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£1.8 billion awarded to boost energy efficiency and cut emissions of homes and public buildings across England

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More than 115,000 homes across England are to get upgrades to improve their energy efficiency and save residents money on their bills as the government announces the allocation of nearly £2 billion in funding.

The Social Housing Decarbonisation Fund and Home Upgrade Grant are collectively worth £1.4 billion, which will be used to fund energy-saving measures ranging from loft insulation to new windows. An additional £1.1 billion in match funding for social housing provided by local authorities, providers of social housing and charities will bring the total investment to £2.5 billion to upgrade social and private homes in England.

The money will go towards improvements to vulnerable households and off-gas grid homes with an EPC rating of D or below and could save tenants between £220 and £400 a year on energy bills.

These schemes could also support around 20,000 jobs in the construction and home retrofit sectors, helping to deliver on our promise to grow the economy and create better paid jobs, whilst supporting families across the country.

On top of this, a further £409 million has been granted through the Public Sector Decarbonisation Scheme to help public sector buildings such as schools and hospitals drive down their carbon emissions. Upgraded heating systems, powered by cleaner, cheaper, renewable energy, will reduce the use of fossil fuels exposed to volatile global energy prices – supporting thousands of jobs and saving taxpayers hundreds of millions of pounds.

Secretary of State Grant Shapps said: “We know this is a difficult time for families, which is why the government is covering around half a typical household’s energy bill this winter.

“This is a huge investment that will help households save hundreds on energy bills and see them heat their homes for less, and stay warm for longer.

“Not only this but the funding is also a huge boost for job creation and economic growth, opening up new and exciting opportunities across the UK’s ever-expanding green sector.”

Lord Callanan, Minister for Energy Efficiency and Green Finance, said: “The UK is truly a world-leader when it comes to reducing carbon emissions and the progress we’ve made over the last decade has been remarkable. But we can’t rest on our laurels and must continue to drive forward progress, setting a standard for other countries to follow.

“Reaching net zero means considerable action from the public sector as well as private sector. Through the Public Sector Decarbonisation Scheme funding allocation announced today, we are empowering public bodies to save the taxpayer hundreds of millions while packing a punch on our ambitious and necessary climate goals.”

Local authorities, providers of social housing and charities have been awarded a huge injection of £630 million, to come from Phase 2 of the latest stage of the Home Upgrade Grant, while £778 million will be provided through the most recent wave of the Social Housing Decarbonisation Fund. An additional £1.1 billion in match funding will be added to this through the Social Housing Decarbonisation Fund, bringing the total to £2.5 billion to upgrade social and private homes in England.

The funding will be rolled out from April 2023 to upgrade homes over the next 2 years.

Energy cutting and cost saving measures provided through the schemes include exterior wall insulation, cavity wall insulation, loft insulation, new windows and doors and draft proofing measures, as well as heat pumps and solar panel installation.

The schemes form part of the government’s commitment to reduce overall UK energy demand by 15% by 2030, as well as supporting the ambition for the UK to move towards greater energy independence.

The Home Upgrade Grant is supporting over 25,000 low-income homes across England by installing energy efficiency measures and low carbon heating. Those being aided are typically the worst quality, off-grid homes most in need of upgrading, with an EPC rating of D to G. Improving these homes comes with the added benefit of supporting 7,000 jobs.

Aliye Galloway lives in social housing in Northamptonshire with her partner and 5 children. Through the Social Housing Decarbonisation Fund her home was fitted with an air source heat pump, solar panels and more efficient doors and windows.

She said that even with the recent energy price rises, the family’s energy bills are significantly lower since the work has been completed.

Aliye explained: “Already we are seeing a massive change with our energy consumption and energy costs and already that’s having a positive impact on us a family.

“We are very happy with how it all works. We would recommend it to any tenant who is approached by the scheme. It will have a huge positive outcome.

“It’s supposed to be more eco-friendly too so I’m very happy we managed to get rid of the gas to be honest. We are literally just electric now.

“We are going to massively save. Even though the prices have gone up, we are still putting in less than we were before.”

Emma Pinchbeck, Chief Executive of Energy UK said: “Improving the energy efficiency of Britain’s draughty homes and buildings is the best way to cut energy bills permanently, while also boosting the UK’s energy security and reducing carbon emissions.

“Today’s announcement will rightly prioritise those who need support the most like low- income households, social housing and public buildings.

“Industry will work with government to build on these vital schemes and to remove any barriers that prevent households and businesses from saving money on their bills by reducing heat loss and conserving energy.”

The government has also announced today that over £400 million has been allocated to public sector bodies across England to help reduce their carbon emissions. 144 public sector organisations responsible for hospitals, schools, leisure centres, museums and universities will benefit from this support.

This funding is being delivered through the Public Sector Decarbonisation Scheme, which provides grants to public sector bodies to fund low carbon heating, renewable energy and energy efficiency measures such as heat pumps, solar panels and insulation. The scheme is being delivered on behalf of the government by Salix Finance.

Announced today, organisations set to receive funding include Adur and Worthing Councils, Salisbury NHS Foundation Trust, Northumbria University, Greater Manchester Academies Trust and many other worthy recipients across England looking to improve the sustainability of their buildings.

The Scheme aims to support the government’s commitment to reduce emissions from public sector buildings by 75% by 2037, compared to 2017 levels, as first set out in the 2021 Heat and Buildings Strategy. The commitment follows significant progress the UK has already made towards reaching net zero – cutting all emissions by 48% between 1990 and 2021, which is faster than any other G7 country. Decarbonising the public sector with low carbon heating and energy efficiency measures is also expected to save the public sector an estimated £650 million per year on average to 2037.

Salix Finance Chief Executive Annie Shepperd OBE, said: “There is a huge amount of passion and expertise in the green energy sector, and Salix is proud to be supporting the hundreds of decarbonisation projects that have been made possible through the Public Sector Decarbonisation Scheme. Each one represents the best evidence of government and public bodies working together to achieve great things.”

In the meantime, the government has partnered with Energy Systems Catapult today to launch a freely accessible suite of tools, templates and guidance to support the public sector in further decarbonising their sites. This support will help public sector bodies from the first stages of developing a strategy, through

funding, installation and completion, to help make achieving net zero sites and energy savings simpler.

This is a continuation of the government’s award-winning Modern Energy Partners programme which has worked with 42 sites to explore different avenues for decarbonisation.