



Rothesay

## **National Wealth Fund and The Housing Finance Corporation launch new unsecured debt facility for social housing retrofit with £150m commitment from Rothesay**

**The National Wealth Fund (NWF) has today confirmed an initial £150m financial guarantee to support The Housing Finance Corporation (THFC) to make long-term, unsecured loans to help registered providers (RPs) retrofit their social housing stock in the UK.**

The NWF's guarantee unlocks long-term unsecured capital for RPs at pricing usually reserved for secured lending. This partnership represents the first occasion that the NWF has provided guarantees for this purpose to bond market investors. As a result of the NWF's support, Rothesay, the UK's largest specialist pensions insurer, has committed to provide THFC with 100% of the initial £150m investment.

THFC and the NWF hope to grow the scheme to £250m over the next 6 months depending on take-up.

Giving bond market investors access in this way helps accelerate the retrofit of social housing stock across the UK, thus significantly reducing both the sector's energy consumption and emissions.

Retrofit loans provided by THFC can be used by social housing providers across the country for the installation of low carbon heating, insulation, low carbon lighting, renewable energy, ventilation and heating controls, as well as work on resilience measures and biodiversity.

Ambitions to curb greenhouse gas emissions require a significant retrofitting effort, yet high upfront costs are often prohibitive for low-income households. As social housing is concentrated under RP and RSL (Registered Social Landlord) ownership, retrofit of these properties can be rolled out at scale faster than those in other forms of housing tenure. This means investment in the sector has an important role in helping the UK reach its net zero ambitions.

Currently, 34% of socially rented homes in England have an Energy Performance Certificate (EPC) rating below C, with social housing representing almost 15% of all homes in fuel poverty in the UK. It is estimated by the National Housing Federation that close to £36bn of investment will be needed to fully decarbonise housing association properties.

### **Chancellor of the Exchequer, Rachel Reeves, said:**

"Growth to get more money in people's pockets is my number one priority. This new partnership will unlock £150m in private investment and create further jobs, building on the 6,500 jobs already expected in the retrofit sector across the UK, so more people can get sustainable, high-quality, energy efficient social housing.



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"The National Wealth Fund is mobilising billions of pounds of investment in our world-leading industries, creating jobs and kickstarting economic growth, as we deliver on the country's priorities in our Plan for Change."

**John Flint, NWF Chief Executive Officer, said:**

"This is another example of the NWF working collaboratively with the private and public sector to provide practical solutions to complex financing problems. The launch of a long-term, attractively priced, unsecured offer into the market by THFC, will accelerate uptake and increase the ambition of projects in retrofit. Our support for THFC builds on our work in the sector, helping mobilise long-term institutional capital like Rothesay's into social housing retrofit which will give confidence to both the sector and associated supply chains."

**Priya Nair, THFC Chief Executive said:**

"As the largest provider of institutional capital to the social housing sector, THFC is committed to solutions that enable the industry to improve homes and create sustainable communities across the UK. Partnering with the NWF on this innovative approach to retrofit funding will bring significant benefits to the sector. The collaboration will help decarbonise the social housing sector and support the country's net zero ambitions."

**Tom Pearce, Rothesay Chief Executive, said:**

"As a long-term investor in the UK, Rothesay is pleased to provide the funding for the launch of this new facility, supporting housing associations across the country to access the investment they need to reduce their environmental impact. Innovative partnerships like these have the potential to unlock significant volumes of institutional capital and we are committed to continuing to work with the NWF and THFC to support the growth of the facility along with other future initiatives."

**- ENDS-**

**Notes to Editors**

For more information on the NWF, please contact Catherine Leonard and Archie Hart at: [press@nationalwealthfund.org.uk](mailto:press@nationalwealthfund.org.uk)

For more information about the Retrofit Funding scheme, please contact: [info@thfcorp.com](mailto:info@thfcorp.com)

For more information about Rothesay, please contact Alex Child-Villiers +44 (0)7795 425580 or [rothesay@templebaradvisory.com](mailto:rothesay@templebaradvisory.com)

**About NWF**

The National Wealth Fund (NWF) was transformed from the UK Infrastructure Bank (UKIB) on 14th October 2024. The NWF will have an expanded remit beyond infrastructure in support of the Government's industrial strategy. With additional financial capacity and an enhanced risk budget, the NWF is capitalised with £27.8bn to mobilise private capital around the Government's strategic priorities, enabling the market to invest with confidence in clean energy and growth industries. The NWF is wholly owned by HM Treasury but is operationally independent



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from government. The development of this guarantee product with THFC forms part of ongoing efforts to improve financing to the social housing sector, a fundamental pillar of the Government's warm homes plan.

### **About THFC**

THFC has been the UK's leading affordable housing aggregator for more than three decades, providing innovative funding solutions for over 150 housing associations across all four nations of the UK. THFC has amassed a near £8bn loan book to date and continues to expand its range of financial products to serve the needs of the social housing sector. THFC has made significant contributions toward solving the UK's affordable housing crisis, having funded 32,000+ homes under Affordable Housing Finance Plc, which oversaw the government's initial Affordable Housing Guarantee Scheme. The aggregator launched bLEND in 2018 and unveiled THFC Sustainable Finance (TSF), a sustainable finance vehicle, in 2023.

### **About Rothesay**

Rothesay is the UK's largest pensions insurance specialist, purpose-built to protect pension schemes and their members' pensions. With over £68 billion of assets under management, we secure the pensions of more than one million people and pay out, on average, approximately £200 million in pension payments each month.

Rothesay is dedicated to providing excellence in customer service alongside prudent underwriting, a conservative investment strategy and the careful management of risk. We are trusted by the pension schemes of some of the UK's best known companies to provide pension solutions, including British Airways, Cadbury's, the Civil Aviation Authority, the Co-operative Group, National Grid, Morrisons and Telent.

Rothesay refers to Rothesay Limited and its subsidiaries and is the trading name for Rothesay Life Plc, an insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Further information is available at [www.rothesay.com](http://www.rothesay.com).