grant funding over time. There is currently limited functioning private debt market in the UK for financing heat network construction and projects rely heavily on equity that requires a higher rate of return, which results in higher fixed tariffs costs and connection charges than if debt financing were used. This, in turn, worsens connection risk in a negative feedback loop. Breaking this cycle requires de-risking projects sufficiently to enable the introduction of affordable debt. We are interested to hear views on how a novel delivery mechanism could deliver investment quickly, improving on the current debt market for heat networks.

Heat Network Catalytic Fund

The GFI have been developing a proposal for a catalytic fund that could use Department for Energy Security and Net Zero (DESNZ), Public Financial Institution (PuFIn) and private capital to deploy the capital financing necessary for the development of the heat network sector. Under their proposal, DESNZ could allocate a portion of the Warm Homes Fund to a PuFIn to support the provision of debt at a lower cost to a specific project or a group of projects.

[32] https://www.gov.uk/government/collections/heat-network-technical-assurance-scheme-hntas-draft-code-documents

The PuFIn would deploy Warm Homes Fund proceeds to fund a subsidised junior loan that provides credit enhancement to a senior loan funded from the PuFIn's own capital. By using the Warm Homes Fund in this way, the PuFIn can lower the interest rate on the entire loan while still earning a non-concessional return on the senior loan, ultimately reducing the borrower's cost of capital. The junior loan enables this by providing first loss protection for idiosyncratic heat network risks in a specific project, thereby de-risking the PuFIn's senior position and enabling the PuFIn to price its capital at a lower interest rate commensurate with the reduced risk. Both the senior and junior loans should provide a return for the Exchequer.

Providing funding from the Warm Homes Fund for the junior loan could catalyse much needed private capital investment in several ways. Commercial lenders could come in alongside the PuFIn's senior loan position at the financial close if they determine the junior loan provides sufficient credit enhancement to enable this. Alternatively, as the network is built out and project risk reduces, the PuFIn could either syndicate its senior loan position to commercial lenders or sell it to institutional investors such as pension funds and insurance companies in a capital markets transaction (securitisation). This programmatic approach generates significant economies of scale whilst recycling capital back to the PuFIn, reducing public sector net debt and enabling further lending. It is anticipated that the junior loan would be retained by the PuFIn, continuing to act as credit enhancement for the senior loans whilst contemporaneously earning a return for the Exchequer.

The sizing of the Warm Homes Fund funded junior loan can be adjusted for each heat network project, enabling DESNZ and the PuFIn to target support where it is strategically most impactful. The scale of private leverage obtained from commercial lenders and/or institutional investors ultimately depends on the economic performance of the junior loans. Lower realised losses on the junior loan (net of interest income) increase the multiple of private capital that can be mobilised per £ of Warm Homes Fund support.

For all the above innovative use cases for heat networks, we would look to build on the existing support and institutional relationships that government and the National Wealth Fund have with the industry but recognise that loan funding from government would be a novel delivery mechanism that would have to be developed carefully in conjunction with the industry in order to be effective.

When answering the below questions, please specify if you are answering regarding:

- Loans for connection costs (including subscription models);
- Financial support to help networks meet the Heat Network Technical Assurance Scheme (HNTAS) requirements; or
- Capital support for heat networks, including the Heat Network Catalytic Fund

Question 62: Would investment in heat networks – whether for connection costs, compliance with heat network technical assurance scheme requirements, capital support – contribute to the draft Warm Homes Fund aims? When could benefits be realised, and what risks or unintended consequences should be considered? Please give evidence to support your answer. Please specifically consider:

- How the specific investment could increase the development, construction, connections to, and retrofit of heat networks for domestic, community and small business settings and reduce energy bills for consumers.
- The potential risks and unintended consequences for consumers, government and industry.
- The parts of the heat network sector would see the greatest impact from Warm Homes Fund financing, including support for new network development, expansion, and the retrofit or modernisation of existing heat networks.

Question 63: Is there a need for finance here, and what are the barriers that prevent the private sector from filling it?

Question 64: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work. Please specifically consider what wider loan or equity-based interventions, if any, are already available to help in accelerating heat network projects; and what impact Warm Homes Fund investment would have on market growth.

Question 65: What are the wider policy barriers that may need to be overcome to realise the benefits from the outlined investments into heat networks? Please consider any specific areas of law, regulation or other policy which may need to change.

Section 2G: Community energy and buildings

Overview

Community energy projects

Community energy projects can be a good way for local people to lead, own and benefit from energy projects. Investment could support local energy cooperatives or community-led home upgrade schemes, enabling groups of households to share infrastructure such as solar arrays, small-scale and ambient heat networks, electric vehicle infrastructure or battery storage, and to benefit collectively from lower costs and improved resilience. This may be especially relevant to share the benefits of local improvements more widely including to those in fuel poverty who may not be able to benefit from other models or schemes. Communities can also provide support on bills and energy information for those who need in-person local support.

For example, community batteries – batteries, typically co-located with solar, that provide shared energy storage for multiple homes – provide exciting opportunities for communities by enabling participation in flexibility markets, delayed self-consumption and potentially delivering direct bill savings. DESNZ will issue a Call for Evidence in 2026 to assess the role of community batteries in the transition and potentially identify measures to scale deployment.

DESNZ and Great British Energy (GBE) have just published their joint Local Power Plan[33] setting out their vision for growing community and local renewable generation. This includes GBE's commitment of up to £1bn support for community and local power generation in the period to 2030 and re-affirms the goal set out in GBE's Strategic Plan to support over 1,000 local and community energy projects, also by 2030. GBE will do this through a robust funding and finance offer as well as setting up scalable, self-sustaining business models for community energy organisations, acting as a sector leader driving innovation, and developing tools to help communities access the benefits of community energy.

For places and communities, the ability to develop renewable power and heat solutions also has potential impacts and savings on the energy network investment especially in more rural areas of the country. This smart local energy system approach looking at a community rather than individual homes can also create economies of scale and bring value back to local economies.

Energy efficiency and decarbonisation of community-owned buildings

Another aspect of community energy is buildings owned by voluntary and community sector organisations. The voluntary and community sector delivers essential public services but often operates in energy inefficient buildings (i.e. EPC rating below C), with utility bills often accounting for a large share of their budgets. There is an opportunity to make community centres, sports hubs, libraries and charity buildings more energy efficient, reducing bills and helping decarbonise the UK. This is alongside their potential to serve as anchor points for community energy projects (as above). Community and voluntary organisations often don't have the funding available to afford the upfront investment required, but we are interested in how government financing can help support the community sector achieve this, possibly working with other organisations or funding schemes through blended finance, or through other mechanisms such as property linked finance.

When considering how to deliver investment effectively to community and voluntary organisations we will be mindful of and look to build upon the existing links those groups may have with local government and relevant delivery partners.

The Warm Homes Fund will also be looking at other ways in which government financing may help stimulate this area.

Question 66: How would investments in community energy projects (including generation and flexibility) or community buildings support the draft Warm Homes Fund aims, when could benefits be realised, and what risks need to be considered? Please give evidence to support your answer.
Please specifically consider:

- How it could increase solar, battery and heat pump deployment into domestic, community and small business settings and reduce energy bills for consumers.

[33] Local Power Plan | Great British Energy

- The potential risks and unintended consequences for consumers, government and industry.
- In what scenarios Smart Local Energy Systems would have the greatest impact in delivering Warm Homes outcomes, with examples of where they are already being effective.

Question 67: Is there a need for finance in community energy, and what are the barriers that prevent the private sector from filling it? Please also specifically consider how government financing can support building upgrades in the community sector.

Question 68: How could government finance address this gap with repayable finance where government earns a return? Where possible, please describe how this model could work.

Question 69: What are the wider policy barriers that may need to be overcome to realise the benefits of community energy? Please consider any specific areas of law, regulation or other policy which may need to change.

Section 2H: Other use cases

There may be other use cases for the Warm Homes Fund which have not been covered in this Call for Evidence. These could include green mortgages, supply chain finance and retrofit carbon credits, for example. We are interested in any further proposals from respondents on ways the Fund might be meaningfully invested to deliver the greatest impact achieving its aims.

Question 70: What other potential use cases are there for the Warm Homes Fund? Please provide details of how these might work, and evidence to support your suggestion.

This publication is available from: www.gov.uk/government/calls-for-evidence/warm-homes-fund-innovative-finance-for-investments-and-loans

Any enquiries regarding this publication should be sent to us at: warmhomesfund@energysecurity.gov.uk

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