

Breaking Down the Warm Homes Plan

Briefing for CIAT members and affiliates, prepared by Jack Fleming, Policy & Public Affairs Executive, 28 January 2026. For more information contact externalaffairs@ciat.global.

1. On 21 January 2026, the Labour Government published its long-promised, and much delayed, Warm Homes Plan. In parallel, Government also published its Fuel Poverty Strategy, as well as responses to consultations on reforming EPCs and MEES for the Private Rented Sector, and has launched a consultation on the updated Home Energy Model.
2. This briefing provides a summary of the key measures in the plan, including comparing them to the recommendations of the CIAT policy paper, *Beyond the Warm Homes Plan: A National Retrofit Strategy for People and Planet*.
3. CIAT welcomes feedback from members and affiliates on the Plan. To share your insights to inform future policy and public affairs activity, please email externalaffairs@ciat.global.

What is the Warm Homes Plan?

4. The Warm Homes Plan is the Labour Government's detailed plan for reducing energy bills, improving warmth in and reducing energy use from existing homes, by supporting the rollout of retrofit measures such as insulation, domestic clean energy generation and low carbon heating. As this policy area is devolved, the Plan outlines measures for England only (though a proportion of the total funding will be distributed to Scotland, Wales and Northern Ireland for devolved administrations to spend in line with their priorities, through the Barnett Formula).
5. The Plan was first announced in the 2024 Labour Manifesto, which stated that "Labour will invest an extra £6.6 billion over the next parliament, doubling the existing planned government investment, to upgrade five million homes to cut bills for families." This commitment came on top of previous allocations, meaning that a total of £13.2 billion was initially committed to the Plan. At the 2025 budget, this was increased by £1.5 billion, taking the total funding allocation to £14.7 billion over the parliament (2024-2029).
6. The Plan was initially scheduled for launch following the Comprehensive Spending Review in Spring 2024. Later the Plan was delayed to October, and then again to the end of 2025 (likely due to the September 2025 change in the Minister for Energy Consumers responsible for the Plan), before finally being published in January.

Plan context

7. It is widely recognised that the UK's housing stock is disproportionately old, cold and damp, with a heavy reliance on gas heating. This has significant negative implications, including for the health and wellbeing of residents (with estimates of the cost to the NHS ranging from £900 million to £2.5 billion per year) and contributes significantly to greenhouse gas emissions and air pollution. As the UK is largely reliant on imported natural gas, it also means that consumers are exposed to volatility in energy prices, as was highlighted by the significant spike in energy costs in early 2023.
8. While the health, wellbeing and environmental drawbacks of this situation are acknowledged in the Plan, its primary framing is to lower consumer energy bills, in the context of the cost-of-living crisis.

9. From a political perspective, this approach is understandable. The economy and cost-of-living crisis are regularly among the top issues identified by voters,¹ and it is highly likely that the Labour Government will not be re-elected if the public do not feel better off by the time of the next election. In contrast, reduced carbon emissions are not directly felt by voters, and except in extreme cases, it can be hard to appreciate the links between cold housing and health outcomes. However, this framing does impact on how the Plan prioritises different measures and approaches, as will be discussed later in this briefing.

Summary of CIAT's view on the Warm Homes Plan

10. CIAT strongly supports efforts to improve the quality of UK housing, by investing in holistic retrofit measures. The Warm Homes Plan is an undeniably ambitious programme, underpinned by major investment, and Chartered Architectural Technologists are particularly well placed to contribute to, and benefit from this, utilising their expertise in technical design and project delivery.
11. Importantly, the Plan delivers on many of CIAT's policy priorities. Firstly, it combines grants for low income and fuel poor households with low interest loans for those who do not meet qualifying criteria and also targets measures at the social and private housing markets. This should ensure that no households are excluded from support to upgrade their homes.
12. Second, it is largely agnostic as to the nature of upgrades, with funding to support tried and tested measures, such as insulation, rooftop solar panels and heat pumps, as well as more innovative approaches, such as heat batteries and local heat networks linked to new data centres.
13. Thirdly it takes seriously the need to rationalise the UK's complex, fragmented home upgrades landscape. It establishes the Warm Homes Agency as a single point of access and advice for consumers and takes steps to merge programmes over time (such as the Warm Homes: Local Fund and Warm Homes: Social Housing Fund).
14. That is not to say that the plan is perfect. There are significant failings around holistic, design-led approaches, which mean that the plan will be best suited to delivering retrofits for the most straightforward homes. And further measures are needed to deliver sustainability in the new build and commercial sectors.
15. Much will now depend on how the plan is implemented, and CIAT will continue to work with government and the sector to deliver a sustainable built environment.

¹ See, for example, <https://www.moreincommon.org.uk/our-work/voting-intention-trackers/>, <https://yougov.co.uk/topics/society/trackers/the-most-important-issues-facing-the-country>


Thematic assessment

16. CIAT has compared the Warm Homes Plan to the Institute’s recommendations, and has rated the various elements of the Plan, using a three-point scale of good (green), satisfactory (amber) and poor (red).

Theme	CIAT Rating	RAG
Scale of funding	Good – substantial overall investment.	Green
Reach of programme	Satisfactory – five million homes may be slightly below rate needed to achieve climate goals (and includes some new build homes), but overall ambition is substantial.	Amber
Offer to consumers	Satisfactory – support available for most groups and tenures, but complexity remains. Some funding is tied to specific interventions.	Amber
Low-income support	Satisfactory – funding allocations are substantial, but area-based approach risks some variation in levels of support available. While broad, complex eligibility criteria may present a barrier to participation for some households.	Amber
Support for renters	Good – significant investment for social housing, while leveraging more stringent regulatory requirements.	Green
Flexibility of measures	Good – significant funding allocations are measure agnostic, with support for clean heating (including new technologies), clean energy generation, insulation, active and passive cooling.	Green
Holistic approach	Poor – focus primarily on lowering heating costs, with other improvements treated as, at best, an afterthought. No meaningful commitment to post-occupancy evaluation.	Red
Design-led retrofit	Poor – little to no consideration of the role of design in delivering the best outcomes for households.	Red
At-scale delivery	Good – significant support for heat networks and other local delivery. Engagement with local authorities and other community groups to support delivery.	Green
Streamlining & rationalisation	Good – creation of Warm Homes Agency to provide single point of access and manage programmes. Some streamlining of programmes.	Green
Workforce & training	Satisfactory – recognition of the importance of workforce growth, but no consideration for design skills. Minimal engagement with previous failings of TrustMark accreditation.	Amber
Other measures	Poor – Future Homes Standard not yet published, partial progress on rebalancing energy costs. No extension of VAT exemptions or Stamp Duty incentives. No movement on delivering “home instruction manuals”. No support for the commercial sector.	Red

Detailed Analysis

Scale of funding

CIAT rating – Good 

17. The Warm Homes Plan is backed by £15 billion, consisting of £4.4 billion for low-income households, £2.7 billion for the Boiler Upgrade Scheme, £1 billion to support heat network rollout, a new £5.3 billion Warm Homes Fund, £0.4 billion for other programmes and £2.2 billion in additional funding for devolved governments.
18. There is always scope to invest more in improving housing quality, and CIAT does not have capacity to model costings for specific interventions. CIAT therefore did not recommend a specific funding level but rather considered how to best utilise available resources.
19. Nonetheless, in a broad context of constrained public finances, £15 billion feels like a substantial fund, which can bring major benefits. For comparison, the most recent iteration of the Energy Company Obligation scheme (ECO IV) was underpinned by £4 billion for 2022-26, while the Great British Insulation Scheme (GBIS) was worth £1 billion. The £1.5 billion allocated to extend ECO beyond April 2026 has been rolled into this scheme.

Reach of programme

CIAT rating – Satisfactory 

20. The Government is committed to upgrading five million homes over the parliament. However, the Warm Homes Plan makes clear that not all of these upgrades will be delivered through the Warm Homes Plan itself.
21. Instead, Government expects to reach 1.7 million households through the Warm Homes Plan directly, with another 1.6 million reached through the implementation of Minimum Energy Efficiency Standards (MEES) for the private rented sector, 1.3 million through more stringent MEES for the social rented sector, and 0.3 million through implementing the Future Homes Standard for new build homes. At first sight, then, the Plan appears less ambitious than the Labour Party Manifesto Commitment (though around 4.6 million existing homes will still be upgraded, if the Plan is successful).
22. As with funding levels, CIAT did not set a target for the reach of the programme. The Energy Security and Net Zero Committee has acknowledged that 29 million homes will need to be retrofitted by 2050 solely to achieve net zero emissions. A basic linear model would therefore suggest retrofitting around 6 million homes in each five-year period between now and 2050, so while a five million homes ambition is slightly below this, it is at least in the right order of magnitude.
23. The “balanced pathway” for emissions reduction developed by the UK Climate Change Committee (which advises parliament on how to meet the UK’s greenhouse gas emissions targets) implies a S-curve in emissions reductions from residential buildings between now and 2050, with the steepest reductions between 2030 and 2040. A linear pathway in terms of retrofits is likely therefore to be inappropriate.
24. Additionally, CIAT would suggest it is disingenuous to count the 0.3 million new build homes “upgraded” through more stringent regulatory requirements, as these homes do not yet exist. It is also telling that this is only one fifth of the 1.5 million new homes government has committed to deliver over the same period (highlighting the importance of delivering the Future Homes Standard as rapidly as possible).

Offer to consumers

CIAT rating – Satisfactory

25. The most consequential element of the Warm Homes Plan is likely to be what level of funding is available to individual households, for which measures and in which circumstances.
26. Setting aside support for individuals in rented properties, the core funding allocations in the Warm Homes Plan are split into two main parts – a universal offer open to all households, and targeted support for low-income households.
27. The universal offer consists of the Boiler Upgrade Scheme (BUS) and the Warm Homes Fund (WHF). BUS provides universal grants to replace fossil fuel heating systems with heat pumps or biomass boilers, to a total value of £2.7 million over five years. Grants vary from £2,500-£7,500, depending on the technology, and are open to owner-occupiers and private landlords. While a universal grant offer such as this is clearly welcome, CIAT would have preferred a fully measure-agnostic model (given that other programmes, such as GBIS have now ended). It should also be noted that delivering a full heating system upgrade may well cost more than the grant level.
28. WHF complements BUS with low- and zero-interest loans, green mortgages and other financial products, delivered through commercial lenders. WHF will be supported by £5.3 billion of financial transactions, with a first investment of £1.7 billion, which will grow over time, and unlike the BUS, this can be used for any retrofit measures, including covering additional costs for boiler upgrades not met by the BUS. This is largely aligned to CIAT's recommendations.
29. In addition to the universal offer (with £600 million of WHP loans earmarked specifically for low-income households), £4.4 billion has been allocated as grant funding for low-income households, through the Warm Homes: Social Housing Fund (WH:SHF) and Warm Homes: Local Grant (WH:LG). This is a significant pot of money, however the fragmented nature of delivery is potentially an issue; WH:SHF only supports residents in social housing, while the WH:LG coverage is patchy – some low-income consumers may not be able to access either of these funds (though they would be able to access the universal offer). Government has indicated that, from 2027/28, WH:SHF and WH:LG will be integrated into a single pot, which should streamline delivery, but the model will remain area based.
30. There is much to praise in this model – the scale of grant funding for all households should incentivise uptake of measures by households who might be reluctant to finance improvements entirely through loans (even at low interest rates). The universal offer, with its low interest loans, aligns well with CIAT recommendation of low-interest loan-based funding, delivered by the National Housing Bank and commercial lenders.
31. However, CIAT recommended funding not be tied to specific interventions, but rather that a single pool of funding be made available, which could be drawn on to deliver measures recommended by an appropriately competent design professional. The gaps, limitations and complexities of the Plan as detailed undercut what would otherwise be a strong offer.

Low-income support

CIAT rating – Satisfactory

32. Given the importance of reaching as broad an audience as possible, and the intersection of deprivation and poor housing, CIAT recommended setting broad eligibility for grant support, including living in a deprived community, receiving or being eligible for means tested benefits or demonstrating that household income falls below the fuel poverty low-income threshold.
33. As the Warm Homes Plan has simply integrated the existing WH:SHF and WH:LG schemes, there has been no change to eligibility for this provision. WH:SHF is limited to those households in social housing (excluding the many households stuck on social housing waiting lists).
34. WH:LG has reasonably broad eligibility, covering households living in the most deprived 20% of areas (IMD Declines 1 and 2), those in receipt of housing benefit, jobseeker's allowance, employment and support allowance, income support, pension credit or universal credit (but not households eligible for, but not in receipt of these benefits) and demonstrating a gross household income below £36,000, or meeting a combination of two other criteria including eligibility for a council tax reduction, living in certain specific areas, vulnerability to cold, eligibility for free school means, referral from citizens advice or an energy supplier, support from the local authority, or demonstrating certain level of energy supplier debt.
35. While these criteria should catch the vast majority of low-income households, they are highly complex, and (particularly for the last route), time- and resource-poor households may struggle to navigate the process to demonstrate their eligibility.
36. Additionally, local authorities have had to bid for WH:LG funding, rather than it being allocated on some kind of weighted basis (for example a low-income capitated basis), and some local authorities did not secure any allocation through the last funding round. This means that there will be at least some measure of "postcode lottery", when it comes to funding available for low-income households.

Support for renters

CIAT rating – Good

37. Individuals in rented accommodation typically have less control over their home heating systems, and undersupply of housing means they are often forced to live in inefficient, unhealthy homes.
38. CIAT welcomes Government moves to strengthen MEES across the private and social rented sectors, reiterated within this Plan, which set a regulatory floor for performance. For commercial properties, CIAT accepts that commercial financing is likely to be the most appropriate mechanism to achieve or exceed minimum performance standards.
39. For the social rented sector, it is appropriate that grant funding through WH:SHF be targeted to the most poorly performing social homes (those achieving EPC bands E-G). The scale of this funding should not be downplayed, as it will be essential for enabling improvements by resource constrained not-for-profit social housing providers. However, CIAT has also recommended that low interest financing be made available to enable social housing providers to exceed the MEES baseline of EPC C, where this will be cost effective and delivers better outcomes for households and for broader society (in terms of, for example, air pollution, energy use and greenhouse gas emissions).

Flexibility of measures

CIAT rating – Good


40. The Plan supports a wide range of measures, including rooftop solar, heat pumps (including ground source and air-to-air heat pumps), heat batteries, heat networks, insulation and adaptation measures (such as external shades and blinds). The Plan also acknowledges that every home is different and commits to empowering consumers to choose upgrades that suit their needs.
41. The Plan does commit to some specific targets (associated with specific funding allocations) including reaching 450,000 heat pump installations a year by 2030, tripling rooftop solar provision and doubling the amount of heat demand delivered via heat networks to 7% by 2035. The heat pump target is particularly important, given that this aligns with the Climate Change Committee's balanced pathway for reaching net zero by 2050.
42. CIAT welcomes the key acknowledgement that each home is unique, and what works for one home will not work for another. Alignment with the Climate Change Committee's balanced pathway, and an emphasis on the role of heat networks for urban heating indicates that serious consideration has gone into the best path for roll out overall, without taking a prescriptive approach to individual circumstances.

Holistic approach

CIAT rating – Poor


43. The very first recommendation in Beyond the Warm Homes Plan was that the Plan be broadened to a holistic plan which to achieve multiple objectives including reducing emissions, improving resilience, improving home health, lowering heating costs, and ensuring that homes are well designed.
44. Disappointingly, while the Warm Homes Plan does acknowledge the importance of climate adaptations, and the Warm Homes Fund offers flexibility to install measures such as external shading to reduce overheating, the primary focus of the Plan is on reducing consumer bills, particularly given that the grant element of the universal offer is limited to boiler upgrades.
45. Additionally, while support for light touch fabric measures such as loft and cavity wall insulation or double glazing remains a part of the Plan, fabric first measures are in general downplayed compared to previous strategies. This partly reflects recent, widely reported problems with solid wall and spray foam insulation. However, the primary driver for this change is that most of the light touch measures have already been rolled out, and more invasive measures are often more costly for consumers. For example, external wall insulation may represent lower value-for-money than the combination of a heat pump and rooftop solar in a comparatively leaky home. While consumers may not necessarily note the difference, however, this will increase overall energy consumption, as well as, for example resource use.
46. Finally, there is no consideration given to post-occupancy evaluation to determine how effective measures are overall, and to support continuous improvements in performance.
47. Taken together, while the Plan will deliver benefits in terms of health and climate, the strong focus on the cost of living has resulted in an approach which may not be optimal and represents a significant missed opportunity.

Design-led retrofit

CIAT rating – Poor 


48. The flexible approach of the Warm Homes Plan has significant risks as well as benefits. It is important to recognise that the average consumer will not necessarily have the expertise to identify which measures are most appropriate for their home. For this reason, CIAT has recommended that all retrofits start with a holistic, expert-led assessment of the property and the needs of the household, with retrofit measures designed accordingly (rather than targeting a blunt EPC measure). The Plan supports Historic England's whole-building approach to retrofits for heritage and traditional buildings, but this approach should be extended across the built environment to deliver the best outcomes.
49. The Plan sets a target of three days to complete installation of a heat pump from agreement of quote. CIAT supports the Government's ambition to ensure that installation of energy saving measures is fast and efficient, but the Institute is concerned that this target will only be appropriate for a straightforward installation with minimal enabling works. Tight delivery timelines will discourage retrofit designers and installers from thoroughly assessing the needs of the property and household, taking into account fabric efficiency, and designing a system which would deliver good outcomes for households (although this may be partly mitigated through the allocation of a further £30 million to the Heat Pump Ready programme).
50. The Plan also notes that many owner-occupiers cite hassle as a barrier to installing retrofit measures. Disappointingly, despite this it does not take steps to enable and encourage retrofits to be delivered as part of other home renovations and extensions (for example, by loosening VAT exemptions, so it applies to all energy saving measures, rather than just those measures installed in isolation).
51. Ultimately, to address these issues, what will be needed is independent design expertise, provided by a competent professional, such as a Chartered Architectural Technologists. Disappointingly, except for a brief mention of the PAS 2035 retrofit coordinator role, the importance of such competent design input is barely mentioned within the plan.

At-scale delivery

CIAT rating – Good 

52. In order to decarbonise the UK's homes at the pace required to meet emissions reduction targets, at-scale retrofits (for example targeting entire streets at a time), and technologies such as local and district heat networks and community clean energy projects, will be vital, and CIAT is pleased to see a strong emphasis on these at-scale approaches within the Warm Homes Plan.
53. The Plan recognises the important role played not only by local authorities, but also by other bodies, including energy suppliers, housing associations and community groups, all of which can support at-scale retrofit projects. It also commits to Planning reform to support heat network zoning, which will be a key enabler of growth, and provides support for bulk procurement, energy-as-a-service and other models to drive efficient roll out of low-carbon heating.
54. Crucially, this commitment is backed-up by clear targets - doubling UK heat network coverage to meet 7% of heating demand by 2035, reaching 20% by 2050 – and funding, with £195 million per year allocated to the Green Heat Network Fund. CIAT notes, however, that it is not clear whether this funding is thought to be sufficient to drive growth in heat networks, or whether it is intended only to crowd in commercial investment.

Streamlining and rationalisation

CIAT rating – Good 

55. One of the most significant flaws of England's approach to supporting retrofit activity to date, has been the large number of separate programmes, each targeting different measures, from boiler upgrades to insulation, and with different eligibility criteria.
56. To reduce costs and improve access to support, CIAT has recommended that these schemes be merged into a single scheme, with unified branding and a single point of access, which would be non-prescriptive as to eligible measures, and which would manage all funding streams, allocating grants or loans depending on individual circumstances. This would significantly reduce the administrative burden on households seeking support.
57. The Warm Homes Plan goes some way towards this model, through the creation of the Warm Homes Agency (WHA). The WHA will provide a single point of contact for consumers to get information on available support, regardless of tenure which is a significant step forward. The Plan states that the WHA will take on delivery of *some* existing schemes, however government spokespeople have indicated that, subject to sequencing decisions, all Warm Homes Plan Schemes will be in scope, with consideration given to other schemes such as feed-in tariffs which currently sit with Ofgem.
58. In addition, the Plan outlines some steps to rationalise funding. The ECO and GBIS schemes are to wrap up by the end of financial year 2025/26, to be replaced by a single Warm Homes Fund, and the WH:LG and WH:SHF will be merged into a single, area-based, low-income capital fund from 2027/28. These are welcome steps, though CIAT notes that the continuation of the separate Boiler Upgrade Scheme, and other decisions, mean some complexities will remain.
59. It should be noted that the Plan does not propose significant measures to signpost households to appropriate support. Rather, it remains the case that households will need to proactively seek out support, which may reduce uptake.

Workforce capacity

CIAT rating – Satisfactory 

60. Decarbonising the built environment will be a substantial undertaking, which will require significant workforce planning and investment. The Warm Homes Plan recognises the scale of this challenge, and also its potential benefits, in terms of delivering high quality jobs across the country. The Plan also acknowledges, rightly, the disruptive impact of the closure of the ECO scheme for professionals and commits to supporting the transition to the Warm Homes Plan delivery models.
61. CIAT welcomes the Warm Homes Plan Taskforce, to be established in partnership with the TUC, as an important avenue to address workforce and green skills gaps in the built environment.
62. The Institute also welcomes the allocation of £7 million per year to the Heat Pump Training Grant, and the re-commitment to ensure that professionals delivering government funding schemes must have appropriate MCS and TrustMark accreditations. However, CIAT is concerned that no consideration seems to have been given to addressing barriers to accessing these accreditations, or failures in oversight of previous schemes.
63. Additionally, funding is only one plank in delivering workforce expansion. Equally essential will be policy stability, careers advice guidance and promotion, and training capacity. While the Plan should provide the first of these, there is little consideration given to

promoting built environment careers, except tangentially through the Warm Homes Plan Taskforce, and training capacity is not seriously considered, even though the planned expansions in service delivery is likely to negatively impact on this. No consideration has been given to the role that professional bodies could play in addressing skills gaps, even though this poses a potentially fatal risk to Plan delivery.

64. Crucially, once again the Plan is weighted heavily towards delivering a single technology, namely heat pumps. While heat pumps will be integral to decarbonising the built environment, and are forecast to meet most UK heating need, they remain only one part of the picture. It was especially disappointing to see no substantive support given to design roles, except for a brief mention of reviewing how PAS 2035 roles such as retrofit coordinator align with the building regulations dutyholder regime.

Other measures

CIAT rating – Poor

65. CIAT welcomes the recommitment to deliver the Future Homes Standard in the first quarter of 2026. This standard will be key to ensuring that new homes do not need further retrofitting in order to be net-zero compatible. However, CIAT is disappointed that the Plan models this as reaching only 0.3 million homes by 2029/30, out of the Government's target of 1.5 million new homes. This reflects the clear need to rapidly implement the new Standard, with robust transition measures. Similarly, while the Plan mentions the potential value of Whole Life Carbon assessments, conducted in line with the RICS methodology, these are not formally supported within the Plan.
66. CIAT has called for Government to take steps to reduce the relative costs of electricity compared to gas (which are driven, in large part, by disproportionate policy costs on electricity). Based on CIAT Analysis of Ofgem Data, prior to the November 2025 budget, levies and policy costs added around £145 to the average electricity bill, and £50 to the average gas bill. Following the budget, these have fallen to around £55 and £15 respectively. As a result, the ratio of electricity to gas prices has fallen, which should result in clean heating being more attractive. However, CIAT would encourage Government to go further, shifting policy costs and levies from energy bills, which are generally regressive in nature, towards general taxation, and ultimately equalising energy pricing.
67. Another major omission from the plan was further reforms to VAT on retrofit. At present, energy saving measures installed in isolation are VAT exempt, but this exemption only applies until March 2027, and if measures are installed as part of a wider renovation or other domestic works, the exemption is lost, disincentivising the installation of retrofits. CIAT had called for reform here, and it is disappointing this has not been forthcoming.
68. CIAT has recommended that retrofits be accompanied by a "home instruction manual", to enable households to secure the best performance from new technologies. This would be a relatively small intervention, and it is disappointing to see this recommendation not be taken forward by Government.
69. CIAT is also disappointed that Government has not taken steps to incentivise retrofits through the tax system, for example through reductions in Stamp Duty for better performing homes.
70. Finally, while this is a Warm Homes Plan, it is disappointing that Government has not also made progress on supporting retrofit across the rest of the built environment.

CIAT, January 2026. For more information, contact externalaffairs@ciat.global.