



Department for
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To all Members of Parliament in England
House of Commons
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Dear Colleagues,

UP TO £1.5 BILLION FUNDING AVAILABLE UNDER HELP TO HEAT SCHEMES

Today, we have made up to £1.5 billion available to upgrade the energy efficiency of eligible households under the Government's [Help to Heat schemes](#). The next waves of funding come from the Social Housing Decarbonisation Fund and Home Upgrade Grant. This further funding under two fuel poverty schemes shows that Government is taking action to support low-income households with their energy costs.

Of the £1.5 billion, there is up to £800 million available for the Social Housing Decarbonisation Fund for local authorities and registered providers of social housing, and up to £700m for the Home Upgrade Grant for local authorities in England.

Grant funding for both schemes will be delivered from early 2023 to March 2025. I am seeking your support in promoting both funding sources to local authorities and registered providers in your area. Further details on the schemes can be found at: [Home Upgrade Grant Phase 2](#) and [Social Housing Decarbonisation Fund](#).

Earlier phases of these schemes are currently delivering much needed energy performance upgrades to eligible households. Wave 1 of the Social Housing Decarbonisation Fund provided around £179 million of funding and will see energy performance improvements to up to 20,000 social housing properties, reducing energy bills and carbon emissions. The first phase of the Home Upgrade Grant is currently delivering energy efficiency measures to off-gas grid properties as part of the Sustainable Warmth Competition until March 2023. The £218 million funding allocated is expected to upgrade up to 12,000 homes.

Social Housing Decarbonisation Fund

This next phase of the Social Housing Decarbonisation Fund competition will allocate up to £800 million to support the installation of energy performance measures in social

homes in England. Applications are invited from local authorities, combined authorities, registered providers of social housing (including housing associations and arms-length management organisations (ALMOs) that are registered providers) and registered charities that own social housing.

Home Upgrade Grant

The Home Upgrade Grant provides grants to local authorities to upgrade the energy performance of the worst quality, off-gas-grid, low-income homes in England, by installing multiple energy-efficiency measures and low-carbon heating to make the home heat efficient and better equipped for the future as we build towards net zero.

This next phase of funding will allocate up to £700m to be delivered from early 2023 to March 2025. The application window opens today for interested local authorities to submit applications for funding. BEIS will work with local authorities who submit applications by November 18 to facilitate early delivery, including making funding available in the latter part of this Financial Year where possible.

The money we're making available from today is part of the £12bn investment in buildings. This combined funding will help to upgrade up to 500,000 homes, saving households hundreds of pounds a year on energy bills and reducing reliance on fossil fuels. This investment forms part of the Government's [Help to Heat schemes](#), which make it easier for the public, including lower income and vulnerable households, to find targeted support that can help make their homes warmer and cheaper to heat. The Government's [online service](#) helps homeowners make informed choices on the energy efficiency of their homes. This includes the Boiler Upgrade Scheme, Local Authority Delivery Scheme, Home Upgrade Grant, Social Housing Decarbonisation Fund and Energy Company Obligation.

The Government is committed to helping families with the cost of living and taking action to make homes more energy efficient to reduce energy bills. The launch of these latest waves of funding means domestic consumers will save between £400 and £700 per annum, based on the current price cap.

The government is taking concrete steps to increase home-grown sources of energy, reduce the UK's reliance of foreign imports, and explore all possible options to boost domestic energy security, and that's why improving the energy efficiency of our nation's buildings is crucial. The funding announced today represents a further opportunity for us to deliver warmer and more energy-efficient homes, and reduced bills for many low-income households, bolstering the Government's wider package of measures to help households meet the cost of living that is being driven up by global pressures on wholesale energy prices. The [Energy Price Guarantee](#) (EPG) will fix the unit cost at the equivalent of a £2500 annual bill for a typical household with average gas and electricity use. The [Energy Bills Support Scheme](#) will deliver a £400 non-repayable discount to eligible households to help with energy bills from October and £1,200 to around 8 million low-income households. This is alongside existing support for the most vulnerable, including the Winter Fuel Payment, worth up to £300 and the Warm Home Discount, providing a one-off payment of £150 this October.

I would like to thank you in advance for your support.

A handwritten signature in blue ink, appearing to read "Martin Callanan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lord Callanan