

Social Housing Providers who are registered are eligible to apply for the Social Housing Decarbonisation Fund.

Private registered providers can apply only as part of a consortium led by Local Authorities.

The first phase of the Social Housing Decarbonisation Fund (SHDF) commenced on August 23, 2021, and concludes on October 15, 2021.

The Government has proposed a £3.8 billion Social Housing Decarbonisation Fund over a 10-year period to enhance the energy efficiency of social rented homes.

A fund of £62 million was announced in 2020, followed by £160 million for the initial phase of the SHDF in the financial year 2021/22, with delivery scheduled until January 2023.

The scheme operates on a fabric-first principle to optimize dwellings for low carbon heating now or in the future.

Providers must enhance their housing stock using a fabric-first approach to achieve a minimum Energy Performance Certificate (EPC) rating of C.

Measures are also expected to reduce properties' space heating demand to 90kWh/m²/year.

The scheme allows for any measure eligible under the Standard Assessment Procedure (SAP), excluding fossil fuel heating systems.

Low Carbon Heating can be installed in conjunction with a fabric-first approach, and all new heating systems must reduce bills compared to the existing system.

Eligible measures include cavity wall insulation, solid wall insulation (internal or external), loft insulation, window and door replacement, heating systems and controls, water efficiency devices and systems, and renewable energy systems such as solar panels and heat pumps.

Social housing providers must demonstrate in their applications their ability to:

- Assemble a capable delivery team, including a Retrofit Coordinator

- Identify suitable dwellings for retrofit and obtain occupants' consent before commencing works
- Procure skills and materials from the retrofit supply chain promptly
- Assess baseline dwelling performance to determine retrofit needs
- Design and implement retrofits to improve energy performance and meet targets
- Measure real-life performance and oversee delivery to avoid adverse consequences such as overheating or damp issues
- Coordinate all aspects effectively to deliver projects by January 2023

Applications will be evaluated based on three criteria: Strategic Fit (45%), Delivery Assurance (35%), and Value for Money (20%).

Projects must be led by a Local Authority in England, and private registered providers can participate as part of a consortium with a Local Authority.

The Lead Local Authority does not need to submit their own housing stock as part of the consortium bid; the bid can consist entirely of stock from other social housing providers.

All social housing, including both private and Local Authority providers, is eligible, regardless of gas grid connection.

There is no income-related eligibility criteria for social housing tenants.

Funding caps for home upgrades are determined based on the starting performance of the home, with higher caps for homes with lower EPC ratings.

Administrative and ancillary costs are expected to comprise less than 15% of total costs and are additional to home upgrade costs. Grant funding per property can be allocated flexibly across the application.

Providers are required to contribute at least one-third of the total eligible project costs.

Mixed tenures can be included in projects, but funding for other tenure types is only available if social homes would be adversely affected without it and if the bid contains a minimum of 70% social housing.

Funding is limited to infill measures that all residential units require to meet the fund's performance objectives, likely insulation and associated ventilation.

Installers must be TrustMark Registered or equivalent and compliant with TrustMark requirements. All projects must comply with the latest PAS 2035:2019 specification and guidance, and installers must have appropriate certifications for eligible measures, with low carbon heating installers being registered with TrustMark or equivalent and certified with relevant MCS standards.