

**Debate Pack**

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# Debate on the implementation of ECO4 and ECO+

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# 1 Background

A Westminster Hall debate has been scheduled for 2.30pm on Tuesday 27 June 2023 on the implementation of ECO4 and ECO+. The debate will be opened by Ben Lake MP.

## 1.1 The Energy Company Obligation (ECO)

The [Energy Company Obligation](#) (ECO) is a Government energy efficiency scheme in Great Britain designed to tackle fuel poverty and help reduce carbon emissions. ECO is an obligation placed on energy suppliers with over 150,000 customers<sup>1</sup> to deliver measures such as insulation, first time central heating, renewable heating, and district heating connections to domestic premises. The ECO scheme is supplier led and paid for by a levy on customer bills. Suppliers meet their obligation either through in-house services or by contracting with a third party.

ECO focuses on providing support primarily to low income and vulnerable households and supports the government's wider strategy on fuel poverty.<sup>2</sup>

[The Electricity and Gas \(Energy Company Obligation\) Order 2022 \(SI 2022/875\)](#) sets out the customer eligibility criteria and the energy efficiency and heating measures that can be provided. It also sets out the supplier thresholds.

ECO has operated since 2013 in several iterations. The current scheme ([ECO4](#)), covers the period from 1 April 2022 until 31 March 2026.<sup>3</sup>

The Library briefing [Energy Company Obligation \(ECO\)](#) (7 July 2020) provides an overview of the scheme's history and previous iterations, and previous energy efficiency schemes aimed at households.

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<sup>1</sup> Legislation proposed under the [Energy Bill](#) would enable ECO thresholds to be removed and allow the Government to introduce a "buy-out mechanism" for smaller suppliers. Further information is available in Section 3.5 of the Library Briefing on the [Energy Bill 2022-23, parts 4-6: Electricity and gas market](#) (May 2023).

<sup>2</sup> The Library dashboard, [Local area data: fuel poverty](#), provides estimates of households in fuel poverty for constituencies in England and local authorities across the rest of the UK. Information on fuel poverty and its effects is provided in the Library Research Briefings [Fuel poverty in the UK](#) (March 2023) and [Health inequalities: Cold or damp homes](#) (February 2023).

<sup>3</sup> The [Electricity and Gas \(Energy Company Obligation\) Order 2022](#) commenced on 27 July 2022.

## 1.2

## ECO4

### Eligible households and measures

The Gov.uk webpage [Help from your energy supplier: the Energy Company Obligation](#) sets out which households qualify for support through ECO and the energy efficiency rating that a qualifying property must have. Homeowners' properties must have an [energy efficiency rating](#) of D or below and private renters' properties must be E or below to be eligible for support.

Ofgem (the energy regulator) publishes guidance on the households that are eligible for support through ECO and the measures that can be installed depending on the property type and tenure (see Table 10 of [Energy Company Obligation \(ECO4\) Guidance: Delivery](#)). Further detail on eligible measures is provided at Ofgem's website: [ECO4 Project Forms and Tables](#).

### ECO installations: problems and complaints

Measures installed under ECO (since 1 January 2020) are covered by [TrustMark](#), a Government endorsed quality scheme for work done on homes. TrustMark also requires businesses installing measures to provide [additional consumer protections](#), including a minimum 2-year warranty for work.

The Library briefing, [Help with energy efficiency, heating and renewable energy in homes \(July 2022\)](#), provides further information on help with rectifying problems.

### ECO4 Flexibility (ECO4 Flex)

ECO4 Flex is a [household referral mechanism within the wider ECO4 Scheme](#).

Under ECO4 Flex, a participating local authority can refer private tenure households that it considers to be living in fuel poverty or low-income households that are vulnerable to the effects of living in a cold home.<sup>4</sup>

Energy suppliers can also refer households under ECO4 Flex where they are either struggling with persistent fuel debt and are supported by suppliers or are using pre-payment meters and have regularly been unable to stay connected to their fuel supplies due to financial hardship.<sup>5</sup>

Eligible households may also be identified and referred through Citizens Advice or NHS services. Further details are provided in Ofgem's [ECO4 Guidance: Local Authority Administration](#) (September 2022).

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<sup>4</sup> Ofgem, [Energy Company Obligation \(ECO\)](#)

<sup>5</sup> Ofgem, [Energy Company Obligation \(ECO\)](#)

The Welsh and Scottish governments are also able to make household referrals for ECO4 Flex.

## The Great British Insulation Scheme (formerly known as ECO+)

The [Great British Insulation Scheme](#) was previously titled and consulted on as Energy Company Obligation Plus (ECO+). It is expected to be fully established in law in summer 2023 to complement ECO4, although energy suppliers have been able to deliver insulation measures since 30 March 2023.<sup>6</sup>

As explained on the energy regulator [Ofgem's website](#), unlike ECO4's 'whole house' approach, this scheme will mostly deliver single insulation measures.

A [Government notice](#) (30 March 2023) on the Great British Insulation Scheme states that, "the £1 billion scheme will help around 300,000 households across the country with the cost of installing new home insulation, and will save consumers around £300 to £400 a year on their bills."<sup>7</sup>

The notice also states that the scheme, "will boost help for those on the lowest incomes, as well as extending support to a wider range of households living in the least energy-efficient homes in the country (those with an Energy Performance Certificate rating of D or below) and in the lower Council Tax bands (A-D in England, A-E in Scotland and Wales)."<sup>8</sup>

An overview of the new scheme is provided in the Government's consultation document [Design of the Energy Company Obligation ECO+: 2023-2026: government response](#) (March 2023). This also includes stakeholder responses to various aspects of the scheme.

## 1.3

## Implementation of ECO

### Measures delivered under ECO schemes

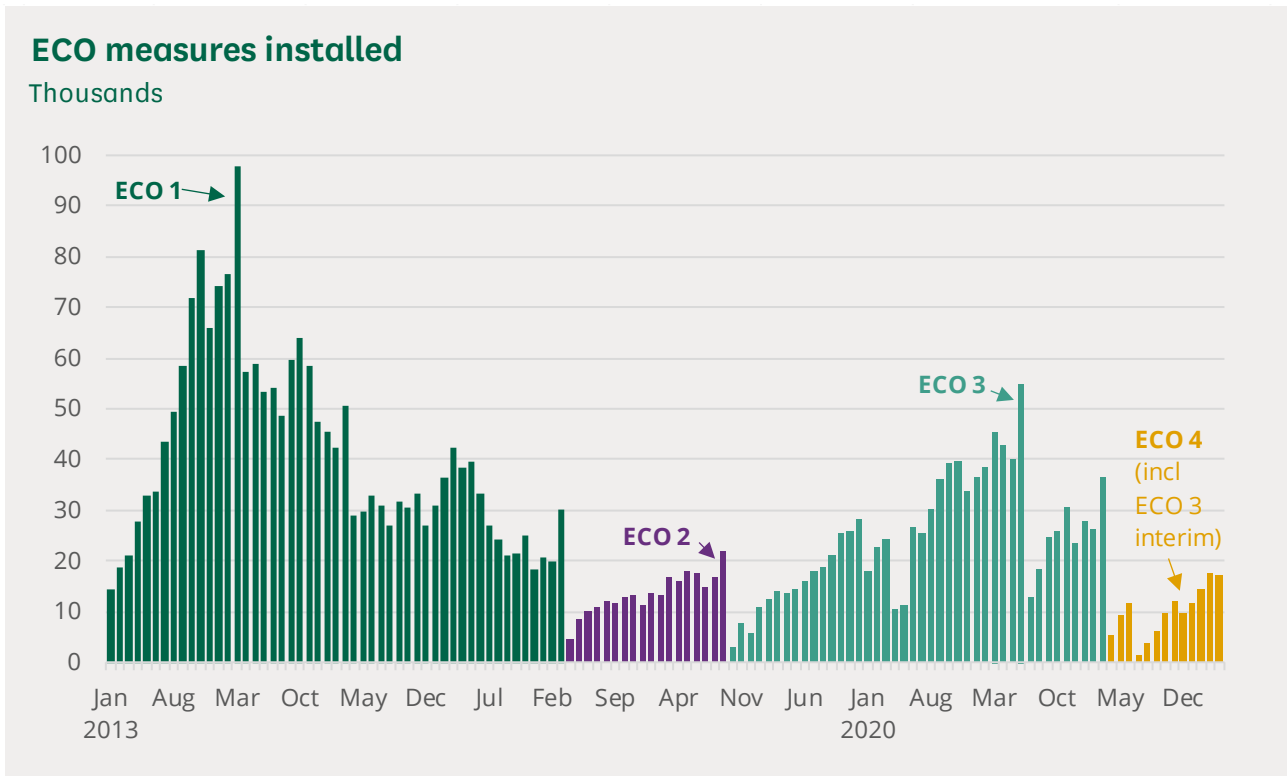
The Energy Company Obligation (ECO) schemes have delivered 3.6 million energy-efficiency measures in Great Britain up to March 2023. This equates to 139.3 ECO measures per 1,000 households. There are 2.4 million homes in receipt of ECO measures, equating to 89.5 per 1,000 households.

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<sup>6</sup> HC Deb 07 June 2023 | [PQ 187516](#)

<sup>7</sup> Department for Energy Security and Net Zero, [Great British Insulation Scheme](#), 30 March 2023

<sup>8</sup> Department for Energy Security and Net Zero, [Great British Insulation Scheme](#), 30 March 2023



Source: DESNZ, [Household Energy Efficiency Statistics April 2023](#), T2.3, T2.4, T2.5 and T2.5b

Out of 3.6 million ECO measures, 2.1 million (60%) were installed under ECO 1, 0.2 million (7%) under ECO 2, 1.0 million (29%) under ECO 3 (excluding ECO 3 interim) and 0.1 million (4%) under ECO 4 (including ECO 3 interim).

### ECO Obligations

The three ECO obligations were: Carbon Saving Target (CERO), Carbon Savings Community (CSCO) and Affordable Warmth (HHCRO)<sup>9</sup>. Currently, HHCRO is the only ECO obligation.

Out of the total ECO measures in March 2023, 1.0 million (29%) were for CERO, 0.48 million (13%) for CSCO and 2.0 million (58%) for HHCRO.

Through ECO, the combination of HHCRO and CSCO had delivered around 2.6 million measures in around 1.6 million low income and vulnerable households, or households in specified areas of low income, by the end of April 2023.

The estimated lifetime bill savings of Affordable Warmth (HHCRO) measures is £19.3 billion.

<sup>9</sup> Affordable Warmth is also known as the Home Heating Cost Reduction Obligation. See Ofgem, [Energy Company Obligation \(ECO\)](#) (Accessed 23<sup>rd</sup> June 2023).

### Type of ECO Measure

The table below shows the type of ECO measure (i.e., boiler, loft insulation) installed. Of the ECO measures installed, 29% were cavity wall insulation, 23% boilers and 19% loft insulation.

ECO measures installed by measure type in Great Britain		
Total of 2013 to March 2023		
Measure Types	ECO measures installed	% of measures installed
Cavity Wall Insulation	1,033,072	28.8
Boiler	827,103	23.1
Loft Insulation	687,231	19.2
Other Heating	653,825	18.2
Solid Wall Insulation	215,271	6.0
Other Insulation	152,283	4.2
Micro-generation [n1]	9,099	0.3
Windows and Doors	6,558	0.2
<b>Total</b>	<b>3,584,442</b>	<b>100</b>
Notes: Other Heating mainly consists of 'heating controls'		

Source: DESNZ, [Household Energy Efficiency Statistics June 2023](#), T3.1, T4.1

### Challenges to delivering ECO4

In a recent [joint briefing](#), the Environment All-Party Parliamentary Group (APPG) and the Fuel Poverty and Energy Efficiency APPG set out a number of issues they believed were holding back delivery of ECO4, including:

- The requirement to raise a property's Energy Performance Certificate (EPC) score by two bands requires greater investment per property, meaning that fewer properties can be supported.
- Difficulties in identifying properties that can meet the requirement of improving the EPC score by two bands.
- Greater administrative costs for installers, due to tighter regulations (known as PAS 2035).
- Delays to the introduction of ECO4 resulting in loss of industry confidence in the scheme.

- Cost assumptions made when the ECO4 Impact Assessment was conducted (April 2022) no longer reflect the market, due to rising manufacturing costs and labour shortages.<sup>10</sup>

Recommendations from the APPGs included improving targeting of ECO4 and revising scoring criteria, as well as reviewing and reforming the channels through which local authorities can refer households under ECO4 Flex. They also recommended revising cost assumptions to reflect current market conditions (see Section 3.3 below), extending the buy-out mechanism to allow others beyond energy suppliers to take on obligations, and long-term funding to support the development of skills and supply chains.

The Energy Efficiency Infrastructure Group (EEiG) identified similar challenges and recommendations in their report [Getting Britain's fuel poverty scheme on track to deliver](#) (April 2023). The EEiG is a coalition of over 25 industry groups, NGOs, charities and businesses.

An [April 2023 PQ](#) asking about the adequacy of the eligibility criteria for the ECO4 scheme was answered by Graham Stuart, Minister of State for Energy Security and Net Zero, who said the government was monitoring the delivery of ECO4:

“The Government has been made aware of difficulties in delivering ECO4 by energy suppliers and energy efficiency organisations and is currently investigating these.

The Government previously consulted on some smaller changes to the scheme that seek to make delivery easier in some specific cases. The proposed amendments were covered in the consultation for the GB Insulation Scheme, and the Government Response to this was published on 30 March.

The Government continues to monitor the delivery of ECO4 and will consider changes if necessary. Changes to the policy details of the scheme would require public consultation and regulatory change.”<sup>11</sup>

## ECO Cost assumptions

The Energy Efficiency Infrastructure Group (EEiG) calculated a 60% increase in estimated costs for cavity wall and loft insulation in the recent [Great British Insulation Scheme consultation](#).<sup>12</sup> However, this 60% figure is not quoted in the document itself.

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<sup>10</sup> Environment APPG and the Fuel Poverty and Energy Efficiency APPG, [Energy Company Obligation \(ECO\) briefing: Getting Britain's fuel poverty scheme on track](#) (June 2023) [PDF accessed 26 June 2023]

<sup>11</sup> HC Deb 03 May 2023 | [PQ 183123](#)

<sup>12</sup> Energy Efficiency Infrastructure Group (EEiG), [Getting Britain's fuel poverty scheme on track to deliver](#), April 2023

DESNZ's March 2023 response to the [Great British Insulation Scheme consultation](#)<sup>13</sup> provided updated assumptions which affect the estimated costs of insulating different types of property. These differed for each type of household:

- The average cavity wall insulation installation cost was updated from £1,040 to £1,570 for a semi-detached house. It was updated from £790 to £980 for a purpose built low-rise flat.
- The average loft top-up insulation installation cost for a bungalow was updated from £970 to £1,320. However, for some types of building the cost decreased. For instance, detached houses were updated from £1,300 to £1,040.

MPs have raised the issue of cost assumptions in the context of inflation. In response to PQs the Government has stated:

The Government is continually monitoring delivery and developments in the ECO market, and if the Government determine that further action is required then, it will explore all options available.”<sup>14</sup>

The modelling used to set ECO4 targets was based on estimated costs in 2021 prices, with an allowance for general inflation over time. Officials are working with analysts and stakeholders to determine current installation costs and if the assumptions being used for the scheme require review.<sup>15</sup>

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<sup>13</sup> DESNZ, [Energy Company Obligation Great British Insulation Scheme \(2023-2026\) & Amendments to ECO4 regulations](#), March 2023

<sup>14</sup> HC Deb 24 Mar 2023 | [PQ 167205](#)

<sup>15</sup> HC Deb 24 April 2023 | [PQ 180128](#)



## 2

## PQs

### [Energy Company Obligation: Local Government](#)

**Asked by: Esterson, Bill**

To ask the Secretary of State for Energy Security and Net Zero, what assessment he has made of the effectiveness of delivery of the Local Authority Flexibility aspect of the ECO4 scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Government monitors delivery of all aspects of ECO4 (Energy Company Obligation 4) including ECO Flex.

Delivery is increasing and the Government works with local authorities and the scheme administrator Ofgem to learn from best practice and remove barriers to uptake where appropriate.

**HC Deb 22 June 2023 | PQ 190090**

### [Great British Insulation Scheme](#)

**Asked by: Khan, Afzal**

To ask the Secretary of State for Energy Security and Net Zero, when his Department plans to launch the Great British Insulation Scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

Energy suppliers have been able to deliver insulation measures under the Great British Insulation Scheme from 30 March 2023, when the Government response to an earlier consultation on scheme design was published. The Scheme is expected to be fully established in law in summer 2023, following the laying in Parliament of the draft Statutory Instrument on 24 May 2023.

**HC Deb 07 June 2023 | PQ 187516**

[Great British Insulation Scheme](#)

**Asked by: Ellwood, Mr Tobias**

To ask the Secretary of State for Energy Security and Net Zero, for what reason Band E properties in (a) England will be excluded from the Great British Insulation Scheme and (b) Scotland and Wales will be included in that scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Government chose to offer support to households in Council Tax bands A-D in England and A-E in Scotland and Wales. These Council Tax bands capture a similar proportion of eligible homes in each nation, around 81%, 86%, and 87% for England, Scotland and Wales respectively.

These Council Tax bands serve as a proxy for income, ensuring the scheme proportionately captures low- to mid-income households in each nation. Such households are more likely to be at risk of struggling to pay their energy bills and are ineligible for support through other energy efficiency schemes.

**HC Deb 23 May 2023 | PQ 185511**

[Great British Insulation Scheme](#)

**Asked by: Everitt, Ben**

To ask the Secretary of State for Energy Security and Net Zero, what steps he is taking to (a) promote the Great British Insulation Scheme to consumers and (b) ensure that 300,000 homes are insulated each year for the next three years.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Government is working with obligated energy suppliers to allow consumers to check their eligibility for the Great British Insulation Scheme, and refer themselves to it where appropriate. The Government aims to launch a new GOV.UK service this summer.

The Government estimates that around 300,000 homes will be insulated over the three-year course of the Great British Insulation Scheme. Scheme targets will be set in legislation by summer 2023.

**HC Deb 16 May 2023 | PQ 183983**

[Great British Insulation Scheme](#)

**Asked by: Anderson, Fleur**

To ask the Secretary of State for Energy Security and Net Zero, what recent steps the Government has taken to maximise the (a) take up and (b) speed of the roll out of the ECO+ scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Great British Insulation Scheme is expected to be established by summer 2023. Obligated energy suppliers are able to deliver measures before this, from 30 March 2023, following the publication of the Government response to last year's consultation on scheme design. Yearly targets will be set, including minimum levels of delivery, whilst allowing energy suppliers to progress more rapidly and have measures counted towards their overall scheme obligation.

The Government is also working with energy suppliers to launch a new service in the summer to allow householders to check eligibility and refer themselves to the scheme.

**HC Deb 15 May 2023 | PQ 183583**

[Great British Insulation Scheme](#)

**Asked by: Lord Taylor of Warwick**

To ask His Majesty's Government (1) what steps they are taking to increase the rate at which homes are insulated under the Great British Insulation Scheme, and (2) what consideration they have given to placing the targets under the Scheme on a statutory footing.

**Answering member: Lord Callanan | Department: Department for Energy Security and Net Zero**

The Great British Insulation Scheme is expected to be established by summer 2023, with obligated energy suppliers able to deliver measures before this, from 30 March 2023, following the publication of the government response to last year's consultation on scheme design. Yearly targets will be set including minimum levels of delivery, whilst also allowing energy suppliers to deliver more rapidly and have measures counted towards their scheme obligation overall.

The Statutory Instrument for the scheme will be laid before Parliament later in spring 2023, putting scheme targets and other requirements on a statutory footing.

**HL Deb 11 May 2023 | PQ HL7456**

[Energy Company Obligation](#)

**Asked by: Brown, Alan**

To ask the Secretary of State for Energy Security and Net Zero, what proportion of houses assessed for upgrades under (a) ECO3 and (b) ECO4 were eligible to meet the requirements of that scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Government does not carry out assessments for house upgrades, nor hold data on the number of assessments carried out by suppliers or installers.

While Government sets the eligibility requirements for ECO, the decision on which measures to install and to whom are made by the energy suppliers or installers. These parties may base their assessment on the suitability of the homes from a practical perspective and the cost effectiveness of installing there.

Under ECO3, 1,117,900 measures were installed in around 597,800 unique households.

It is estimated that around 800,000 measures in 450,000 homes will be delivered under ECO4.

**HC Deb 09 May 2023 | PQ 182888**

[Energy Company Obligation](#)

**Asked by: Brown, Alan**

To ask the Secretary of State for Energy Security and Net Zero, whether he has made a comparative assessment of the cost assumptions for the ECO4 scheme with those set out in the Great British Insulation scheme consultation; if he will make an assessment of the potential merits of uprating the cost assumptions for the ECO4 scheme; and if he will make a statement.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Government is monitoring the delivery of ECO4 against the current cost assumptions and will consider changes if necessary. Changing the cost assumptions may require either a change to the overall energy bill reduction target, the estimated funding, policy details of the scheme, or a combination

of all three. Such changes would require public consultation and regulatory change.

**HC Deb 09 May 2023 | PQ 182887**

[Energy Company Obligation](#)

**Asked by: Brown, Alan**

To ask the Secretary of State for Energy Security and Net Zero, whether his Department has set a target for the average number of energy efficiency installations under the ECO4 scheme; how many have been installed on average in each month since July 2022; and if he will make a statement.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Department for Energy Security and Net Zero expects that 800,000 measures in around 450,000 homes will be delivered under ECO4.

Information on the number of energy efficiency measures installed monthly in homes through ECO4 since July 2022 can be found in the Household Energy Efficiency statistics by visiting <https://www.gov.uk/government/collections/household-energy-efficiency-national-statistics>.

**HC Deb 09 May 2023 | PQ 182886**

[Energy Company Obligation](#)

**Asked by: Brown, Alan**

To ask the Secretary of State for Energy Security and Net Zero, which (a) companies and (b) organisations have made representations to his Department on the adequacy of the eligibility criteria for the ECO4 scheme; and how many and what proportion of those representations relate to difficulties in identifying properties suitable to progress to installations under that scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Government has been made aware of difficulties in delivering ECO4 by energy suppliers and energy efficiency organisations and is currently investigating these.

The Government previously consulted on some smaller changes to the scheme that seek to make delivery easier in some specific cases. The proposed amendments were covered in the consultation for the GB Insulation Scheme, and the Government Response to this was published on 30 March.

The Government continues to monitor the delivery of ECO4 and will consider changes if necessary. Changes to the policy details of the scheme would require public consultation and regulatory change.

**HC Deb 03 May 2023 | PQ 183123**

### [Energy Company Obligation](#)

**Asked by: Esterson, Bill**

To ask the Secretary of State for Energy Security and Net Zero, how many homes are (a) eligible for ECO4 and (b) meet the minimum improvement requirements for ECO4.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

As set out in the Energy Company Obligation 4 (ECO4) final impact assessment published 1 April 2022, there are an estimated 3.7 million properties eligible under current ECO4 eligibility criteria.

Eligible homes in Bands D-E are subject to the pre-assessment survey to determine whether they can meet the minimum improvement requirement.

The decision to offer any assistance lies solely with ECO-obligated energy suppliers and the installers to whom they sub-contract. The Government does not become involved with any of the private contractual decisions of these parties. Therefore, Government does not determine how many of the eligible homes reach the minimum improvement requirement.

**HC Deb 26 April 2023 | PQ 181960**

### [Energy Company Obligation](#)

**Asked by: Hobhouse, Wera**

To ask the Secretary of State for Energy Security and Net Zero, whether he has made an assessment of the potential merits of extending the ECO4 scheme to 2028.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

ECO4 is the current iteration of the Energy Company Obligation scheme which began in April 2022 and is scheduled to run until March 2026.

Last autumn, the Government announced a new national ambition to reduce the UK's final energy consumption from buildings and industry by 15% by 2030 against 2021 levels. The Government has also announced £6 billion of additional funding for energy efficiency from 2025-2028.

The Government will implement the most suitable domestic energy efficiency policies to meet our net zero and fuel poverty commitments.

**HC Deb 24 April 2023 | PQ 180130**

### [Energy Company Obligation](#)

**Asked by: Hobhouse, Wera**

To ask the Secretary of State for Energy Security and Net Zero, what assessment his Department has made of the potential impact of inflation on the effectiveness of the ECO4 scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The modelling used to set ECO4 targets was based on estimated costs in 2021 prices, with an allowance for general inflation over time. Officials are working with analysts and stakeholders to determine current installation costs and if the assumptions being used for the scheme require review.

**HC Deb 24 April 2023 | PQ 180128**

### [Energy Company Obligation](#)

**Asked by: Hobhouse, Wera**

To ask the Secretary of State for Energy Security and Net Zero, whether his Department has made an assessment of the potential benefits of increasing the amount that can be claimed through the ECO4 scheme to match that of the Great British Insulation scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

Amounts are not claimed through either scheme as they are not grant schemes. Instead, they obligate energy suppliers to deliver energy efficiency measures to meet a legislative target based on annual bills savings. The

ECO4 scheme is worth £4 billion over four years while the Great British Insulation Scheme is worth £1billion over three years.

ECO4 delivers to those on the lowest incomes and the most vulnerable. To complement this, the GB Insulation Scheme will deliver to a wider group of households, who would otherwise be ineligible for support under existing government energy efficiency schemes, as well as the most vulnerable.

**HC Deb 24 April 2023 | PQ 180127**

### [Energy Company Obligation](#)

**Asked by: Esterson, Bill**

To ask the Secretary of State for Energy Security and Net Zero, what the minimum improvement requirements are for homes to be eligible for (a) ECO3 and (b) ECO4.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

ECO3 ended on 31 March 2022, and ECO4 will run until 31 March 2026.

Under ECO3, householders needed to qualify by being in receipt of eligible benefits. Minimum improvement to properties was not a requirement.

ECO4 is focused on providing support to low-income and vulnerable households living in the least energy efficient properties. Under ECO4, there is a minimum requirement for energy suppliers to improve homes in an EPC band F or G to at least a band D and band D or E homes to at least a band C.

**HC Deb 17 April 2023 | PQ 176657**

### [Energy Company Obligation](#)

**Asked by: Esterson, Bill**

To ask the Secretary of State for Energy Security and Net Zero, whether he plans to change the minimum improvement requirements necessary for homes to qualify for ECO4.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

There are no current plans to change the minimum improvement requirements.



The Government monitors ECO delivery, and if it determines that changes to the policy are required then suitable options will be explored.

**HC Deb 17 April 2023 | PQ 176658**

[Energy Company Obligation](#)

**Asked by: Esterson, Bill**

To ask the Secretary of State for Energy Security and Net Zero, how much total funding the Government has allocated to (a) ECO3 and (b) ECO4.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The ECO scheme is an energy efficiency scheme that places a requirement on larger energy suppliers to deliver energy efficiency and heating measures to people's homes. Under ECO3, which ran from December 2018 to March 2022, £8.547 billion in lifetime savings was achieved. ECO4 began in April 2022, and will run until March 2026. ECO4 has a target of £224.3 million in annual bill savings over the life of the scheme. The impact assessment for ECO4 moved to annual, rather than lifetime, bill savings due to changes in how ECO projects are scored.

**HC Deb 17 April 2023 | PQ 175557**

[Energy Company Obligation](#)

**Asked by: Esterson, Bill**

To ask the Secretary of State for Energy Security and Net Zero, how many and what proportion of homes have been retrofitted under ECO4; and how many homes the Government aimed to retrofit by March 2023.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

Information on the number of homes that have received measures under ECO4 can be found in the latest [Household Energy Efficiency Statistics Release](#).

ECO4 is the new iteration of the Energy Company Obligation scheme which is set to run from 2022 to 2026. The Government estimates that over this period 450,000 homes will be upgraded. Suppliers have until the end of ECO4 to meet their obligation.

**HC Deb 17 April 2023 | PQ 175556**

### Energy Company Obligation

**Asked by: Whitehead, Dr Alan**

To ask the Secretary of State for Energy Security and Net Zero, what recent assessment his Department has made on the progress of the ECO4 rollout.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Energy Company Obligation (ECO) scheme has been one of the Government's key domestic energy efficiency policies, improving 2.4 million homes since it began in 2013.

Since it commenced, ECO4 has seen the delivery of an estimated 43,600 measures as per the most recent published Household Energy Efficiency Statistics, which can be found at:

<https://www.gov.uk/government/statistics/household-energy-efficiency-statistics-headline-release-february-2023>.

**HC Deb 27 March 2023 | PQ 171338**

### Energy Company Obligation: Inflation

**Asked by: Lake, Ben | Party: Plaid Cymru**

To ask the Secretary of State for Energy Security and Net Zero, what steps his Department is taking to reduce the impact of inflation on the delivery of the Energy Company Obligation.

**Answering member: Amanda Solloway | Party: Conservative Party | Department: Department for Energy Security and Net Zero**

The Government is continually monitoring delivery and developments in the ECO market, and if the Government determine that further action is required then, it will explore all options available.

**24 Mar 2023 | PQ 167205**

### Energy Company Obligation

**Asked by: Day, Martyn**

To ask the Secretary of State for Energy Security and Net Zero, what estimate his Department has made of the number of customers in the ECO+ general

eligibility group who will make a monetary contribution to the installation in their home.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The ECO+ draft Impact Assessment assumes £80m in household contributions from the general group. A final impact assessment will be published alongside the Government's response to the consultation in spring 2023.

**HC Deb 03 March 2023 | PQ 151345**

### [Energy Company Obligation](#)

**Asked by: Day, Martyn**

To ask the Secretary of State for Energy Security and Net Zero, what assessment his Department has made of the accuracy of their ECO4 cost assumptions in the context of rising inflation and market prices.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The modelling used to set the ECO4 targets was based on estimated costs in 2021 prices, with an allowance for general inflation over time. Given the context of much higher inflation than expected, our recent ECO+ consultation sought stakeholder views on our cost assumptions, and we will be summarising these views in our forthcoming Government Response. The Department also recently gathered evidence on the costs of installing loft insulation and cavity wall insulation from installers, which is being used to update our assumptions. We will assess the impact of our updated cost assumptions on ECO4 and take action, if necessary.

**HC Deb 03 March 2023 | PQ 151344**

### [Energy Company Obligation: Park Homes](#)

**Asked by: Lake, Ben**

To ask the Secretary of State for Energy Security and Net Zero, if he will make an estimate of the number and proportion of installers who are registered to undertake ECO4 measures accept applications for support from park home households.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The Energy Company Obligation (ECO) scheme is a requirement placed on larger energy suppliers, and is fully focussed on supporting low income and vulnerable households in receiving energy efficiency measures.

Under ECO, suppliers/installers decide where to install measures based on property suitability and the cost-effectiveness of installing there. Government estimates that under ECO4, around 800,000 measures may be installed in around 450,000 households.

While park home households are within scope for ECO4, the Government does not become involved with the private contractual decisions of suppliers and installers, nor does it collect data on the number of accepted park home applications by these parties.

**HC Deb 14 February 2023 | PQ 140290**

[Energy Company Obligation: Wales](#)

**Asked by: Lake, Ben**

To ask the Secretary of State for Energy Security and Net Zero, what recent discussions he has had with the Welsh Government on developing a Route 4 Bespoke Targeting Households of the ECO4 Flex scheme.

**Answering member: Graham Stuart | Department: Department for Energy Security and Net Zero**

The introduction of a Route 4 Bespoke Targeting mechanism, leading to the ECO4 Order coming into force in July 2022. [Route 4 Guidance](#) was published in December.

No recent discussions have been held with the Welsh Government on Route 4 of the ECO4 Flex scheme. However, Department officials will be happy to meet with the Welsh Government should they so wish.

**HC Deb 09 February 2023 | PQ 138354**

[Energy Company Obligation: Low Incomes](#)

**Asked by: Whitehead, Dr Alan**

To ask the Secretary of State for Business, Energy and Industrial Strategy, if he will make it his policy to target all the funding from the ECO+ scheme at

the low-income eligibility group in order to help meet the Government's fuel poverty targets.

**Answering member: Graham Stuart | Department: Department for Business, Energy and Industrial Strategy**

The Government published a consultation on the design of the ECO+ scheme, which proposed a requirement for a minimum of 20% of the obligation to be delivered to low-income households. The Government has not proposed to restrict the number of low-income households that can be supported through the scheme. The remaining obligation is available to both low-income households and a wider customer base, who otherwise would not be eligible for any support through other Government energy efficiency schemes.

The Government is analysing responses to the consultation and will publish a response in due course.

**HC Deb 24 January 2023 | PQ 127683**

### ECO+

**Asked by: Duffield, Rosie**

To ask the Secretary of State for Business, Energy and Industrial Strategy, whether he has made an assessment of the potential merits of including homes in Council Tax Band E in the ECO+ scheme.

**Answering member: Graham Stuart | Department: Department for Business, Energy and Industrial Strategy**

The Government has consulted on the ECO+ scheme being open to households in the lower council tax bands (A-E in Scotland, A-D in England and A-C in Wales) with an EPC rating of D or below, as well as low-income households.

This Government is currently analysing feedback received through its consultation, which closed on 23 December 2022, and will publish a response in due course.

**HC Deb 12 January 2023 | PQ 117958**

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### Press coverage

Telegraph

20 May 2023

[What eco grants are on offer from the Government – and whether you're eligible](#)

Utility Week [subscription required]

12 May 2023

[ECO review launched after warning of 'unrealistic' costs](#)

Guardian

9 April 2023

[UK insulation scheme would take 300 years to meet government targets, say critics](#)

Utility Week [subscription required]

30 Mar 2023

[Lack of new funding dampens GB Insulation Scheme launch](#)

Express

4 January 2023

[Britons divided over Government support for home insulation](#)

Telegraph

4 December 2022

[Why you have a one in 33 chance of getting help to cut your energy bill](#)

## 4

### Useful links

Which?

30 March 2023

[Energy Company Obligation \(ECO\)](#)

Energy Saving Trust

[Financial support for home energy efficiency](#)

Ofgem

[Energy Company Obligation](#)

Ofgem

[Great British Insulation Scheme](#)

UK Energy Support

[What is the ECO4 scheme?](#)

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