



ECO4 and GBIS

a guide for local authorities

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Today we'll cover



ECO overview - ECO4 Vs ECO3

GBIS overview

Eligibility - ECO Flex, SOIs

Calculating ECO Funding

Measures



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Why local authorities should get involved?

ECO and GBIS are a lifeline for fuel poor residents.

Energy bills remain high and this winter will be a struggle for many - almost £1,000 higher than two years ago.

British Gas has said household energy bills are likely to remain high for the foreseeable future as wholesale market prices remain at more than double the normal level.



***“This remains one of the most difficult and volatile periods in history for energy consumers.”
Ofgem, July 2023***

Why local authorities should get involved?

ECO4 and GBIS will provide much needed support for:

- Disability and illness
- Low incomes
- Older people
- Families, children and young people



“This remains one of the most difficult and volatile periods in history for energy consumers.”
Ofgem, July 2023

Why local authorities should get involved?

Reaching residents that aren't eligible for other schemes:

- Home Upgrade Grant (HUG2)
- Social Housing Decarbonisation Fund (SHDF)
- Boiler Upgrade Scheme (BUS)
- Winter Fuel Payments/ Warm Homes Discount/ Cold Weather Payments



“This remains one of the most difficult and volatile periods in history for energy consumers.”
Ofgem, July 2023

Why

local authorities should get involved?

Householders are rightly wary of funding offers.

Local authorities can use their trusted voice, brand and network to deliver the help.

Residents take notice, as it is a brand they recognise and connect with regularly.



“Is this a scam?”

Why

local authorities should get involved?

The schemes provide a clear opportunity for local authorities to work towards net zero objectives and respond to climate emergency declarations.

By working pro-actively with partners from all sectors and honing knowledge and expertise, local authorities will be able to create effective schemes that cut carbon and reduce fuel poverty.



ECO overview



What is ECO?

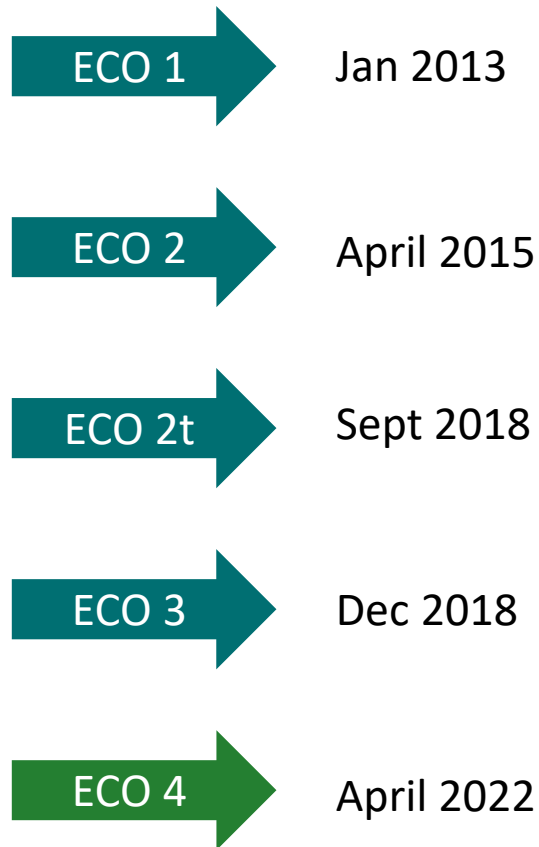
Back to basics

ECO funding is for domestic energy efficiency measures in fuel poor households.

GB wide.

Designed to reduce CO₂ and alleviate fuel poverty.

Energy companies (150,000+ customer accounts) are obligated to provide funding.

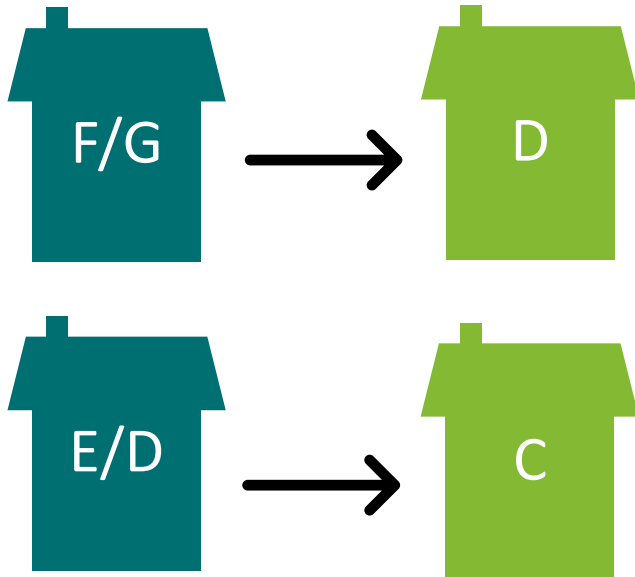


Changes from ECO3



ECO4	ECO3
Mandatory 'whole house' approach	Funding for individual measures
Eligibility connected to EPC rating	Limited EPC requirements
Mandatory EPC improvements	EPC improvements not monitored
Funding values determined by 'Annual Bill Savings'	Funding values determined by 'Lifetime Bill Savings'
Only means tested benefits qualify via the benefit eligibility route	Wider list of benefits (including Disability Benefits) qualified via the benefit eligibility route
50% LA Flex	25% LA Flex
Tight LA Flex criteria	Loose LA Flex criteria

Minimum requirements



Minimum requirements

=

multi measure approach

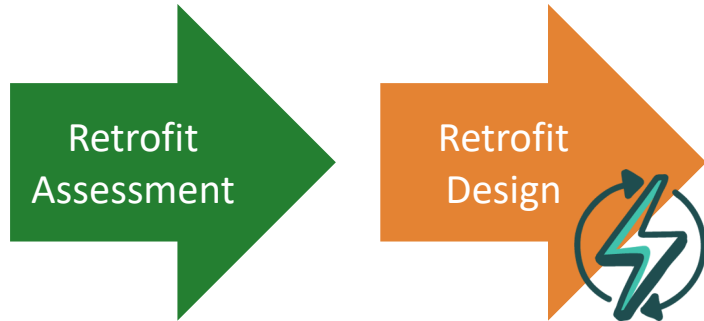
PAS2035

the journey an ECO4 job follows



PAS2035

the journey an ECO4 job follows



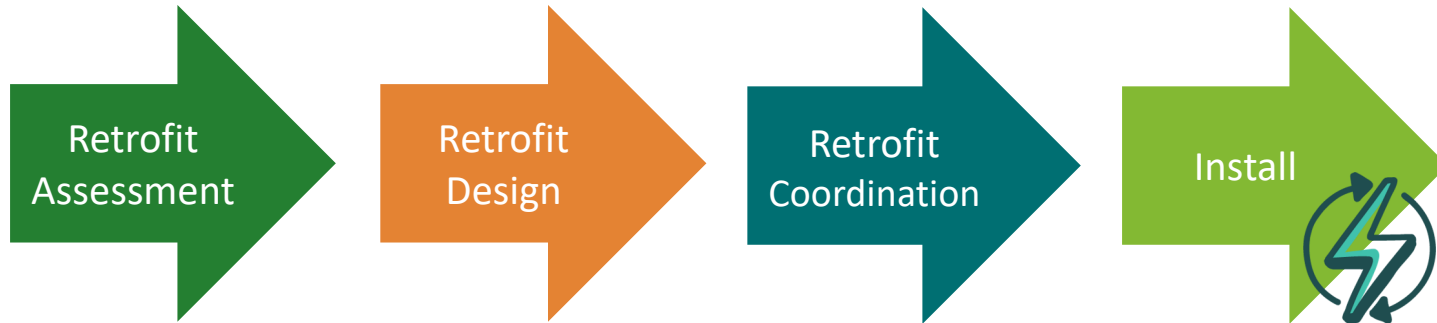
PAS2035

the journey an ECO4 job follows



PAS2035

the journey an ECO4 job follows



PAS2035

the journey an ECO4 job follows



Fabric first

prioritising insulation

Measures must follow the order advised in a Medium Term Plan.

Insulation measures are prioritised.

Heating can only be funded once homes are appropriately insulated (in most cases).

Move away from fossil fuel heating systems.



GBIS overview



What is the Great British Insulation Scheme (GBIS)

Previously known as ECO+

Announced by the Chancellor on 23 September 2022 as part of the Growth Plan, confirming £1bn of help through the scheme between April 2023 and March 2026.

How is GBIS different from ECO4

GBIS delivers mainly single, low-cost insulation measures to households rather than multiple measures.


This will ensure the maximum number of households can receive support through the scheme as quickly as possible.

No heating measures, other than heating controls for homeowners, are included in the scheme.

Who is eligible For GBIS?

There are two main eligibility groups.

All homes must have an EPC band of D or below.

A large green speech bubble with a white outline, containing text about the 'Broader group' eligibility criteria.

Broader group
Homes in Council
Tax bands
A-D in England,
A-E in Scotland and
A-E in Wales

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Tax bands

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Low income

Benefits listed
criteria and ECO4
Flex.

Detail coming
up...



Householder eligibility



Who can get ECO4?

Homeowners

Those receiving
certain benefits or
deemed eligible by
a local authority

Private renters

Social housing

Who can get ECO4?

Homeowners

Private renters
Those receiving
certain benefits or
deemed eligible by
a local authority
(restrictions apply)

Social housing

Who can get ECO4?

Homeowners

Private renters

Social housing
Property in EPC
band E, F or G
(restrictions apply)

EPC Bands

To qualify for ECO4, each household must be in a certain EPC band depending on tenure:

**some measure types are prioritised over others (i.e. Heat Pumps must be considered before electric storage heaters).*

Owner Occupier	Private Renter	Social Housing
D, E, F, G	E, F, G	E, F, G
All measures*	Measure restrictions in place	Measure restrictions in place

Qualifying criteria



Route	Tenure	Criteria
1. Help to Heat Group	Owner Occupiers / Private Renters	A member of the household claims certain benefits.
2. ECO Flex	Owner Occupiers / Private Renters	The household meets the criteria set out in their local Council's published Statement of Intent.
3. Social Housing E, F, G	Social Housing	The property is owned by a Social Landlord, is let below the market rate, and has an EPC rating of E, F or G.
4. In-fill	All tenure	On the same street as an eligible household and get the same measures. 3/1 houses, 50% flats.

Help to Heat Group - benefits

Qualifying benefits include:

- 1) Income based Jobseekers Allowance (JSA)
- 2) Income related Employment and Support Allowance (ESA)
- 3) Income Support (IS)
- 4) Pension Credit Guarantee Credit (PCGC)
- 5) Working Tax Credit (WTC)
- 6) Child Tax Credit (CTC)
- 7) Universal Credit (UC)
- 8) Housing Benefit
- 9) Pension Credit Savings Credit (PCSC)
- 10) Child Benefit (*certain income thresholds apply*)

Type of claimant	Number of children or young persons			
	1	2	3	4+
Single claimant	£19,000	£24,800	£29,600	£34,500
Member of a couple	£27,500	£32,300	£37,200	£42,000

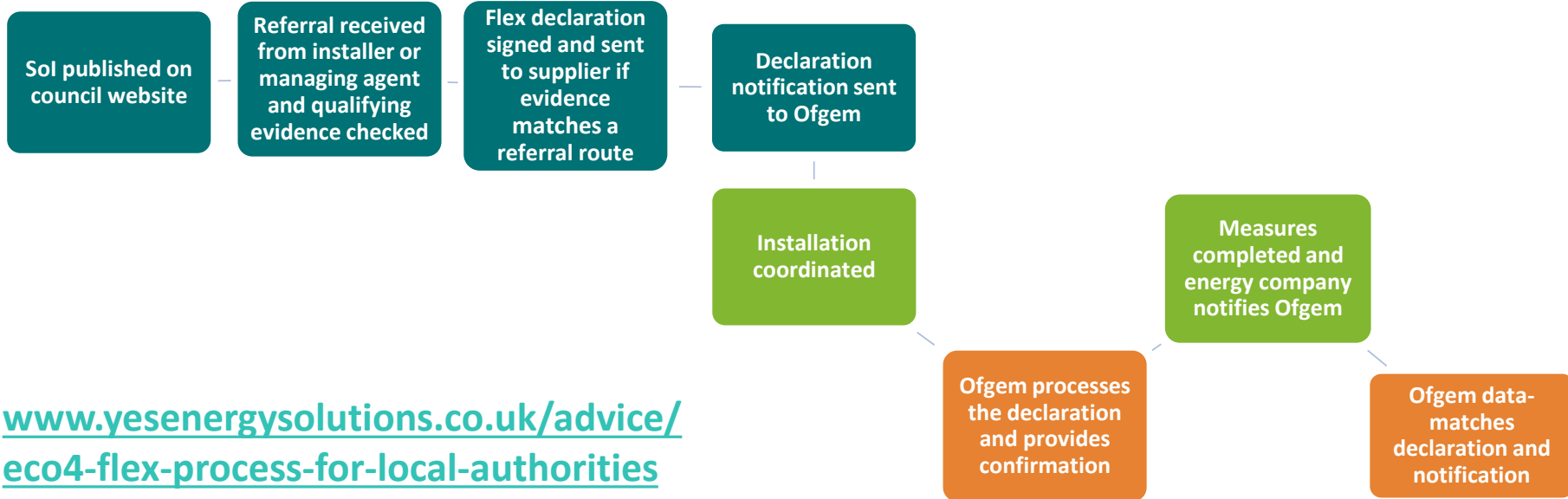
ECO Flex

Private householders that meet the criteria published in a council's Statement of Intent (SOI) will qualify for ECO4.

The criteria enables vulnerable and low income householders that are not members of the Help to Heat Group to gain support.



ECO Flex Process



www.yesenergysolutions.co.uk/advice/eco4-flex-process-for-local-authorities

Statement of Intent (SOI)

ECO Flex – not very flexible!

1	2	3	4
Low Income Household income £31K or less <u>or</u>	Proxies Household in EPC band E, F or G that meets a combination of two or more proxies for vulnerability	NHS Referrals Health professional referrals for households that are low income and vulnerable to the cold	Bespoke Targeting LA provides a proposal to BEIS on an alternative criteria that still meets certain conditions.

Route 1:

Low income

Householders must have a gross combined household income of £31K a year or less.



Route 2:

Proxies

Proxy 1

Homes in England in Lower Super Output Area (LSOA) 1-3, or homes in Wales in LSOA 1-3, or homes in Scotland that are in a vulnerable data zone (1-3) as referenced in the Scottish Index of Multiple Deprivation 2020. *(Cannot be combined with proxy 3)*

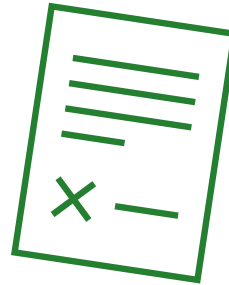


Route 2:

Proxies

Proxy 2

Householders receiving a Council Tax rebate (rebates based on low income only, excludes single person rebates).



Route 2:

Proxies

Proxy 3

Householders vulnerable to living in a cold home as identified in the National Institute for Health and Care Excellence (NICE)



Route 2:

Proxies

Proxy 4

A householder receiving free school meals for low income.



Route 2:

Proxies

Proxy 5

A householder supported by a local authority run scheme. This must be named by the local authority in their Statement of Intent and described as supporting low income and vulnerable households for the purposes of NICE guidelines.



Route 2:

Proxies

Proxy 6

A household referred to the LA for support by their energy supplier, or Citizens Advice and Citizens Advice Scotland because they have been identified as struggling to pay their gas and electricity bills.



Route 2:

Proxies

Proxy 7

Households identified through supplier debt data.

This route enables obligated energy companies to use their own debt data to identify either non pre-payment meter households (non-PPM), or pre-payment meter households (PPM).




Route 3:

NHS referrals

An occupant of the household has a health condition that may be impacted further by living in a cold home:

- Cardiovascular condition
- Respiratory disease
- Limited mobility
- Immunosuppression

A large green speech bubble containing text.

Can only be referred by:

- NHS Trusts
- Health Boards
- GPs

Route 4:

Bespoke targeting proposal to DESNZ

The proposal must:

Identify low-income households where more than 50% are not in the Help to Heat Group (i.e. claim benefits)

and

at least 75% of the households that meet the criteria are in owner-occupied premises (or 90% are private rented) and contain at least one person living in fuel poverty.



Route 4:

Bespoke targeting proposal to DESNZ

The proposal must:

Identify low-income households where more than 50% are not in the Help to Heat Group (i.e. claim benefits)

and

at least 75% of the households that meet the criteria are in owner-occupied premises (or 90% are private rented) and contain at least one person living in fuel poverty.



Social housing eligibility

Social housing in EPC band E, F or G can access funding.

The property must be owned by a social landlord.

Must be let below the market rate.

Insulation measures, first time central heating, renewable heating or district heating connection only.



In-fill eligibility

Some non fuel poor households can get funded measures through the in-fill qualification route.

They must be on the same street and get the same measures as their eligible neighbours.

In-fill homes don't need to meet minimum requirements (i.e. EPC upgrades)



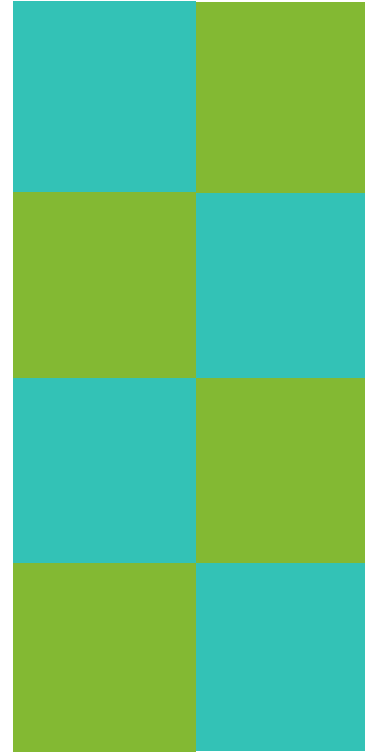
In-fill homes

Can only get certain measures: EWI or District Heating



In-fill flats

Can only get certain measures: EWI, District Heating or cavity wall insulation





Calculating ECO Funding

Project Scores

Every property is referred to as a 'Project' and given a 'Project Score'.

Project Scores are determined by the EPC band and the floor area of the property.

Scores are no longer measure specific as they were in ECO3.

The amount of ECO funding available for the property is determined by the 'Project Score' and the 'Funding Rate' provided by the obligated Energy Company.

Project Scores

Funding Rate

X

Project Score

=

Total ECO
Funding
Available

Funding rates

Energy companies offer different rates:

D	E,F,G	Solid Wall E,F,G	Solid Wall low score
Low Rate	Standard Rate	High Rate	Premium Rate

A large green speech bubble with a tail pointing towards the bottom right, containing white text.

Incentive to prevent installers only focussing on large properties with big Project Scores

Uplifts

For some properties

Some properties will get higher Project Scores if certain criteria is met:



Scotland-Wales Rural / Off Gas – 35% uplift

Flex route 4 – 10% uplift

Building fabric repairs – cost of rectifying issues added to the score (owner occupiers only)

Heating system repair / replacement - £140 uplift (owner occupiers only)

Innovation measures – 25% / 45% uplift

Funding

allocations

Funding may or may not cover the full cost of the measures

Installers will decide how much of the funding they allocate

If Minimum Requirements are not met, it is at the energy company's discretion whether to award a partial score or withhold funding entirely.

Funding allocations

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Installers will decide how much of the funding they allocate



Funding shortfalls

Challenge when working with fuel poor households
ECO cannot be blended with LAD/HUG/SHDF

Do you have budgets to fill the funding gap?

Timescales and conditions

Three-month window to install all recommended measures.

PAS2035 must be followed.

All measures lodged on Trustmark.

All paperwork must be compliant for funding to be released.

Trustmark may audit a proportion of works once completed.



Measures and restrictions



Measure conditions

Gas boilers

Can only be used to fund non-condensing boiler upgrades and is only available to homeowners.

First-time central heating

Homes must already have a gas connection installed before April 2022.

Electric storage heaters

Can only be installed if a renewable heating system is not viable.

Who can get what?

Measure	Homeowner (D,E,F,G)	Private Renter (E,F,G)	Social Housing (E,F,G)
Loft insulation	YES	YES – but must be coupled with SWI, FTCH, Renewable Heating or DHC	YES
Cavity wall insulation (CWI)	YES	YES – but must be coupled with SWI, FTCH, Renewable Heating or DHC	YES
Solid wall insulation (SWI)	YES	YES	YES
Gas boiler replacement	YES – cavity walls and loft must be insulated	NOT ELIGIBLE	NO ELIGIBLE

Measure	Homeowner (D,E,F,G)	Private Renter (E,F,G)	Social Housing (E,F,G)
Broken oil/LPG boiler replacement	Only if renewable heating is not viable	No	No
First time central heating	YES – gas connection must have been present as of 1 st April 22, cavity walls and loft must be insulated	YES – gas connection must have been present as of 1 st April 22, cavity walls and loft must be insulated	YES – gas connection must have been present as of 1 st April 22, cavity walls and loft must be insulated
Heat Pump	YES - cavity walls and loft must be insulated	YES - cavity walls and loft must be insulated	YES - cavity walls and loft must be insulated
Solar PV	YES – must be a electrically heated property, cavity walls and loft must be insulated	YES - must be a electrically heated property, cavity walls and loft must be insulated, must be coupled with SWI, FTCH, Renewable Heating or DHC	YES - must be a electrically heated property, cavity walls and loft must be insulated

Exemptions

can be applied for in certain circumstances

There may be situations where a household cannot meet the pre-installation criteria.

Installers are able to apply for an exemption in certain circumstances.

- Protected animals living in a loft space
- No access
- Install could cause structural damage to property



Innovation measures

Innovation measures are new products that have been approved by DESNZ that are new to market.



25% uplift

The measure is a reasonable improvement on any commonly available counterparts.

45% uplift

A substantial improvement across a range of criteria (including projected bills savings, supplier savings, environmental impact, etc)

Summary

Of the key points

- Whole house approach through PAS2035
- Minimum Requirements must be met (EPC improvements)
- No longer focussed on individual measures
- More prescriptive eligibility criteria
- 50% available for ECO Flex
- Uplifts for homes with poor scores
- Predominately aimed at owner occupiers, with restricted support for private renters and social housing

YES Energy Solutions




Say 'yes' to YES Energy Solutions

YES is a community interest company, who has been an APSE partner for a number of years.

ECO funding provider and project management company.

We have ECO4 delivery contracts with obligated energy companies.

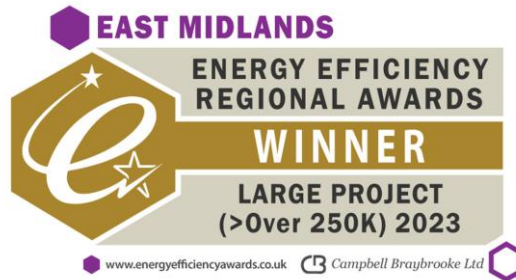
We fund local authority schemes and a network of SME installers.

A large green speech bubble graphic with a gradient from light green at the top to dark green at the bottom, containing white text.

**We care for the house
and the householder to
deliver quality outputs
for our clients.**

Multi award winners

Our proactive collaborations



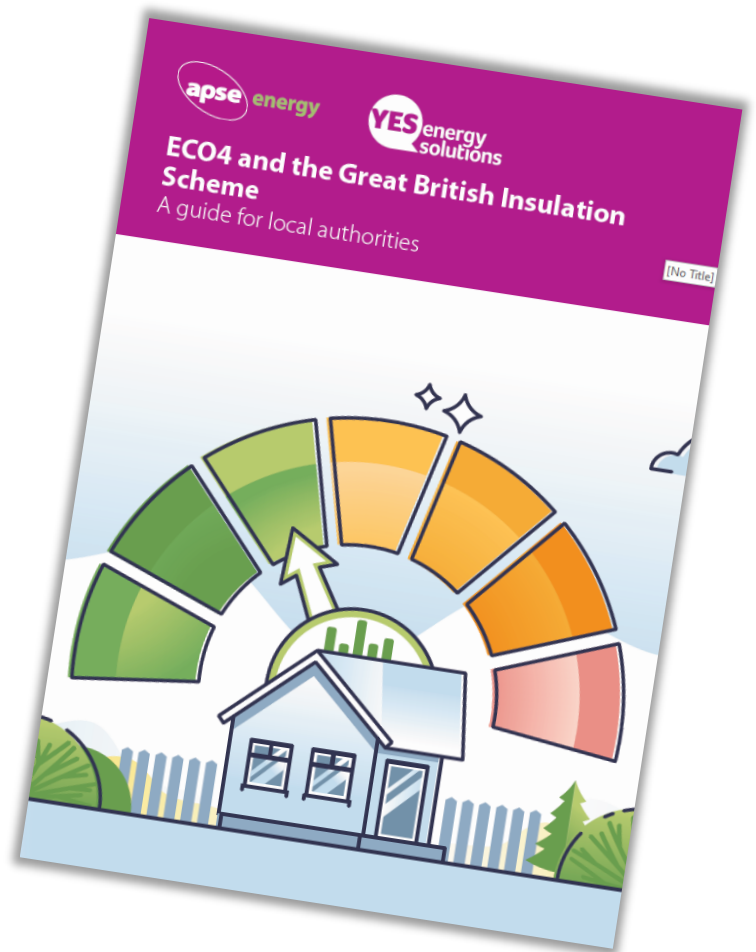
Proactive partnerships in 2023

**North
Lincolnshire
Council**



Download our ECO4 and GBIS guide

<https://www.apse.org.uk/sites/apse/assets/File/ECO4%20and%20the%20Great%20British%20Insulation%20Scheme%20.pdf>





Thank you
Over to you for questions



or get in touch with our team

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