



Department for
Energy Security
& Net Zero

The Heat Network Efficiency Scheme

The Heat Network Efficiency Scheme (HNES) provides funding to support improvements to existing district or communal heat network projects in England and Wales that are operating sub-optimally (delivering poor outcomes for customers and operators).

HNES is part of the Warm Homes Plan and supports public, private and third-sector applicants with £15m of capital grants available per year up to and including 2029/30.

Types of projects supported

HNES supports existing/operational heat networks via capital funding to address customer detriment and improve operational performance, or through revenue funding to identify the improvement measures required.

For the purposes of HNES, a heat network is defined as a network of pipes that distributes heating, cooling or hot water to at least two buildings, or at least two customers in at least one building.

In order to achieve the best outcomes for end users and deliver high public trust in heat networks, HNES has particular focus on how funded projects reduce detriment for residential “customers in need”.



Glyn Street Estate, London - £447,546 of capital grant funding to support efficiency improvements that resulted in a 72% reduction in heat loss (photo credit: FairHeat).

Accordingly, the HNES grant application and award process prioritises projects which:

- Support residential “customers in need”, defined as those considered financially vulnerable: social housing, low-income housing, customers in fuel poverty, extra care housing, low-income care homes and supported housing.
- Deliver benefits which can demonstrate significant improvements to poorly performing networks.

To find out more, visit hnes.uk or [Gov.uk](https://gov.uk)

