



Decarbonisation for Registered Providers

The home truths of delivering
net zero homes at scale

Bevan Brittan 

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Executive Summary

The social housing sector is not at the start of its decarbonisation journey.

As part of this journey, Registered Providers ("RPs") have already delivered significant energy efficiency improvements in their existing housing stock. 68.7% of RP homes are EPC C or above, compared with 44.5% of privately rented homes and 42.9% of owner-occupied homes¹. A financial review of private registered providers of social housing (FY2025), found that repairs and maintenance expenditure (which is often the budget in which

decarbonisation retrofit measure fall into) increased to £10 billion, with investment in existing homes forecast to average £10.9 billion annually over the next five years².

The question facing the sector is therefore not whether to decarbonise, it is how to deliver against a growing number of overlapping regulatory requirements while maintaining affordability, resident wellbeing and financial resilience.

68.7%

68.7% of RP homes are EPC C or above



£10b

Repairs and maintenance expenditure increased to £10 billion in 2025



About this research

This research draws on detailed interviews with sustainability, environment and asset leaders at RPs, alongside a review of published strategies and long-term financial plans across a wider group of Registered Providers. The analysis and recommendations are grounded in Bevan Brittan's legal advisory expertise.

- 1 [Housing associations forge ahead with energy-efficient homes](#)
- 2 [Regulator of Social Housing 2025 Global Accounts published \(15 January 2026\)](#)

Our research identifies six themes that are likely to shape the next phase of investment:

01

Funding certainty has improved, but delivery risks remain

The Warm Homes Plan provides welcome signals about availability of long-term funding, but organisations continue to face challenges around programme design, administrative burden, resident engagement and grant compliance requirements.

02

RPs are making investment decisions within an evolving regulatory framework

The emerging Home Energy Model, revised Minimum Energy Efficiency Standards and forthcoming Heat Network Technical Assurance Scheme (HNTAS), mean providers are making investment decisions before many of the future regulations are clear.

03

Energy efficiency and housing safety are becoming increasingly interconnected

Awaab's Law³ and the Decent Homes Standard⁴ reform are bringing thermal performance, resident health and decarbonisation into the same operational and regulatory conversation.

The sector goes beyond setting ambition. Its challenge navigating complexity and turning long-term strategies into deliverable investment programmes.



68.7% of Housing Association homes already achieve EPC C or above. The challenge is no longer whether to decarbonise, but how to do so within an increasingly complex regulatory environment.

04

Heat network regulation requires a new strategic approach to delivery, management and compliance

New regulatory requirements are increasing compliance obligations. It will be increasingly important for RPs to adapt to these requirements including alternative delivery models, standardisation and keeping on top of compliance.

05

Climate adaptation is rapidly rising up the board agenda

Overheating, flooding and weather resilience are no longer future risks but are viewed as current operational and strategic concerns.

06

Governance and evidence are becoming strategic differentiators

The organisations making the strongest progress are investing heavily in asset data, governance, procurement frameworks and delivery capability.

³ www.gov.uk/government/publications/awaabs-law-guidance-for-social-landlords/awaabs-law-guidance-for-social-landlords-timeframes-for-repairs-in-the-social-rented-sector

⁴ www.gov.uk/government/consultations/consultation-on-a-reformed-decent-homes-standard-for-social-and-privately-rented-homes/outcome/the-new-decent-homes-standard-policy-statement

Responding to the Warm Homes Plan

The Warm Homes Plan provides greater certainty. Delivery remains the challenge.

The Government's £15 billion Warm Homes Plan ("Plan") represents one of the most significant public investments in domestic decarbonisation to date, targeting up to 5 million properties by 2030⁵. For social housing providers and local authorities, the plan introduces critical legal and structural changes:

Scheme Consolidation:



From the 2027/28 financial year, the *Warm Homes: Social Housing Fund* and the *Warm Homes: Local Grant* will merge into a single, unified scheme focused on area-based delivery, with £754 million earmarked for low-income housing.

Legacy Scheme Sunset Dates:



The Great British Insulation Scheme formally concluded on 31 March 2026. The ECO4 scheme has been extended until 31 December 2026, with £1.5 billion in transitional funding redirected into the core Warm Homes funds⁶.

Institutional Restructuring:



A new central administrative body, the *Warm Homes Agency*, will be established to handle place-based delivery. This agency will absorb Salix Finance along with specific regulatory functions currently managed by DESNZ and Ofgem.

Private Finance Integration:



The framework explicitly integrates private capital alongside public funding, actively utilising institutional mechanisms such as the National Wealth Fund to scale delivery⁷.

⁵ [Department for Energy Security and Net Zero: Warm Homes Plan](#)

⁶ [Extending the ECO4 end date](#)

⁷ [Warm Homes Fund: Calls for evidence](#)





The National Housing Federation (“NHF”) welcomed the Plan as providing certainty and confirming funding allocations for three years. However, NHF notes that critical delivery constraints remain unaddressed and NHF members continue to find the significant administrative burdens associated with accessing funding as a barrier to both take-up and delivery⁸. The practical realities of large-scale retrofit programmes mean delivery timelines are often influenced by resident engagement, contractor availability and property complexity, factors that are difficult to reconcile with rigid funding structures.



What we’ve found beneficial is the length of the Wave 3 programme. Longer programmes are very helpful for planning and delivery. Treasury rules (regarding in-year grant spend) are there for a reason, but they make it challenging to spend grant annually rather than stretching it over the life of the programme.

Large National Housing Provider

RPs currently incur front-end assessment costs before physical retrofitting can commence. This expense applies regardless of the complexity of the project, leading to delays in deployment and constraining financial resources that would otherwise be utilised elsewhere.



We’d like to see a simpler approach to PAS 2035, longer delivery timeframes and greater flexibility to profile spending across the life of a scheme.

Registered Provider

Submissions by the National Home Decarbonisation Group to the Warm Homes Fund highlight that scaling retrofits requires a structural shift from individual consumer transactions to aggregated, place-based delivery. However, large-scale delivery remains constrained by the need to ensure that decarbonisation measures do not increase energy costs for residents. The disparity between electricity and gas unit costs creates underlying delivery constraints, meaning that the interventions delivering the greatest carbon reduction can increase, rather than reduce, a resident’s energy bill.



We are not yet switching properties from gas boilers to heat pumps at scale because of the affordability concerns for our customers; however, from a decarbonisation perspective, that is in our long-term plan. What we have found is that, if you take away the gas and electricity cost disparity, a lot of these projects are cost-saving anyway. They are upgrading approaches, upgrading technology, streamlining, and improving efficiency.

Large National Housing Provider



Funding certainty has improved. **Delivery certainty has not.**



⁸ [Member briefing on Warm Homes Plan and Minimum Energy Efficiency Standards](#)

⁹ [National Home Decarbonisation Group Warm Homes Fund: Call for Evidence](#)

Direction of travel – Bevan Brittan view →

One way to safeguard delivery timelines and financial allocations under the evolving Warm Homes framework, would be for RPs to move beyond tracking policy and into mitigations at contract level.

Flow-Down of Grant Risks:

Grant conditions should be treated as explicit risk allocations rather than administrative exercises. To protect themselves, RPs should flow down grant funding conditions into their commercial works contracts. Where annual spend profiles and clawback mechanisms are only located within the primary funding agreement, the provider retains 100% of the default risk. To address this, contractors should be bound by clear, enforceable obligations that address program timelines, resident access support, and contracts should include mandatory mitigation measures that keep the overarching grant rules in view.

Pre-emptive Restructuring of Procurement Framework:

The planned consolidation of retrofit funding schemes in 2027/28 creates an opportunity for RPs to review their procurement and contracting strategies now. The move towards area-based delivery is likely to bring together social housing, private rented and owner-occupied properties within the same programme. Providers who are refreshing frameworks or contracts should ensure these are flexible enough to accommodate mixed-tenure delivery models, reducing the risk of costly contract variations, procurement challenges or renegotiations as future schemes take shape.

Early Structural Groundwork for Blended Finance:

As Government looks to attract more private investment into housing decarbonisation, RPs should start preparing for more complex funding structures. Combining grant funding with institutional capital raises important questions around subsidy control, procurement, asset ownership, refinancing and service charge recovery. Providers should work through these issues early and establish clear governance and legal principles before opportunities arise, rather than trying to resolve them during live transactions.

Managing Warm Homes Agency Counterparty Transition:

The creation of the Warm Homes Agency will change how funding programmes are administered and overseen. As responsibilities transfer from Salix and other delivery bodies, RPs should review existing grant agreements, reporting requirements and contract management processes to understand how these may be affected. Organisations should not assume that existing interpretations, processes or approaches to compliance will automatically continue under the new regime. Early review of existing arrangements will help minimise disruption and provide greater certainty for live and future programmes.

Key Takeaways

The Warm Homes Plan provides welcome medium-term funding certainty.

Resident engagement remains a key delivery risk.

Current funding structures continue to create operational challenges.

Blended finance is likely to play a larger role in future delivery.

Procurement and contractual arrangements will become increasingly important.



Minimum Energy Efficiency Standards

The direction of travel is clear.
The regulatory detail is still evolving.



RPs are being asked to make long-term investment decisions while the underlying framework around performance standards continues to evolve.

The Government's consultation conducted between 2 July and 12 September 2025¹⁰ originally proposed a universal compliance target of EPC Band C or equivalent by 1 April 2030. This was intended to be measured concurrently against three newly introduced, post-reform metrics: fabric performance, smart readiness, and clean heat. The initial policy design also introduced a strict cap on financial exposure through a £10,000 spending exemption limit.

The final government response published in April 2026¹¹ materially changed that. Rather than requiring compliance against all three metrics, the Government has adopted a phased model: one metric chosen by the RP, by 2030, and a second, again by choice, by 2039. The third metric remains optional.¹² Further detail on the spending exemption was published at the same time, and detailed sector guidance is still to follow.

The Department for Energy Security and Net Zero ("DESNZ") officially confirmed that the launch of the reformed EPC framework and the Home Energy Model ("HEM") is to be extended from its original October 2026 target to the second half of 2027¹³. While high-level compliance timelines have been introduced, the underlying methodology for measuring energy performance remains fluid. Consequently, a property evaluated as "Band C" under the current system may not retain that equivalent rating under the HEM data criteria.

This regulatory disconnect is obliging RPs to commit to extensive capital programs against changing baselines, creating acute financial and operational challenges. Representative sector bodies have directly challenged this ambiguity. In representations to Parliament, the Chartered Institute of Housing ("CIH") highlighted that changing target metrics mid-cycle represents the single most disruptive operational pressure facing providers¹⁴. Separately, the NHF is consulting members on independent HEM modelling, highlighting the instability of the current legal baseline¹⁵.

RPs cannot effectively undertake long-term asset management planning without clear regulatory parameters. The practical effect of the uncertainty is that capital is being committed against a moving target.



2027 feels slightly too far away to wait for the MEES detail. The sooner we get certainty about what is needed and whether there will be additional funding, the better. We operate on relatively long-term planning timeframes.

Large National Housing Provider



Housing Associations are planning investment programmes **against a moving target**

¹⁰ [Improving the energy efficiency of socially rented homes in England, July 2025](#)

¹¹ [Improving the energy efficiency of socially rented homes in England: government response April 2026](#)

¹² <https://www.gov.uk/government/consultations/improving-the-energy-efficiency-of-socially-rented-homes-in-england/outcome/improving-the-energy-efficiency-of-socially-rented-homes-in-england-summary-of-consultation-responses>

¹³ [Home Energy Model: replacement for the Standard Assessment Procedure \(SAP\)](#)

¹⁴ [Parliamentary committee report highlights ongoing challenges with social housing conditions](#)

¹⁵ [National Housing Federation: Home Energy Model](#)

Direction of travel – Bevan Brittan view →

To navigate the phased compliance deadlines and the HEM transition, RPs should consider:

Capital modelling and metric selection

Choosing the first compliance metric will be one of the most important investment decisions housing providers make over the next few years. Fabric performance, smart readiness and clean heat each require different investment programmes, with significantly different costs and impacts on residents' energy bills. Portfolio modelling can identify the most cost-effective route to compliance for different property types and may challenge existing investment assumptions. Providers should test options thoroughly before committing significant capital to programmes designed around a particular compliance pathway.

Planning for the 2039 compliance deadline

Providers should view the 2039 deadline for the second regulatory metric as a strategic opportunity rather than a distant compliance target. Boards can reduce long-term costs by sequencing investment across the portfolio, prioritising the metric that delivers the greatest short-term value while preparing homes for future compliance requirements. Taking a coordinated, portfolio-wide approach is likely to deliver greater efficiencies than making decisions on a property-by-property basis.

Building evidence for exemptions early

Any future reliance on the proposed £10,000 spending cap exemption will depend on robust evidence. Providers should begin compiling detailed, property-level cost information for harder-to-treat homes well in advance of compliance deadlines. Early evidence gathering will place organisations in a stronger position to demonstrate eligibility if exemptions are required and help reduce the risk of challenge from regulators.

Embedding compliance into business planning and asset data strategies

The potential impact of property reclassification should be reflected in risk registers and long-term business plans. Providers will need stock condition data that is detailed enough to assess homes against each compliance metric independently. As the sector moves towards the HEM framework, organisations should also review their reliance on composite energy ratings and ensure their data and reporting systems can support the new approach.



Key Takeaways

Regulatory direction is clear, but detail about how it will be implemented is not.

The Home Energy Model will significantly influence future investment decisions.

Asset-level data quality will become increasingly important.

Early gathering of evidence will support exemption strategies.

Business plans should reflect a range of compliance scenarios.



Decent Homes Standard Reform

**The risk is not a lack of regulation.
It is overlapping regulation.**

For many RPs, the challenge is no longer managing individual compliance requirements. It is understanding how multiple standards interact and ensuring investment decisions deliver against several regulatory objectives simultaneously.

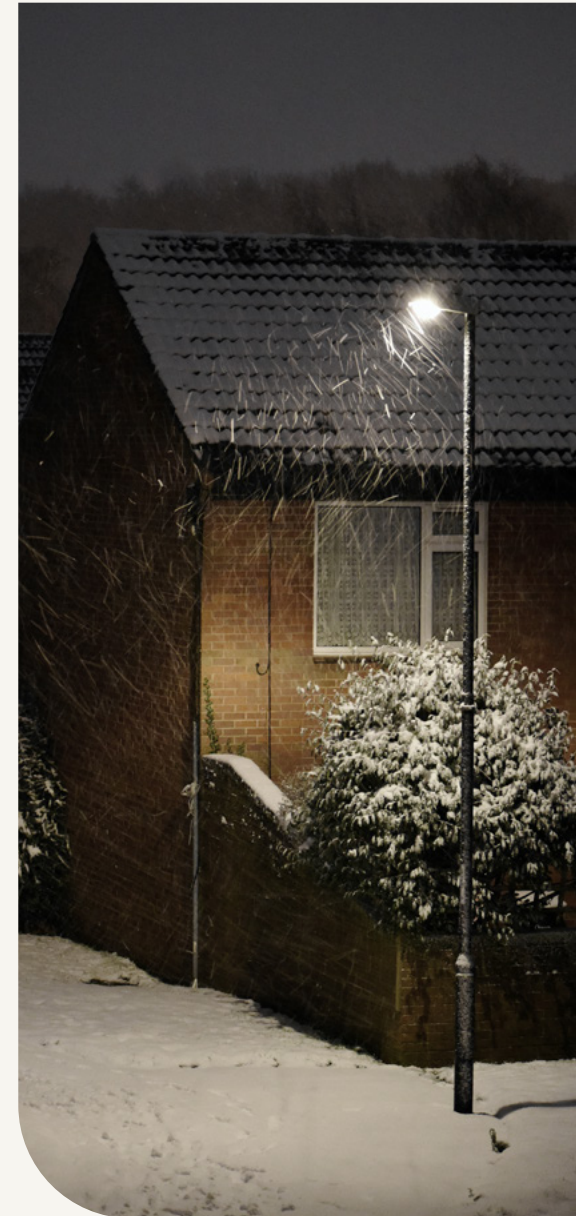
For the first time, the reformed Decent Homes Standard will apply universally to both the social and private rented sectors. Effective from 2035, the statutory minimum energy efficiency requirements will be legally incorporated directly within the Decent Homes “thermal comfort” criterion¹⁶.

The revised Housing Health and Safety Rating System (“HHSRS”) review guidance was published on 23 June 2026¹⁷. This updated framework strengthens the assessment of thermal efficiency and hazards from excess cold, reinforcing the expectation that landlords take proactive steps to address conditions that may adversely affect residents’ health and safety.

The interaction between the various regulatory regimes is creating uncertainty for RPs and making long-term investment planning more difficult. While reforms to energy efficiency, housing quality and resident safety are moving in the same direction, clear guidance about how these will operate together is still emerging. The potential lack of alignment between the various requirements, combined with rising construction costs, supply chain pressures and an increase in disrepair claims, is adding complexity and cost to retrofit programmes. As a result, providers can be forced into short-term compliance-led interventions rather than delivering coordinated, whole-stock decarbonisation strategies, which in turn can increase the overall cost of achieving net zero.



Alignment across regulations could improve compliance.



¹⁶ [The New Decent Homes Standard: policy statement, January 2026](#)

¹⁷ [Housing Health and Safety Rating System \(HHSRS\): Landlord and agent guide](#)

Direction of travel – Bevan Brittan view →

With the HEM not expected to be fully implemented until 2027, as we have mentioned above, RPs are making investment decisions against a regulatory framework that is still evolving. Homes that are upgraded to meet current standards may not align perfectly with future requirements, creating a risk that additional investment is needed later. As energy efficiency, housing quality and resident safety requirements become more closely connected, providers will need to take an increasingly holistic approach to risk management, capital planning and asset strategy:

Growing disrepair and litigation risk

Uncertainty around future measures and the interaction between different regulatory frameworks creates challenges. Areas such as thermal comfort, excess cold and energy performance are becoming increasingly important in both regulatory compliance and disrepair claims. Clear evidence, robust data and proactive asset management will help organisations strengthen their position and reduce exposure to disputes and enforcement action.

Greater scrutiny from investors and lenders

Investors and lenders are placing increasing emphasis on credible ESG strategies and reliable energy performance data. Regulatory uncertainty can make long-term financial forecasting and investment planning more complex. Providers that can demonstrate a clear understanding of their asset performance and future compliance pathway are likely to be better placed when seeking funding.

Increased supply chain costs:

Contractors are pricing in ambiguity, to guard against regulatory changes. This dynamic drives up costs and leaves RPs with reduced leverage in an inflationary market.

Key Takeaways

Decent Homes reform is bringing energy efficiency and housing quality closer together.

Regulatory overlap creates delivery challenges.

Providers are concerned about duplicate investment.

Long-term planning remains difficult without greater certainty.

Holistic asset strategies will become increasingly important.

Awaab's Law Phase 2

Awaab's Law is changing the relationship between housing quality and decarbonisation.

What was previously viewed as a long-term sustainability challenge is increasingly becoming a compliance and risk management issue.

Issues such as overheating, underheating and thermal performance now sit at the intersection of resident safety, legal risk and decarbonisation planning.

Phase 2 of Awaab's Law¹⁸ introduces strict statutory investigation and remediation periods across a wider scope of property hazards. The enforcement framework expands across three distinct operational phases:

Phase 1

(in force):

Enacted on 27 October 2025, establishing the initial statutory framework for responding to damp and mould hazards.

Phase 2

(upcoming):

Takes effect on 30 November 2026, extending prescribed timescales to hazards including excess cold, excess heat, falls, structural collapse, fire/explosions, electrical hazards, and domestic hygiene-related risks.

Phase 3

(planned):

Expected during 2027 and intended to bring most remaining HHSRS hazards within scope, excluding overcrowding. Non-statutory guidance and hazard-specific triage documentation have been published to support this rollout.



¹⁸ [Awaab's Law Phase 2: Guidance for social landlords](#)



Under the statutory framework, hazards fall within scope if they pose a significant risk to the health or safety of the actual resident currently occupying the dwelling. This subjective benchmark legally shifts the focus from objective property conditions to the personal, individualised health vulnerabilities of the resident.

To mitigate risk, RPs must have clear visibility about resident demographics and underlying medical conditions. However, residents are under no legal or statutory obligation to provide medical evidence. This restriction makes it difficult for a landlord to legally establish, or definitively disprove, whether a specific property condition constitutes an actionable, high-risk hazard.

Unlike localised defects such as damp and mould, thermal hazards (excess cold and excess heat) are dynamic. They stem from a complex interaction between building fabric, occupant behaviour, heating systems, and external macro-climate conditions. Consequently, during severe heatwaves or cold weather, these hazards can simultaneously manifest across substantial proportions of an

organisation's housing portfolio, increasing the possibility of overwhelming traditional reactive maintenance models.

Landlords face significant legal exposure due to the absence of objective statutory thresholds for environmental conditions. Without precise legal baselines, RPs cannot accurately differentiate between general weather extremes and an actionable statutory breach.



There's a lot for the sector to work out about what is an overheating hazard. Phase 2 of Awaab's Law only applies when a defect in the home is exacerbating the effects of heat waves, but it won't always be clear where that line should be drawn. At what point does it become an issue that we are legally required to address? We know that heatwaves affect a significant number of residents, but it's neither practical nor necessary to intervene in every case. The same challenge applies to underheating.

Registered Provider



Only **4%** of social landlords describe themselves as "very prepared" for Phase 2.

Sector intelligence from Housemark's May 2026 Monthly Pulse¹⁹ suggests that the sector is largely not ready for the introduction of Phase 2 in November 2026. Only 4% of social landlords who responded, describe themselves as "very prepared" for Phase 2, while 46% consider themselves only "somewhat prepared", which suggests that more than a quarter remain completely unprepared. The Monthly Pulse report suggests there is a misalignment between personnel skills and IT capabilities. While 80% of respondents indicated that they have invested in staff skills and capacity, only 57% possess IT systems capable of effectively collecting and reporting mandatory Awaab's Law data.²⁰



¹⁹ Awaab's Law: Housemark reveals confidence gap amongst landlords

²⁰ <https://www.insidehousing.co.uk/news/new-survey-data-highlights-confidence-gap-in-sector-readiness-for-awaabs-law-phase-2-97903> and <https://www.housingtoday.co.uk/news/next-phase-of-awaabs-law-to-come-into-force-in-november/5143162.article>

Direction of travel – Bevan Brittan view

The organisations most likely to succeed will view Awaab's Law, asset management and decarbonisation as interconnected challenges rather than separate workstreams.

Data-led governance, resident engagement and operational preparedness are becoming just as important as technical retrofit strategies.

Asymmetric Litigation Risk:

As residents are not required to produce medical certificates to trigger an inspection or claim, meaning RPs are left on the defensive. Legal teams will find it difficult to dismiss speculative disrepair claims or challenge local authority enforcement notices without solid baseline data.

Resident Data:

Traditional stock condition surveys alone are unlikely to provide the information providers need. RPs should consider how they can better understand resident vulnerabilities and identify higher-risk households before the November 2026 deadline, while maintaining appropriate GDPR and data privacy safeguards.

Reactive Maintenance:

The introduction of Phase 2 on 30 November 2026 will legally bind RPs to emergency repair timelines across complex categories like structural integrity and electrical safety. Providers should review whether existing contractual arrangements and service levels are capable of meeting these requirements and update contracts where necessary.

Bringing Decarbonisation and Repair Risk Together:

Thermal efficiency can no longer sit solely within long-term net-zero strategies. Homes with poorer thermal performance are more likely to be associated with excess cold and heat risks and may therefore attract greater regulatory scrutiny. Providers should align retrofit programmes with Awaab's Law risk assessments to ensure investments target both compliance and decarbonisation objectives.

Key Takeaways

Awaab's Law is expanding organisational risk exposure.

Energy efficiency and resident safety are increasingly becoming linked.

Collection and management of data is critical.

Existing reactive maintenance models may require revision.

Priorities for retrofit should focus on mitigating regulatory risk as well as delivering carbon benefits.

Heat Network Regulation

The government expects that heat networks will play a significant role in meeting national decarbonisation goals. Therefore, even if an RP does not have properties currently connected to a district energy network, this is likely to change in future. As a result, heat network compliance considerations should be addressed early in project planning rather than after procurement or construction has commenced.

Those that already operate and / or supply heat, hot water and / or cooling through heat networks have been regulated by Ofgem since 27 January 2026 and must comply with the "Authorisation Conditions".

Existing heat networks have interim authorisation, but formal registration must be completed by 26 January 2027. RPs need to have a clear compliance programme in place and be appropriately resourced to deliver that programme. The new requirements extend across areas including consumer protection, complaints handling, transparency, governance and operational performance, with Ofgem having powers to investigate and enforce (including fines and criminal sanction) for non-compliance. There are specific requirements including about pricing, metering, billing, debt management, and vulnerable consumer protections. Residents having potential recourse to the Energy Ombudsman if complaints are not addressed adequately²¹.

Any RP that operates and / or supplies heat, hot water and / or cooling through a district or communal heat network is likely to fall within the scope of the Regulations. Those affected include anyone who owns, manages or operates:



A district network serving more than one residential block or development;



A communal network serving apartments within a single building;

Importantly, the definitions in the Regulations are broader than many organisations expect. For example, being a supplier is not limited to organisations with standalone heat supply agreements. Heat supplied through tenancy agreements, leases, service charge arrangements or shared ownership structures may also fall within the scope of Regulations.

Given the complexity of many housing ownership and management structures, it is essential to understand precisely where regulatory responsibilities sit.

The new regulatory regime places customer experience at its heart. This means that any arrangements that touch on the experience of the end recipient of heat / hot water / cooling must be considered. The Authorisation Conditions also focus on organisational governance. While RPs are excluded from the application of certain Conditions because of oversight by the Regulatory of Social Housing, there are still various key governance requirements that must be evidenced.

²¹ [Countdown to the launch of new regulatory rules for heat networks](#)

²² [The Heat Networks \(Market Framework\) \(Great Britain\) Regulations 2025](#)

Organisations should consider whether existing documentation and processes are sufficient to demonstrate compliance. For many RPs, this will mean aligning heat network arrangements with broader consumer regulation and Tenant Satisfaction Measures.

Many RPs use third-party operators, maintenance providers, managing agents or energy service companies (ESCOs) to deliver heat network services to their residents. However, the Regulations still apply even where services are outsourced. It is particularly important to ensure that responsibilities for regulatory compliance are clearly allocated, and that acts or omissions by third parties do not put providers in breach of the Regulations.

Key Takeaways

Heat networks are an increasingly important decarbonisation technology.

Compliance obligations are increasing.

Resident experience is at the heart of the new regulatory framework.

Governance and contractual arrangements will become more important.



Direction of travel – Bevan Brittan view →

Complex Multi-entity Interfaces:

Where a heat network involves multiple entities in roles of operator, supplier a, the compliance requirements can create joint and several liability, since compliance cannot be contracted out. Providers will need to ensure clear lines of responsibility and understand which entity is required to take action if supply fails.

Compliance should be factored in early:

property assets will increasingly be connected to heat networks. Early consideration of what this means can reduce risk. Aspects such as operational responsibilities, procurement structures, resident protections, asset management requirements and long-term regulatory compliance costs should be considered.

Review of resident-facing arrangements is essential:

this includes looking at tenancy agreements, lease provisions, service charge arrangements, heat supply agreements, templates for resident communications and complaints policies to ensure these align with the Authorisation Conditions as well as the other regulatory considerations we have mentioned above.

Approaches to pricing and cost-recovery must be transparent, understood and documented:

The Authorisation Conditions require that RPs evidence that charges for heating and cooling are fair and not disproportionate. This means considering existing heat tariff structures, service charge recovery arrangements, leaseholder billing mechanisms, capital investment recovery and the treatment of major works costs including funding for future network upgrades.



Climate adaptation and emerging litigation

Climate adaptation is moving from future risk to present-day reality.

The housing sector increasingly recognises that decarbonisation and climate resilience must be considered together. Flood risk, overheating and extreme weather are already affecting homes, residents and investment decisions.

The NHF has prioritised climate resilience and committed to lead the sector on flood resilience and overheating. In June 2026 it worked with the Chartered Institute of Housing on a joint campaign to raise national awareness of overheating in homes²³. The NHF characterises overheating in UK homes as an unfolding public health crisis, with temperatures rising to levels that housing stock was not designed to accommodate.

Analysis by Arup, commissioned by the Climate Change Committee, indicates that half of UK homes are currently at risk of overheating²⁴. The Environment Agency estimates that 5.7 million properties in England are at risk of flooding, and that most of these will not be protected by flood defences²⁵.

“

Climate risk is hugely important. We're already seeing the effects of hotter summers, flooding and more extreme weather in London. Sustainability needs to be as much about adapting homes and places to a changing climate as it is about reducing carbon. Climate adaptation is becoming an increasingly important part of the challenge.

Registered Provider

Alongside physical impacts, organisations are beginning to consider a new category of risk: climate-related legal exposure.

“

An emerging area is potential litigation risk from climate hazards, or other legal risks from climate change starting to affect homes. Whether it's wildfires, overheating risk, or flooding starting to increase in severity and regularity, we need to understand the legal risks we might face. It helps us make decisions about what we prioritise with the limited funds we've got.

Registered Provider

²³ [National Housing Federation and Chartered Institute of Housing Overheating Campaign](#)

²⁴ [National Housing Federation Overheating in homes: why we're launching a cross-sector campaign](#)

²⁵ [The Environment Agency Tackling Flood Risk Inequality](#)



Direction of travel – Bevan Brittan view →

Climate adaptation needs to be treated as a core asset management consideration.

Development programmes, acquisitions, procurement decisions and insurance strategies increasingly need to reflect future climate resilience as well as current performance requirements.

Embed climate resilience criteria in development and major refurbishment contracts.

Development agreements, building contracts and employer's requirements should specify resilience performance (e.g. overheating risk assessments, flood resilience, water management) with performance measured and verified against outcomes, rather than relying on compliance with Building Regulations current at the date of construction.

Consider climate adaptation as part of acquisitions and merger due diligence.

Growth can bring both physical and legal exposure. Due diligence should assess flood risk, overheating exposure, historic hazard issues and the wider resilience of acquired stock alongside energy performance and any heat network connections. Identifying these risks early is likely to be more cost-effective than addressing them after completion.

Engage proactively with insurers using resilience data.

As insurers take a more detailed approach to assessing climate risk, organisations that can demonstrate the resilience of their housing stock are likely to be in a stronger position when negotiating cover and premiums. Where risks are becoming difficult or uneconomic to insure, providers should factor this into longer-term investment, disposal and asset management decisions.

Key Takeaways

Climate adaptation is rising rapidly up the strategic agenda.

Overheating and flood risk are becoming operational issues.

Climate-related litigation risks are emerging.

Resilience considerations should be embedded into investment planning.

Insurability may become a significant driver of future asset strategy.



Conclusion: Delivering Through Uncertainty

The housing sector has already demonstrated its commitment to decarbonisation.

RPs have invested heavily in improving existing homes, embraced challenging targets and continued to deliver despite rising costs and increasing regulatory complexity.

The focus is now shifting.

Success will not be determined by access to funding or the availability of technology. While these remain important, truly successful RPs will be those that can navigate evolving regulation, prioritise investment, manage risk and maintain momentum in service delivery over the long term.

The organisations making the strongest progress share common characteristics:



Strong governance



Robust asset data



Clear investment priorities



Effective procurement and contractual frameworks



A willingness to plan ahead despite regulatory uncertainty

The sector does not have an ambition problem.

It has a delivery challenge.

The organisations that invest now in governance, evidence and delivery capability will be best placed to respond to whatever regulatory framework ultimately emerges.



The housing sector is being asked to deliver on multiple national priorities at the same time, including increasing housing supply, improving energy efficiency and achieving net zero. We need policy and funding frameworks that work together and give housing providers the certainty to plan for the long term.

Registered Provider

Bevan Brittan advises RPs on heat networks and heat supply arrangements, energy service and ESCO structures, retrofit programme procurement and contracting, renewable generation and storage, and the regulatory framework applying to social landlords operating energy infrastructure. The firm's Housing team advises on Awaab's Law, the Decent Homes Standard, consumer standards and competence requirements, stock condition and hazard management, and the housing law dimensions of energy and service charge arrangements.



The next phase of decarbonisation will be defined not by the organisations with the most ambitious targets, but by those **best equipped to deliver against them.**



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