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Notice

# Social Housing Decarbonisation Fund: Wave 3

Funding will be made available to improve the energy performance of social homes in England.

From: [Department for Energy Security and Net Zero \(/government/organisations/department-for-energy-security-and-net-zero\)](#)

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Applies to England

## Documents

## Details

## About the Social Housing Decarbonisation Fund (SHDF)

The Social Housing Decarbonisation Fund (SHDF) will upgrade a significant amount of the social housing stock currently below Energy Performance Certificate (EPC) band C up to that standard. It will support the installation of energy performance

## Related content

Collection

[Social Housing Decarbonisation Fund \(/government/collections/social-housing-decarbonisation-fund\)](#)

measures in social homes in England and facilitate the subsequent widespread adoption of decarbonised heating systems and help:

- deliver warm, energy efficient homes
- reduce carbon emissions
- tackle fuel poverty
- support green jobs
- develop the retrofit sector
- improve the comfort, health and well-being of social housing tenants

Around £1.2bn is available, which includes funding for the Devolution trailblazers. This builds on the allocations made under the previous waves of the SHDF: [Wave 2.2](#)

(<https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-wave-22>), [2.1](#)

(<https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-wave-2>), [1](#)

(<https://www.gov.uk/government/publications/social-housing-decarbonisation-fund>) and [the Demonstrator](#)

(<https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator-successful-bids>).

The delivery window for SHDF Wave 3 will run to 30 September 2028. All grant funding for SHDF Wave 3 projects must be transferred to the grant recipient and spent by 31 March 2028, meaning projects can only use co-funding in the final 6 months of delivery.

## Application routes

There are two routes to access funding under SHDF Wave 3: the Challenge Fund and Strategic Partnerships. Further detail on both routes is available within the scheme guidance.

Potential applicants are strongly encouraged to start preparing and building partnerships now. For support with application development, including if you are unsure which funding route is most appropriate for your organisation, visit the [RISE - Retrofit Information Support and Expertise](#)

(<https://www.riseretrofit.org.uk/>) service (formerly the Social Housing Retrofit Accelerator).

## Eligibility

### Applicants

SHDF Wave 3 is open to:

- local authorities
- combined authorities
- registered providers of social housing (including housing associations and arms-length management organisations (ALMOs) that are registered providers)
- registered charities that own social housing

All eligible organisations can apply directly to Wave 3 either as single applicants or as the lead of a consortium.

The above organisations, along with ALMOs that are not registered providers, can apply as part of a consortium led by an organisation that is eligible.

### Properties

All existing social housing as defined by the Housing and Regeneration Act 2008 (sections 68-70), below EPC band C, regardless of archetype, are eligible.

### Application Size

All SHDF Wave 3 applications through the Challenge Fund should include a minimum of 100 eligible social housing properties at EPC band D-G, apart from in the case of small social housing landlords.

Small social housing landlords (defined for this purpose as those who own or manage fewer than 1000 homes) can apply with fewer than 100 homes. For such landlords, there is no minimum application size. We expect such landlords to try to reach 100 homes, or to actively consider joining a consortium

given the benefits this can bring, where this is not possible.

Strategic partner applicants will be expected to propose projects of significant scale.

## Help and support

If you have any enquiries about SHDF Wave 3, please email: [shdfwave3enquiries@energysecurity.gov.uk](mailto:shdfwave3enquiries@energysecurity.gov.uk).

## Background

The fund follows on from:

- [SHDF Wave 2.2](#) (<https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-wave-22>), which allocated up to £80 million of grant funding from April 2024, building on the allocations made under the previous Wave 2.1
- [SHDF Wave 2.1](#) (<https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-wave-2>), which allocated £778 million of government funding in March 2023. Wave 2.1 will see proposed energy performance improvements to around 90,000 social homes
- [SHDF Wave 1](#) (<https://www.gov.uk/government/publications/social-housing-decarbonisation-fund>), which saw energy performance improvements in up to 20,000 social housing properties, reducing bills and carbon emissions
- the [SHDF Demonstrator](#) (<https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator-successful-bids>), which saw up to 2,000 homes being improved to at least EPC band C and over 1,000 local jobs supported.

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