

7 July 2025

Lloyds Banking Group and Peabody partner on £60 million loan to retrofit thousands of social homes

- *Deal is the largest to date under the National Wealth Fund's £1.3bn social housing retrofit guarantee scheme*

Lloyds Banking Group and Peabody have today announced a £60m loan agreement to fund the sustainable retrofit of thousands of social homes across London and the Southeast.

The loan, partially guaranteed by the National Wealth Fund (NWF) is the largest issued to date under the government-backed £1.3bn social housing retrofit guarantee scheme. The new and pioneering partnership between the public and private sector aims to deliver warmer, greener homes for social tenants, while supporting the UK's broader net zero ambitions.

The funding will enable Peabody to carry out bespoke energy efficiency upgrades, including wall and loft insulation, low-energy lighting, heat pumps, solar panels, flood resilience measures, and water-saving technologies.

The announcement comes as the Group's Chief Executive Charlie Nunn, hosted The Social Housing Forum earlier today, which convened leaders from housing, finance, government and the third sector to discuss new approaches to modernising the UK's housing stock, including accelerating the retrofit of social housing.

Phil Day, Chief Financial Officer at Peabody, said: "This additional funding is very welcome and will help us improve the energy efficiency of more residents' homes, making them easier to keep warm and helping us meet our net zero targets. Our new Group Strategy focuses on three areas, one of which is providing better homes and places, and we're pleased to be able to work with Lloyds to help deliver on our goals."

Jess Tomlinson, Global Head of Real Estate & Housing, Lloyds Banking Group said: "Accelerating the retrofit of the country's social housing stock is a critical step in the UK transition to a low carbon economy. We're proud to be working in partnership with the National Wealth Fund to enable housing associations, like Peabody, to provide more energy-efficient and cost-effective homes across the UK – helping improve health, work and home life for thousands of social housing residents."

Stuart Nivison, Head of Portfolio Management, National Wealth Fund, said: "We're pleased to see our financial guarantee scheme in action, playing an important role in this significant transaction between Lloyds and Peabody. The scale of the retrofit challenge facing the social housing sector is clear, and by working in partnership with Lloyds we can help registered providers like Peabody access the financing they need to accelerate the delivery of warmer, greener homes for their tenants."

Contact

Peabody Case Study:

Warmer homes and lower bills for Islington residents

More than 300 Peabody homes on the Palmer Estate in Islington are now warmer, less drafty, and safer thanks to new insulation, windows, roofs, and lighting and heating controls.

The improvements are part funded by the government's Social Housing Decarbonisation Fund (SHDF), an initiative aimed at improving the energy efficiency of social housing. Together, all the measures have significantly improved the energy efficiency of those residents' homes.

"The property is much warmer," said one Palmer Estate resident after having new windows put in. "The noise from the bus garage (opposite) has reduced and they make the house look much better." She also said she feels safer as the windows have good locks.

ENDS

Notes

About Lloyds Banking Group

Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers.

As part of the Group, Lloyds Bank provide expert financial support and guidance to the households, businesses and communities of Britain.

We help businesses from all parts of the UK, and across all different sectors and sizes, giving them the funding and support they need to grow both at home and abroad.

We're also helping British businesses transition to net zero, providing £26.5bn of sustainable finance to our business customers since 2022.

Through relationships with over 300 Housing Associations, we have provided over £20bn of new funding in the social housing sector over the past five years.

About Peabody

More than 160 years after it was established, Peabody is one of the oldest not-for-profit housing associations in the UK.

Contact



The Peabody Group is responsible for more than 108,000 homes, with around 220,000 residents across London and the Home Counties. We also provide care and support services to around 23,000 customers.

Our purpose is to help people flourish, and we are getting closer to residents by taking a local approach.

We are committed to delivering a responsive and easily accessible repairs service and investing in our existing homes so they are safe and well maintained. Our retrofit projects will make thousands of our homes more energy efficient.

We work with councils and communities to promote economic inclusion, tackle inequality and poverty, and prioritise wellbeing.

Our rents were £721m lower than the market in 2023-24. With an average rent of £137 per week in London and the South East, we offer significant value for residents and communities.

We are also committed to building much-needed affordable homes.

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