

Renew Our Neighbourhoods

THIS GOVERNMENT CAN HELP LOW INCOME HOUSEHOLDS ACCESS AFFORDABLE ENERGY AND HEALTHIER HOMES

The Renew Our Neighbourhoods coalition

This government can help households who are struggling with their bills and living in non-decent homes by allocating its funding to its highly successful local delivery partners at the 2026 Autumn Budget.

Under this Labour government, funding delivered by local government and social housing providers is succeeding. These bodies are helping thousands of households to access quality support tailored to their local area. But not enough households are feeling the benefit of this support, and some are locked out of support because their homes are in disrepair. To help every neighbourhood feel the benefit of this success, the government should:

- ▶ Agree cross-departmental support from the Departments for Energy, Housing and Health, via a non-departmental body (e.g., the Warm Homes Agency), to make it possible for delivery partners to join warm homes funds with the £9bn Better Care Fund, and,
- ▶ At the 2026 Autumn budget allocate the remaining £3bn from the Warm Homes Plan low-income budget to local government and social housing delivery partners.

Support upgrades which make homes more affordable *and* decent to live in

Support which addresses issues holistically is the most effective. Local approaches to renewing housing stock can take a context-dependent view on what support a household might need to make their energy use affordable and their home liveable. The evidence gathered by Race Equality Foundation suggests putting repair before energy upgrades is not a marginal technical issue: it is one of the principal ways in which programmes can include households facing the greatest disadvantage.

For some homes the best support will be a combination of a heat pump, a smart heating controller, insulation and aftercare which shows the household how to use the new heating system. This can drastically cut energy bills and dangerous greenhouse gas emissions. But in other homes, a confluence of factors, such as, a broken boiler, a leaky roof and an occupant's potential health issue, will require a solution which joins up government services and different practical fixes in the home. Presently, this kind of case would be "too difficult" for most local government's warm homes programme to fix. But integrated services already in action in Lincolnshire via Good Home Lincs demonstrate this kind of service is within local government's gift to deliver – what is needed is funding and political support to make these services available nationwide.

Integrated services to improve homes could make England a more equal place, but government does not know whether support is reaching communities most in need. Demographic characteristics, e.g., race, gender, disability and age, affect households' capacity to get support, and how likely occupants are to live in poor quality homes. For example, the Race Equality Foundation finds housing inequality is inextricably linked with race: the Safe Homes Now spotlight found 38% of Black and minority ethnic households experience one or more housing problems, compared with 25% of white households. At present, government does not know whether the support it provides adequately serves communities who are disproportionately affected by poor quality housing.

► **Join up homes policy via the Warm Homes Agency**

The departments for health, housing and energy should coordinate, via the Warm Homes Agency so that local delivery partners can marry funding and deliver holistic outcomes. To begin, the Secretaries of State should meet to discuss funding and co-working. The cross-departmental Healthy Homes mission should be reconvened to understand how policy could be joined up in the new Agency.

► **Develop outcomes metrics in devolution deals which enable local delivery partners to develop holistic services**

To support more holistic outcomes Government departments should design additional metrics to require upgrades which make homes healthier and more decent to live in. As is the case with energy funding, criteria for health and home repair should secure cost effective and fair interventions.

► **Ensure schemes address structural housing inequality**

To ensure the upgrade programme serves the communities who need the most support, local delivery partners should be required to monitor who applies for and accesses support. This should be analysed to understand which communities are underserved in home upgrades and action taken to mitigate underrepresentation.

Boost funding for this government's *successful locally led support for low-income households*

This government's reform to the Warm Homes schemes for social housing and privately owned homes have set local delivery partners up to succeed. Compared to past schemes where funding was left unspent, local home upgrade teams are consistently spending their full allocations and are asking Westminster for more. Despite their success delivering the current warm homes funding, home upgrade teams will begin planning to wind down their operations next year because it is not guaranteed to continue.

Scaling up funding for these schemes will mean residents and communities begin to feel support across the country. Thousands of eligible households have been identified by local government and are awaiting to receive an upgrade which will make their energy use more affordable, but funding is limiting deployment.

Funding to make homes decent to live in should be joined up with energy efficiency; a first for modern government. The Departments of Health and Housing already fund these initiatives under the Better Care Fund, but support is disconnected from energy efficiency funding. This is a missed opportunity to provide integrated support to residents.

The mechanism for disbursing funding could be improved to enable better projects. Local delivery partners must spend funding within a financial year, which makes it more difficult to run longer term projects. Projects which are embedded in a community and provide multiple benefits, such as, making a new green space take longer to complete. Moreover, successful programmes are spending their allocations ahead of time because they have thousands of eligible residents awaiting help, but, there is no mechanism to top up their funding, despite there being a large remaining budget in the Warm Homes Plan.

► Invest £3bn of Warm Homes Plan funding in local routes & coordinate this funding with the £9bn Better Care fund

At the 2026 Autumn Budget, the remaining £3bn of low-income funding in the Warm Homes Plan should be unlocked for deployment via local delivery partners and new funding announced for after 2028. To support home upgrade services which make energy use affordable and homes healthy and safe to live in, the three Departments of Energy, Health and Housing should meet to coordinate energy and repair funding.

► Make longer term and larger scale projects possible

The new funding system is working but should be reformed to support longer term and larger scale projects. It should be possible to deploy funding across financial years, and a new system introduced to reward and scale up successful projects.

Enable better outcomes at the local level

Local capacity to upgrade homes has increased significantly since 2020; 290 of 296 areas accessed Local Grant funding. To build on this success, devolution and pre-existing capacity gaps need to be addressed. Areas with accelerated devolution deals have developed expertise, and there is an opportunity for structured knowledge sharing to help less experienced or newer local partners “leapfrog” to their level. DESNZ already funds learning via its service “RISE”, but this service is yet to keep up with accelerating devolution.

Advisory support alone is not enough to scale up provision of high-quality home retrofit schemes. Local government often rely on businesses who take entire ownership over project design and delivery. Many of these businesses are high-quality providers with deep experience and expertise. However, to design meaningful place-based schemes, local government need a minimum level of capacity. The Department for Transport’s Local Electric Vehicle Infrastructure programme has helped local government to recruit staff and build internal expertise; as a result, the number of staff has increased from 80 to 350. With the right support, local government can scale up its capacity to improve outcomes.

► Deepen capacity building

In partnership with the Net Zero Hubs and supported by additional funding, RISE’s scope should be expanded to ensure it provides both advisory support and capacity building, like DfT’s LEVI scheme. It should be given an explicit remit to facilitate peer to peer learning, and a facility to provide rigorous support to areas with challenges or looking to scale. DESNZ should level-up its learning service to include a function which directly funds local delivery capacity which embeds expertise.

► Introduce a strategy to guarantee a minimum level of service

To ensure every resident has a chance of receiving support, national government should develop a strategy to engage areas which have chosen not to partake. E.g., support in joining a coalition and bid which is viable based on future grant criteria. In limited circumstances, local political leadership may choose not to engage with funding home upgrades. At the first opportunity, government should seek to show how upgrades make energy affordable and homes decent. In due course, devolution deals should predicate broader funding on whether upgrade support is in place.

Continue to set scheme criteria and ensure it supports best practice

Local delivery partners are performing well using DESNZ’s Warm Homes: Local Grant and Social Housing Fund eligibility criteria for income and measures. There is enough flexibility in the current criteria to make delivery effective while providing a structure which reduces the need to design new criteria and ensures consumers have a relatively consistent

experience between different areas. Areas with accelerated devolution deals can now agree different criteria, however, Greater Manchester Combined Authority chose to only make limited changes because they found the criteria were appropriate.

However, in the context of a changing landscape for consumer protections, high economic inflation, and new technologies becoming standard in the private market, criteria need careful and regular updates. In the context of this government's consumer protection reform, local delivery partners need clear advice about what the minimum expectation for their role is. High economic inflation means funding for some measures should be reviewed, and new measures, like air-to-air heat pumps and batteries require a rolling test, learn and implement regime to ensure the scheme keeps pace with change.

High-quality heat pump installations which cut bills, carbon and increase comfort are possible and should be every local home upgrade programme's objective. In the transition to installing affordable heat pump systems, low-income households need the right protections. The Committee on Fuel Poverty's 2026 evaluation, *How to ensure a successful transition to heat pumps for households at risk of fuel poverty*, found the installed quality of heat pumps in low-income households varied widely. In addition to the 2026 consumer protection consultation, new guidance should be introduced to ensure local delivery teams do everything in their power to ensure heat pump installations cut energy bills.

In local schemes, consumer advice is often built into the service. However, it is not guaranteed, and advice is also crucial to help consumers accessing support or private upgrades in other routes. All UK consumers need a clear minimum standard of advice, and this is currently a crucial gap in the support the government offers all households.

► **Update criteria and guide high-quality heat pump installations**

Cost caps for upgrades should be updated in line with inflation and new technologies should be tested via leading local home upgrade teams. In advance of consumer protection reform, introduce guidance to ensure local delivery teams do everything in their power to ensure heat pump installations lower energy bills.

► **Develop a minimum standard for home upgrade advice**

As well as high-level information delivered centrally, the government should produce a national advice strategy to ensure consumers can access expert, tailored, independent advice on home energy upgrades no matter where they live.

Recognise the link between inadequate housing and inequality

Housing inequality is not evenly distributed by demographic characteristics. For example, black, Asian and minority ethnic groups are disproportionately exposed to poor-quality, damp, overcrowded and unaffordable housing because of structural and historical

inequality. Disabled and older people require additional support to cope with disruption caused by the retrofit process. As a first step, it is important to understand whether national home improvement schemes are adequately serving these communities. However, government does not know whether these groups are adequately served because it does not collect data during the retrofit process. With this data, schemes can then be adjusted to ensure underserved groups are appropriately engaged or supported to access support.

► **Collect and publish equality data to assess how adequately national retrofit schemes are serving different demographics**

Collect and publish equality data on household engagement in home upgrade schemes. Programme evaluation should assess not only overall performance but whether outcomes are equitable across different communities, ensuring that public investment demonstrably reduces rather than reproduces existing inequalities.

Make upgrades in social housing more strategic and local

Social housing associations have been successfully deploying the Warm Homes: Social Housing Fund. There is now an intention to localise this funding pot, by making it accessible via regional authorities with integrated settlements.

If designed right, localising funding can make home upgrades work more efficiently and to create economies of scale which are not always available to individual social housing associations. Devolution could also mean this the fund can be administered more flexibly at the local level. For example, the Greater Manchester Combined Authority allocates their devolved funding through multiple bidding windows per year (rather than one bidding window), giving housing associations more time to develop their proposals and reducing the number of changes required post funding agreement.

► **Build local capacity to work with social housing associations**

In this transition to localised funding pots for the Warm Homes: Social Housing Fund, national government should continue to work with social housing associations to ensure it remains simple to apply for funding, while leveraging more of the benefits of regional funding allocations. The most important contribution national government can make in supporting the transition is by enabling capacity building in new regional authorities and by clarifying the role of the Warm Homes Agency.

COALITION MEMBERS

The Renew Our Neighbourhoods Coalition is a civil society group with expertise in decarbonisation, housing, local home upgrades, and demographics which are most in need of support and need the most additional support to address their needs. Over the summer in 2026 the coalition reviewed the best available evidence on approaches to retrofit to call on the government take decisive action at the 2026 Autumn Budget.



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