

# Boost for innovative heat pump projects to drive cleaner heating

- More than £15 million awarded by government across 24 innovation projects to make low carbon heating like heat pumps cheaper and easier to install
- accelerating heat pump rollout will help households move away from using costly fossil fuels and supports target of installing 600,000 heat pumps a year by 2028
- funding will create more than 300 jobs and comes alongside government's Boiler Upgrade Scheme which provides grants of £5000 towards cost of installing a heat pump

Innovations to make heat pumps cheaper and easier to install have been backed by more than £15 million in government funding, helping accelerate the UK's move away from fossil fuels.

The funding is part of the government's £60 million Heat Pump Ready programme, which is developing innovative solutions for reducing barriers to the rollout of low carbon technology in homes and businesses across the UK.

A total of 24 projects in England and Scotland have won funding in the second round of the Heat Pump Ready programme.

This funding comes alongside the government's £450 million Boiler Upgrade Scheme, that provides £5,000 grants to homeowners towards the cost of a heat pump, and a zero rate of VAT for installing clean heating measures and will make it an even more affordable option for people looking to replace a gas or oil boiler in their property.

Heat pumps are already a proven technology that is much more efficient than traditional fossil fuel boilers and provide a reliable, low carbon heating solution for households.

Business and Energy Minister Lord Callanan said:

In light of rising global gas and oil prices, getting low-carbon heating technology into homes is a priority for this government as it will help households ditch the costly fossil fuels that are driving up bills.

Heat pumps are a proven, reliable technology that uses cheaper renewable energy produced in the UK. We are already bringing costs down through the Boiler Upgrade Scheme and slashing VAT to zero, but by finding innovative ways to make them even cheaper and easier to install, we will help more homes see the benefits even quicker.

The key objectives of Heat Pump Ready are to reduce costs and increase the performance of domestic heat pumps, minimise disruption in homes during the process of heat pump installation and develop financial models that support an increase in heat pump deployment.

Innovation support is one part of the government's strategy to help bring low-carbon heating technology to the mass-market and supports the target of installing 600,000 heat pumps a year by 2028.

Industry estimates that the UK heat pump market grew nearly 50% last year and along with the Boiler Upgrade Scheme, Heat Pump Ready is part of a wider package of policies the government is introducing to scale up deployment and support industry to reduce the costs of heat pumps.

Projects being supported by this stream 2 funding include one in Harrogate in North Yorkshire that is using data from smart meters to help optimise the running of a heat pump in a household energy system, a scheme in Truro in Cornwall that is looking to develop efficient and ecological refrigerants that are used in heat pumps and a project in Thame in Oxfordshire looking at ways to reduce the costs of installing and running a heat pump.

The £15 million stream 2 funding supports 37 small and medium enterprises across the 24 projects in England and Scotland, will support the creation of more than 300 jobs and will leverage £6.5 million of private investment.

Stream 2 of the Heat Pump Ready programme comes alongside streams 1 and 3. Stream 1 is providing over £2 million of funding across 11 projects developing feasibility studies for innovative ways to increase the deployment of domestic heat pumps within their local area. In their applications for Phase 1, project teams have estimated a potential cost reduction of at least 20% could be achieved through coordinated deployment.

Heat Pump Ready is part of the £1 billion Net Zero Innovation Portfolio (NZIP) and funding was announced in October 2021 alongside the Heat and Building Strategy.

As a result of the strategy and with help from projects receiving funding through the Heat Pump Ready programme, the government is confident that, as the market for low carbon heating grows, the cost of technology will fall rapidly. Working with industry, the government is aiming for heat pumps to cost the same as fossil fuel boilers to buy and run by 2030 at the latest with big reductions of at least 25-50% by 2025.

[The 24 projects receiving funding through Stream 2 of the Heat Pump Ready programme.](#)

[Stream 1](#) of Heat Pump Ready is providing over £2 million of funding across 11 projects in Newcastle, Sunderland, Leeds, Oxford, Greenwich, Bristol, Teignbridge, Fenland, Perth, Cherwell and Bridgend. These projects are working to develop feasibility studies for innovative ways to increase the deployment of domestic heat pumps within their local area. Projects will then use their project findings to apply for up to £9 million for Stream 1, Phase

2, to trial the solutions they have developed.

[Stream 3](#) of Heat Pump Ready is providing up to £5 million of funding to support learning across the Heat Pump Ready Programme so evidence can be shared across participants and with external heat pump stakeholders. The £450 million [Boiler Upgrade Scheme](#) (BUS), which opened to voucher applications in May 2022, aims to incentivise people by offering grants of £5,000 toward the upfront cost of the installation of an air source heat pump, and £6,000 for a ground source heat pump.

The [government has launched an online service](#) to help households make informed choices on installing low carbon heating, including heat pumps, and upgrading the energy efficiency of their homes, as part of its 'Help to Heat' support.

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## [Green heating consumer protection to come under scrutiny](#)

The Competition and Markets Authority (CMA) has launched a call for information looking at consumer experiences and business practices in the green heating and insulation sectors. It will explore whether action is needed to help ensure consumers are treated fairly and businesses are supported to meet their obligations under consumer protection law.

Heating millions of homes across the country accounts for about 17% of the UK's carbon emissions. With this in mind, more people are taking steps to switch to greener forms of heating, and to insulate their homes, to help reduce their carbon footprint. With better insulation, many are also seeking to reduce household energy bills.

The CMA is concerned about the potential for poor practices, such as making misleading claims about potential cost savings, product performance and suitability – particularly when selling newer, next generation technologies. Consumer groups have already raised concerns, including that consumers have a limited understanding of some newer green heating products and the process for buying them can be complicated and confusing.

It is crucial that the many businesses stepping up to offer homeowners green solutions are clear on their obligations under consumer protection law, as they support the UK's aim to hit net zero by 2050.

The CMA wants to hear about consumer and business experiences of buying or selling home insulation (including wall, loft and spray foam), as well as existing and newer next-generation green home heating technology:

- Home solar – systems that are typically installed on roofs to generate

electricity or heat water

- Heat pumps – draws heat from the outside air or from pipes buried in the ground and increase it to a higher temperature for use in the home
- Biomass boilers – boilers that use renewable sources (for example, wood pellets), as fuel to heat homes
- Hydrogen-ready boilers – boilers that use natural gas when initially installed but are specifically designed to be simply converted later to use 100% hydrogen instead

Sarah Cardell, the CMA's Interim Chief Executive, said:

Reducing energy use is at the top of everyone's agenda – be that because of rising bills, climate change or both.

To help more people move to green heating and better insulate their homes, it's essential that businesses understand and follow their legal obligations when selling and installing. That way, consumers can be confident they are being treated fairly.

That's why we want to hear from consumers, businesses and other key groups about their experience now, so we can root out any problems early on and avoid them in future.

Gillian Cooper, Head of Energy Policy for Citizens Advice, added:

Making our homes greener is key for us to reduce dependency on expensive gas and bring down our energy bills in the long-run. But people need to feel confident about installing new technology, like heat pumps and solar panels.

Strong consumer protections must be in place in case the installation goes wrong. It's essential to find out about any challenges people are facing, so that problems can be fixed.

Consumers, businesses and other interested groups are invited to [share their views through a questionnaire](#) by 1 November 2022.

All updates on the CMA's work in this area can be found on the [Green Heating and Insulation](#) case page.

Separately, the CMA has an ongoing investigation into [misleading environmental claims](#) and is [currently prioritising the fashion sector](#).

1. The figure relating to home heating representing about 17% of all UK carbon emissions is from [BEIS \(2021\) Heat and Buildings Strategy \(CP388\)](#).
2. The CMA carries out calls for information under its general review

function in section 5 of the Enterprise Act 2002. This call for information is open from 8:30am on Tuesday 27 September for responses until 1 November 2022. The CMA expects to report on its findings in Spring 2023.

3. The CMA will look at the feedback from consumers, businesses, and other interested parties to inform its outputs and assess next steps. This could include for example, issuing guidance for businesses in the green heating and insulation sector to help ensure compliance with consumer protection law.
4. The call for information focuses on the promotion, sale and installation of 4 home heating technologies which are particularly relevant to Net Zero and expected to become more common in households over time. It is also looking at home insulation, which is an important way of making homes more energy efficient and may be necessary in some homes before installing a heat pump. This does not include other heating or energy efficiency products such as heat networks, or double and triple window glazing.
5. Media queries should be directed to: [press@cma.gov.uk](mailto:press@cma.gov.uk) or 020 3738 6460.

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## [PM call with Crown Prince Mohammed bin Salman: 26 September 2022](#)

Press release

Prime Minister Liz Truss spoke to Saudi Arabia's Crown Prince Mohammed bin Salman.



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Salman this afternoon, in their first call since she took on the role.

The Prime Minister thanked the Crown Prince for his personal role in securing the release of five British detainees held by Russia-backed forces in Eastern Ukraine last week, to the great relief of their families.

They discussed the strategic partnership between the United Kingdom and Saudi Arabia across a range of issues, including cooperation on defence and energy security. The leaders welcomed progress in ending the conflict in Yemen and agreed on the importance of continuing political dialogue to extend the truce.

The Prime Minister reiterated her focus on agreeing a strong UK-GCC trade deal and growing bilateral trade and investment in areas like aviation and clean technology. She also offered the UK's continued support and encouragement for progress in Saudi Arabia's domestic reforms.

The Crown Prince extended his sincere condolences on the death of Her Majesty the Queen, and the leaders looked forward to continuing to grow the strong relationship fostered during her late Majesty's reign.

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