UK Government

Warm Homes: Local Grant

Policy Guidance for Local Authorities

Updated June 2026

Department for Energy Security and Net Zero (2026)

Version Control

The table below summarises the key updates (as of June 2026) to the policy guidance for the Warm Homes: Local Grant since the previous update in June 2025.

List of updates	Policy area	Description	Page/s
Introduction	N/A	To reflect publication of the Warm Homes Plan	4-5
Eligibility	IMD:ID	Guidance updated to reflect the need to transition between IMD data sets following the update to IMD data in October 2025.	18-19
Eligibility	AHC	After Housing Costs table updated for clarity (the thresholds have not changed).	22-23
Cost caps	Cost caps value	EE and LCH cost caps increase.	33
Measures	Heat batteries	Update on heat batteries eligibility.	40
Measures	Domestic batteries	Update on domestic batteries and associated quality standards.	44-45
Measures	Quality Standards	MCS equivalence status update: the original guidance included reference to certification of installers to schemes deemed equivalent to MCS, this provision no longer stands and installers must be MCS certified in all cases for relevant measures	8, 35-39, 45-47
Measures	Quality Standards	Confirming Building Regulations compliance requirements	45
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Contents

1. Introduction

In its Warm Homes Plan, the Government announced that it will invest £15 billion over this Parliament to cut energy bills, and upgrade up to 5 million homes and support up to 180,000 additional jobs by 2030. This ambition is a key part of the Government's mission to transform Britain into a clean energy superpower, including providing the country with clean energy by 2030, reducing bills, and transitioning homes to clean heat as part of our wider ambition to reach net zero by 2050. The Warm Homes Plan will be delivered in partnership with mayors and local authorities.

The Warm Homes: Local Grant is a government-funded scheme delivered by Local Authorities that takes the first steps to delivering on the ambitions of the Warm Homes Plan. It provides grants for energy performance upgrades and low carbon heating to low-income households living in the worst quality, privately owned homes in England to achieve energy bill savings and carbon savings. These upgrades are open to all fuel types, including on gas households (those heated by mains gas), and off gas households (those heated by electricity, oil, coal, or liquid petroleum gas).

Through the Warm Homes Plan, low-income and fuel-poor households will benefit from around £5 billion investment to 2030. Of this £500m was allocated to the Warm Homes: Local Grant to be delivered from April 2025 to March 2028. The expression of interest window for Local Authorities interesting in participating in the scheme closed on 1 December 2024, and funding allocations were made to Local Authorities in early 2025. 74 projects involving 271 LAs (which is over 97% of eligible LAs in England) were allocated funding.

To support delivery of the Warm Homes Plan, the primary and secondary objectives of the Warm Homes: Local Grant are:

1. To deliver progress towards the statutory fuel poverty target for England, by improving as many fuel-poor homes as reasonably practicable to energy efficiency rating of Band C by 2030, delivering significant annual energy bill savings for the occupants, not just in the short term, but for good.
2. To deliver progress towards Net Zero 2050, and the Carbon Budgets, by installing energy performance upgrades and low carbon heating in homes that drive carbon abatement.

Alongside those leading objectives, the Warm Homes: Local Grant will help to ensure homes are healthy living environments, thermally comfortable, efficient and well-adapted to climate change. It will also support the green economy, local supply chains, and skilled jobs for tradespeople in every part of England.

By focusing on low-income households and areas of high economic deprivation, upgrades made to the housing stock will support deprived communities throughout

England, ensuring that they are not left behind in the transition towards Net Zero, but instead lead the way.

Lessons learned from previous Local Authority delivered fuel poverty schemes, such as Local Authority Delivery (LAD) and the Home Upgrade Grant (HUG)– have been fully integrated into the design of the Warm Homes: Local Grant.

Support was available at no cost to Local Authorities interested in participating in the Warm Homes: Local Grant from the DESNZ-established Technical Assistance Facility under the name of 'RISE' – Retrofit Information, Support and Expertise. Further information can be found in section 3 and at www.riseretrofit.org.uk.

1.1 Policy overview

This section provides an overview of the key headlines of the policy design. It is not a replacement for the full guidance in sections 4-8.

Table 1: Policy Overview

Policy Element	**Warm Homes: Local Grant policy**
Objectives	Primary objective: tackling fuel poverty to meet the statutory fuel poverty 2030 target, delivering annual energy bill savings to occupants. Secondary objective: progressing towards the statutory net zero 2050 target through achieving carbon savings in homes upgraded.
Outcomes	Primary outcome: Energy bill savings. Secondary outcome: Carbon savings.
Performance Metrics	Energy Performance Certificate (EPC) Energy Efficiency Rating (EER) metric, measured via the Reduced Data Standard Assessment Procedure (RdSAP).
Performance targets	A non-binding aspiration for upgraded homes to reach Energy Performance Certificate (EPC) Band C – where this is not possible within the cost caps a value for money and strategic approach to measures selection should be adopted which could include installing low carbon heat. Please note, if a property has received funded upgrades through the Home Upgrade Grant (HUG) or Local Authority Delivery (LAD) scheme/s, the property must either reach EPC band C or receive a

	low carbon heating technology as part of receiving further treatment under Warm Homes: Local Grant.
Geographic spread	England only.
Household eligibility pathways	Pathway 1: Households which reside within Indices of Multiple Deprivation (IMD) Income Deciles (ID) 1-2 areas - a list of eligible postcodes[1] is provided on gov.uk alongside this guidance. Or Pathway 2: Households which can demonstrate receipt of a specified means tested benefit[2] or that they are eligible via route 2 of ECO Flex. Or Pathway 3: Households with an annual gross income below £36,000 or the 'after housing costs' threshold in line with our published equivalisation tables (which are dependent on household composition).
Property Eligibility: Energy Performance Certificate (EPC) Rating	Properties must have an EPC EER rating within bands D to G to be eligible. Note, park homes must have an equivalent level of energy performance. Properties with an EPC EER rating within bands A to C are ineligible in all circumstances.
Property Eligibility: Type and Tenure	Properties must be existing domestic dwellings. New build or self-build homes which have not been previously occupied are ineligible. Owner occupier and private rented sector households are eligible.

[1] The list of eligible postcodes has been updated – see Section 4.2 for details.

[2] The list of eligible means-tested benefits includes and is limited to: Housing Benefit, Income-based Jobseeker's Allowance (JSA), Income-related Employment and Support Allowance (ESA), Income Support, Pension Credit (savings and guarantee), and Universal Credit.

	Social housing is ineligible - except for in-fill purposes only, capped at 10% of a project's total homes treated, with a 50% cost contribution required from social housing landlords.
Property Eligibility: Park Homes	Park homes are eligible for support under the Warm Homes: Local Grant providing the park home is the permanent residence of the household and that the park home is expected to still exist (i.e. not be demolished) for the whole duration of the measure guarantee period. The energy performance of the park home must also be equivalent to an EPC band D-G. Note, park homes do not have EPCs but must still be assessed to evidence equivalence.
Property Eligibility: Heating fuel types	All fuel types (both on gas and off gas grid). Local Authorities were asked to set a non-binding aspirational target for upgrading off gas grid homes when expressing an interest in participating in the scheme. No change request will be required to reduce or increase this target.
Cost Caps	£16,600 per home for energy performance upgrades. £16,600 per home for low carbon heating. Cost caps can be averaged across a project and must be met by project closure.
Cost Contributions	Owner occupiers are not required or expected to make any contributions to the cost of upgrades. This is to protect the household from being forced to make a cost contribution. However, where the consumer wishes to self-fund measures not recommended by the retrofit coordinator, or to fund other improvements not covered by the grant (such as cosmetic touches) this should be allowed where feasible – noting that the Local Authority should also use their discretion to determine whether the household is genuinely at risk of or living in fuel poverty. Private rented sector landlords may receive one home fully funded per landlord under Warm Homes: Local Grant. A 50% cost contribution will be required from the private landlord for any additional homes upgraded after the first. Tenants are not required or expected to make any contributions to the cost of upgrades. A 50% cost contribution is required from social housing landlords.

Measures: Types	RdSAP eligible measures that are non-fossil fuel and covered under the required standards (see below). Specific types of hybrid boilers are permitted to be installed in homes on the gas grid which are currently heated by mains gas only, see section 7.3 for more details. Hybrid boilers are not permitted to be installed in homes off the gas grid. Low carbon heating will be available to homes of all fuel types, but clear advice must be provided on bill impacts.
Measures: Price Limits	A small number of measures - for which DESNZ analysis has identified value for money is particularly sensitive to the price of installation - will be given price limits that must be met on average by project closure. These measures are: - External wall insulation, - Internal wall insulation, - Double/triple glazing, - Park home insulation, - Solar thermal. The price limits for these measures are commercially sensitive and are shared with participating Local Authorities under a Non-Disclosure Agreement.
Measures: Standards	All upgrades must adhere to the latest PAS 2035 guidance (currently PAS 2035:2023). Installers must be Trustmark registered and certified under the latest version of PAS 2030 or by MCS to install the relevant eligible measures under each standard. All measures must be lodged onto the Trustmark data warehouse.
Admin & Ancillary (A&A) budget	Local Authorities can use up to 15% of their total project spend to cover A&A costs, including (but not limited to) resourcing, procurement, specialist advice, searching for eligible homes, signing up households, validating and assessing homes and agreeing a measure package in line with the applicable PAS 2035/2030 standards.

Retreating homes	Properties which received funded upgrades through the Home Upgrade Grant (HUG) and/or Local Authority Delivery (LAD) scheme will be eligible for Warm Homes: Local Grant funding providing the eligibility criteria for the home and household set out in this guidance document are met. However, this is also on the condition that the Warm Homes: Local Grant upgrades either: • result in the property reaching EPC Band C, or • include low carbon heating in the package of measures installed. Properties that have received upgrades through other DESNZ energy efficiency schemes (e.g., the Energy Company Obligation (ECO)) are not subject to these two specific requirements. Please note, in all cases the same individual measure cannot be funded twice.

1.2 Integrating lessons learnt from previous schemes

The policy design of the Warm Homes: Local Grant integrates lessons learnt from previous schemes – particularly from the Local Authority Delivery (LAD) scheme and the Home Upgrade Grant (HUG). For example:

Eligible fuel types – Under the Warm Homes: Local Grant all heating fuel types (i.e. both on and off gas grid homes) are eligible. Under phase 3 of LAD, only on gas grid homes were eligible, and under HUG only off gas grid homes were eligible. By providing a single successor scheme to the HUG and LAD programmes, the landscape of government schemes has been simplified, as called for by stakeholders.

Cost caps – Under Warm Homes: Local Grant, a simple dual cost cap structure has been set of £15k per home cap for energy performance upgrades, and £15k per home for low carbon heating. The separate cost for clean heat measures will support the installation of these measures which are critical to delivering net zero. Projects will have the flexibility to average out these caps across the homes they upgrade, providing they are met, on average, by project closure.

IMD ID 1-2 pathway – The postcode-based household income eligibility route (based on the Indices of Multiple Deprivation (IMD) Income Deciles (ID) areas), first piloted under phase 2 of HUG, has been incorporated into the design of the Warm Homes: Local

Grant. This will enable automatic low-income verification for all households residing in these areas and reduce search and verification costs for LAs[3].

Private Rented Sector – To support fuel poor tenants living in privately rented homes, the Warm Homes: Local Grant will allow one eligible home to be fully funded per landlord – with a 50% cost contribution required for any additional homes upgraded thereafter. This is a more generous offer than made available under the LAD and HUG schemes in recognition of low uptake in the tenure to those schemes. However, this will be kept under review and is subject to change – e.g. in response to developments in the wider policy landscape for the sector.

Property caps – Warm Homes: Local Grant does not have a cap on EPC Band D homes – as seen under phase 3 of LAD.

1.3 Key dates

The key milestones across the allocation of funding and delivery of the Warm Homes: Local Grant are set out below. Please note dates are subject to change, at the discretion of DESNZ.

Table 2: Key Scheme Dates

Project Milestone	Date
Expression of interest window	Closed on 1st December 2024
Funding allocations announced	11th March 2025
Delivery Assurance Checks began	From 1st April 2025
Delivery window opened	1st April 2025
Delivery window closes	31st March 2028

1.4 Enquiries

The Retrofit Information Support and Expertise (RISE) support and information service is the technical assistance facility available to LAs interested in participating in the Warm Homes: Local Grant. Further details can be found on their website:

[3] It is worth noting that Phase 2 of the Home Upgrade Grant had an extended IMD:ID eligibility, which also covered homes in Income Decile 3. This pathway has been limited to IMD:ID 1-2 areas for Warm Homes: Local Grant as the scheme covers a different segment of the housing stock (on gas grid homes as well as off gas grid homes).

(www.riseretrofit.org.uk). Any enquiries, including questions related to the policy or guidance document should be directed to rise@turntown.co.uk.

2. Scheme Design

2.1 Overview

This section provides an overview of the scheme design. It is not a replacement for the detailed guidance on the allocation, mobilisation and delivery phases which will be published in due course.

Table 3: Scheme Design Overview

Delivery model	Local Authority delivered – Local Authorities will be allocated funding and procure and manage their installer supply chain individually or in consortium projects. Only Local Authorities (LAs), as defined in Chapter 1 of the Local Government Act 2003, in England will be allocated funding. Greater Manchester Combined Authority (GMCA) and West Midlands Combined Authority (WMCA) have each received an allocation of funding from Warm Homes: Local Grant scheme through their integrated settlements. Therefore, GMCA, WMCA, and their constituent local authorities, are not permitted to participate in the national Warm Homes: Local Grant scheme.
Funding allocation model	An Expression of Interest (EoI) model[4] was used to allocate funding to Local Authorities (LAs). Funding allocations to LAs were announced on 11 March 2025 (with LAs informed under embargo in February). All eligible LAs that completed the EoI form by the deadline were allocated funding. This stage is followed by a mobilisation period in which a mid-mobilisation review checked LA progress, ahead of the Delivery Assurance Check. The Delivery Assurance Check ensured all LAs met the minimum criteria for successful delivery under the scheme before moving into delivery.

[4] The EoI model comprises three stages: 1. Funding Allocation (eligible LAs which complete an Expression of Interest form will be allocated funding to some degree), 2. Mobilisation and Delivery Assurance Check (LAs show they have procured and resourced their projects and have completed all necessary documentation) and 3. Delivery (draw down of capital allocations in batches).

Technical support and information for Local Authorities.	The Retrofit Information Support and Expertise (RISE), provides support to all Local Authorities participating in the Warm Homes: Local Grant. RISE helps to upskill Local Authorities, build their capabilities and expertise, and set them up for successful delivery. This service is paid for by DESNZ and so is free for Local Authorities.
Drawdown of capital funding	Under the Warm Homes: Local Grant, a streamlined batch system[5] enables Local Authorities to draw down funding allocations once they have completed the Delivery Assurance Check. The batch system, first used under phase 2 of the Home Upgrade Grant (HUG2), has been simplified for the Warm Homes: Local Grant and will only be used to enable draw down of funding and to monitor trends (rather than to control and assess whether batches meet the policy rules). LAs submit batches of homes for approval prior to upgrade, triggering release of funding when it is required.

2.2 Changes in design from previous schemes

The main changes made to the scheme design of the Warm Homes: Local Grant compared to previous schemes are:

Funding allocation model – An Expression of Interest (EoI) model[6] was used to allocate funding to Local Authorities; all eligible LAs who completed an EoI form by the deadline were allocated funding. This is a simplification of the Challenge Fund model

[5] The batch system is a digital platform which allows Local Authorities to draw down funding to upgrade homes according to need, via Local Authorities submitting 'batches' of homes that are 'ready to retrofit' (signed up, validated, assessed and fully costed for measures) for approval. It allows DESNZ to have full visibility of delivery pipelines and to monitor LA spending trends against cost caps, measure price caps, archetypes, and the like.

[6] The EoI model comprises three stages: 1. Funding Allocation (eligible LAs which complete an Expression of Interest form will be allocated funding to some degree), 2. Mobilisation and Delivery Assurance Check (LAs show they have procured and resourced their projects and have completed all necessary documentation) and 3. Delivery (draw down of capital allocations in batches).

used to allocate funding for phase 2 of the Home Upgrade Grant 2 (HUG2) and moves away from the competition model used in phase 3 of the Local Authority Delivery (LAD) scheme.

Draw down of funding – Under the Warm Homes: Local Grant, a portion of allocated funding per financial year will be given upfront to LAs, with the remaining funding drawn down via a batch system (note this system will be much more streamlined than the system used for HUG2). This reduces the need for recovering underspend and ensures that the Department will be able to re-allocate efficiently to LAs who can potentially deliver more during the scheme delivery window and thereby achieve better delivery overall. Under Warm Homes: Local Grant, the batch system will be a tool to draw down funding and to monitor spending and delivery trends (unlike HUG2's batch system, which also 'assessed' whether costs were within cost caps, and whether thresholds for measure grades and measure prices were being met).

Technical Assistance Facility (TAF) – RISE (previously known as the 'Home Upgrade Hub') will be available to build and support LA capability and expertise to help set them up for successful delivery. This service is paid for by DESNZ and so is free for LAs. LAD3 did not have a TAF.

2.3 The Expression of Interest Allocation model

The Warm Homes: Local Grant is using an Expression of Interest (EoI) allocation model.

There are several key principles of the EoI allocation model:

1. All eligible LAs who completed and submitted an EoI form by the deadline have been allocated funding – there was no 'competition' where LAs must out-compete other bidders for funding. Allocating funding to all eligible LAs that completed an EoI form helps to drive broader geographical coverage of spending, build capacity and capability across all participating LAs and ensure that as many households as possible can access the scheme via their LA. Note the allocations were publicly announced on 11 March 2025.[7]
2. The majority of the capital grant funding will be drawn down in portions throughout the delivery window to upgrade batches of homes which are 'ready to retrofit' (signed up, validated, and assessed in line with PAS 2035). This ensures LAs will receive the right amount of funding at the point of use. The streamlined batch system will not have a policy control element (as seen under HUG2) and will

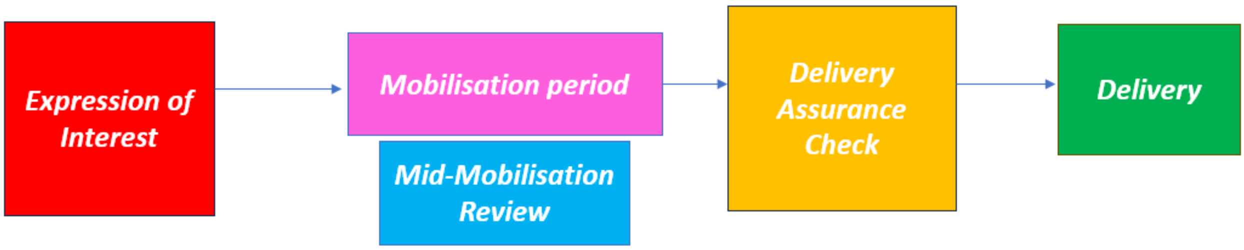
[7] Warm Homes: Local Grant – successful local authorities: https://www.gov.uk/government/publications/warm-homes-local-grant-successful-local-authorities/warm-homes-local-grant-successful-local-authorities

simply monitor delivery and spend trends and ensure funding can be smoothly drawn down when required.

3. The EoI Allocation model seeks to ask LAs for the right information, at the right level of depth, at the right time to avoid excessive change requests for projects and to ensure the information provided is known and accurate at the time of asking.

The allocation process has learnt lessons from previous models and focuses on reducing the reporting burden on LAs and removing the pass/fail assessment at the initial EoI stage. The LA must still pass a Delivery Assurance Check prior to drawing down funds to deliver upgrades to homes (see figure 1 below) to ensure they have met the minimum criteria for successful delivery.

Figure 1 Diagram of the Expression of Interest Allocation Model



Step 1. Expressions of interest and funding allocations: eligible LAs were asked to complete an Expression of Interest (EoI) form outlining their project, including any consortia members; their high-level plans for procurement, resourcing, and mobilising their project; and their past performance on previous schemes. The Expression of Interest window opened on 16th October 2024 and closed on 1st December 2024. Assessment of the EoIs received has completed and allocations were publicly announced on 11 March 2025.

Step 2. Mid-Mobilisation review is a step that follows confirmation of funding allocations and gives LAs a chance to receive early feedback on their required documents needed to move into delivery, and for LAs to update DESNZ on whether they are still on track to procure on time.

Step 3. Delivery Assurance Check (DAC) will check LAs have procured and resourced appropriately and that their required documents on fraud risk and management, household eligibility verification, and delivery forecasts meet the minimum criteria for successful delivery. This is because Government has a responsibility to ensure value for money of public spending. LAs currently delivering under HUG2 will also have the opportunity to transfer their relevant paperwork to the Warm Homes: Local Grant and/or contracts for a period of time to enable continuous delivery from one scheme to the next. RISE is ready to provide LAs with free support on all their required documents.

Step 4. Delivery: Projects submit batches of signed up, assessed and costed homes that are ready to retrofit to draw down funding. Note, the batch system for the Warm Homes: Local Grant will only be used to smoothly draw down funding and to monitor trends – it will not be used to ensure policy compliance of cost caps, measure grades and measure price limits as under HUG2 – these elements (where still relevant) will be managed by Local Authorities who will be trusted to meet scheme rules by scheme end.

Note: Guidance on steps 2-4 has now been published on the WH:LG gov.uk page.

2.4 Funding Allocations

Allocations have been issued to Local Authorities; details of the funding allocations were published on gov.uk on 11 March 2025.

Greater Manchester Combined Authority (GMCA) and West Midlands Combined Authority (WMCA) have each received an allocation of funding from the Warm Homes: Local Grant scheme through their integrated settlements. Therefore, GMCA, WMCA, and their constituent local authorities, are not permitted to participate in the national Warm Homes: Local Grant scheme.[8]

Please contact WMCA (devolved.retrofit@wmca.org.uk) or GMCA (lead@greatermanchester-ca.gov.uk) for enquiries related to devolved funding in these areas.

[8] The list of LAs which are ineligible to participate includes: Birmingham City Council, Coventry City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Solihull Metropolitan Borough Council, Walsall Council, City of Wolverhampton Council, Bolton Council, Bury Council, Manchester City Council, Oldham Council, Rochdale Borough Council, Salford City Council, Stockport Metropolitan Borough Council, Tameside Metropolitan Borough Council, Trafford Council, and Wigan Council.

3. Retrofit Information, Support and Expertise: ‘RISE’

DESNZ is providing a free technical assistance facility for LAs participating in the Warm Homes: Local Grant, called Retrofit Information, Support and Expertise: ‘RISE’. This support has previously been known as the ‘Home Upgrade Hub’.

RISE provides technical support for all LAs from pre-allocation through to mobilisation phases. LAs are encouraged to engage with RISE for support which includes:

- A comprehensive knowledge hub providing support and information to guide a prospective grant recipient through a retrofit project life cycle. The information draws together industry best practice and guidance.
- Workshops, masterclasses and drop-in sessions on specific focus areas.
- One-to one bespoke support including necessary technical support, completing documentation for the Mid-mobilisation Review and Delivery Assurance Checks (DACs), resident engagement, and consortium matchmaking.

Where LAs are developing retrofit projects in partnership with supply chain contractors, RISE can support these LAs and their projects, working with and through their contractors.

RISE support is also available for supply chain companies who are keen to secure the relevant accreditations (e.g., PAS 2035/2030, TrustMark and MCS) to deliver works under this and other government funded programmes.

Greater Manchester Combined Authority (GMCA) and West Midlands Combined Authority (WMCA) have received an allocation of grant funding for their regions through an Integrated Settlement. Mayoral Combined Authorities with devolved retrofit funding can access a portion of the overall RISE support offer, including several one-to-many and group support elements. These include but are not limited to, masterclasses, courses and peer to peer presentations, and can be accessed via the events tab on the RISE website. For information on planning for delivering within your devolved area, we encourage Local Authorities to speak to their Mayoral Combined Authority.

LAs are encouraged to engage with RISE. Further detail is available on the RISE website via www.riseretrofit.org.uk and by emailing rise@turntown.co.uk.

4. Household Eligibility

4.1 Overview of the household eligibility pathways

There are three ways a household could be approved as 'income eligible' for the Warm Home: Local Grant. A household must only meet the criteria for one of these pathways, out of the three available, to be income eligible for this scheme.

Evidence of property eligibility (e.g. EPC score), proof of ownership, residence and personal identification are required for all three pathways. Additional evidence, e.g. of receipt of benefits and/or proof of household income, are required for pathways 2 and 3.

Table 4: Eligible Pathways

Eligibility Pathways	
Pathway 1	**IMD:ID Eligible Postcodes** The household lives in a valid postcode that falls within eligible Income Deciles 1-2 of the Indices of Multiple Deprivation (IMD:ID 1-2).
Pathway 2	**Income Proxies** **Means-tested benefits:** The household is in receipt of a specified means-tested benefit, OR **Route 2 of ECO Flex**: Households meet the current ECO4 Flex criteria for Route 2.[9]
Pathway 3	**Household Income threshold** The household's gross annual income is below the scheme's household income threshold (£36,000) – or the equivalised 'After Housing Costs' threshold for their household composition.

4.2 Pathway one: 'IMD:ID eligibility'

The Indices of Multiple Deprivation (IMD) (2019) is the official measure of relative deprivation in England produced by the Ministry of Housing, Communities and Local

[9] https://www.ofgem.gov.uk/publications/great-british-insulation-scheme-and-eco4-local-authority-administration-guidance

Government (MHCLG)[10]. Households residing within IMD income deciles (IMD:ID) 1-2[11], will be eligible for the Warm Homes: Local Grant without needing an income verification check.

There will no requirement on LAs to verify the income of these households, however we expect that LAs will obtain proof of address. Other eligibility parameters such as eligible tenures and EPC bands will continue to apply and must be checked.

The eligible postcodes list published in 2024 used 2019 IMD data. An update to the IMD was published on 30th October 2025, meaning there is a new set of eligible IMD:ID 1-2 postcodes. The updated list of postcodes in IMD:ID 1-2 areas has been published alongside this guidance document and the previous iteration that used IMD 2019 data.

IMD: ID 1-2 postcodes using the updated 2025 IMD data can be used for verifying eligibility immediately. IMD: ID 1-2 postcodes based on 2019 IMD data are eligible for treatment until the end of the first delivery year (2025/26). Properties that have been verified as eligible in year one of delivery using either eligible postcode list may still receive upgrades after the first year of scheme delivery.

The list of eligible postcodes using 2019 IMD data will be accessible on gov.uk until the end of the first year of delivery. **Any new homes verified as eligible through pathway 1 from the second year of delivery will need to be in a postcode listed in the IMD 2025 postcodes.**

LAs are encouraged to consider these areas to achieve economies of scale by upgrading multiple households in concentrated areas of fuel poverty.

As noted previously, Phase 2 of the Home Upgrade Grant had an extended IMD:ID eligibility, which also covered homes in Income Decile 3. This pathway has been limited to IMD:ID 1-2 areas for the Warm Homes: Local Grant as the scheme covers a different segment of the housing stock (on gas grid homes as well as off gas grid homes).

[10] The IMD brings together seven distinct domains of deprivation, which are then combined and weighted to generate an overall assessment of the deprivation experienced by individuals living in an area. These domains encompass a wide range of deprivation factors, including income, employment, health and crime.
[11] IMD is calculated for every Lower Layer Super Output Area (LSOA), or neighbourhood, in England. All neighbourhoods in England are then ranked according to their level of deprivation, with high ranking LSOAs referred to as ‘most’ or ‘highly deprived’. This ranking is then ordered into 10 groups (or ‘deciles’) with the top 10% of deprived LSOAs in decile 1, the next 10% of LSOAs in decile 2, and so on.

4.3 Pathway two: Low Income Proxies

Households not residing in an IMD ID 1-2 postcode can be eligible for Warm Homes: Local Grant if they can evidence meeting one of the low-income proxies set out below (or via Pathway 3).

Means-tested benefits

Households in receipt of the specified means-tested benefits are eligible for the Warm Homes: Local Grant without further income checks, providing the property eligibility criteria in section 5 are met. Anyone in the household may be in receipt of these benefits in order to qualify, other than lodgers or adults in full-time education.

The authorised list of means-tested benefits is as follows:

- Housing Benefit
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Income Support
- Pension Credit (savings and guarantee)
- Universal Credit

This list reflects the benefits which will be in use at the time of delivery and may be updated over the lifespan of the scheme.

ECO Flex Route 2

An alternative low-income proxy to verify a household as income eligible for the Warm Homes: Local Grant is the Route 2: Proxy Targeting' set out in the ECO4 and Great British Insulation Scheme (GBIS) Flex Local Authority Guidance.

The table below shows the low-income proxies which can and cannot be used in conjunction with each other. Households that meet **at least two** of the proxies to be eligible for the Warm Homes: Local Grant via Flex Route 2, **provided their property is EPC E-G**[12]**.**

Table 5: ECO Flex income proxies to be used in conjunction to prove eligibility

12 In order to utilise the ECO LA Flex Route 2, Local Authorities must align with the Energy Company Obligation policy for this route. Therefore, only EPC E-G households are included, as per the ECO policy.

Low-income proxies		Living in listed LSOA	Eligible for council tax reduction	Vulnerable to cold	Eligible for free school meals	Supported by LA scheme	Citizen's Advice/ energy supplier referral	Energy supplier debt data
		1	2	3	4	5	6	7
Living in listed Lower layer super Output Areas (LSOA)	1	Non-compatible	Compatible	Non-compatible	Compatible	Compatible	Compatible	Compatible
Eligible for council tax reduction	2	Compatible	Non-compatible	Compatible	Compatible	Compatible	Compatible	Compatible
Vulnerable to cold	3	Non-compatible	Compatible	Non-compatible	Compatible	Compatible	Compatible	Compatible
Eligible for free school meals	4	Compatible	Compatible	Compatible	Non-compatible	Compatible	Compatible	Compatible
Supported by LA scheme	5	Compatible	Compatible	Compatible	Compatible	Non-compatible	Compatible	Non-compatible
Citizen's Advice/energy supplier referral	6	Compatible	Compatible	Compatible	Compatible	Compatible	Non-compatible	Non-compatible
Energy supplier debt data	7	Compatible	Compatible	Compatible	Compatible	Non-compatible	Non-compatible	Non-compatible

Compatible

Non-compatible

This allows LAs to use the same methodology as permitted under ECO Flex. The use of ECO Flex criteria is only permitted under its current iteration whilst the route is in use. If significant changes are made to the criteria further guidance will be issued by DESNZ on whether it can be used or not. For more details on ECO Flex income proxies, see the Energy Company Obligation flexibility guidance for Local Authorities.

4.4 Pathway three: 'Household income threshold'

Households that do not reside in IMD:ID 1-2 postcodes, and that are not in receipt of a means tested benefit or meet the ECO Flex criteria specified above, must be able to demonstrate an annual gross household income of £36,000 or less – or else be under the equivalised 'After Housing Costs' income threshold for their household makeup (see section below) – to be income eligible for the Warm Homes: Local Grant. Note, the gross household income threshold will be kept under review and may be updated periodically during delivery.

The Warm Homes: Local Grant may also accept alternative methodologies for demonstrating that a low-income household is likely to be in fuel poverty, where the LA provides clear evidence of the appropriateness of their methodology via a formal change request.

Calculating Gross Household Income

The gross household income threshold is inclusive of tax and should be calculated as an annual figure where possible (before taxes and other deductions).

The income of every adult member of the household counts towards the gross household income threshold, other than those in full-time education. The income of lodgers should not count towards the income threshold, however if the household is in receipt of any rental payments from lodgers, this should be counted towards the household income.

The non-means-tested benefits below, that pay for necessary goods and/or services related to a disability, should be excluded from a household's income calculation:

- Attendance Allowance
- Disability Living Allowance
- Personal Independence Payment
- Armed Forces Independence Payment
- Exceptionally Severe Disablement Allowance
- Constant Attendance Allowance
- Industrial Injuries Disablement Benefit

After Housing Costs (AHC) income and equivalisation tables

LAs may include households with total incomes above the £36,000 threshold where higher housing costs mean that their 'After Housing Costs' (AHC) income is below the relevant threshold for the size (number of occupants) and composition of the household as set out in the tables below.

Household size and composition impacts the amount of income that would make a household fuel poor. **An 'After Housing Costs' income is the residual income that a**

household is left with after tax (net income) and after the deduction of rent or mortgage payments. Housing costs do not include council tax, energy bills or ground rent.

The tables below show the tailored AHC income thresholds based on the composition of adults and dependants in the household. If a household has an AHC income below their corresponding threshold, and the property eligibility criteria in section 5 are met, then they are eligible for Warm Homes: Local Grant funding.

Table 6: After Housing Costs maximum income thresholds for 1 adult

Occupants	Maximum eligible 'after housing costs' income
1 adult	£20,000
1 adult + 1 dependent	£20,000
1 adult + 2 dependents	£20,000
1 adult + 3 dependents	£23,600
1 adult + 4 dependents	£27,600
1 adult + 5 dependents	£31,600

Table 7: After Housing Costs maximum income thresholds for 2 adults

Occupants	Maximum eligible 'after housing costs' income
2 adults	£20,000
2 adults + 1 dependent	£24,000
2 adults + 2 dependents	£28,000
2 adults + 3 dependents	£32,000
2 adults + 4 dependents	£36,000
2 adults + 5 dependents	£40,000

4.5 Identifying low-income households

Using effective ways to identify and engage with homes which are likely to be eligible for the Warm Homes: Local Grant is vital for building a robust delivery pipeline. There are several methods which LAs can utilise to identify households that are likely to meet the Warm Homes: Local Grant household eligibility criteria set out above.

Local data: For example, LA held data, such as existing processes on council tax reductions for those on lower incomes, or more innovative approaches such as advanced statistics and machine learning (e.g. Experian or CACI Paycheck).[13] Note that neighbourhood level data such as CACI or Experian datasets should not be used for verifying household incomes except where they can assess an individual household's income, such as by connecting to the household's banking app.

Not for profits: Where possible, DESNZ encourages LAs to utilise local charities, non-profit and citizen-focussed organisations to help with identifying households eligible for support. This can enable effective use of community networks, as well as reduce drop-out rates with more resource available for guiding households through the process. LAs can use a portion of their A&A budget to fund this.

4.6 Verifying household eligibility

Self-declarations are <u>not</u> an acceptable method of verification under the Warm Homes: Local Grant. Local Authorities will be required to undertake robust checks to confirm that the household meets the eligibility criteria.

The Warm Homes: Local Grant is intended to support households in or at risk of fuel poverty, therefore LAs should be satisfied that the household is in genuine need and is likely to be in or at risk of fuel poverty. This is particularly the case when using the IMD:ID route, where households do not undergo an income check for eligibility.

LAs also reserve the right to not treat a property if they do not feel they have a low income or are not at risk of fuel poverty. An LA might find a household/property that has high levels of savings, or has a particularly large asset value, and despite having an income under £36,000 do not feel that treating the property is a reasonable use of the Warm Homes: Local Grant funds.

4.7 Area-based in-fill upgrades

DESNZ encourages area-based upgrades to help achieve economies of scale and value for money. However, there are instances where some households within an area (such as

[13] Datasets currently utilised by some local authorities to determine the gross annual income of a household.

a couple of homes in a block of flats or row of terraced houses) are not income eligible and may prevent the successful upgrading of the collective buildings. In these circumstances, DESNZ will allow 'infill' properties to receive installations providing the following requirements are met:

A) the average gross household income across a block of flats/houses/maisonettes are below £36,000 per year, or

B) where at least 75% of households have a combined income average of no more than £36,000 per year.

For example, a block of flats may contain one household whose income exceeds £36,000, but other households have incomes below this threshold. In this instance, an average would allow for the household that exceeds £36,000 to be included in the project and receive subsidised upgrades.

The term 'infill' in this guidance document refers to adjacent buildings which are not the target of scheme intent (such as social housing properties) but where the exclusion from upgrades will be at the detriment of the larger collective (e.g. preventing a block or row of connected properties from receiving external wall insulation because of an ineligible property in the middle). The homes must be physically connected rather than simply in the same street, area or community.

4.8 Managing over demand

Participating local authorities will need to decide how to manage over demand from eligible households should it arise.

If LAs do not wish to use a first come first served approach to the allocation of funds, then they should ensure that a fair and consistent approach, that considers PSED, is taken to making prioritisation decisions. DESNZ will not be advising on what approach each LA should take to prioritise homes for upgrades as this should be informed by local circumstances.

Note that LAs cannot exclude certain elements of the pool from being eligible, given that this eligibility has been set at a national level- this will be checked and scored at the Delivery Assurance Check.

5. Property Eligibility

5.1 Energy Performance Certificate (EPC) rating

Funding must only support households living in England in homes with an EPC rating within bands D to G – this is an Energy Efficiency Rating (EER) SAP score of 68 or below – except in the case of park homes (which typically do not have an EPC rating). Households with an EPC rating within bands A to C are ineligible for scheme funding in all circumstances (this is an EER SAP score of 69 or above).

Where there is a higher EPC rated property in scope for infill purposes, the LA may choose to upgrade this home using alternative sources of funding. A property's EPC rating can be found via the published register.[14]

5.2 New or self builds

Funding must support the retrofit of existing domestic dwellings only. New build or self-built homes which have not been previously occupied are not eligible for funding. **Annex A** details how a domestic premises is defined for the purposes of the scheme.

5.3 Park homes

Park homes are eligible for support under the Warm Homes: Local Grant providing:

- the park home is the permanent residence of the household;
- the park home is equivalent to an EPC band D-G home. Note, while park homes do not have EPCs, they must still be assessed to determine their Energy Performance Rating (EPR), which can evidence equivalence.
- and that the park home is expected to still exist (i.e. not be demolished) for the whole duration of the measure guarantee period for the measure/s to be installed, or for the longest guarantee period if more than one measure is installed.

5.4 Tenures

Owner Occupiers

The Warm Homes: Local Grant will provide fully funded upgrades to owner occupied households who meet the eligibility criteria in sections 4 and 5 of this guidance. There must not be a requirement for them to contribute towards the cost of upgrades. This is to protect the household from being forced to make a cost contribution. However, where the consumer wishes to self-fund measures not recommended by the retrofit coordinator, or to

[14] https://epc.opendatacommunities.org/

fund other improvements not covered by the grant (such as extra cosmetic costs) this should be allowed where feasible. Note, LAs should use their discretion on whether to include households with significant savings or assets, as funding must be targeted at low-income households likely to be in fuel poverty. We would expect LAs to apply rational decision making when considering whether funding upgrades to such a household fall within the policy intent of a fuel-poverty scheme.

The maximum funding each property may receive (the 'cost cap') is detailed in section 6**.**

Private Rented Sector (PRS)

Under the Warm Homes: Local Grant, landlords who have low-income tenants that meet the household eligibility criteria in section 4 of this guidance, living in properties that meet the eligibility criteria in this section, can access grant funding. The Warm Homes: Local Grant will fully fund upgrades for one property per landlord – any subsequent properties (the second to be upgraded and beyond) owned by the same landlord will require a 50% landlord cost contribution towards the total cost of works.

There will be no eligibility restriction against landlords based on the number of properties that they own (as was seen under phase 2 of the Home Upgrade Grant). Landlords are free to upgrade as many eligible properties as they wish, so long as they do not exceed the minimum financial assistance limit (see below) and meet the required contribution to the costs of upgrades from the second property treated onwards.

This policy will be kept under review and the Department reserves the right to make in-flight changes, or to remove the PRS from scope, throughout the duration of Warm Homes: Local Grant delivery e.g. in response to developments in the wider policy landscape.

Band F and G PRS Homes

Privately rented properties rated EPC Band F and G must have registered exemptions under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015[15] to be deemed eligible. This is because funding cannot be used to make these properties compliant with existing regulations, but funding may be used to improve the property beyond the minimum legal requirement. When identifying their housing stock, LAs must ensure that landlords letting out EPC rated F or G properties are compliant with these regulations.

[15] https://www.legislation.gov.uk/ukdsi/2015/9780111128350/contents

Requirements when treating PRS homes

DESNZ has provided participating local authorities with two forms to capture information required for Private Rented Sector households to be upgraded under the Warm Homes: Local Grant:

1. A **landlord declaration form,** which must be completed by PRS landlords and returned to the local authority.
2. An **online MS Form**, which must be completed by the local authority once they have verified that the landlord has supplied all required information, and they have verified that the landlord details correspond with the title deeds for the home. This form will populate the central database of landlords supported by the scheme (which will be maintained by DESNZ/its delivery partner).

These forms were circulated to participating local authorities by email and can be sent again upon request. They are designed to:

- Gather the information required to verify whether a privately rented property is eligible for 100% or 50% grant funding under the scheme.
- Confirm the landlord has not exceeded the £315,000 Minimal Financial Assistance limit over three years, from all public sources (as stated in the EU-UK Trade and Cooperation Agreement and the Subsidy Control Act 2022).
- Confirm landlords understand rent should not be increased as a result of upgrades funded by government through the scheme.
- Collect baseline data required for monitoring and evaluation of the scheme and obtain acknowledgment from landlords regarding participation in DESNZ-led surveys or evaluations regarding private rented sector uptake and impacts under the Warm Homes: Local Grant.

Landlord information submitted to the department by participating local authorities via the online MS Form will be checked weekly by DESNZ/ its delivery partner, and local authorities will be notified if properties are eligible for 100% grant funding or 50% grant funding.

Participating local authorities must not confirm fully funded offers to landlords or enter details of privately rented homes seeking 100% of grant funding onto the automated batch system, until DESNZ/its delivery partner has responded to confirm that the landlord has not already received upgrades under the scheme from another project.

Participating local authorities must also not enter details of 50% funded PRS homes onto the batch system until the online MS form with the landlord's information has been submitted to DESNZ/its delivery partner.

If a landlord decides to withdraw from the scheme before receiving funding, the local authority must inform DESNZ so that their details can be removed from the central database.

The following sections explain the declarations included in the form in more detail.

Central database of landlords

A central database will be maintained (with all data permissions given) in order to monitor the number of fully funded upgrades a landlord has received under the scheme. This will ensure landlords are prevented from receiving fully funded upgrades to more than one property under the Warm Homes: Local Grant. The checks on whether a landlord has already received a fully funded upgrade under the scheme, will be carried out by the department/its delivery partner based on the owner/s of the home, as set out in the title deeds. Local authorities must verify that the ownership of the home set out in title deeds aligns to the details provided by the landlord/s before sending the details to the department for inclusion in the database.

Evaluation and monitoring

LAs will be required to facilitate and support any DESNZ-led surveys or evaluations regarding the uptake and impact of upgrades delivered in privately rented homes under the Warm Homes: Local Grant. The sector will be monitored throughout delivery and adjustments may be made to policy, including on the maximum number of fully funded homes per landlord, throughout the lifetime of the scheme if there is evidence of any concerning trends found, or changes in the wider policy landscape.

The form requires landlords to declare that they do not intend to raise rents as a direct result of upgrades being installed which are being funded by the scheme and acknowledge their participation in a survey as part of the Department's data gathering.

Subsidy declaration

Upgrades to PRS properties will constitute a subsidy to landlords under the Subsidy Control Act (2022). LAs will be required under the MoU to ensure that the subsidy to each PRS landlord does not exceed the Minimal Financial Assistance (MFA) limit of £315,000[16] This includes the value of any Warm Homes: Local Grant support to be given to the landlord, in addition to any previous subsidy received by the landlord over the current and previous 2 financial years. This ensures no single landlord receives excessive amounts of funding and reduces the administrative burden on LAs of conducting a full principles assessment under the Act.

[16] This limit is set by s.36 of the Subsidy Control Act (2022).

To enact this requirement, during the sign-up process Local Authorities will need to notify the relevant PRS landlord:

- explaining that the Local Authority is proposing to give to the landlord a subsidy by way of MFA,
- specifying the gross value amount of the assistance, and
- requesting written confirmation from the landlord that the MFA threshold will not be exceeded by the landlord receiving the proposed assistance.

The landlord will then need to confirm the above in writing. Prior to providing the upgrades, Local Authorities will need to confirm in writing to the relevant PRS landlord that:

- The subsidy is given as Minimum Financial Assistance,
- The date on which it is given, and
- The gross value amount of the assistance.
- LAs are responsible for completing their own subsidy control assessment.

Where the total value of all subsidy to a single PRS landlord exceeds £100,000, the LA will need to comply with the transparency requirements of the Act. For further guidance, see the Statutory Guidance document available here.

Charity Owned Rental Properties

Properties owned by charities can qualify for the Warm Homes: Local Grant, subject to the same PRS rules as stated above (with one property fully funded and 50% cost contribution thereafter). However, any charity-owned properties must identify as PRS, not social housing. This must be verified by the LA, who cannot install upgrades with Warm Homes: Local Grant funding if the charity is a Registered Provider of social housing.

Social Housing

Social housing may only be treated using Warm Homes: Local Grant funding for ‘infill’ purposes and to support area-based upgrades – for instance, upgrading a block of flats or adjacent, terraced properties as part of area-based delivery.

Social housing must not exceed 10% of homes upgraded during a project and clear justification must be provided as to its inclusion. Social housing landlords must also contribute at least 50% of the total cost of upgrades.

Local Authorities are required to keep the evidence of justification for social housing (i.e. evidence of genuine infill) for audit purposes only - this evidence does not have to be submitted to the department for social homes to be approved via the batch system.

The Social Housing Decarbonisation Fund (SHDF) and the Warm Homes: Social Housing Fund (WH:SHF) are schemes available to LAs to upgrade their social housing stock. LAs seeking to upgrade their own social housing stock, or work in partnership with housing associations or arms-length management organisations to upgrade social housing are encouraged to participate in the Warm Homes: Social Housing Fund.

If a LA wishes to deliver a mixed tenure project in their area with a significant social housing component, they could complement an owner occupier and private rented funded upgrades under the Warm Homes: Local Grant with a social housing funded under the or Warm Homes: Social Housing Fund providing they are allocated funding under both schemes.

5.5 Heating fuel

All primary heating fuel types are eligible for Warm Homes: Local Grant funding, therefore properties which are heated using gas boilers, as well as those which are not, e.g. those that use oil, liquid petroleum gas (LPG), coal, solid fuels, or electricity for heating purposes, are eligible for the Warm Homes: Local Grant providing they meet the other eligibility criteria set out in this guidance. Homes connected to a district heat networks are also eligible for the Warm Homes: Local Grant.

DESNZ will ask LAs that wish to participate in the Warm Homes: Local Grant to set themselves a non-binding aspirational target on the number of off-gas grid properties they expect to upgrade under their projects. There will be no obligation for LAs to meet this indicative forecast, and no formal change request will be required to increase or decrease this target during delivery.

5.6 Re-treating homes

Properties that have previously received upgrades through DESNZ energy efficiency schemes will be eligible for further treatment under the Warm Homes: Local Grant, providing all eligibility criteria in sections 4 and 5 of this guidance are met and subject to certain requirements based on which scheme(s) they have been previously treated by as set out below.

If a property received upgrades through the Home Upgrade Grant (HUG) and/or through Local Authority Delivery (LAD) scheme and meets the criteria in sections 4 and 5 of this guidance, it will be eligible for further treatment under Warm Homes: Local Grant. However, this is on the condition that as a result of the re-treatment the property either reaches EPC C **or** low carbon heating is installed as part of the Warm Homes: Local Grant package of measures.

If a property has received treatment from a DESNZ energy efficiency scheme other than HUG phases 1-2 or LAD phases 1-3 (e.g., the Energy Company Obligation (ECO)), it will be eligible for further treatment under the Warm Homes: Local Grant with no requirement to reach EPC C or to receive low carbon heating- providing all eligibility criteria in sections 4 and 5 of this guidance are met.

This approach will be monitored throughout delivery to ensure value for money is maintained, and DESNZ retains the right to make any amendments should this be deemed necessary.

6. Cost Caps

6.1 Cost cap structure

Warm Homes: Local Grant will have twin cost caps – one for energy performance upgrades and one for low carbon heating. Cost caps represent the amount that can be spent on average per home (more than one measure can be installed within a cost cap). Projects must meet these cost caps on average by project closure.

Table 8 Warm Homes: Local Grant cost caps[17]

Energy performance cost cap	Low carbon heat cost cap
£16,600	**£16,600**

The **energy performance cost cap** can be spent on any energy performance measure that is not categorised as low carbon heat, including fabric measures (such as insulation, draughtproofing, double glazing, and energy efficient doors) and smart measures (such as solar PV, smart controls, and domestic batteries).

The **separate low carbon heat cost cap** can be used for clean heat measures such as heat pumps or high heat retention storage heaters. It is expected that this distinct pot of funding for clean heat will incentivise and maximise heat pump deployment under the scheme, particularly in off gas grid homes where they can deliver significant energy bill savings for the occupants.

LAs must meet these cost caps on average across their project, by project closure. Cost caps from individual homes upgraded can only be counted towards this averaging when the particular cost cap type has been 'activated', e.g. installing a low carbon heat measure 'activates' the cost cap and therefore can count towards the averaging calculation. In homes where no low carbon heat measure is installed, the Low Carbon Heat cap is not activated and therefore cannot count towards the averaging of the Low Carbon Heat cap across a project. This also applies to the Energy Performance cap.

LAs must be within the cost caps by project closure and if they are not, DESNZ will seek to recover the difference.

DESNZ reserves the right to amend cost caps (both up and down) to be responsive to market conditions over the lifetime of the Warm Homes: Local Grant.

[17] The WH:LG cost caps have been amended upwards to account for inflation. This change will apply retrospectively across the lifetime of the scheme, meaning GRs must meet the new cost caps on average across all homes upgraded.

Please note that the 'EE top up' mechanism used under HUG2 – which allowed low carbon heat that exceeded the low carbon heat cost cap to be approved if there was underspend from the energy performance pot to make up the difference – is unavailable under WH:LG. This is because the simplified batch system and policy design no longer requires cost caps to be met 'at all times', ensuring homes can be treated immediately even if they exceed the cost caps rather than waiting in a backlog.

The below table provides examples of measures that are categorised as an energy performance measure or low carbon heat under the Warm Homes: Local Grant. This can be used as a guide on which cost cap measures should be recorded against. Local authorities are responsible for ensuring compliance with the latest version of the quality and installation standards- see section 7 for more details.

Note, this table is not an exhaustive list of eligible measures that can be installed under this scheme.

Energy Performance Measures	**Low Carbon Heat**[18]
Cavity Wall Insulation	Air Source Heat Pump
Flat Roof Insulation	Ground Source Heat Pump
Internal Wall Insulation	Hybrid Heat Pumps (retrofit and packaged hybrid heating systems only) for homes currently heated by mains gas only[19]
Loft Insulation	Shared Ground Loops
Park Home Insulation	High Heat Retention Storage Heaters
Room-in-roof Insulation	Biomass boilers
Solid/External Wall Insulation	
Underfloor Insulation	
Heating Controls	

[18] Note that the costs associated with wet central heating, which includes the plumbing and radiators throughout the house for heating, should be recorded as part of the Low Carbon Heating measure (e.g. an ASHP) or as Ancillary spend. Note that wet central heating components should be lodged on Trustmark as part of the heating system

[19] Retrofit and packaged hybrid heating schemes systems are eligible measures in the circumstances set out in section 7 for homes currently heated by mains gas only. Where a new gas boiler needs to be fitted, only the heat pump component can receive Warm Homes: Local Grant funding.

Hot Water Cylinder Insulation	
Hot Water Cylinder Thermostat	
Hot Water Cylinder/Tank	
Low energy lighting	
Solar PV	
Solar Thermal	
Digital/Smart Controls	
Draughtproofing	
Double/Triple Glazing	
Energy Efficiency Doors	
Domestic batteries[20]	

6.2 Cost cap contributions

Owner Occupied Homes

Where a home is owner occupied (by private homeowners), the upgrade should be fully funded – the household must not be required to contribute to the costs of upgrades.

Private Rented Sector (PRS) Homes

Private rented sector landlords may receive one home fully funded across the scheme.

A 50% cost contribution will be required from the landlord for any properties in their portfolios upgraded thereafter. This means that the maximum level of subsidy a landlord can receive for the second home and beyond is lower than that of an owner-occupier (and is equivalent to half the subsidy received by an owner occupier). Note that the tenants are not required or expected to make any contributions to the cost of upgrades.

[20] Please refer to further guidance on requirements for installing Domestic batteries in section 7.5

Table 9: Warm Homes: Local Grant cost caps for PRS homes

	First Property Max Grant Funding	*First Property* Required Landlord Contribution	*2nd+ Properties* Max Grant Funding	*2nd + Properties* Required Landlord Contribution
Energy Performance	£16.6k	£0k	£8.3k	£8.3k
Low Carbon Heating	£16.6k	£0k	£8.3k	£8.3k
Total	£33.2k	£0k	£16.6k	£16.6k

Note: Whilst these tables show the amount of cost contribution required by landlord, there is no maximum cap on the amount that landlords can contribute. LAs are able to accept landlord contributions above 50% of the total cost of upgrades.

Social Housing

Where a social housing property is being treated a 50% cost contribution must be paid for by the social housing provider.

Table 10: Warm Homes: Local Grant cost cap for social housing

	Max Grant Funding	Required Social Housing Max Landlord Contribution
Energy Performance	£8.3k	£8.3k
Low Carbon Heating	£8.3k	£8.3k
Total	£16.6k	£16.6k

7. Measures

7.1 Measure types

In line with the objectives of the Warm Homes: Local Grant set out in Section 1, we expect LAs to focus on measures that lower household energy bills and, where compatible with reducing their energy bills, help them to transition to clean heat.

Any energy performance or heating measures compatible with the latest Reduced data Standard Assessment Procedure (RdSAP), at the time of delivery, are eligible except for fossil fuel heating.

All upgrades must be compliant with the latest PAS 2035 guidance (currently PAS 2035:2023). Installers must be Trustmark registered and certified under the latest version of PAS 2030 or by MCS to install the relevant eligible measures under each standard. All measures must be lodged onto the Trustmark data warehouse. **Please see section 7.6 below for further details on the required quality standards.**

Note that MCS certification is required for low carbon heating measures with the exception of high heat retention storage heaters that are covered by PAS 2030.

Local authorities are responsible for ensuring compliance with the latest version of the quality and installation standards.

Warm Homes: Local Grant's Public Sector Equality Duty screening has identified the possibility of disruption to residents with the following protected characteristics including but not limited to disability, pregnancy and maternity, older age group and religious belief. These groups may face greater disruption from retrofit works e.g. they may be unable to access certain rooms or their entire home. LAs and retrofit installers are encouraged to ensure adjustments will be made to mitigate any potential impacts caused by retrofit works to residents. LAs are encouraged to reference the RISE toolkit "Embedding Equality, Diversity and Inclusion (EDI) in Housing Retrofit" to support them.

7.2 Measure selection

Homes treated under the scheme should reach EPC EER Band C wherever possible within the cost caps. Where this is not possible, upgrades may still take place, but LAs should adopt a value for money and strategic approach to measures. This might include where a clean heat measure has limited the extent of EPC improvement.

Fuel poor households should not be excluded from the scheme simply because their home cannot reach EPC band C within the cost caps. This will ensure that the worst-off homes can still receive support under the scheme and are not left behind.

Please note, however, that if a property has been previously upgraded under the Home Upgrade Grant, or the Local Authority Delivery scheme, there will be a requirement to either reach EPC C as a result of the retreatment or for the home to receive low carbon heating.

We expect LAs and retrofit coordinators (RCs) to consider value for money when designing intervention packages for households – to achieve the largest amount of bill savings for the household.

In many instances this will lead to a package of fabric measures such as various types of insulation (wall, loft, or underfloor) and draught proofing. However, this could equally lead to mixed packages (such as insulation and Solar PV) or smart packages such as Solar PV, smart controls, and/or domestic batteries which may achieve higher bill savings for a lower price depending on the home.

It may not always be possible to treat homes with a particular measure within the scheme’s cost caps and/or measure price limits. We would therefore encourage LAs and RCs to consider in assessments and medium-term improvement plans to prepare an alternative measures package (e.g. other fabric and smart measures) should the quote for a particular measure be too high. This will save time and money for LAs and reduce the risk of breaching the Warm Homes: Local Grant’s cost cap rules by project closure.

The uptake, impact and cost of measures installed will be monitored throughout delivery and adjustments may be made to policy, including introducing a measure grading system, if there is evidence of any concerning trends found, or changes in the wider policy landscape.

7.3 Low carbon heat

The installation of low carbon heating technologies is strongly encouraged where it supports a reduction in energy bills for the household – to help drive the transition to net zero by 2050 and ensure fuel poor households lead the way. Low carbon heat is particularly encouraged in off gas grid homes heated by oil, coal, or liquid petroleum gas (LPG), which have the highest carbon footprint, and in homes using direct electric heating where large bill savings can be achieved due to improved system efficiency.

Low carbon heat is also available to homes on the gas grid, with bill savings more achievable under current energy prices when installed alongside energy performance improvement measures such as insulation and solar PV.

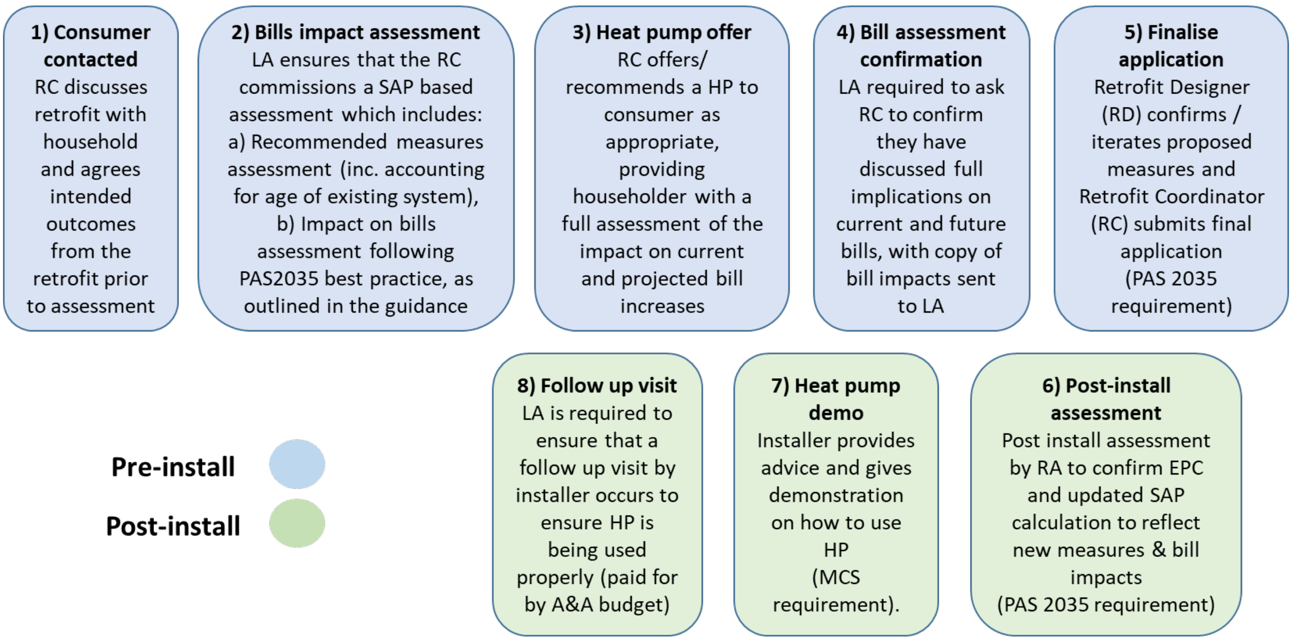
In all cases where low carbon heat is being considered for installation, LAs must ensure that households are given clear and accurate advice about the likely bill impacts the package of measures will have on their household energy bills.

The advice offered to households should clearly state the likely bill impacts of the heat pump installation alongside any wider package of measures in comparison to the consumers current energy bills. This should already be provided by the MCS certified installer as part of the property assessment.

DESNZ mandates that the final decision to install a heat pump, storage heater, or an alternative heating system, rests solely with the household. With access to high quality information and advice, we expect households will be able to weigh up multiple factors that may determine their choice to accept a free heating system, and how switching to this system may affect their energy bills. Given many households upgraded under the Warm Homes: Local Grant may be living in fuel poverty, it is possible that some households will have underheated their home due to the unaffordability of energy. In these cases, Retrofit Coordinators are expected to engage more closely with the householder and provide more tailored advice where they believe this may be the case, so that advice reflects their typical energy use.

In all interventions that involve low carbon heat, the consumer advice steps shown in the figure below should be closely followed to ensure consumer protection and transparency in advice on the bill impacts of the measure package.

Figure 2: Clean Heat Advice Journey



LAs should take a variety of factors into consideration when selecting appropriate low carbon heating technology, such as affordability, air quality and sustainability. We expect that, in line with these considerations, the default low-carbon heating technology would be a heat pump. In homes where heat pumps are unsuitable for the dwelling, we expect, in order of priority,

- High heat retention electric storage heaters with at least 0.8+ SAP responsiveness (in electrically heated flats and small dwellings only),
- or solid biomass to be considered when determining the next best option for deliverability, value for money, affordability, sustainability, and air quality.

Heat pumps

Installing heat pumps – such as low or high temperature air-to-water, or ground/water-source heat pumps – will help to phase out high carbon heating in gas, coal, oil, or LPG-heated households, and will reduce energy bills in most direct-electric-heated and many coal, oil and LPG-heated households, both of which are key priorities for the Warm Homes: Local Grant.

Whether a home is suitable for a heat pump should be determined by a Retrofit Coordinator and/or a competent professional who is qualified to determine that the heat pump is suitable for the property and that post-installation, the property (including the installation) will be compliant with Building Regulations.

LAs are responsible for checking the MCS product directory for eligible measures and products.

Air-to-air heat pumps

As of the date of publication of this guidance, air-to-air heat pumps are not eligible for the Warm Homes: Local Grant, until they are able to be certified by MCS. We expect this to happen in 2026.

Grant Recipients are responsible for ensuring that measures meet all the requirements for MCS certification, including checking the MCS product directory for eligible measures and products, before starting installation.

Heat Batteries

MCS consulted on a Thermal Energy Storage System Standard in March 2025 and announced a pilot in September 2025.

Heat batteries will not be eligible for the WH:LG, until they can be MCS certified (for which the scheme requires both an installation and a product standard, unless otherwise stated). Once MCS certified, SAP-eligible heat batteries will be eligible for the WH:LG.

Phase Change Material (PCM) heat batteries for hot water are not currently a formally recognised technology category in SAP, nor is there an agreed method (formally approved via convention) to model their performance. As such, they cannot currently be installed through the scheme until there is a formally approved convention or they are a formally recognized technology category in SAP.

Hybrid heating systems

Retrofit and packaged hybrid heating systems are eligible measures in the circumstances set out below for homes currently heated by mains gas only. Where a new gas boiler needs to be fitted, only the heat pump component can receive Warm Homes: Local Grant funding.

Integrated and compact hybrids (where the heat pump and gas boiler components are integrated in a single unit) are not eligible measures. This is because integrated and compact hybrids contain a new gas boiler, and new gas boilers cannot be funded by the Warm Homes: Local Grant.

Hybrid heating systems for homes off gas grid are not permitted. Hybrid heating systems involving fossil fuels other than mains gas are also not permitted.

Retrofit and packaged hybrids

Retrofit and packaged hybrids (where the heat pump and gas boiler components are in separate units) are eligible provided that the requirements set out below are met.

Where a new gas boiler needs to be fitted, only the heat pump component can receive Warm Homes: Local Grant funding.

Where a new heat pump is being installed alongside an existing gas boiler, the gas boiler must have an energy-related products rating of A or above, and the retrofit coordinator must be satisfied that it is in good working order for the installation to be an eligible measure.

The heat pump product (or hybrid system) must be listed on the MCS product directory and fulfil the requirements set out in MIS 3005-D, including that[21]:

a) the product meets the definition of a hybrid, and
b) the heat pump is sized to provide a minimum of 55% of the calculated heat load, and
c) the controls are capable of prioritising heat pump utilisation.

Low carbon communal heating and district heat networks

Connections to low-carbon communal heating and district heat networks are not covered by the required quality standards (set out at section 7.6) for measures funded by the Warm Homes: Local Grant. As a result, they are not currently eligible measures under the Warm Homes: Local Grant.

[21] See MCS MIS 3005-D, updated in December 2024, for further details

While we do not have any evidence of poor installations under predecessors to this scheme we want to ensure that the heat networks sector has the faith of consumers as we encourage it to grow. The department is therefore working at pace to ensure that connections to low-carbon communal heating and district heat networks are covered by appropriate quality standards, with a view to then incorporating them into the Warm Homes: Local Grant.

Local Authorities must not install any connections to low-carbon communal heating and district heat networks under the Warm Homes: Local Grant until government has completed this work.

The department will provide an update and further guidance on the required quality standards once this has been completed. In the meantime, participating local authorities are encouraged to consider where heat network connections may offer the best outcomes for households for installation once this work is complete. Note that this is not expected to be ready during the first year of delivery, and DESNZ will provide an update when a timeline has been agreed.

Shared ground loops

Note that heat pumps with shared ground loops are eligible for funding through the Warm Homes: Local Grant, providing all the requirements set out in section 7 of this guidance are met.

Solid biomass

Whilst solid biomass is an eligible measure, these boilers should only be installed in exceptional circumstances where heat pumps and other low carbon heat solutions are unsuitable for the dwelling, and only in rural areas.

LAs should ensure the ongoing use of sustainable fuels, such as by signposting users to purchase wood fuel from the Biomass Suppliers List which will ensure they continue adhering to the sustainability and air quality requirements from the Domestic Renewable Heat Incentive, and the appropriate maintenance of these systems.

Alternative low carbon heating technology

If an alternative low carbon heating technology, not listed above, is to be installed, LAs must justify the rationale for their selection in the batch application. Any low carbon heating technology installed must meet all requirements set out in section 7 of this guidance – which includes compatibility with the latest Reduced data Standard Assessment Procedure (RdSAP) and compliance with the quality standards set out in in section 7.6 below.

Wet central heating

Elements of wet central heating systems, including the pipes and radiators installed throughout the house for heating, are eligible under the Warm Homes: Local Grant scheme but are not classified as a standalone measure.

LAs should record the costs of installing/updating/repairing wet central heating components as part of the Low Carbon Heating measure (e.g. an ASHP) or as Ancillary spend. Note that wet central heating components should be lodged on Trustmark as part of the heating system.

7.4 Measure price limits

Under the Warm Homes: Local Grant, price limits have been set for a small number of measures where the value for money of the measure type is particularly sensitive to the price of installation.

DESNZ has set price limits for the following five measures: external wall insulation, internal wall insulation, double/triple glazing, park home insulation, and solar thermal.

LAs will be required to meet these measure price limits on average, at project level, by project closure. This means that local authorities are permitted to install measures which are more expensive than the specified price limits in individual properties and batches, as long as they are within the limits on average by project closure.

Please note, DESNZ will keep measure price limits under review to ensure they remain appropriate during delivery. The department also reserves the right to set price limits for additional measures in flight should negative trends related to installation costs emerge.

The measure price limits are commercially sensitive and will be provided to Local Authorities once the Memorandum of Understanding has been signed under non-disclosure agreements. Measure price limits are in addition to cost caps, which represent how much can be spent per home on average (and can cover more than one measure).

7.5 RdSAP

The Reduced data Standard Assessment Procedure (RdSAP) is the approved methodology for assessing energy performance and generating EPCs for existing dwellings.

In line with the government's commitments to increasing the accuracy of RdSAP, a new version of the methodology was launched on 15 June 2025: RdSAP 10. This new version replaced the old version of the methodology (RdSAP 2012).

Pre and post retrofit assessments

There is no need to produce a new pre-retrofit EPC assessment under RdSAP10 if one was already completed under RdSAP 2012 before 15 June 2025 and there has been no material change in the property since that assessment took place.

Properties which were pre-assessed before 15 June 2025 in RdSAP 2012 can be completed in RdSAP 2012, so long as projects produce a post-retrofit Energy Performance Report (EPR) calculated in RdSAP 2012 and lodge this on TrustMark.

Projects must also then calculate a new post-retrofit EPC via RdSAP 10 and submit this to the Ministry of Housing, Communities and Local Government (MHCLG) EPC Register.

EPC Accreditation companies will continue to allow the generation of RdSAP 2012 post-retrofit Energy Performance Reports (EPRs) to allow retrofits started in RdSAP 2012 to be completed in RdSAP 2012 for a limited time. We expect this to be available for a period of at least one year (starting from 15 June 2025).

All pre-retrofit assessments which take place after 15 June 2025, and subsequent post-retrofit assessments for those properties, must be done using RdSAP10.

Any questions regarding retrofit assessments should be directed to your retrofit assessment Scheme Provider.

Domestic Batteries

Domestic batteries[22] installed to be used alongside solar PV panels were included as an eligible measure for installation under the Warm Homes: Local Grant in June 2025. In November 2025, a pause on battery installations was announced, because no MCS product standard was in place.

DESNZ has now developed an interim solution to enable the resumption of domestic battery installs alongside solar PV panels under WH:LG. Grant Recipients may resume installation of domestic batteries as of 2nd February 2026. This decision was supported by the MCS Battery Storage Working Group, that provided assurance that domestic batteries on the UK market with UKCA/CE marking (which is required in the MCS Battery Installation Standard) are sufficiently safe for inclusion in our schemes.

Batteries installed by GRs prior to receiving notice of the pause on installations will be permitted within the scheme as legitimate spend that can form part of the grant, where all other requirements of this guidance are met.

[22] 'Domestic batteries' is used in this context to describe electrochemical batteries installed to be used in conjunction with solar PV panels in residential domestic buildings. These batteries had previously been described in this guidance as 'PV batteries'.

DESNZ will communicate to GRs in advance of any further requirement coming in to effect. We will not retrospectively require compliance with a future standard, i.e. any batteries installed now that follow this guidance will be funded.

As with other eligible measures under the Warm Homes schemes, domestic batteries should only be installed where it drives energy bill savings for the household to achieve the objectives of the scheme.

Grant Recipients are responsible for ensuring that domestic batteries are installed in compliance with the latest version of the quality and installation standards, including MCS (MIS3012), PAS 63100 and PAS 2035.

To maximise bill savings for the household, we strongly recommend that the Retrofit Coordinator checks if there is a preferable Time of Use tariff to which the household could switch, and that it is installed where there is a functioning electricity smart meter (or installed alongside one, if one is not present in the property already) to ensure the full benefits of the measure can be realised for the household.

Note that domestic batteries can only be installed under the Warm Homes schemes where it complements existing or new Solar PV.

7.6 Quality Standards

Grant Recipients must ensure all work done adheres to all relevant building, and construction products, regulations and requirements, particularly those that are considered safety critical and in line with industry best practice. Grant Recipients must also ensure any installations are in line with all concurrent legal requirements for manufacturers to ensure that products are safe at the time of installation.

All upgrades must be compliant with the latest PAS 2035 guidance (currently PAS 2035:2023). Installers must be Trustmark registered and certified under the latest version of PAS 2030 or by MCS to install the relevant eligible measures under each standard. All measures must be lodged onto the Trustmark data warehouse.

Local authorities are responsible for ensuring compliance with the latest version of the quality and installation standards.

PAS 2035

Projects must be compliant with the most up to date PAS 2035 Retrofitting dwellings for improved energy performance, specification and guidance (PAS 2035:2023). Retrofit assessments which have been converted from PAS 2035:2019 (the previous version of the standard) to PAS 2035:2023 (the current version of the standard) can be used for Warm Homes: Local Grant providing the TrustMark guidance is followed[23].

TrustMark

All installers are required to be TrustMark registered[24], and compliant with the TrustMark requirements for the Warm Homes: Local Grant. All measures must be lodged onto the TrustMark data warehouse by a retrofit coordinator.

A Trustmark PAS 2035 Project must be created in the Trustmark Data Warehouse for all homes accepted as part of each batch, within 4 weeks of the batch approval date. The final lodgements will be completed in the Trustmark Data Warehouse and each Trustmark PAS 2035 Project created as part of each batch must be closed within 6 weeks of the work being completed for the household. Grant Recipients should ensure that there is an appropriate measure guarantee in place prior to commencing upgrades.

Microgeneration Certification Scheme (MCS)

MCS are the leading quality assurance organisation for microgeneration (small scale renewable 50kW or smaller) technologies (such as heat pumps or solar panels) in the UK. MCS produces product and installation standards and runs an installer certification scheme.

All MCS installers are required to be a member of a UKAS approved certification body, who assesses their competence and ability to meet MCS standards. At present, there are two versions of MCS operating; the original MCS scheme (which all installers had to be a member of), and the redeveloped scheme (referred to as MCS2025). The original scheme will close after installers have transitioned from the original scheme to the redeveloped scheme. Installers who are members of the original MCS scheme are still required to be a member of a Chartered Trading Standards Institute approved consumer code of practice, who offer Alternative Dispute Resolution. However, installers who have transitioned to the redeveloped MCS scheme or join the redeveloped scheme as new members are not required to be a member of a consumer code, although they may join or remain a member of a consumer code should they chose to do so.

For a low carbon heating, or solar panels to be eligible for the WH:LG scheme, they must be installed using a MCS approved product, by a MCS certified installer, to the relevant MCS installation standard for that technology.

[23] TrustMark guidance - https://www.trustmark.org.uk/business/information-guidance/pas-20352019-pas-203020352023

[24] Or able to demonstrate registration with a scheme which has been deemed equivalent by the Secretary of State.

Please note that Local Authorities will need to check before the installation begins that the microgeneration products (e.g. the heat pump or solar panel) that they plan to install, are listed in the MCS Product Directory (which can be found here). Installations that do not use products that are listed in the MCS Product Directory, will not be eligible for this scheme (with the exception of high heat retention storage heaters where it must be demonstrated that it can be installed in accordance with PAS 2035/2030).

For domestic batteries to be eligible for the WH:LG scheme, the product must be installed by a MCS certified installer, to the relevant MCS installation standard (MCS 3012). Domestic batteries installed in the interim while MCS develops a product standard do not need to be listed on the MCS Product Directory.

8. Other Information

8.1 Interaction with other schemes

Blending of funds from other net zero schemes that are concurrently running is permissible and gives households the flexibility to access different sources of funding. However, different schemes have different rules, and LAs will need to ensure any blending of funds with different schemes has been done in accordance with other scheme rules and the rules of Warm Homes: Local Grant itself.

Funding received from the Warm Homes: Local Grant must not be blended simultaneously to install the same individual measure with other government energy performance schemes such as the Energy Company Obligation (ECO), the Boiler Upgrade Scheme (BUS), the Social Housing Decarbonisation Fund schemes (SHDF), or the Warm Homes: Social Housing Fund (WH:SHF). It is possible for installations to be undertaken at the same property, where the measure installed is not the same or where a measure installed under a previous scheme is topped-up by the Warm Homes: Local Grant. For example, a household may receive funding under Warm Homes: Local Grant to install a heat pump, alongside funding to install solid wall insulation under ECO. Any ECO4 projects should occur wholly after or wholly before the Warm Homes: Local Grant work in the same property. Both schemes require a separate post-install EPC and TM lodgement, which can be used to determine whether the home is still eligible (EPC D-G) to receive measures under another scheme.

LAs can also blend funding they receive from the Warm Homes: Local Grant with third party finance or LA budgets to deliver additional support to communities.

LAs must introduce controls to ensure households are not in receipt of funding from the Warm Homes: Local Grant and other government schemes for the same measure. DESNZ intends to utilise data matching between schemes to monitor whether the same measure installed in the same property is not claimed for under different energy efficiency schemes. LAs are encouraged to utilise the DESNZ-owned Energy Efficiency Installation Checker to ensure that households submitted have not already received the same measures from other government schemes and that funding is not being provided for work that has already been carried out. LAs will be able to request access to this following funding allocation.

It is the LA's responsibility to ensure that any blending of funding is compliant with each individual scheme and that the respective requirements and objectives for each fund is met.

Lastly, LAs are entitled to complement funding from the Warm Homes: Local Grant with other sources, provided the funding is not tied to energy performance retrofits. Examples include complementing installation using the Disabled Facilities Grant to make homes more suitable for disabled residents.

8.2 UK Subsidy Control Rules

LAs must use the funding in line with the Subsidy Control requirements, as outlined in the EU-UK Trade and Cooperation Agreement (TCA) and the Subsidy Control Act 2022. It is ultimately the responsibility of LAs participating in the Warm Homes: Local Grant to ensure their projects are compliant with Subsidy Control and LAs should work with their legal teams to ensure compliance.

Glossary

Administration & Ancillary (A&A) - means the use of the Grant to fund administrative costs and ancillary works to support delivery to eligible homes under the Warm Homes: Local Grant.

Consortium – means a group of Local Authorities (or Net Zero Hubs) working together to deliver under the leadership of the Grant Recipient.

Eligible Measures – This means any energy performance and low carbon heating measures compatible with the latest RdSAP that will help improve EPC band D, E, F, or G rated homes. Heating systems fuelled by fossil fuels are not eligible, except for retrofit and packaged hybrid heat pumps in homes currently heated by mains gas (though only the heat pump component can receive Warm Homes: Local Grant funding). All upgrades must be compliant with the latest PAS 2035 guidance (currently PAS 2035:2023). Installers must be Trustmark registered and certified under the latest version of PAS 2030 or by MCS to install the relevant eligible measures under each standard. All measures must be lodged onto the Trustmark data warehouse.

Energy performance certificate (EPC) – This measures the energy performance of a property and rates it on a sliding scale depending on how efficient it is. Ratings are from A to G with A being the most efficient and G being the least.

Expression of Interest window – When LAs who wish to participate indicate their interest and provide high level information about the project size, commercial and delivery arrangements.

Income decile – the income value within the English Indices of Deprivation, which divide the United Kingdom population, when ranked by equivalised household income, into ten equal-sized groups.

Indices of Multiple Deprivation – The official measure of relative deprivation in England produced by the Ministry of Housing, Communities and Local Government (MHCLG). IMD brings together seven distinct domains of deprivation, which are then combined and weighted to generate an overall assessment of the deprivation experienced by individuals living in an area. These domains encompass a wide range of deprivation factors, including income, employment, health and crime. IMD is calculated for every LSOA, or neighbourhood, in England.

In-fill – refers to adjacent buildings which are not the target of scheme intent (such as social housing properties) but where the exclusion from upgrades will be at the detriment of the larger collective (e.g. preventing a block or row of connected properties from receiving EWI because of an ineligible property in the middle.

PAS 2035 – PAS 2035 is a specification for what is called 'whole-house' or 'whole building' retrofit. This is an approach to the installation of energy performance measures which takes into account the requirement of the entire building, both from a technical standpoint and considering factors like occupancy comfort.

Retrofit Coordinator – is the individual qualified as a specialist retrofit project manager, taking overall responsibility for overseeing the assessment of dwellings, the identification, specification, inspection and evaluation of measures for installation at a given dwelling as a single project, and their subsequent monitoring and evaluation. Their job is to ensure compliance with the requirements set out in PAS 2035:2023, ensuring quality is maintained throughout the project.

Standard Assessment Procedure – The Standard Assessment Procedure (SAP) is the methodology used by the government to assess and compare the energy and environmental performance of dwellings. Its purpose is to provide accurate and reliable assessments of dwelling energy performances that are needed to underpin energy and environmental policy initiatives.

Retrofit Information Support Expertise (RISE) – DESNZ will be retaining the Technical Assistance Facility (TAF) to provide support for all LAs interested in participating in the Warm Homes: Local Grant. Previously known as the Home Upgrade Hub, our commercial technical support partner Turner & Townsend will provide support to all LAs in a range of formats, including one-to-many, one-to-one and passive support depending on eligibility and is to upskill the capability and capacity of LAs to participate in the Warm Homes: Local Grant as well as building their technical capability to support successful delivery of the scheme.

Upfront payment – Under the Warm Homes: Local Grant, a portion of allocated funding per financial year will be given upfront to LAs, with the remaining funding drawn down via a batch system (note this system will be much more streamlined than the system used for HUG2).

Annex A – Defining Domestic Properties

Domestic premises test, other than a Park Home/Mobile home

Local Authorities should use a two-part test to determine whether premises, other than a mobile home, are domestic premises by asking:

- **Test I.** are the premises self-contained by containing kitchen facilities for occupants to prepare food?
- **Test II.** are the premises used by the occupants wholly or mainly for domestic purposes (e.g. as a home)?

If the answer to each question is yes, then we consider the premises to be domestic premises. Further information is provided below about each part of this test.

Test I. Are the premises self-contained?

This part of the test is about the physical layout and setup of the building.

Premises may be part of a building (for example, a flat in a tower block) or may be the whole building (for example, a detached bungalow).

Premises will be separate and self-contained if, within the boundaries of the premises, they contain:

- one or more bedrooms, and
- private kitchen facilities, including a kitchen sink and stove, for occupants to prepare food.

Note that a portable microwave or campfire stove would not be considered as a stove for this purpose. Kitchen facilities are private when they are accessible only to the occupants of the bedroom or bedrooms within the part of the building that forms the premises.

Our test does not take account of bathroom facilities.

Bedrooms

A space can function as both a bedroom and a living area – for example, a studio or a bedsit.

Kitchen facilities

Kitchen facilities include a kitchen sink and a stove. Where one of these items is not present in the kitchen, then we do not consider the premises to contain kitchen facilities.

Kitchen facilities may be located in the same space that functions as a bedroom – for example, a studio or bedsit.

Kitchen facilities are private when they are accessible only to the occupants of the bedroom or bedrooms within the part of the building that forms the premises.

Examples of premises that are self-contained (although might fail the domestic purposes test):

- a studio (containing private kitchen and bathroom facilities).
- a bedsit (containing private kitchen facilities, with access to shared bathroom facilities).
- an apartment, including a shared apartment where the occupants of each bedroom share a communal kitchen.
- a house, including a shared house where the occupants of each bedroom share a communal kitchen.

The following are not self-contained premises:

- a bedroom which does not contain private kitchen facilities,
- a bedroom which contains some kitchen facilities, for example a refrigerator and a microwave oven, but does not contain a kitchen sink and/or stove,
- two or more bedrooms with a kitchen that is not for the exclusive use of the occupants of those bedrooms, and
- any facility where the occupants do not have access to kitchen facilities to cook for themselves.

Determining the boundary of premises

The boundaries of the premises are the outermost walls of the total space used exclusively by the occupants of the premises. For example:

- in a shared apartment or house, the total space includes all bedrooms and the common areas (kitchen, bathroom(s) and living area(s), halls and corridors), or
- for a bedsit containing a kitchen, the boundaries of the premises are the walls of that bedsit, or
- for mixed use premises, such as a Bed & Breakfast with both commercial and domestic parts, the premises boundaries of the domestic part would be the

outermost walls of the area that is self-contained and used for domestic purposes (e.g., it contains its own kitchen and has one or more bedrooms).

Test II. Are the premises used as a home?

Premises are used wholly or mainly for domestic purposes if the premises are used by the occupants as a home.

This part of the test considers the way in which the building is generally used. In most cases it should be clear that premises are being used as a home, e.g. the premises are used by the occupants for living in on more than a short-term basis (typically more than three months). Suppliers are normally expected to check the length of a lease or licence to occupy in scenarios where you would expect the lease or licence to be short term, e.g. hostels.

The use of premises as a home can be evidenced in the following ways:

- Owner-occupied premises: the receipt by the occupant of utility bills or mortgage statements relating to the premises may indicate that the premises are used as a home. There may be other indicators such as mortgage deeds naming the occupant.

- Premises occupied under a lease or licence to occupy: the receipt by the occupant of 3 months of utility bills relating to the premises, or the existence of a lease or licence of longer than 3 months in the name of the occupant (such as a tenancy agreement) may indicate that the premises are used as a home. There may be other indicators that may be considered acceptable evidence.

Commercial activities

Occupants may carry out some commercial activities at the premises from a room also used for domestic purposes, provided that the primary use of the premises is as a home. Examples of commercial activities include working or running a business from home.

Examples of premises that are not generally used as a home:

- a hotel, or guest houses (including ‘bed and breakfast’ properties), where guests do not usually stay for periods of longer than a couple of weeks,

- a short-stay apartment or hostel, where occupants usually stay for periods of less than 3 months.

Care homes

Care homes do not meet the domestic premises requirement and are therefore outside of the scope of the Warm Homes: Local Grant eligibility criteria.

Student halls of residence

Student halls of residence do not meet the domestic premises requirement and are therefore outside of the scope of the Warm Homes: Local Grant eligibility criteria.

Park Homes/Mobile Homes

For a structure to be considered a park/mobile home, and therefore a domestic premise, it must:

- be a caravan, AND
- be used as a dwelling.

Houses in Multiple Occupation

A house in multiple occupation (HMO) is a property rented out by two or more people who are not from 1 'household' (for example a family) but share one or more basic amenities or the living accommodation is lacking in one or more basic amenities. Therefore, the arrangement of kitchen facilities within an HMO is critical in determining eligibility under the Warm Homes: Local Grant.

Based on the definition of self-contained premises, we recognise two distinct categories of HMO:

- An HMO with shared cooking facilities (e.g. a shared house).
- An HMO with private cooking facilities in each bedroom (e.g. bedsits).

Generally, an HMO with shared cooking facilities should be treated as if it were a single domestic premise.

An HMO with private cooking facilities is treated differently to other types of domestic premises. This is because individual bedrooms may meet this competition’s definition of a self-contained premises.

Each tenant’s eligibility only extends to their individual private rooms, not the HMO as a whole. This means that one occupant on less than £36,000 would qualify in their individual household, but not the whole HMO. For the whole HMO to be eligible, all rooms would need to have an eligible resident, or the income across all households meets the average income criteria.

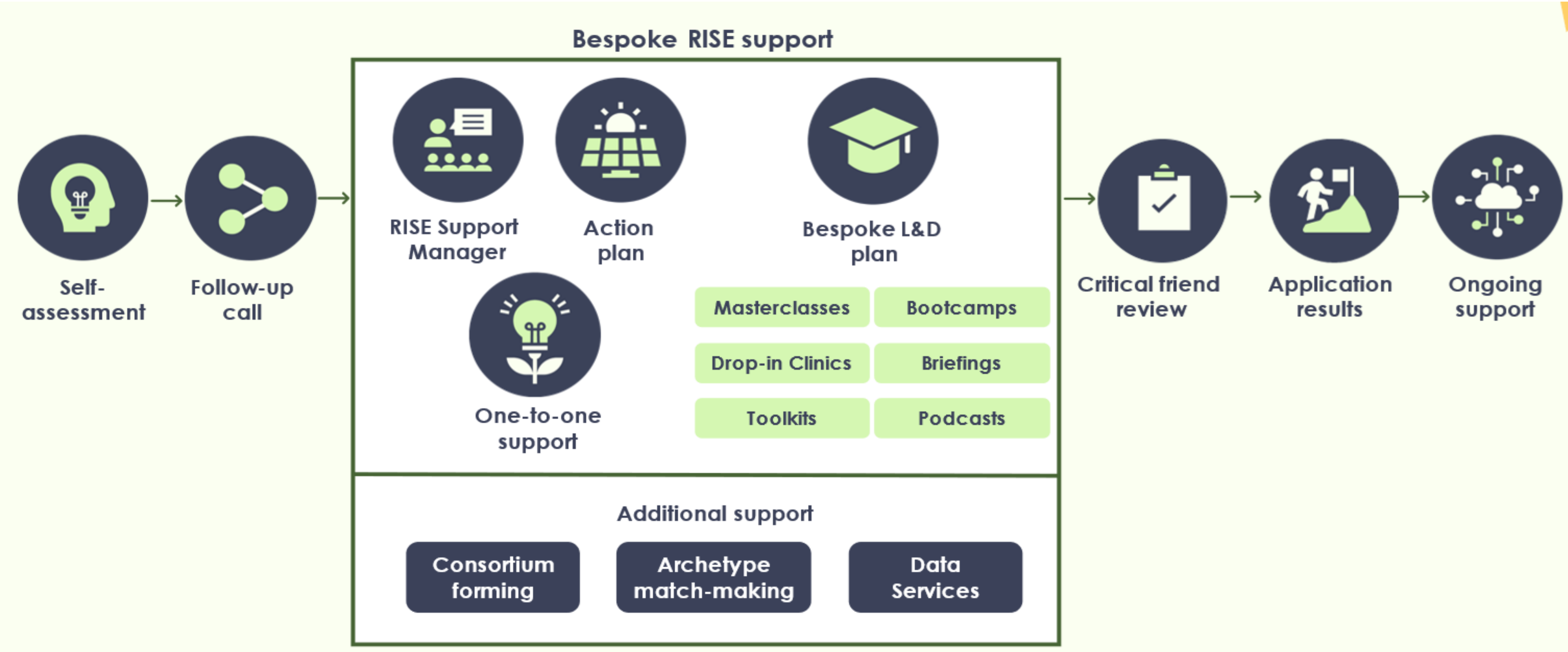
House Boats

At this time the RdSAP (Reduced data Standard Assessment Procedure) assessment method does not support the creation of domestic EPCs for houseboats. Unless this changes, domestic EPCs should not be issued to houseboats and as such they are not eligible for funding through the Warm Homes: Local Grant.

Shared Ownership Schemes

Shared ownership homes, where a proportion of the property is still owned by the scheme provider and rented by the leaseholder, should be treated as rental properties. The scheme provider is responsible for contributing to the upgrade of the property.

Annex B: RISE User Journey



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