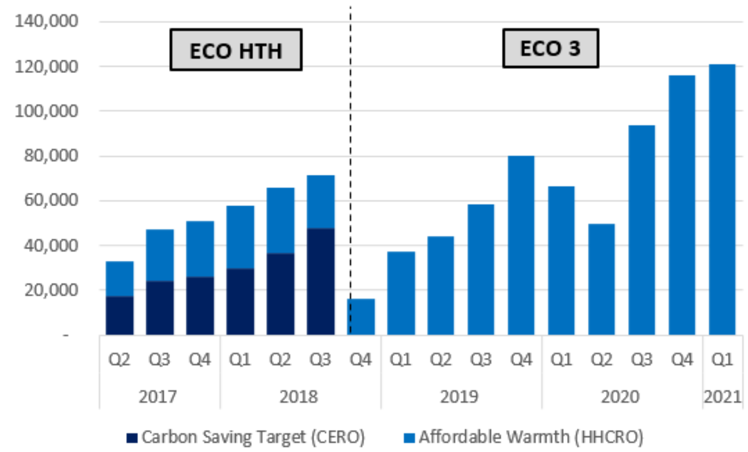
Household Energy Efficiency headline release: Great Britain
Data to Q1 2021

27 May 2021 **National Statistics**

This release presents the latest statistics on the Energy Company Obligation (ECO) and the Green Deal (GD).

- **Around 3.2 million measures have been installed in around 2.4 million properties through ECO and under the GD framework to the end of March 2021. Around 3.1 million of these measures (97 per cent) were delivered through ECO.**

Chart: ECO measures installed, by quarter, Q2 2017 – Q1 2021



- Since the start of ECO3 in October 2018, 683,000 measures have been installed, including 45,200 measures installed in March 2021. This was around 16.3 per cent more than the number of measures delivered in February 2021.

- In Q1 2021, around 121,200 measures were installed – a five per cent increase in measures relative to the Q4 2020 where around 115,800 were installed, and the highest number of measures installed in a quarter since the start of ECO3.

What you need to know about these statistics:

The Energy Company Obligation (ECO) was introduced in January 2013 to reduce energy consumption and support people at greater risk of living in fuel poverty. The larger energy companies are set obligations to install insulation and heating measures in order to achieve reductions in energy usage and heating costs.

The Green Deal (GD) is a government initiative that is designed to help homeowners install energy efficiency measures into their properties, and the costs of these measures are paid back through their energy bill over a period of time; this is in the form of a Green Deal Finance Plan (GD Plan).

Contents

Introduction

This release presents the latest quarterly statistics on the Energy Company Obligation (ECO) and the Green Deal (GD). More detailed analysis of ECO and GD Plans, together with home insulation levels, are available in the detailed statistical report. Both schemes cover Great Britain.

The main headline statistics presented in this release for measures installed are up to March 2021, with selected non-measure-based statistics for April 2021. The quarterly reports are now published earlier but the ECO costs data for the latest quarter are not yet available. Costs data is included in this release up to December 2020.

This release does not include statistics on the Green Homes Grant (GHG) scheme, that launched in 2020. The GHG scheme has two parts: a vouchers scheme and a Local Authority Delivery (LAD) scheme, with both only covering England. Separate statistical releases will be available for these two schemes, with the GHG Vouchers statistics available here.

Energy Efficiency Measures, Households and Carbon Savings

In the data tables accompanying this publication, tables 1.1 - 1.4 show the combined number of measures across the schemes including estimated carbon and energy savings.

Since 2013, around 3.2 million measures were installed in around 2.4 million properties through ECO and under the Green Deal Framework to the end of March 2021. Around 3.1 million of these measures (97 per cent) were delivered through ECO (Tables 1.1 and 1.2).

In Q1 2021, around 121,200 measures were installed through ECO in around an additional 45,500 households (Tables 3.3 and 4.1). The number of measures installed in Q1 2021 was five per cent higher than in Q4 2020. During Q3 2020 and Q4 2020, measure installations recovered from the effect of the COVID-19 pandemic in Q2 2020, particularly the impact of the associated social distancing and lockdown measures during that period. The continued recovery in Q4 2020 was despite the introduction of further COVID-19 restrictions and lockdown measures, at a devolved administration and regional level. In January 2021, new national lockdown restrictions were introduction; however, measure delivery remained strong and continued to increase in Q1 2021, unlike in Q2 2020. Ofgem issued updated guidance[1] on ECO3 installations over this period, which was less restrictive than during the first lockdown in Q2 2020.

The provisional estimated lifetime carbon savings of measures installed by the end of March 2021 under ECO (including Affordable Warmth), Cashback, GDHIF and GD Plans was up to

[1] Ofgem issued guidance for industry on delivery of ECO during the COVID-19 lockdown: https://www.ofgem.gov.uk/publications-and-updates/eco-amidst-covid-19 and https://www.ofgem.gov.uk/coronavirus-covid-19/coronavirus-covid-19-and-government-environmental-programmes

55.0 MtCO2, with provisional estimated lifetime energy savings of around 211,000 GWh (Table 1.4).

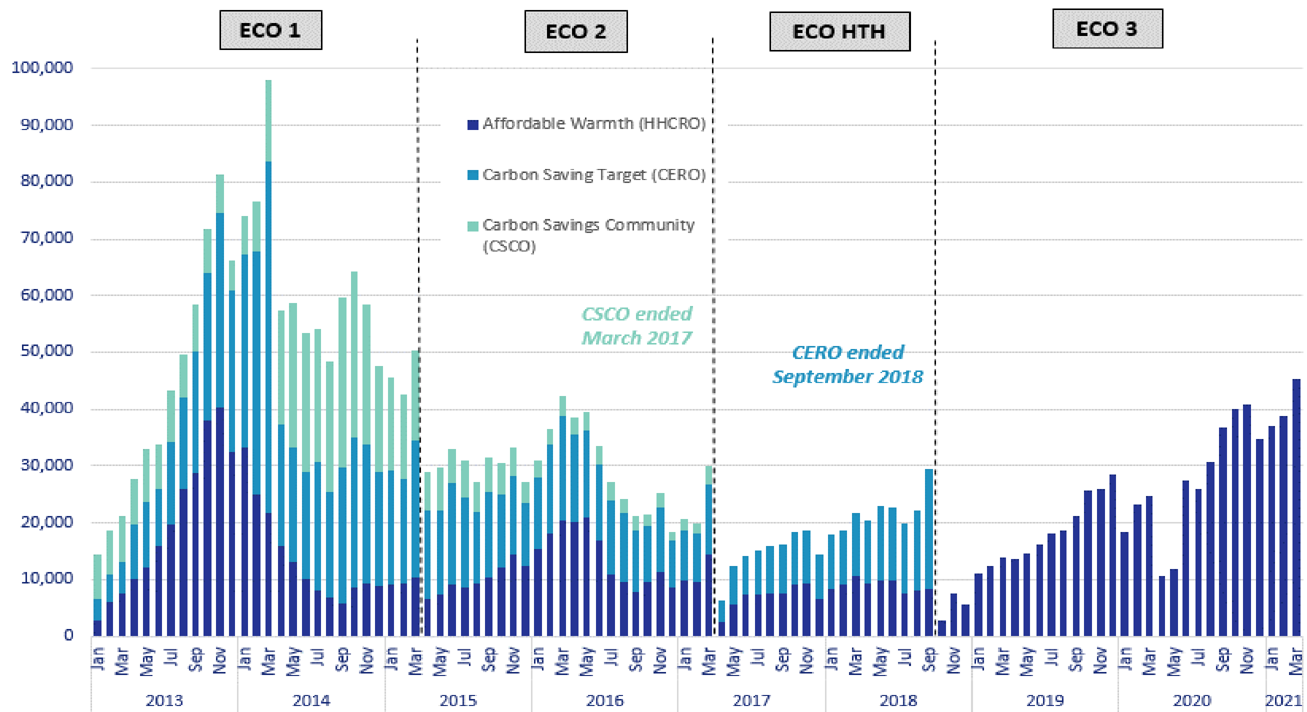
ECO Measures Installed and Households

In the data tables accompanying this publication, tables 2.1 - 2.8 show the detailed tables for each phase of ECO, tables 3.1 - 3.6 present all ECO measures including geographic analysis and tables 4.1 - 4.5 present the number of households receiving ECO measures.

Provisional figures show there were 3.12 million measures installed in 2.25 million households under ECO up to the end of March 2021 (Tables 1.1 and 1.2).

Since the start of ECO3 in October 2018, 682,984 measures were installed. This includes 45,244 measures installed in March 2021, which provisionally represents a 16 per cent increase relative to the number of measures delivered in February 2021 (Table 2.5), and the highest number of measures installed in a month since the start of ECO3. The measure delivery in March 2021 was the highest monthly delivery level since March 2015. Suppliers have until March 2022 to deliver their ECO3 obligations (Chart 1).

Chart 1: ECO measures installed, by obligation, by month, up to end March 2021



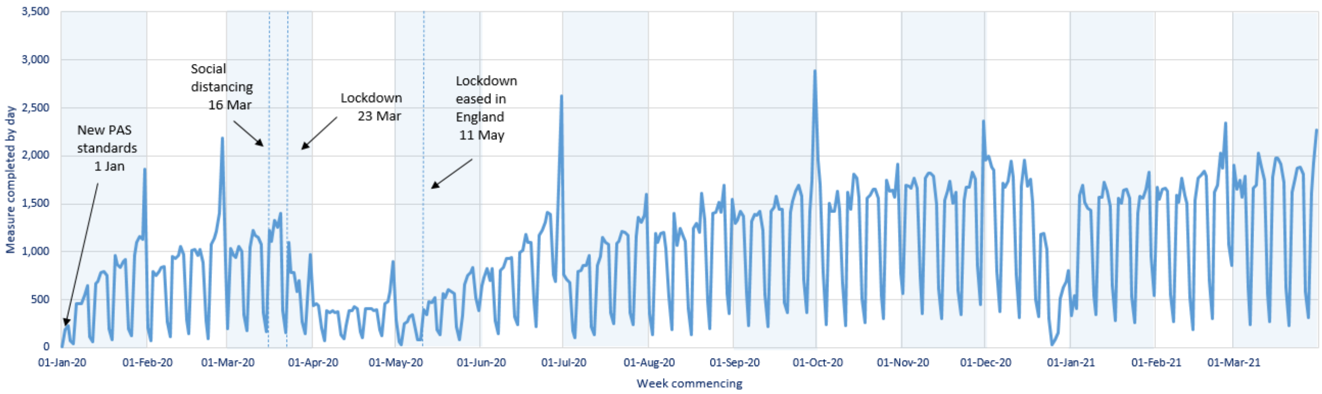
During Q1 2021, a number of effects have been observed in ECO delivery:

- In January 2021, 37,008 measures were completed - an increase of 6 per cent relative to December 2020. This monthly increase in part reflects the expected increase after the usual seasonal decrease in delivery in December.

- In February 2021, 38,904 measures were completed - an increase of 5 per cent compared with January 2021.
- In March 2021, 45,244 measures were completed - an increase of 16 per cent compared with February 2021, the highest number of measures delivered in a month since the start of ECO3 and since March 2015.
- Overall, Q1 2021 represents the highest number of measures delivered in a quarter since the start of ECO3 at 121,156 measures. It is also the highest quarterly delivery level since Q1 2015, which was the final quarter of delivery under ECO1.

As can be seen in Chart 1a below, it is typical to see a peak of measures completed at the very end of a month, reflecting the date on which the paperwork is completed. In 2020 from the end of March to around mid-May, the period when the first national lockdown was in place to help tackle COVID-19, daily installation levels were much lower than prior to the pandemic[2]. From mid-May and through June, installation levels increased, with a large end of month peak in June. Through Q3 and Q4 2020, there was a steadily increasing number of measures installed per day, with the exception at the end of December, when there was a sharp decline due to the seasonal Bank Holidays. Throughout Q1 2021, there have a steadily increasing number of daily measures being installed.

Chart 1a: ECO measures installed, by day (2020 - 2021 only)



Through ECO, the combination of Affordable Warmth and the Carbon Savings Community Obligation have delivered around 2.04 million measures in around 1.34 million low income and vulnerable households, or households in specified areas of low income, by the end of March 2021 (Tables 2.6, 2.7 & 2.8). Since the start of April 2017, around 827,000 Affordable Warmth measures have been installed in around 466,000 low income and vulnerable households[3] (Tables 2.7 and 2.8).

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[2] Ofgem issued guidance for industry on delivery of ECO during the COVID-19 lockdown: https://www.ofgem.gov.uk/publications-and-updates/eco-amidst-covid-19 and https://www.ofgem.gov.uk/coronavirus-covid-19/coronavirus-covid-19-and-government-environmental-programmes

[3] The total number of unique properties by obligation does not equal the total number of unique properties overall, as some properties have measures installed under more than one ECO phase. The total number of unique properties to receive an ECO3 measure, up to the end of March 2021 was 362,725 with around 51,466 (14%) of these properties also having received an ECO 1, 2 or Help-to-Heat measure.

Under ECO3, suppliers can deliver up to 10 per cent of their obligation through Innovation measures. Innovation was slow to take off. Following the first measures being approved by Ofgem in March 2019, a total of 3,199 measures were installed and reported to BEIS to date. In Q1 2021, 994 (31 per cent) innovation measures were installed – this is the largest quarterly delivery to date. Of all the innovation measures, 83 per cent were smart heating controls and 11 per cent under floor insulation.

Of all notified ECO measures installed to end of March 2021, around 62 per cent of measures have been insulation measures, including cavity wall insulation (31 per cent), loft insulation (21 per cent), solid wall insulation (six per cent) and 'other insulation' (four per cent). The remainder are mostly heating measures, with 23 per cent boiler measures and a further 15 per cent for 'other heating' measures (Tables 2.6, 2.7 and 2.8 and Infographic 2).

Infographic 2: ECO measures by measure type, up to end December 2020

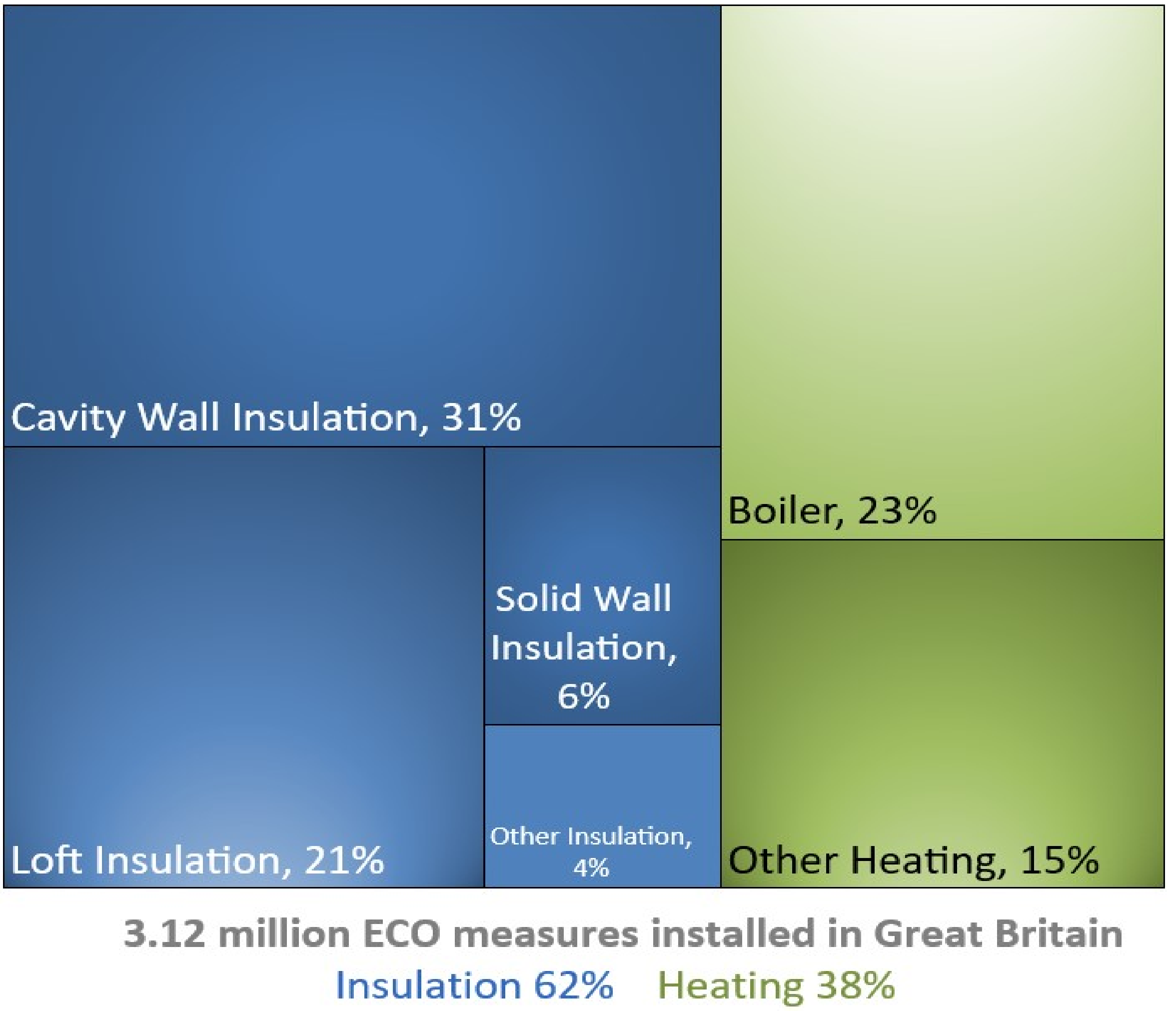


Chart 2a shows that the share of heating measures has increased in ECO3 compared to previous ECO phases. Over half (58 per cent) of ECO3 measures have been for heating measures, with boilers representing 28 per cent of measures and a further 30 per cent from 'other heating' measures up to March 2021. This is largely due to the Affordable Warmth obligation, the only sub-obligation to include boilers, making up the whole of ECO3 (Table 2.8).

Chart 2b compares the share of measures within the Affordable Warmth obligation only. Of all notified ECO3 measures installed up to the end of March 2021, 14 per cent were for cavity wall insulation, 11 per cent were for loft insulation and four per cent were for solid wall insulation. These are significantly higher than the share of insulation measures through Affordable Warmth across all ECO phases, where nine per cent were for cavity wall insulation, nine per cent were for loft insulation and two per cent were for solid wall insulation. In ECO3 the share of 'other insulation' has increased to 14 per cent. This is due to under floor insulation being the most popular associated insulation measure with a broken boiler. To date, the scheme has delivered nearly 100,500 broken boiler replacements with an associated insulation measure, which has been under floor insulation in 85 per cent of cases (Table 2.6, 2.7 & 2.8).

Chart 2a: Share of all ECO measures installed, by measure type, by ECO phase, up to end March 2021

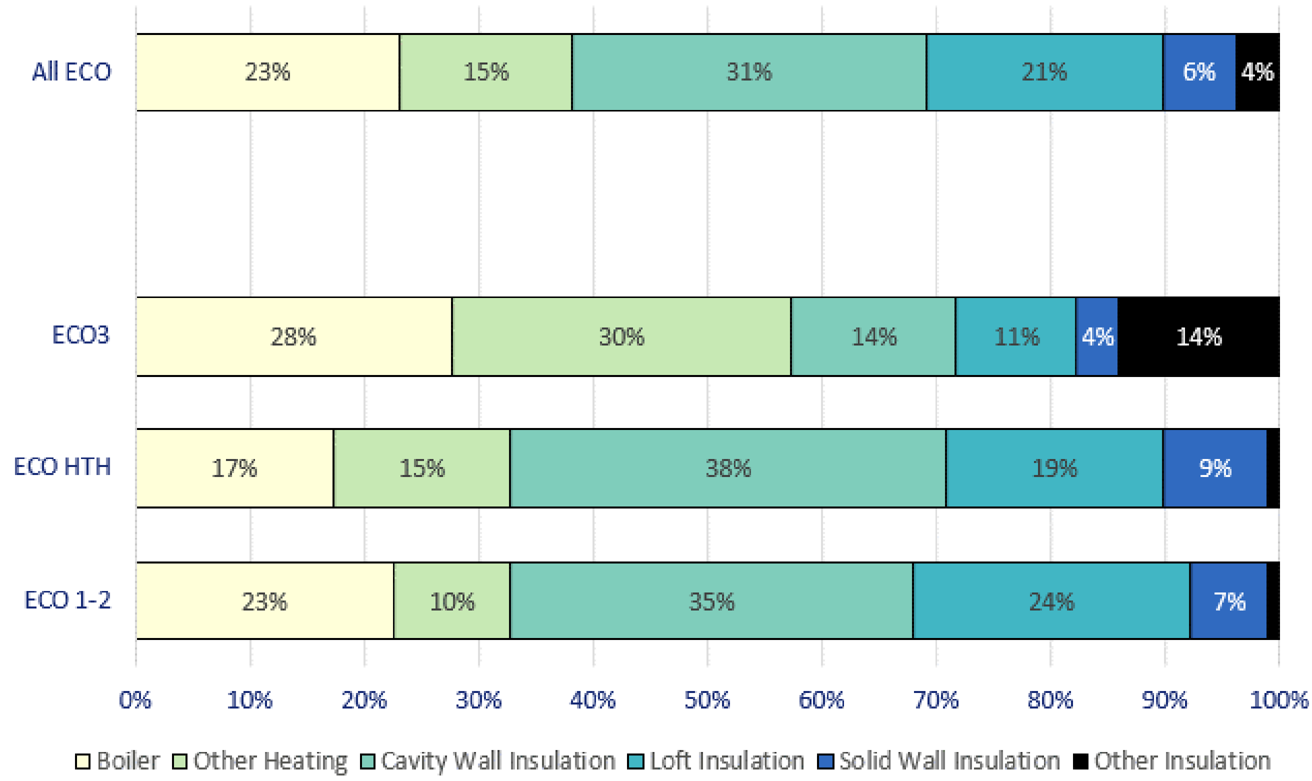
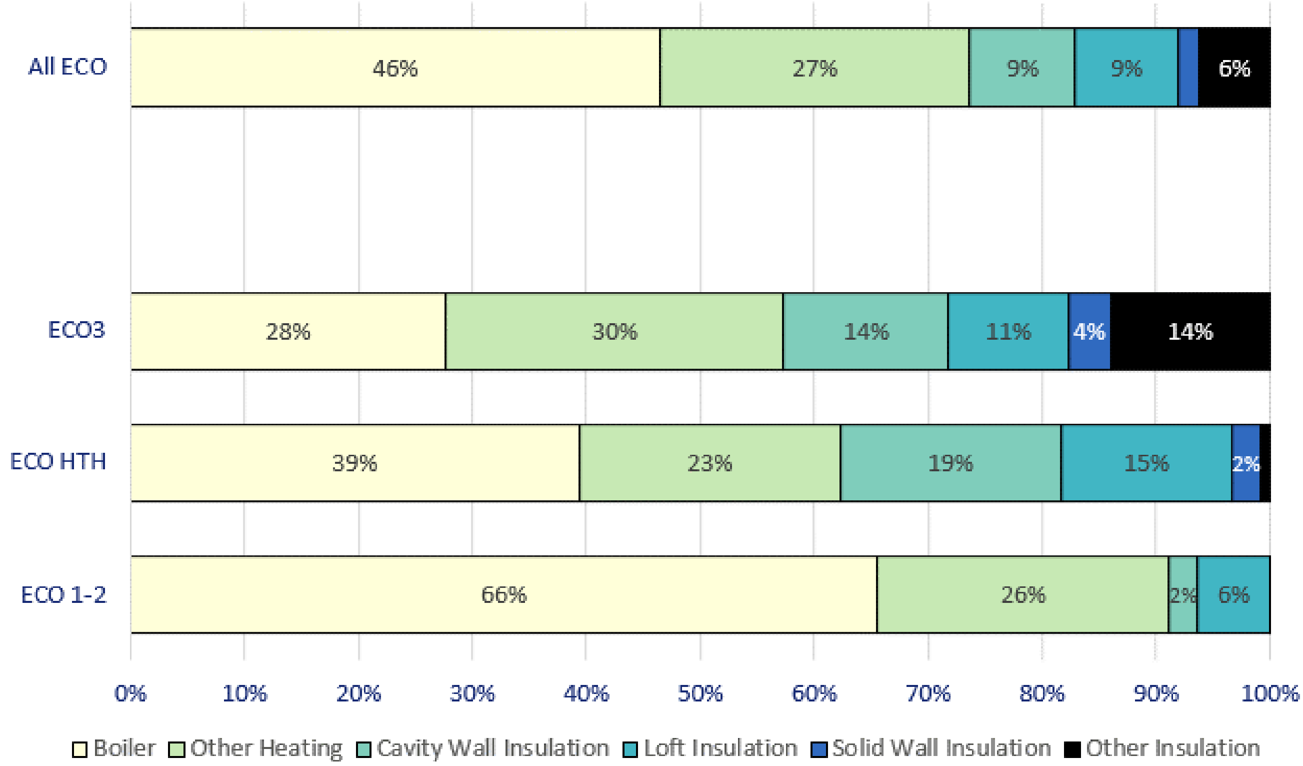


Chart 2b: Share of all Affordable Warmth measures installed, by measure type, by ECO phase, up to end March 2021



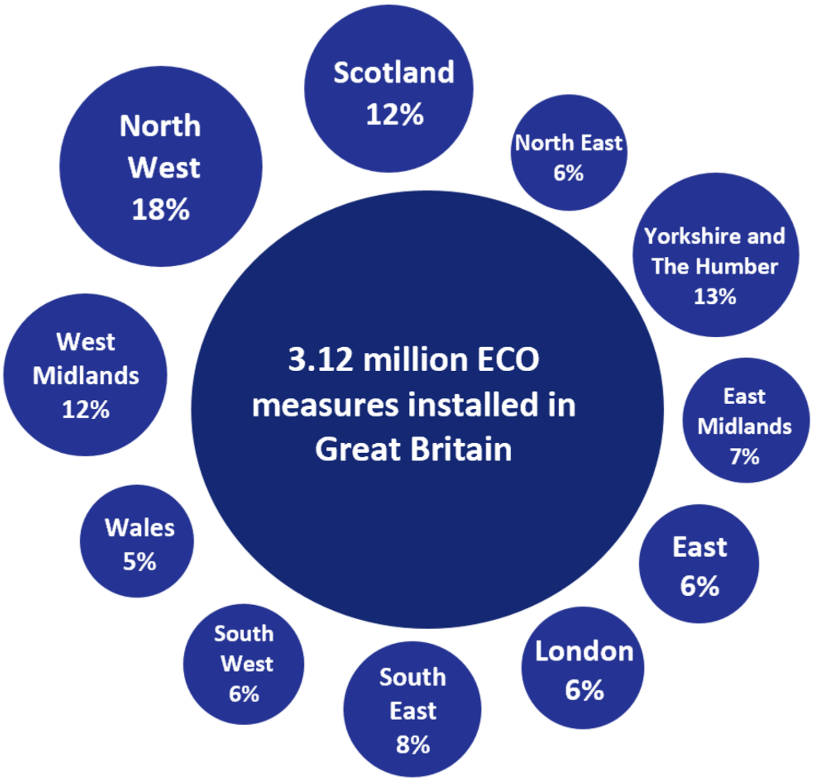
Since the start of ECO, an average of 1.39 measures have been installed per household receiving measures. Prior to the start of ECO3, the Affordable Warmth ratio was 1.41 measures per household reflecting that when a heating measure is installed it is often accompanied with heating controls as a secondary measure.

Across the whole of ECO3, the cumulative ratio of measures installed per household has increased from 1.25 in October 2018 to 1.88 in March 2021. When looking at all households receiving an ECO3 measure, the average number of measures per household was 2.25 in Q1 2021, which was higher than the ratio of 2.19 in Q4 2020.

ECO3 has also seen an increased likelihood of measures being installed in homes that also received ECO measures in earlier phases of the scheme. Over Q1 2021, around 121,200 measures were installed in around 53,800 households, of which nearly 8,300 households (15 per cent) had previously received an ECO measure.

Up to the end of March 2021, around one fifth (18 per cent) of ECO measures were in the North West (573,400), the highest in any region. Twelve per cent of ECO measures were installed in Scotland (377,100) and five per cent were in Wales (163,300). In Q1 2021, around 21 per cent of ECO measures were in the North West (24,800), the highest in any region; eight per cent of ECO measures were installed in Scotland (9,900) and around three per cent were in Wales (3,800) (Infographic 3, Table 3.3).

Infographic 3: ECO measures by region, up to end March 2021

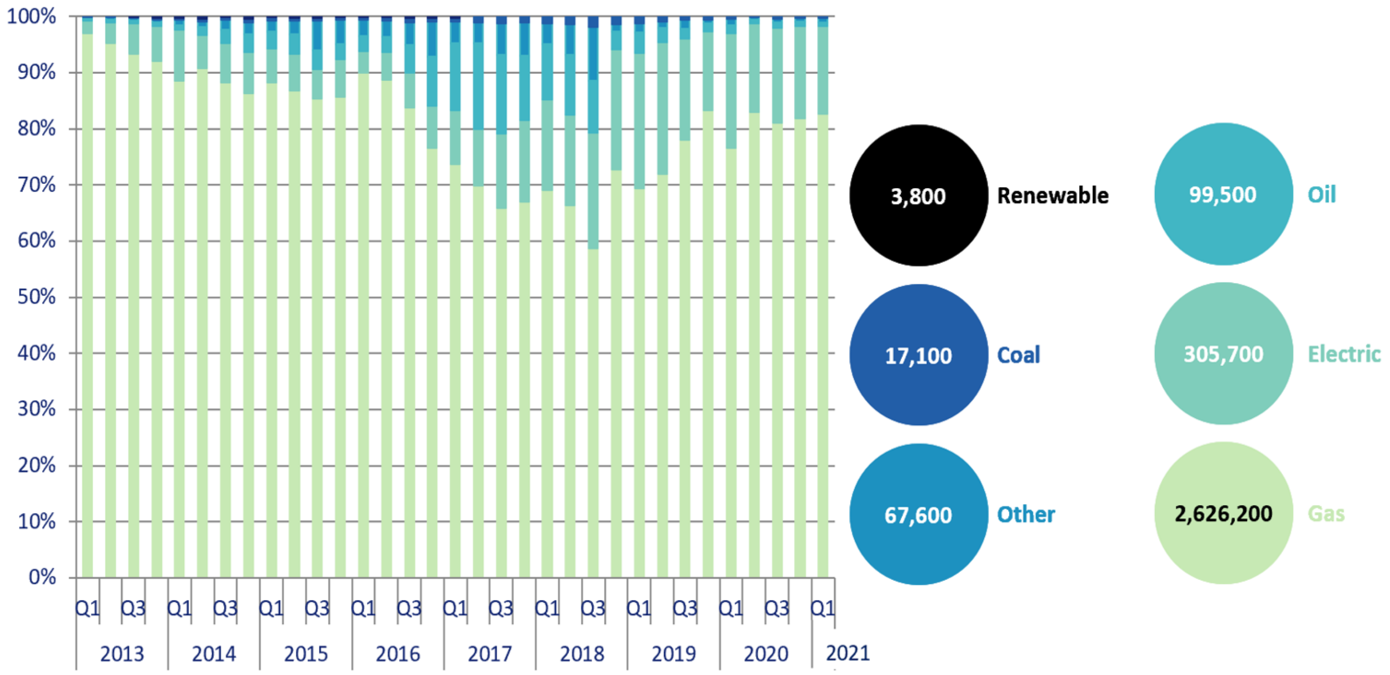


Around eight per cent of all households in Great Britain had a measure installed under ECO (i.e. around 84 per 1,000 households), up to the end of March 2021. For England, there were around 80 measures per 1,000 households, with five regions (North West, North East, West Midlands, Yorkshire & the Humber, East Midlands), each having a rate above the England average. The North West and North East regions had the highest amounts in England, with 126 and 112 households with ECO measures per 1,000 households, respectively. There were around 122 measures per 1,000 households in Scotland and 85 per 1,000 households in Wales (Map 1, Table 4.1, and Table 4.4).

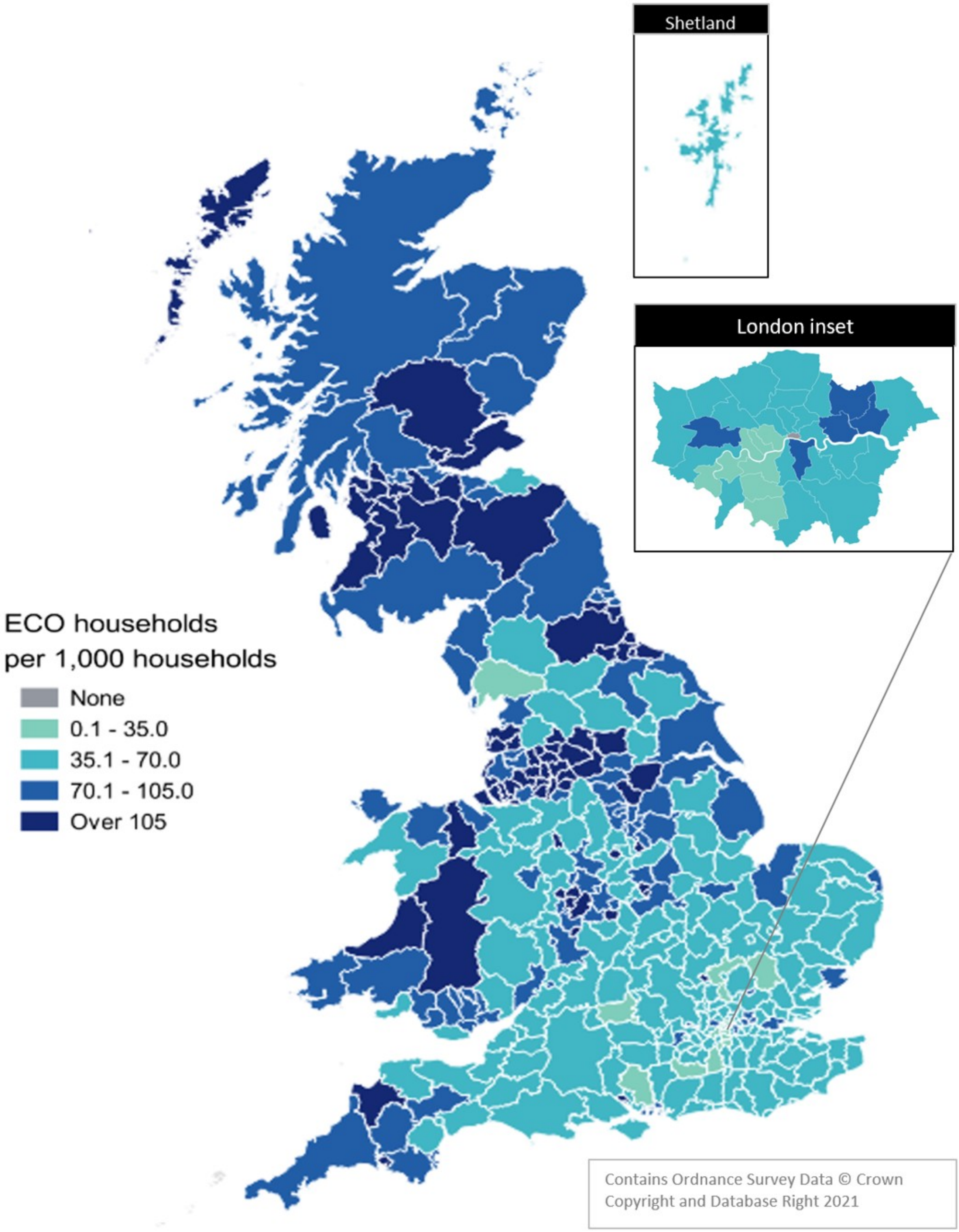
The interactive map for indicators of domestic energy efficiency includes the percentage of households receiving ECO measures down to Lower Layer Super Output Area up to December 2020. The map also shows the number of loft and wall insulation measures installed. www.domesticenergymap.uk

In total, to the end of March 2021, around 84 per cent of ECO measures were installed in properties that used gas as their main fuel type (around 2.63 million measures). This figure has decreased across the ECO scheme from 97 per cent in the first quarter of ECO to 59 per cent in the last quarter of ECO Help-to-Heat (Q3 2018), before generally rising over subsequent quarters to around 83 per cent in Q1 2021 (Chart 3, Table 3.2).

Chart 3: ECO measures by main fuel type of property, by quarter, up to end March 2021

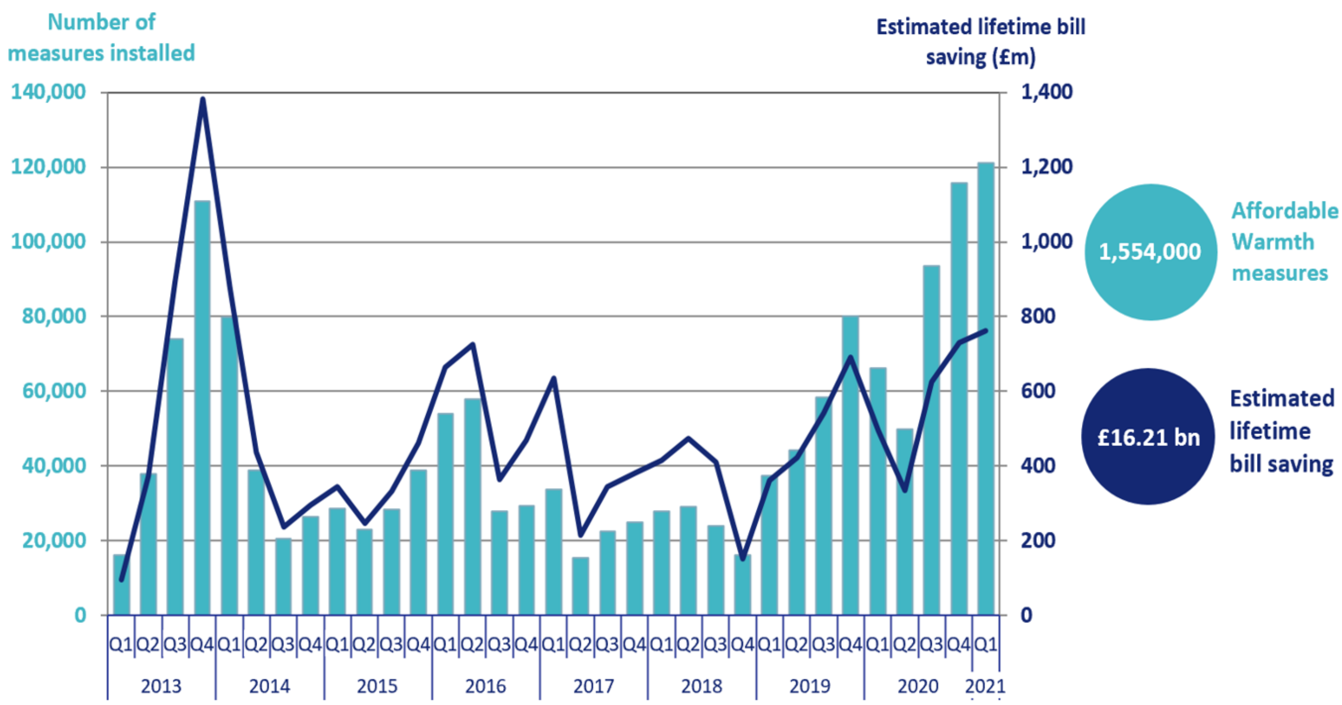


Map 1: Households in receipt of ECO measures by Local Authority per 1,000 households, up to end March 2021



Around 1.55 million Affordable Warmth ECO measures installed up to the end of March 2021 are estimated to deliver £16.21bn worth of notional lifetime bill savings. In Q1 2021, Affordable Warmth delivered around 121,200 measures, resulting in around £761m of lifetime bill savings (Chart 4, Table 2.1).

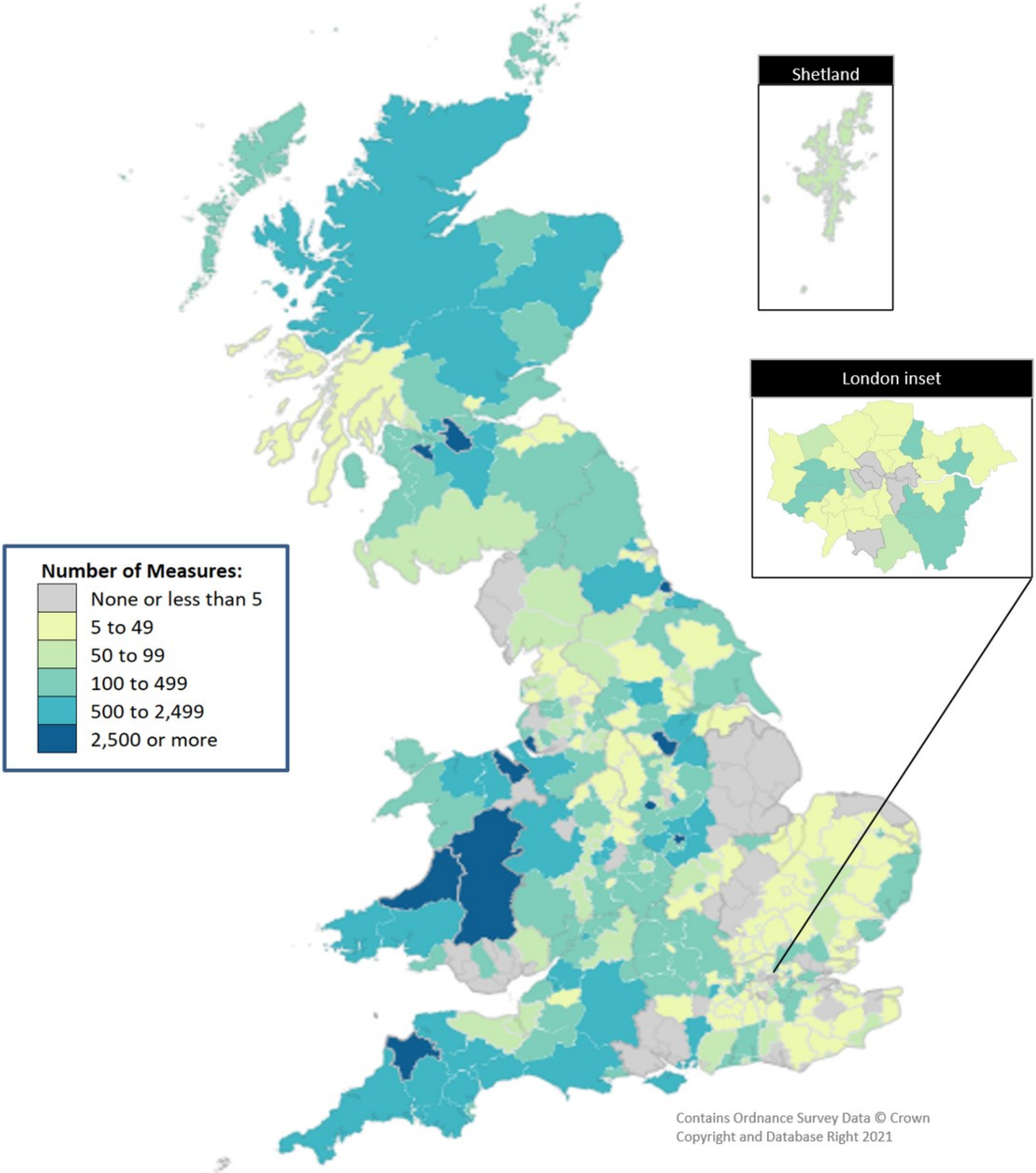
Chart 4: Estimated lifetime bill savings for Affordable Warmth measures, by installation quarter, up to end March 2021



Local Authorities can determine eligible homes under the 'flexible eligibility' mechanism. The Affordable Warmth Obligation is measured through lifetime savings and up to 25 per cent of the ECO3 obligation can be delivered through 'Flexible Eligibility'. Up to March 2021, 205 local authorities had seen 50 or more measures installed through Flexible Eligibility, 60 of which had over 500 measures installed. Scotland had the highest number of flex measures installed of any region, with around 18 per cent of the flex measures in Great Britain, whereas Wales had around 12 per cent. The East Midlands and South West regions had the highest share amongst regions in England, having around 16 and 15 per cent of all flex measures installed in Great Britain respectively (Table 3.5).

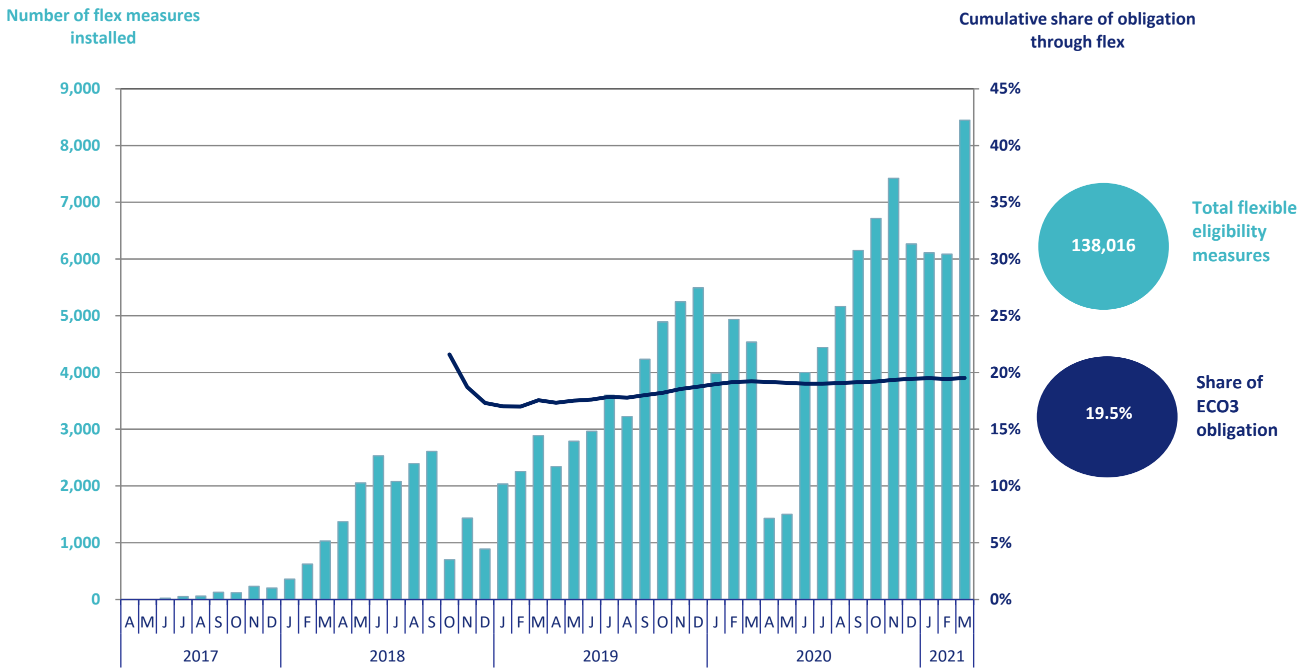
Since the introduction of Flexible Eligibility, 138,016 measures have been delivered through this aspect of the scheme up to the end of March 2021 (Tables 2.7 & 2.8). Under ECO3 (since October 2018), up to 25 per cent of the obligation can be delivered through Flex, with 19.5 per cent of this obligation delivered through Flex up to the end of March 2021 (Chart 5).

Map 2: ECO measures installed through Flexible Eligibility, by Local Authority (April 2017 – March 2021)



Local Authorities are shown only if they have at least 5 flexible eligibility measures. In total, 331 Local Authorities had at least 1 flex measure up to March 2021.

Chart 5: Number of ECO3 Flexible Eligibility Measures by installation month and share of Affordable Warmth obligation delivered through flex, up to end March 2021[4]



[4] The share of obligation delivered through Flexible Eligibility only covers ECO3 because a different cap of 25 per cent is allowed under this phase. Approximately 14 per cent of the ECO HTH Affordable Warmth Obligation was delivered through Flexible Eligibility, which exceeded the 10 per cent cap for that phase but the excess is expected to be re-elected into ECO3.

ECO Costs

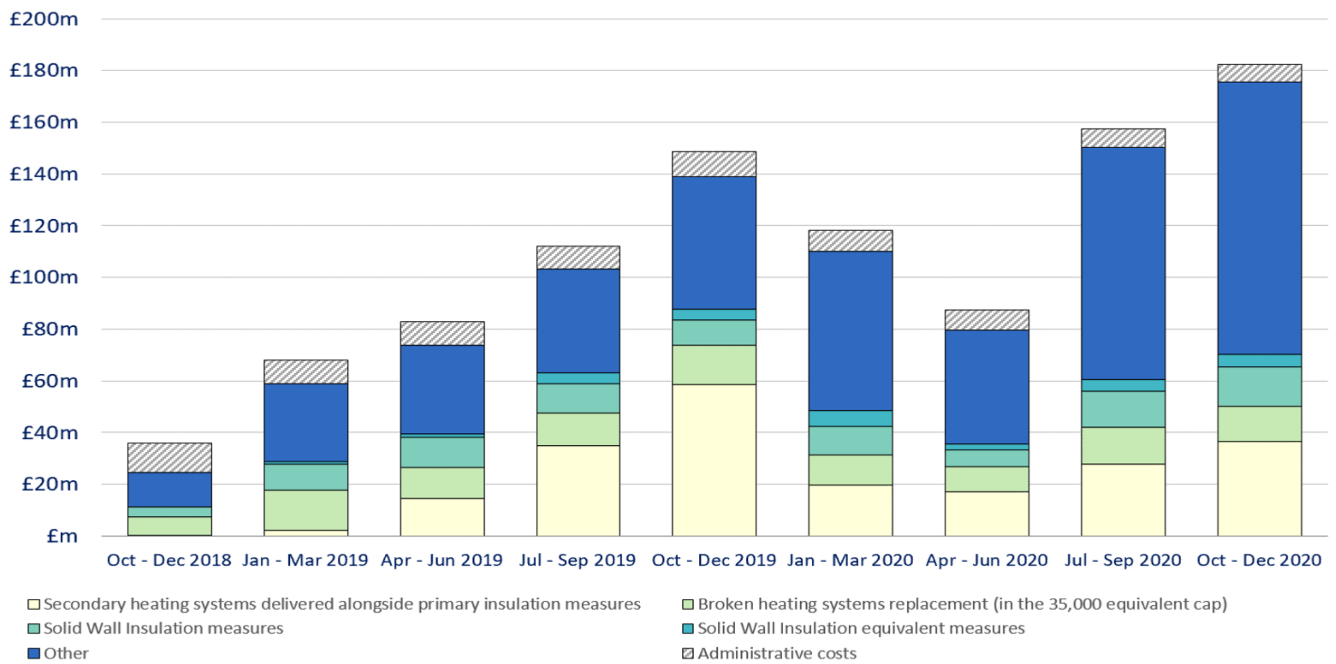
In the data tables accompanying this publication, tables 6.1-6.6 show amount of money suppliers have spent delivering and administering the ECO scheme.

ECO costs are updated in the monthly headline release following a quarterly publication. The figures below are from the March headline release and will be updated in the June headline release.

The total ECO delivery costs up to the end of December 2020 were around £4.70bn, with an additional £476m in administrative costs. This meant that the total cost of ECO for the period was £5.18bn (Table 6.1).

The delivery costs for ECO3 up to the end of December 2020 were £915m, with 35 per cent of these costs funding boiler and 'other heating' systems. As COVID-19 lockdown measures were eased in Q3 2020, the delivery of measures increased by around 85 per cent, relative to Q2 2020. Q4 2020 saw a further increase in measure delivery, 22 per cent higher than the prior quarter, and these increases have therefore resulted in an associated increase in ECO costs. When Q4 2020 is compared with Q3 2020, total costs had risen around 16 per cent, and Q4 2020 costs had more than doubled when compared to Q2 2020 (up around 108 per cent). Q4 delivery costs are also the highest of any quarter in ECO3 (Table 6.6, Chart 6).

Chart 6: ECO3 costs, by cost type, by quarter, up to end December 2020



Up to the end of December 2020, the average cost of delivering the ECO3 Affordable Warmth obligation was 21 pence per £ lifetime bill savings, up from 15 pence per £ in ECO Help-To-Heat (Tables 6.3 & 6.4).

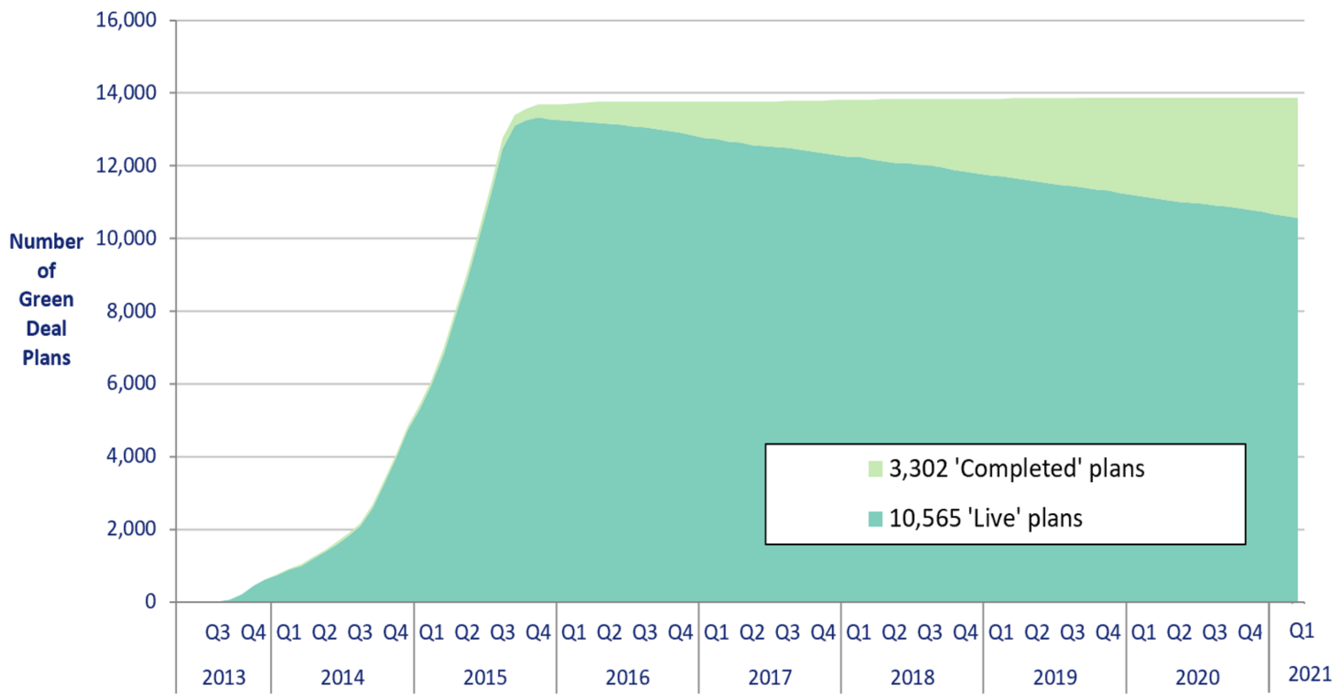
The Green Deal

In the data tables accompanying this publication, tables 7.1 - 7.3 show the number of Green Deal plans and measures.

Green Deal (GD) Plans – there were 13,867 'live' or 'completed' GD Plans in unique homes at the end of April 2021. Of these, 10,488 were 'live' (all measures installed) and 3,379 were 'completed' (all measures installed and paid off). At the end of April 2021, 76 per cent of all plans were 'live'. Over the last three months (February - April 2021) 175 plans were 'completed', compared to 171 completions in the previous three months (Table 7.1).

Table 7.1 contains monthly data up to April 2021, but in Chart 7 below only complete quarters are shown.

Chart 7: Domestic Green Deal Plans, by 'Live' or 'Completed' status, by quarter, up to end March 2021



Technical information

Further information regarding the methodology and quality assurance process used to produce estimates for this statistical series can be found here:

https://www.gov.uk/government/publications/household-energy-efficiency-statistics-methodology-note

Definitions

The Energy Company Obligation required the larger energy suppliers to achieve savings in homes. (CERO & CSCO are measured in terms of lifetime carbon savings, Affordable Warmth is measured in terms of lifetime bill savings).

Energy Suppliers are set targets for each phase of the scheme based on two criteria: the number of customers that they have and the amount of energy that they supply to domestic properties in Great Britain. This threshold remained the same for ECO1, 2 & Help-to-Heat but it is tightening through ECO3. Suppliers are obligated to participate in the scheme if they exceeded both the customer number threshold and the electricity or gas supply threshold as of 31 December of the previous year.

- Phase 1 of ECO3 placed obligations on 14 energy suppliers meeting the threshold at 31 December 2017.
- At the start of phase 2, there were 18 obligated suppliers based on the threshold at 31 December 2018.
- At the start of phase 3, there were 26 obligated suppliers based on the threshold at 31 December 2019.

ECO3 Supplier Obligation Thresholds: 2013-2022

	Phase 1		**Phase 2**	**Phase 3**	**Phase 4**
	Up to 3 Dec 2018	3 Dec 2018 – 31 Mar 2019	1 Apr 2019 – 31 Mar 2020	1 Apr 2020 – 31 Mar 2021	1 Apr 2021 – 31 Mar 2022
Number of domestic customers	250,000	250,000	200,000	150,000	150,000
Electricity supply to domestic customers	400 GWh	500 GWh	400 GWh	300 GWh	300 GWh
Gas supply to domestic customers	2,000 GWh	1,400 GWh	1,100 GWh	700 GWh	700 GWh

Within the Energy Company Obligation there are sub-obligations

Carbon Saving Target (CERO)	This covered the installation of measures like solid wall and hard-to-treat cavity wall insulation, which ordinarily cannot be financed solely through Green Deal Plans. From April 2017 this included a rural sub-obligation where at least 15 per cent of a supplier's CERO for Help-to-Heat must be achieved in rural areas. (Closed end September 2018)
Carbon Saving Communities (CSCO)	This provides insulation measures to households in specified areas of low income. It also makes sure that 15 per cent of each supplier's obligation is used to upgrade more hard-to-reach low-income households in rural areas. (Closed end March 2017)
Affordable Warmth[5] (HHCRO)	This provides heating and insulation measures to consumers who receive particular means-tested benefits. Since April 2017 it enables those in social housing living in E, F and G rated properties to receive insulation measures, and some heating measures. This obligation supports low-income consumers who are vulnerable to the impact of living in cold homes, including the elderly, disabled and families. From October 2018 this included a rural sub-obligation where at least 15 per cent of a supplier's ECO3 must be achieved in rural areas.
Flexible Eligibility	Local Authorities can determine eligible homes under the new 'Flexible Eligibility' mechanism, introduced in 2017. Up to 25% of the Obligation can be delivered through Flexible Eligibility under ECO3, up from 10% under ECO Help-To-Heat. Households can be assessed by local authorities to be 'living in fuel poverty'; or assessed to be 'living on a low income and vulnerable to cold'.
Innovation Measures	Under ECO3, suppliers are able to meet up to 10% of their obligation to deliver innovation measures to eligible households. A further 10% can be used to monitor the actual energy performance of measures in homes.

[5] Also known as The Home Heating Cost Reduction Obligation

Accompanying tables

The underlying tables are available in Excel format on the department's statistics website https://www.gov.uk/government/collections/household-energy-efficiency-national-statistics#headline-releases

Further information

Future updates to these statistics

The next headline release on the gov.uk website is planned for publication at 9.30am on **17th June 2021** and will contain the latest available information on headline ECO measures up to the end of April 2021 and update of Section 6 on ECO costs to March 2021.

The next quarterly release is planned for publication at 9.30am on **26th August 2021.**

Revisions policy

The BEIS statistical revisions policy sets out the revisions policy for these statistics, which has been developed in accordance with the UK Statistics Authority Code of Practice for Statistics.

Uses of these statistics

These statistics are used by Government to monitor the delivery and effectiveness of the ECO and GD schemes. They are used to monitor the delivery of the ECO obligation and the share of the obligation delivered though key aspects of the scheme, including Flexibility Eligibility and innovation measures. The data are used within the National Energy Efficiency Data-framework to assess the impact of these measures in different types of homes.

User engagement

Users are encouraged to provide comments and feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and should be sent to: EnergyEfficiency.Stats@beis.gov.uk

The BEIS statement on statistical public engagement and data standards sets out the department's commitments on public engagement and data standards as outlined by the Code of Practice for Statistics.

National Statistics designation

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality, and public value, and it is our responsibility to maintain compliance with these standards.

The statistics last underwent a full assessment against the Code of Practice for Statistics on 12 June 2014

Pre-release access to statistics

Some ministers and officials receive access to these statistics up to 24 hours before release. Details of the arrangements for doing this and a list of the ministers and officials that receive pre-release access to these statistics can be found in the BEIS statement of compliance with the Pre-Release Access to Official Statistics Order 2008.

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This publication is available from: https://www.gov.uk/government/collections/household-energy-efficiency-national-statistics

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