

Empowering local retrofit delivery to meet bold national ambitions

This article by Regen, as a delivery partner in Innovate UK's Net Zero Living Programme, brings together feedback and insights shared by local authorities participating in the Programme, following the publication of the Government's Warm Homes Plan in January 2026.

When the Government launched the much-anticipated Warm Homes Plan, it committed an unprecedented investment into improving the health, comfort and energy efficiency of homes across the UK. The £15 billion investment commitment comes alongside sweeping reforms to housing standards, which the Government hopes will accelerate and scale up retrofit across the UK.

The Innovate UK-funded Net Zero Living Programme includes numerous projects which are seeking to accelerate and scale retrofit, and a Retrofit Policy Group made up of local authorities participating in the programme, and convened by Regen and the National Retrofit Hub, has closely engaged with the rapidly evolving policy landscape for housing standards and retrofit.

This insight brings together feedback and insights shared by these programme participants at the most recent Policy Group meeting on Monday 2 March 2026, which included a presentation from the Department for Energy Security and Net Zero.

The £15 billion funding commitment in the Warm Homes Plan is a step change in the scale of resources being made available to local authorities and is welcomed by Net Zero Living Programme participants. However, in a complex landscape for local authority delivery, they have identified key areas essential to successful delivery.

This is a national strategy with local delivery

The scale of the retrofit challenge at the national level is stark, with 12.7 million homes in the UK below an EPC rating of C, according to 2021 census data. National strategy and funding to address this challenge are key for empowering local authorities, who will then deliver action on the ground.

Scaling and accelerating retrofit is inherently place-based and the Net Zero Living programme has identified a range of influential roles local authorities can play to grow thriving local retrofit markets.

Better, Warmer Homes: Learnings from the Net Zero Living programme for scaling place-based retrofit

Local authorities are at the sharp end of retrofit delivery. Whether in enforcing housing standards in the private rented sector, undertaking retrofit works on council-owned properties or working with local supply chains to grow skills and capacity, local authorities have a massive responsibility for retrofit in their places.

Acknowledging the vital role local authorities play in retrofit delivery, many Net Zero Living Programme projects include innovative approaches to accelerate and scale retrofit in their places, as reflected in the [Better, Warmer Homes](#) insight report, which brings together learnings from these projects.

Local capacity building is required to meet targets

The Warm Homes Plan sets out the ambitious target to upgrade five million homes by 2030. While welcomed by Net Zero Living Programme partners, the capacity of local markets to meet this rapid demand growth has been highlighted as a significant risk for local delivery.

The policy group feedback identified the nascent and fragile nature of local retrofit markets. It was noted that low demand from the “able-to-pay” market means retrofit pipelines remain heavily reliant on funded retrofit programmes such as ECO4 and the Warm Homes Local Grant.

Retrofit supply chains remain highly vulnerable to funding cycles and participants noted that the closure of the ECO4 funding stream was leading to a major contraction in local retrofit capacity.

In response to the fragility of local retrofit markets, the Net Zero Living Programme has seen a range of innovative approaches piloted to scale local supply chains and embed long-term resilience. The insight report [The UK’s retrofit workforce for heat and fabric efficiency](#) highlights a range of possible solutions, while projects like [Retrofit One-Stop-Shop York](#) have sought to create more compelling and intuitive consumer retrofit journeys to boost local demand.

The Programme has demonstrated a wide range of solutions to meet the individual needs of local markets, but capacity building takes time, and without careful consideration of how local markets can be stimulated in the short term, there is a risk that funding is made available without the capacity for some places to deliver.

Devil in the detail - Local authorities need clarity and flexibility for funding priorities

A key feature of the Warm Homes Plan's publication was an inferred shift away from a "fabric-first" retrofit approach. Fabric efficiency measures such as insulation and glazing will remain an essential step in many retrofit journeys; however, the Warm Homes Plan details significant funding available for low-carbon technologies like solar PV, heat pumps and battery systems.

At the meeting, the Net Zero Living Programme participants expressed concern that a shift away from a fabric-first approach could undermine their retrofit strategies, in particular for vulnerable households in poor performing buildings, if funding swings too far the other way towards low-carbon technologies.

Local authorities acknowledge the importance of low-carbon technologies to the retrofit mix, but in the group raised concern that without fabric efficiency measures, many homes risk being unable to achieve the thermal comfort and energy efficiency required to genuinely make homes healthier and cheaper to heat.

The Department for Energy Security and Net Zero has been clear that fabric efficiency remains central to the Warm Homes Plan, so for local authorities, the devil will be in the detail of how fabric efficiency upgrades can be funded through the revised funding streams.

The participants also highlighted the importance of flexibility in the funding requirements. Strict conditions on some retrofit grants had made delivering the right thing in the right place a challenge. As the Net Zero Living Programme itself has demonstrated, no one place is the same, with a vast array of retrofit requirements across the country requiring bespoke responses.

A combination of nationally enforced standards and locally specific guidance are necessary to accelerate the right type of retrofit measures.

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This is particularly relevant in rural settings, where a combination of heritage housing stock and challenges for scaling local retrofit markets present unique challenges for local authorities, as detailed in the Retrofit in Rural Environments insight.

Net Zero Living Programme local authorities are eager to see more details emerge on funding eligibility and hope that there is sufficient flexibility within criteria for what they can install where, in order to best meet local and individual needs.

Successful implementation means limiting complexity

In the meeting, Net Zero Living Programme participants were clear that while they widely welcomed the reforming and uplifting of retrofit funding for local authorities, it presents a complex challenge of implementing changes alongside other major reforms.

They highlighted that many local authorities in England are subject to changes as part of local government reorganisation. For district councils soon to be dissolved and joining larger unitary authorities, this creates uncertainty for their retrofit delivery between now and 2028. Meanwhile, the addition of new strategic authorities and their own dedicated funding settlements raises further questions about what funding will be available, who will administer the funds, and who will be responsible for delivery.

The shifting sands of local government reorganisation is a context that the Warm Homes Plan is operating in for the foreseeable future. For Net Zero Living Programme participants in England, clarity about how the Warm Homes Plan will be delivered within this context is vital.

Local authorities from the devolved nations similarly called for clarity for their own funding arrangements. The Warm Homes Plan includes a £1.1 billion Barnett Consequentials allowance to provide equal funding for programmes in Scotland, Wales and Northern Ireland, but provides no further details beyond this commitment.

Officers from the devolved nations expressed the need for further clarity on how much of their opportunity will be delivered directly through the Warm Homes Plan, and how much will continue to be delivered through the existing devolved government agencies, in order for them to effectively plan local delivery.

The participants raised that they hoped the Plan would introduce simplified processes for accessing funding. The proposed transition of funding into a so-called “mega-fund” by 2029 aims to simplify central retrofit funding. Net Zero Living Programme partners welcomed the principle of reducing the complexity of funding, but expressed the need for application processes to be similarly simplified and to reduce the resource burden for officers.

Empower local solutions to meet national ambition

Innovate UK’s Net Zero Living Programme has demonstrated a wide range of innovative, place-based solutions to accelerate and scale retrofit. Many of the learnings from the Programme can be applied across the UK to support the urgent need to scale and accelerate retrofit.

The Warm Homes Plan is a hugely ambitious investment that is unprecedented in scale, and welcomed by the Net Zero Living Programme’s Retrofit Policy Group.

Charged with the responsibility of delivering against its ambitious targets, local authorities now need flexibility, simplicity and clarity from the emerging details of the plan, to ensure that they can make urgent progress in a complex environment.