

Reduce bills, create clean power and decarbonise buildings

Our refreshed business plan: from
standalone Salix in 2026-27 through
to the Warm Homes Agency



Contents

| | |
|---|---------|
| 1. Introduction: Salix today | Page 3 |
| Chief executive's foreword | Page 4 |
| About us | Page 8 |
| Our continuing strategy | Page 9 |
| Our programmes and schemes | Page 11 |
| 2. Salix tomorrow | Page 16 |
| Our future strategy | Page 17 |
| Salix active in the design of the Warm Homes Agency | Page 18 |
| 3. Conclusion: Salix budget | Page 21 |
| Financial budget 2026-27 | Page 22 |
| Conclusion | Page 23 |



The 93kW twin-turbine 'Hydro Ness' hydroelectric generation system in Inverness

1. Salix today

salix
www.salixfinance.co.uk

Chief executive's foreword

2026 marks the start of a new chapter for Salix, as we refresh our strategy to reflect evolving government priorities and we prepare our business for the changes ahead.

We build from a position of strength, with over two decades of experience delivering complex decarbonisation programmes at pace and at scale. We provide consumers, partners and governments with effective delivery and good value for money.

Our ongoing plan builds on the 2025-26 to 2027-28 strategy, delivering decarbonisation in a dynamic world. The flexibility we highlighted has proven essential, enabling us to adapt quickly to external change while maintaining momentum across our live programmes and continuing to deliver value for the taxpayer. Salix remains a mission-led organisation, committed to delivering essential upgrades to the nation's homes and public buildings. We lower energy bills, improve comfort and safety and enhance wellbeing for the people and communities who use them.

Our objectives continue to be driven by our four strategic pillars: deliver decarbonisation, innovate our operations, expand partnerships and maximise impact. These pillars will guide how we continue to deliver for government while preparing the organisation for its next phase.

Salix is ready for change and to accelerate delivery in the new Warm Homes Agency

Throughout 2025, we worked collaboratively with government partners and were thrilled with the release of the Warm Homes Plan (WHP) in January 2026. The WHP lays out ambitious goals and we are proud to form part of the body which will deliver them.

In the Warm Homes Plan, Salix as-is will close to form a foundational part of a new Warm Homes Agency and our longer term plans will be integrated into the agency strategy. Salix's expertise in scheme delivery, technical assurance, grant and loan management, risk management and stakeholder engagement will be critical to the successful establishment and operation of the agency. The future scope and timings are subject to final approvals.



We have a clear plan, strong governance, and a proven ability to adapt while delivering results.



Kevin Holland
Chief executive

We are confident in the skills, knowledge and capability we bring to support communities as part of this transformation.

Our people are central to this journey. ‘Team Salix’ brings deep technical expertise, strong delivery discipline and a shared commitment to public service

We have delivered successful decarbonisation schemes for 20 years. Over the past year we have demonstrated our expertise and agility by also supporting new DESNZ priorities. These have included expanded audit, assurance and remediation activity across legacy housing programmes. These developments reinforced our flexibility, strong governance and unwavering focus on delivery.

Trusted delivery, strong partnerships and robust assurance remain Salix’s core strengths

Near term we continue to drive hundreds of live projects to completion, across England, Scotland, and Wales. Our programmes have delivered warmer, healthier homes, reduced fuel poverty, and provide more resilient public buildings. We received independent recognition, including two NISTA green ratings for the Public Sector Decarbonisation Scheme and the Home Upgrade Grant. This reflects the quality, assurance, and professionalism we bring. It is an achievement attained by fewer than 11 per cent of government major projects.

Over the past year, lessons from a wide range of legacy programmes delivered by different bodies have reinforced the importance of robust oversight. In line with National Audit Office (NAO) findings, Salix has supported DESNZ and Ofgem to identify and address failures in ECO4 and GBIS. Our proven delivery, oversight and engagement make Salix a trusted partner, preventing future systemic failures and supporting government energy efficiency goals. We have strong technical expertise across green energy, retrofit and novel technologies.

Tackling fuel poverty and the climate crisis today for a better tomorrow

Governments are accelerating efforts to reduce energy bills, improve home comfort, and protect the most vulnerable. Rising energy costs, including the recent severe impact of conflict in the Middle East, and extreme weather events over the past 12 months, have highlighted the urgent need to support households and public buildings. Record-breaking temperatures, floods, and storms have underlined the human, economic, and social impacts of energy vulnerability. The Warm Homes Plan reflects this reality: tackling energy affordability is inseparable from broader resilience and wellbeing.

As well as affordability, the Warm Homes Plan emphasises energy security, reducing reliance on fossil fuels and investing in home-grown clean energy. By improving

energy efficiency and accelerating deployment of technologies such as solar PV and heat pumps, the plan aims to ensure more energy is produced locally and in the home.

In this context, Salix's role in delivering practical, scalable solutions that improve the quality, efficiency, and safety of homes and public buildings has never been more important. Although there are uncertainties ahead, we are confident in our direction and agility. We have a clear plan, strong governance and a proven ability to adapt while delivering results.

Overall, our Salix strategy will remain focused on current delivery, on creation of and transfer into the Warm Homes Agency and on maximising the impact of the Warm Homes Plan from day one.



Kevin Holland
Chief executive



Solar panels installed on the roof of a building owned by the Royal Borough of Greenwich Council

Swansea University decarbonisation programme

Swansea University is accelerating its journey to net zero through a major programme of low-carbon investment supported by Salix and the Welsh Government.

Funded through the Digarbon scheme, the programme is modernising buildings, cutting carbon emissions and creating smarter, more efficient campus environments for students and staff.

As a large, multi-campus institution, Swansea faces a complex decarbonisation challenge. Its estate combines modern teaching and research facilities with historic, listed buildings, requiring a careful, evidence-led approach that balances carbon reduction, comfort, resilience and heritage protection.

Building on an £11.47 million Digarbon 1 programme, newly awarded £7.23 million Digarbon 2 funding allows the university to extend and accelerate low-carbon upgrades across its estate. At Bay Campus, LED lighting upgrades and intelligent controls are improving efficiency and comfort, while a whole-site approach to energy planning is embedding sustainability into long-term development.

Delivered by Salix, the Digarbon scheme supports public sector organisations across Wales to reach net zero by 2030. Swansea University is one of four higher education institutions funded through Digarbon 2, demonstrating how sustained, phased investment can drive meaningful decarbonisation at scale.



About us

We began life in 2004 and have more than two decades' experience of making buildings greener and cheaper to run while supporting organisations to decarbonise.

We are wholly owned by the UK government. We are a non-departmental public body under the sponsorship of the Department for Energy Security and Net Zero (DESNZ). We have offices in Manchester and London and employ around 200 people.

We deliver government funding schemes to support councils, schools, housing associations, hospitals and universities boost their energy efficiency, reduce their impact on the environment and save money.

These projects have delivered warm, safe, healthy and comfortable energy efficient homes and workplaces and have lifted households out of fuel poverty. We're passionate about our work and proud to support all our clients.

We work with the UK government, devolved administrations in Scotland and Wales and strategic mayoral authorities including the Greater Manchester Combined Authority.

As well as managing the funding schemes, we provide professional advice, expertise and support to grant and loan recipients throughout all stages of their projects.

We have a long history of providing loans. Salix has issued more than £380 million of loans over the last six years and more than £1.1 billion of loans in total.

Loans provide a fast track to project financing while providing good value for money to the taxpayer. We also offer assurance and insight and we influence by sharing knowledge and lessons learnt from project delivery to help improve future schemes and to shape policy development.

Our current status as a high-performing and expert arm's length body will adapt to the changing environment and form part of the Warm Homes Agency. The future scope and timings are subject to final approvals.

Our continuing strategy

We retain four strategic pillars which drive our priorities.



Deliver decarbonisation

We are dedicated to delivering our commitments for housing and public buildings schemes across England, Scotland and Wales. As a trusted partner, we will continue to manage taxpayer funds well, providing assurance and clear financial reporting. We will support our clients in responding to market challenges and new requirements as they arise.

Innovate our operations

We will build on our strengths and increase our capability and capacity accelerating new energy efficiency and low carbon technologies as well as embedding digital innovation internally. We will embrace our culture of purpose and agility so that our team is inspired and ready to redeploy resources and expertise to maximise our impact.

Expand partnerships

We aim to build on our trusted and effective partnership with the Department of Energy Security and Net Zero (DESNZ) to actively develop new collaborative partnerships, delivering thought leadership and market development. We are committed to support local and newly combined authorities in their journey toward achieving net zero and to continue our partnership with Scotland and Wales.

Maximise impact

We will maximise our impact towards decarbonisation of UK buildings by providing high quality, experienced-based perspectives and leveraging our unique market position, data and evidence to inform policies, practice and delivery of carbon savings. This approach will position us for long-term success, ensuring we remain competitive, agile, and well-equipped to support our clients in a rapidly evolving landscape.

Scotland's National Retrofit Centre upgrade

Scotland's National Retrofit Centre has been relaunched following a major low-carbon upgrade, demonstrating how targeted investment can unlock innovation and accelerate retrofit across the built environment sector.

Located at the BE-ST innovation campus in Hamilton, the centre has undergone a deep retrofit to improve energy efficiency and cut carbon emissions. Previously heated by gas, the building now uses solar photovoltaic and thermal panels alongside a heat pump, creating a zero direct-emissions heat system.

The project was part-funded by £1.2 million from Scotland's Public Sector Heat Decarbonisation Fund, delivered by Salix on behalf of the Scottish Government. The project has transformed a former gas-heated industrial unit at the BE-ST Innovation Campus in Hamilton into a live retrofit demonstrator.

Using a fabric-first approach, the upgrade has replaced the original heating system with an integrated zero-carbon solution combining solar, air and ground-source energy, alongside improved insulation, ventilation and energy-efficient systems.

This has significantly reduced energy demand and emissions, while creating a space where skills, innovation and collaboration can flourish.



Our programmes and schemes

Our programmes and schemes have invested over £4.9 billion for warmer homes and resilient buildings.

Our public sector programmes have delivered more than 9,000 projects.

Since 2004, we have administered grants and loans (interest-free and interest-bearing, single-term and revolving over varied loan periods). Since 2020, we have awarded funding totalling £3.7 billion to more than 1,466 projects through phases 1 to 4 of the Public Sector Decarbonisation Scheme. As at 1 April 2026, we are supporting 570 projects still in delivery with £833 million of grant funding to be paid over the next two years.

In 2025, our work was awarded with a National Infrastructure and Service Transformation Authority (NISTA) green rating for the Public Sector Decarbonisation Schemes (PSDS), that we administer for DESNZ. Only 11 per cent of the government's major projects were given a green rating, so this is a significant achievement.

Delivery of PSDS projects will continue through to March 2028, followed by scheme demobilisation and carbon tracking through to 2031.

We continue to broaden our reach and impact, including the Public Building Retrofit fund (PBRf) launched with Greater Manchester Combined Authority (GMCA) in 2025.

Public sector schemes in England

| | Pre 2025 | 2025 | 2026 | 2027 | 2028 | eCO2 | Value |
|-----------|----------|------|------|------|------|-------|-------|
| PSDS 3a | | | | | | 92kt | £613m |
| PSDS 3b | | | | | | 86kt | £604m |
| PSDS 3c | | | | | | 76kt | £611m |
| PSDS 4 | | | | | | 159kt | £816m |
| SEELS | | | | | | 471kt | £643m |
| Eng RF | | | | | | 258kt | £226m |
| LCSF | | | | | | n/a | £79m |
| GMCA PBRf | | | | | | 0.2kt | £17m |

PSDS: Public Sector Decarbonisation Scheme (phases 1 to 4) / SEELS: England Sector Energy Efficiency Loan Scheme / Eng RF: English Recycling Fund / LCSF: Low Carbon Skills Fund / GMCA PBRf: Greater Manchester Combined Authority Public Building Retrofit fund / eCO2: carbon savings achieved

Public sector schemes in Scotland and Wales

| | Pre 2025 | 2025 | 2026 | 2027 | 2028 | eCO2 | Value | |
|-------------------------|----------|------|------|------|------|-------|--------|--------|
| Scotland SEELS | | | | | | 16kt* | £33m* | |
| PSHDF 1 | | | | | | 2kt | £17m | |
| PSHDF 2 | | | | | | 0.9kt | | |
| Wales Funding Programme | | | | | | 45kt* | £111m* | |
| WRF | | | | | | 11kt* | £11m* | |
| Digarbon 1 | | | | | | 2kt* | £29m* | |
| Digarbon 2 | | | | | | | 0.5kt | £15m |
| Digarbon 2+ | | | | | | | 2.4kt | £26.6m |
| GB Energy Ymestyn | | | | | | 0.4kt | £6m | |
| GB Energy SSEELS | | | | | | 0.2kt | £5m | |

SEELS: Scottish Sector Energy Efficiency Loan Scheme / PSHDF: Scotland's Public Sector Heat Decarbonisation Fund / WRF: Wales Recycling Fund / Digarbon provides loan funding for tertiary education institutions in Wales / GB Energy Ymestyn supports renewable energy projects in Wales and GB Energy SSEELS is the Scotland Solar Energy Efficiency Loan Scheme / eCO2: carbon savings achieved / *lifetime figures

Our current housing schemes will come to a close and transition after completing 79,000 social housing retrofits.

In 2026-27, we will complete and demobilise Phase 2 of the Social Housing Decarbonisation Fund, after completing the Home Upgrade Grant schemes in 2025.

Together they have resulted in 79,000 warmer homes.

In addition, we will continue the extensive programme of audit and assurance on capital funded housing retrofit programmes. We are ready to support future housing schemes that the increasingly turbulent environment will require.

Housing programme in England

| | Pre 2025 | 2025 | 2026 | 2027 | 2028 | Value |
|------|----------|------|------|------|------|--------|
| SHDF | | | | | | £1.6bn |
| HUG | | | | | | £630m |

SHDF: Social Housing Decarbonisation Scheme / HUG: Home Upgrade Grant

Waverley Borough Council retrofit programme

Waverley Borough Council is delivering an ambitious home retrofit programme to improve energy efficiency, reduce residents' energy bills and cut carbon emissions. Supported by government funding, the programme is upgrading social homes across the borough while establishing a scalable model for future delivery.

Serving nearly 130,000 residents and managing around 5,000 social homes, the council faces a significant challenge in bringing older properties up to modern energy standards. As part of its ambition to be carbon neutral by 2030, improving existing homes is central to tackling fuel poverty, reducing emissions and supporting affordable living.

Funding through the Social Housing Decarbonisation Fund (SHDF) Wave 2.2 enabled the council to deliver a focused retrofit pilot. Delivered on behalf of the Department for Energy Security and Net Zero, the programme supports councils to improve housing quality while building confidence and capability for future phases.

Beyond carbon savings, the programme supports wider council priorities around sustainability, fairness and high-quality housing. By prioritising bill reduction alongside energy efficiency, the council is helping residents feel the everyday benefits of retrofit investment.

Through SHDF Wave 2.2, Waverley Borough Council secured £279,000 to upgrade 59 homes.



Extensive market analysis of multiple housing retrofit schemes shows the need for greater prevention, quality assurance and consumer protection

In 2025, the National Audit Office (NAO) published 'Energy efficiency installations under the Energy Company Obligations', after an extensive review of outcomes and challenges in government ECO4 and GBIS schemes funded by the energy companies and administered by Ofgem. The report highlighted systemic challenges completing retrofit installations, cited high error rates in some technologies (e.g. external wall installation) and made recommendations for future delivery.

Salix supported audits on capital schemes including Social Housing Decarbonisation Fund (SHDF) and Home Upgrade Grant (HUG) which demonstrated stronger compliance with significantly lower error rates than the obligations schemes.

With potentially 20 million homes across the UK needing retrofit work to meet net zero and affordability targets, deliver the UK carbon budgets and provide warm homes for all, work is needed to design and deliver high quality retrofit schemes of the future. Our ongoing strategy is to work collaboratively with DESNZ to assess the scale of the task and the optimal approach based on lessons learnt.

Our skilled people and proven processes deliver for our clients

We have a deep pool of market expertise and talent and operates to government standards.

Our people are the power behind Salix.

With a diverse mix of technical expertise, relationship management skills, and strategic experience, our team supports and drives the delivery of large-scale decarbonisation projects.

We are passionate about creating a sustainable future through impactful carbon reduction projects. This dedication drives our collaborative approach, ensuring our work is innovative, focused, and purposeful, helping clients deliver successful outcomes.

As of March 2026, Salix employs just over 200 people, with a majority (55%) in Manchester and the remainder in London. We operate across the UK, with our Manchester office aligned with the government's Places for Growth initiative, supporting closer engagement with communities outside London.

Our risk management and assurance frameworks ensure we operate to strong government standards.

In 2026, Salix updated its risk management framework to align fully with HM Treasury's Orange Book, embedding risk management as an integral part of leadership, governance, and decision-making. The updated framework provides

greater detail on how Salix identifies, assesses, and manages risks and opportunities across the organisation. We published our risk appetite to support decision making on risks and opportunities.

Under the Orange Book approach, we treat risk management not as a compliance activity but as a core enabler of strategic objectives. This alignment emphasises proportionate control, clear accountability, transparency, and active management of both risks and opportunities.

Embedding these principles across our strategy, programmes, and day-to-day operations ensures we safeguard public funds, deliver our objectives effectively, and continuously improve organisational performance.

Our upgraded commercial strategy ensures compliant procurement.

Salix adopts good commercial practice by acting in a professional, ethical, and financially responsible manner to achieve value for money.

Our commercial strategy is designed to proactively enable the organisation's future operating model, providing a coherent commercial framework that supports organisational readiness for the Warm Homes Agency.

Contract renewals and new commercial commitments are subject to enhanced strategic and commercial scrutiny to ensure compliance with government commercial function requirements.



2. Salix's future

Our future strategy

Salix will be central to the Warm Homes Agency, accelerating delivery of the ambitious Warm Homes Plan.

In January 2026, the government published the Warm Homes Plan (WHP) to reduce energy bills, increase homegrown clean energy and to deliver warmer homes. In 2027, (subject to approvals) DESNZ will set up a new body, the Warm Homes Agency (WHA), to scale up high quality delivery, drive transformation and improve consumer experience. With this transformation comes new opportunities, bringing together different functions from across government, including Salix.

“Salix (an existing non-departmental public body) will close and its functions, alongside some from within DESNZ and relevant roles in Ofgem, will be brought together into a single executive agency.”

The WHA will play an important role for both homes and non-domestic buildings across consumer advice and information, quality assurance, consumer protection, government scheme delivery (existing and future), support for local delivery (alongside new strategic authorities) and support for devolved administrations (Scottish and Welsh Governments).

The remit of the agency is ambitious, and we are proud that Salix will play a key role transferring skills and knowledge to the service of the communities across the UK. We will support the transfer of Salix functions and employees, with a major project approach.

The government’s vision for UK homes

- > Upgrade up to five million homes
- > Deliver over 450,000 heat pump installations per year
- > Lift up to one million households out of fuel poverty
- > Triple the number of homes with rooftop solar
- > Create up to 180,000 high-quality jobs



Our multiyear expertise and track record of successful delivery will form an integral part of delivering this strategy.

The Warm Homes Plan will focus on three ‘pillars’

An offer for everyone: first-ever zero and low-interest loans for bill-saving home upgrades such as solar and battery systems, expansion of the BUS scheme with £2.7 billion to 2030, £7,500 grants for heat pumps, and the first offer for air-to-air heat pumps.

Direct support for low-income families: free packages backed by £5 billion of government investment, including solar panels and batteries for eligible families and street-level social housing upgrades.

New protection for renters: minimum energy efficiency standards for private landlords and proposed standards for social landlords, enabling private renters to save on average £210 per year on energy bills. These measures could lift up to one million households out of fuel poverty.

Salix is active in the design and set up of the Warm Homes Agency

Salix is bringing its delivery expertise to the project teams designing how the WHA will work most effectively and at pace. We will ensure smooth transition for existing Salix programmes and projects from Salix into the WHA.

Our goal is to maximise WHA impact from day one, accelerating momentum before and after launch.

We will support WHA with a holistic, end-to-end solution that builds delivery confidence and accelerates early outcomes. From day one, we will leverage strategic partnerships to underpin a refined operating model that balances governance, accountability and effective delivery.

We will apply our proven approach to maximise impact and value for money, ensuring public funds deliver measurable environmental and social benefits from the outset.

Our one-year business plan 2026-27 turns ongoing strategy into short term action

We will focus on delivery, help create the WHA and maximise its impact.

Guided by our four strategic pillars, we will align focus and resources to support the accelerated transition to the Warm Homes Agency. Additionally, throughout 2026-27, Salix will reinforce our focus on three areas:

- protect and grow customer-focused delivery
- enhance people development and retain talented workforce
- accelerate next generation technology and digital innovation

Protect and grow customer focused delivery

What: We will deliver high-quality, consistent, and impactful services across public sector buildings and homes, ensuring the best possible outcomes for our customers. Our offer will be positioned for a devolved funding landscape, enabling effective delivery within locally commissioned and mayoral authority models, while continuing to support net zero and broader decarbonisation goals. We will pursue sustainable growth by securing new business aligned to our capabilities and public sector priorities across England, Scotland, and Wales.

How: We will embed customer-centred delivery and strengthen organisational capability to maximise the impact of energy efficiency and decarbonisation projects.

We will operate flexibly within devolved models, building on our work with the Greater Manchester Combined Authority to offer clearly defined services adaptable to different local funding and commissioning arrangements. A standardised core delivery model for retrofit and clean energy programmes will enable scale, agility, and cost-effective delivery across multiple schemes. Additionally, we will enhance our project development to align with government priorities and allow us to secure and deliver future programmes.

Enhance our people development and retain our talented workforce

What: We will build a future-ready workforce that is empowered to succeed and address the emerging priorities of the Warm Home Agency. By strengthening both technical and leadership capacity, we will enhance organisational capability and resilience. Our agile, flexible workforce will remain 'here to help'.

How: We will invest in skills and leadership development, building on the 2025 organisation-wide skills analysis and skills matrix to provide clear development pathways and targeted management programmes.

All employees will be offered Retrofit training as part of the 2026-27 programme to reinforce our core skills. We will also actively listen to employee insight and build on the 2025 employee forum and engagement survey.

Accelerate next generation technology and digital innovation

What: We will accelerate the adoption of next-generation technologies in decarbonisation and energy efficiency, supporting clients to deploy emerging solutions.

How: Our focus will include geothermal energy, scalable UK solutions, heat networks and low-carbon heating systems, and broader horizon scanning for innovations in building design, energy efficiency, and low-carbon systems.

We will invest in team development and technical capability to provide up-to-date guidance, assess novel technologies, and deliver high-quality technical assurance, strengthening partnerships and mobilising private finance.

How: On the digital front, we will enhance IT infrastructure, strengthen cybersecurity, and modernise operational systems to deliver a smooth, secure client journey.

We will transition to the government-owned integrated grant management platform, improving efficiency and governance across schemes while maintaining operational continuity. Improvements to data management, including a formal data lifecycle and retention policy, data maturity assessment, and integration with a new grant management platform, will turn data into actionable insight, enhance decision-making, and support effective programme delivery.

Our plan is based on several assumptions with our actions determined by our risk appetite

Our plan is founded on assumptions and external decisions that may change, including:

- government funding and policy prioritisation
- choices and decisions on alternative delivery pathways
- changes in responsibilities through changing devolution
- availability of cost effective supply chains for quality delivery
- consumer preferences
- affordability of potential actions
- adoption of innovative technology

Our [risk appetite](#) was published in February 2026 and is used as part art of our [risk management framework](#) to prioritise our corporate risk register to identify and mitigate risk in our delivery plans. We publish highlights in our annual report.

University of York deep geothermal project


With our support, the university of York is exploring deep geothermal energy as a reliable, low-carbon heat source for its campus. The project combines rigorous technical investigation, student skills development and strong community engagement to create a replicable model for the higher education sector.

Decarbonising heat is one of the most complex challenges facing large public sector estates. For the University of York, any solution needed to deliver reliable, year-round low-carbon heat, integrate with existing heat networks and be underpinned by robust technical evidence to ensure safety, value for money and stakeholder confidence.

Our funding enabled the university to move from ambition to action. By supporting early-stage exploration, we helped unlock specialist expertise, de-risk technical uncertainty and create the evidence base needed to make informed decisions about deep geothermal heat as part of the University's long-term net zero strategy.

With our support, the university commissioned a large-scale 3D seismic survey across campus east and surrounding areas, delivered by specialist contractor Echo Geo. More than 4,800 seismic nodes were deployed across a 30km survey area, alongside a gravity survey delivered with the British Geological Survey.





3. Conclusion: Salix budget

Financial budget 2026-27

Our smaller initial financial budget reflects a reduced programme of activity compared to last year.

Alongside the business plan, we have prepared a delivery budget for 2026-27 to provide continuity from our 2025-26 plan. DESNZ has approved an initial budget (see below). More may be added to it during the year as new or extended activities are agreed.

Our approved resource DEL budget for 2026-27 is £22.2 million.

This includes our operating costs but doesn't currently include potential project costs for the move to the Warm Homes Agency. Nor does it include the cost of developing and migrating to future government standard grant management platforms, which would be budgeted within ICS. We will work in partnership with ICS to manage these developments.

The budget represents a 27 per cent reduction (£8.2 million) on our 2025-26 budget, driven by decreasing housing delivery partner costs as the Home Upgrade Grant (HUG) is now fully demobilised and the Social Housing Decarbonisation Fund (SHDF) reaches closure stage.

As the plans for the Warm Homes Agency progress, we may need to adapt.

Financial budget 2026-27

| | Public sector £m | Housing £m | Corporate £m | Total £m |
|------------------------------|---------------------|---------------|-----------------|-------------|
| Pay | 4.3 | 1.2 | 8.6 | 14.1 |
| Non-pay | 0.6 | 3.2 | 5.6 | 9.4 |
| Total | 4.9 | 4.4 | 14.2 | 23.5 |
| Funded by external customers | (0.8) | - | (0.5) | (1.3) |
| Funded by DESNZ | 4.0 | 4.4 | 13.7 | 22.2 |

Conclusion

Overall, our Salix strategy will:

- 1) remain focused on current delivery
- 2) support the creation of the Warm Homes Agency
- 3) maximise the impact of the Warm Homes Agency and Warm Homes Plan from day one

This strategy sets a clear direction for how Salix will respond to the opportunities and responsibilities created by the Warm Homes Plan. It establishes a coherent framework for delivery that aligns national ambition with local action, and strategic intent with operational capability. Bringing together strengthened governance, efficient delivery models and a scalable service offer, we have built the foundations for delivery at pace and at scale, while maintaining accountability, quality and value for money.

Leading into the launch of the Warm Homes Agency, we will continue to adapt, innovate and collaborate. We will remain responsive to external change, grounded in evidence and data and committed to continuous improvement. We clearly recognise an even more dynamic and changing environment than last year. We will adapt our action plan through the year accordingly.

Above all, we will keep a clear focus on outcomes that:

- 1) support the delivery of the Warm Homes Plan
- 2) accelerate progress towards net zero
- 3) improve the lives of households through a fair, inclusive and sustainable transition



New energy-efficient lighting installed at the London School of Health and Tropical Medicine



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