



Household Energy Efficiency headline release: Great Britain Data to Q3 2020

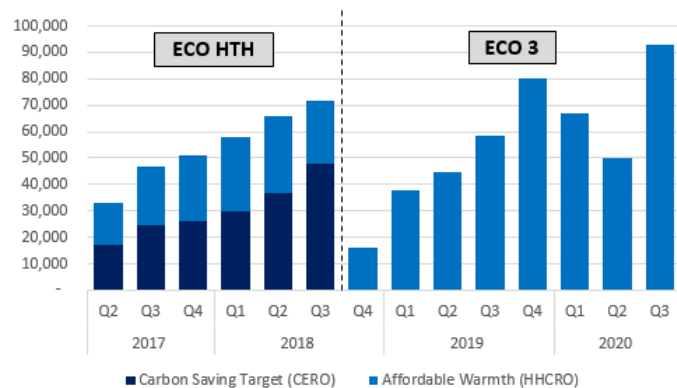
26 November 2020

National Statistics

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

- Around 3.0 million measures have been installed in around 2.2 million properties through ECO and under the GD framework to the end of September 2020.** Around 2.9 million of these installed measures (97 per cent) were delivered through ECO.
- Since the start of ECO3 in October 2018, 446,800 measures have been installed, including 36,400 measures installed in September 2020 - the highest number of measures installed in a month under ECO3 and the highest since May 2016. In Q3 2020, 92,700 measures were installed - an 85 per cent increase in measures relative to the previous quarter, which was affected by the impact of Covid-19 and the introduction of social distancing and lockdown measures during that period.
- The Government set a target to upgrade the energy efficiency of around one million more homes over the five years to April 2020. With the completion of the target period, the target was met with **around 1,002,900 homes having had at least one improvement measure** installed under the Energy Company Obligation (ECO) or Green Deal (GD).

Chart: ECO measures installed, by quarter, Q2 2017 – Q3 2020



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 home owners 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	3
Energy Efficiency Measures, Households and Carbon Savings	3
ECO Measures Installed and Households	5
ECO Costs	16
The Green Deal	17
Technical information	18
Definitions	18
Accompanying tables	20
Further information	20
Future updates to these statistics	20
Revisions policy	20
Uses of these statistics	20
User engagement	20
National Statistics designation	21
Pre-release access to statistics	21
Contact	21

Introduction

This release presents the latest quarterly statistics on the Energy Company Obligation (ECO) and the Green Deal (GD). It also includes an update on the measurement against the one million homes target. 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 September 2020, with selected non-measure-based statistics for October 2020. 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 June 2020.

Energy Efficiency Measures, Households and Carbon Savings

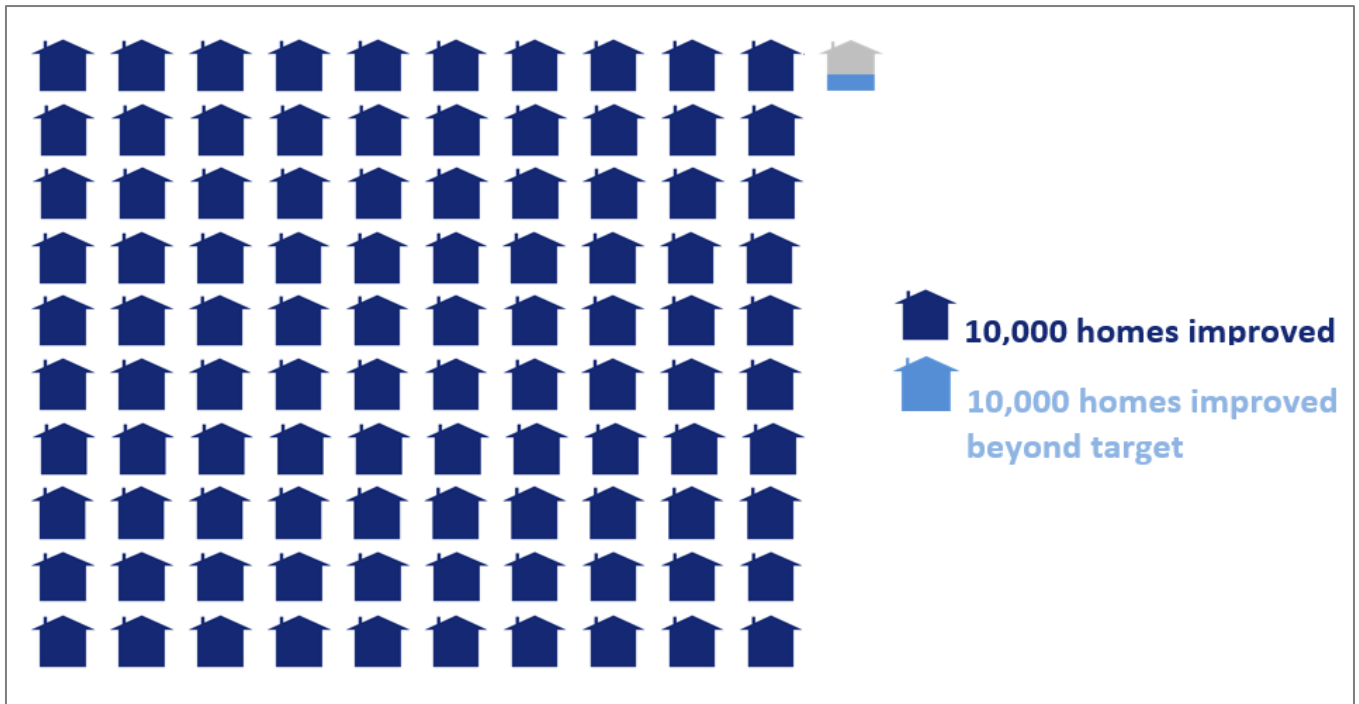
In the [data tables](#) accompanying this publication, tables 1.1 - 1.4 show the combined number of measures across the schemes including 1m homes target and estimated carbon and energy savings.

Since 2013, around 3.0 million measures have been installed in around 2.2 million properties through ECO and under the Green Deal Framework to the end of September 2020. Around 2.9 million of these installed measures (97 per cent) were delivered through ECO (Tables 1.1 and 1.2).

In Q3 2020, around 92,700 measures were installed through ECO in around an additional 38,500 households (Tables 3.3 and 4.1). The Q3 2020 installation levels have recovered after the effect of the COVID-19 pandemic in Q2, and the associated social distancing and lockdown measures during that period.

The Government had a target to upgrade around one million homes through the Energy Company Obligation (ECO) and other Government domestic energy efficiency schemes, including insulation and other energy efficiency measures. The period covered was over the five years from the start of May 2015 through until the end of April 2020. With the completion of the target period, the latest data indicates that around 1,002,900 homes have had at least one improvement measure installed under ECO or the Green Deal (Infographic 1, Table 1.3).

Infographic 1: Proportion of the 1 million homes target achieved, up to end April 2020



The provisional estimated lifetime carbon savings of measures installed by the end of September 2020 under ECO (including Affordable Warmth), Cashback, GDHIF and GD Plans was up to 52.8 MtCO₂, with provisional estimated lifetime energy savings of around 203,100 GWh (Table 1.4).

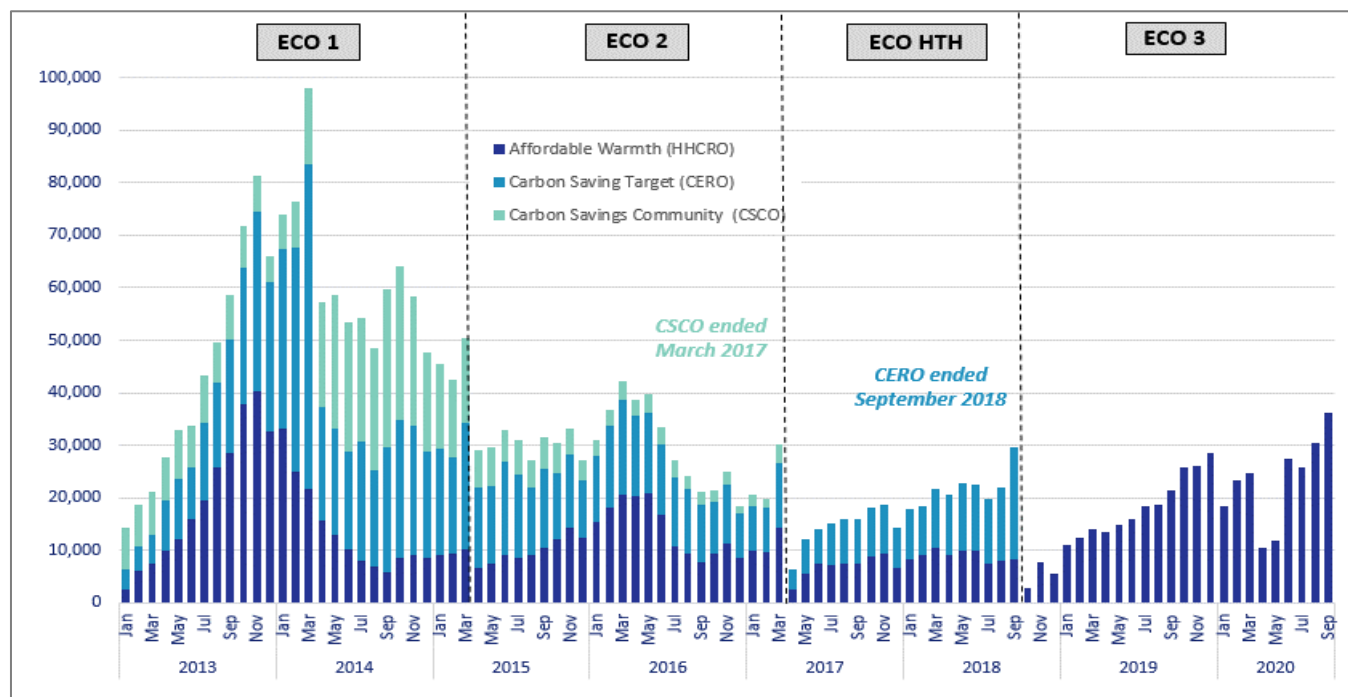
ECO Measures Installed and Households

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 around 2,884,000 measures installed in 2,155,000 households under ECO up to the end of September 2020 (Tables 1.1 and 1.2).

Since the start of ECO3 in October 2018, 446,800 measures have been installed. This includes around 36,400 measures installed in September 2020, which provisionally represents a 20 per cent increase relative to the number of measures delivered in August 2020, and the highest number of measures installed in a month under ECO3 (Table 2.5). The magnitude of this increase suggests that delivery levels have recovered from the onset of COVID-19 in March 2020, when lockdown and social distancing measures led to lower than average installation numbers in April and May 2020. Suppliers have until March 2022 to deliver their ECO3 obligations (Chart 1).

Chart 1: ECO measures installed, by obligation, by month, up to end September 2020



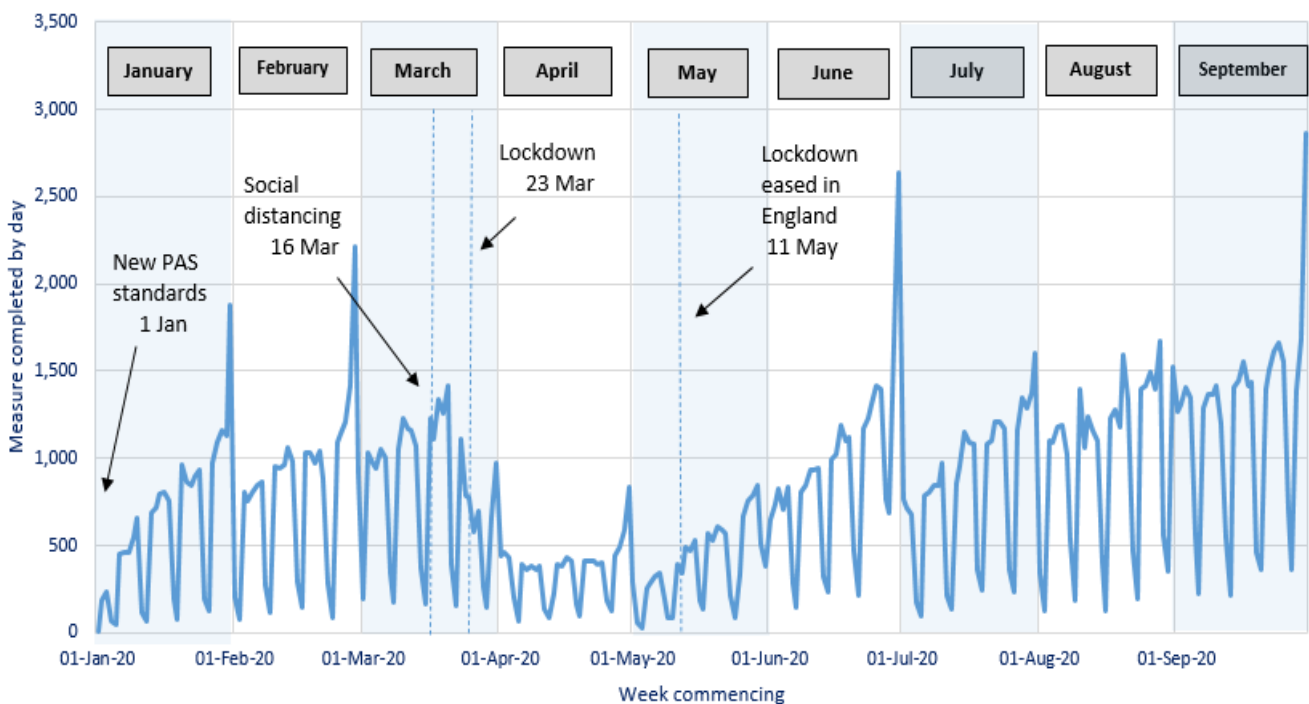
During Q3 2020, a number of effects have been observed in ECO delivery:

- In July 2020, around 25,900 measures were completed, a decrease of around 6.0 per cent relative to June 2020.
- In August 2020, 30,400 measures were completed, an increase of around 17 per cent compared with July.

- In September 2020, 36,400 measures were completed, an increase of around 20 per cent compared with August. September represents the highest number of measures delivered in a month since the start of ECO3. The higher measure installation levels from June to September 2020 indicate a recovery in ECO3 installations since the end of the nationwide lockdown for covid-19.

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. From the end of March to around mid-May, the period when national lockdown was in place to help tackle covid-19, daily installation levels were much lower than prior to the pandemic¹. From mid-May and through June, installation levels increased, with a large end of month peak in June. For Q3 2020, the chart shows there was a steadily increasing number of measures installed per day.

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



Through ECO, the combination of Affordable Warmth and the Carbon Savings Community Obligation have delivered around 1.80 million measures in around 1.24 million low income and vulnerable households, or households in specified areas of low income, by the end of September 2020 (Tables 2.6, 2.7 & 2.8). Since the start of April 2017, around 590,800 Affordable Warmth measures have been installed in around 359,600 low income and vulnerable households (Tables 2.7 and 2.8).

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>

Under ECO3, the whole obligation is delivered through Affordable Warmth, with 92,700 measures installed in an additional 38,500 households in Q3 2020 (Tables 3.1 and 4.1).

Of all notified ECO measures installed to end of September 2020, around 64 per cent of measures have been insulation measures, including cavity wall insulation (33 per cent), loft insulation (22 per cent), solid wall insulation (seven per cent) and 'other insulation' (three per cent). The remainder are mostly heating measures, with 23 per cent boiler measures and a further 13 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 September 2020

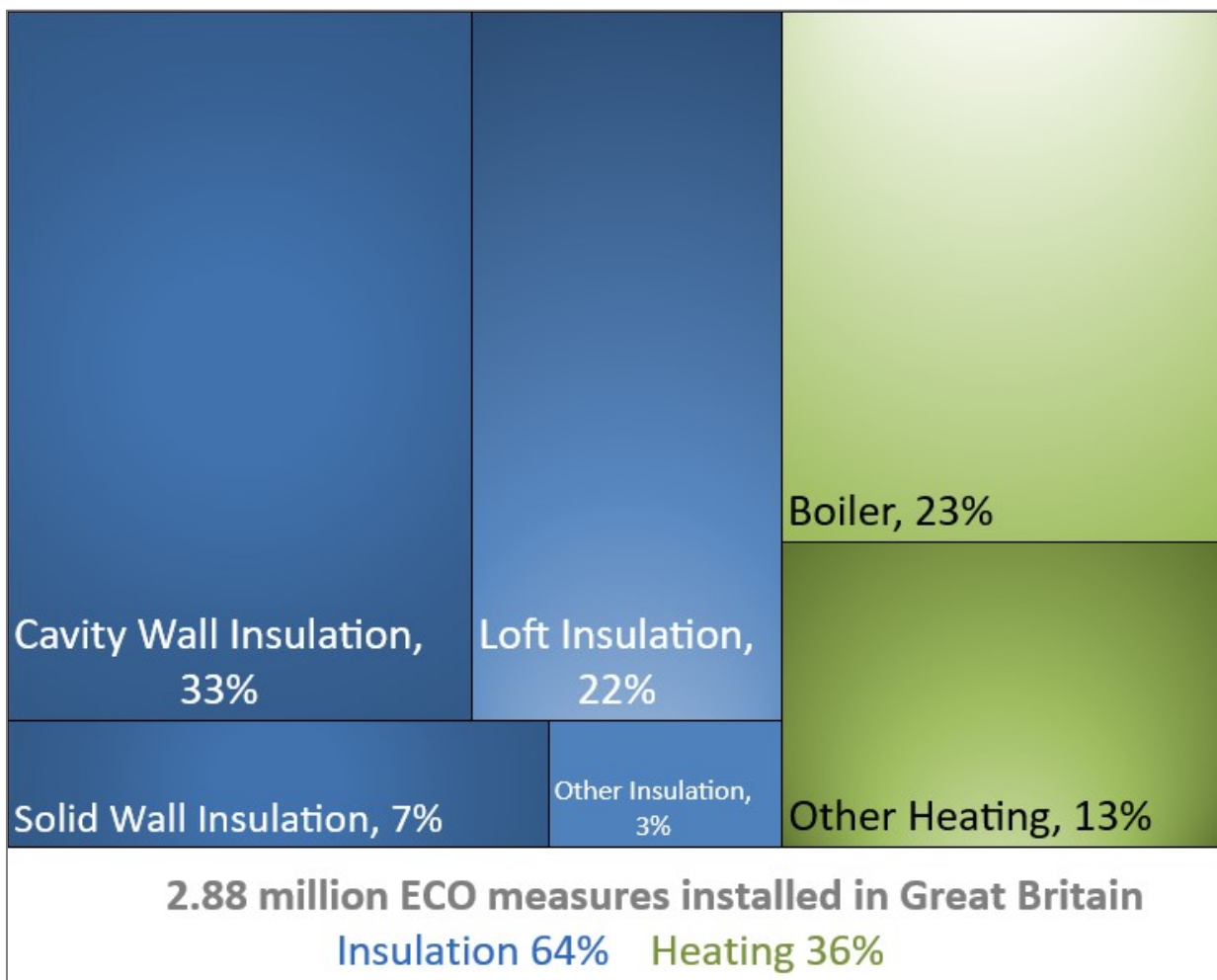


Chart 2a shows that the share of heating measures has increased in ECO3 compared to previous ECO phases. Just over half of ECO3 measures have been for heating measures, with boilers representing 29 per cent of measures and a further 25 per cent from 'other heating' measures up to September 2020. This 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 September 2020, 16 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 64,300 broken boiler replacements with an associated insulation measure, which has been under floor insulation in 84 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 September 2020

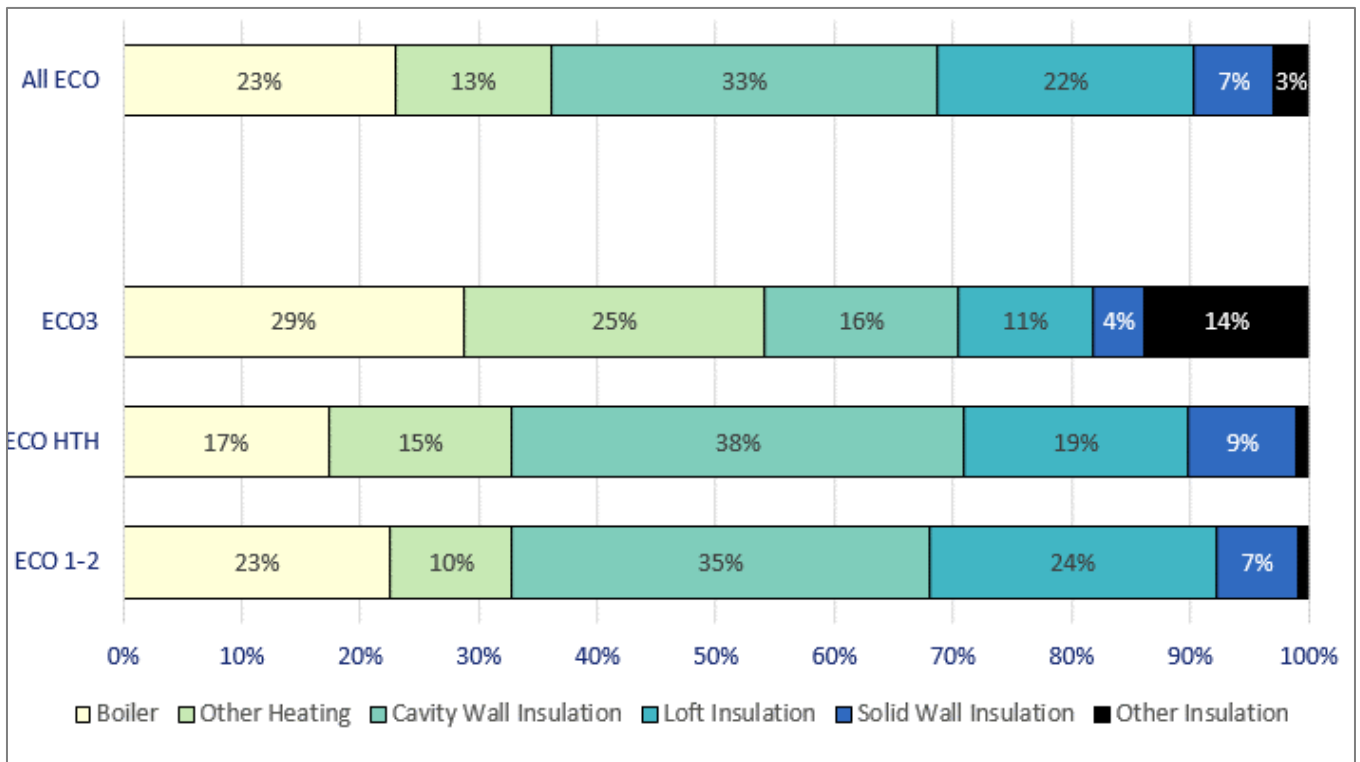
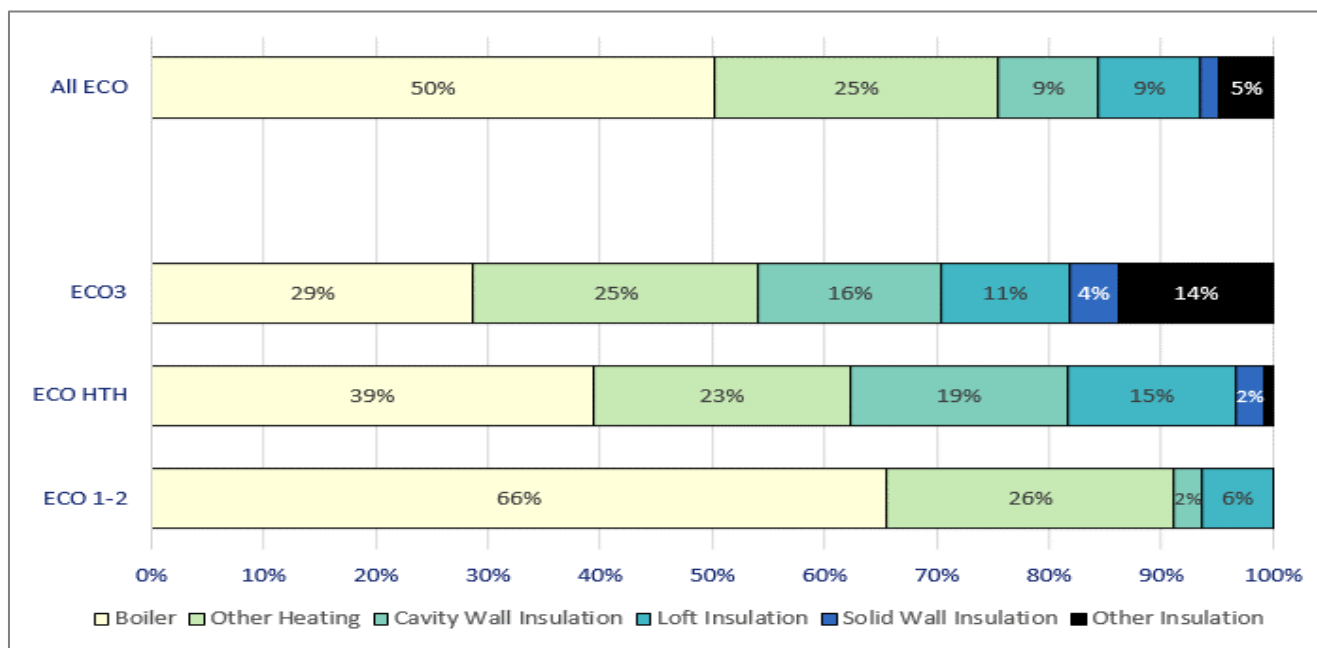


Chart 2b: Share of all Affordable Warmth measures installed, by measure type, by ECO phase, up to end September 2020

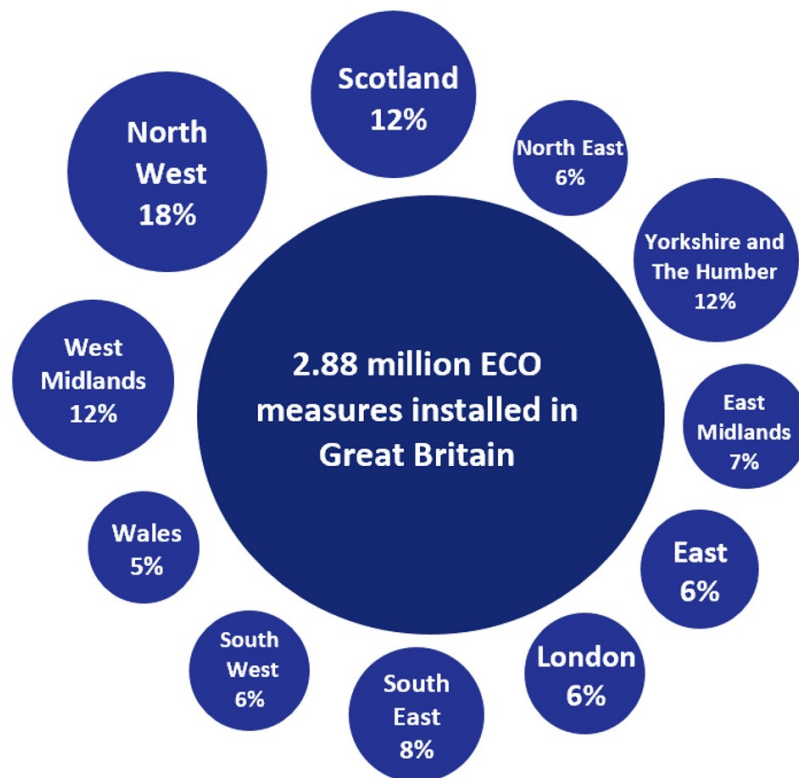


Since the start of ECO, an average of 1.34 measures have been installed per household receiving measures. Prior to the start of ECO3, the Affordable Warmth ratio was 1.41 measures per household reflecting that when a heating measure is installed it is often accompanied with heating controls as a secondary measure. Across the whole of ECO3, the cumulative ratio of measures installed per household has increased from 1.25 in October 2018 to 1.75 in September 2020. When looking at all households receiving an ECO3 measure, the average number of measures per household has gone down to 2.05 during Q3 2020, compared to an average of 2.09 in the previous quarter. This reduction in the ratio of measures installed per household occurred, as the number of households receiving measures increased by 88 per cent compared to a slightly lower increase in the number of measures installed at 85 per cent.

On a monthly basis, the ratio of the measures installed per household increased through Q3 2020 but was lower than the peak ratio in April 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 the last 3 months, 92,700 measures were installed in 45,100 households, of which 6,600 households (15 per cent) had previously received an ECO measure.

Up to the end of September 2020, around one fifth (18 per cent) of ECO measures were in the North West (527,400), the highest in any region. Twelve per cent of ECO measures were installed in Scotland (356,300) and five per cent were in Wales (155,900). In Q3 2020, around 20 per cent of ECO measures were in the North West (18,400), the highest in any region. Nine per cent of ECO measures were installed in Scotland (8,300) and around four per cent were in Wales (3,500) (Infographic 3, Table 3.3).

Infographic 3: ECO measures by region, up to end September 2020

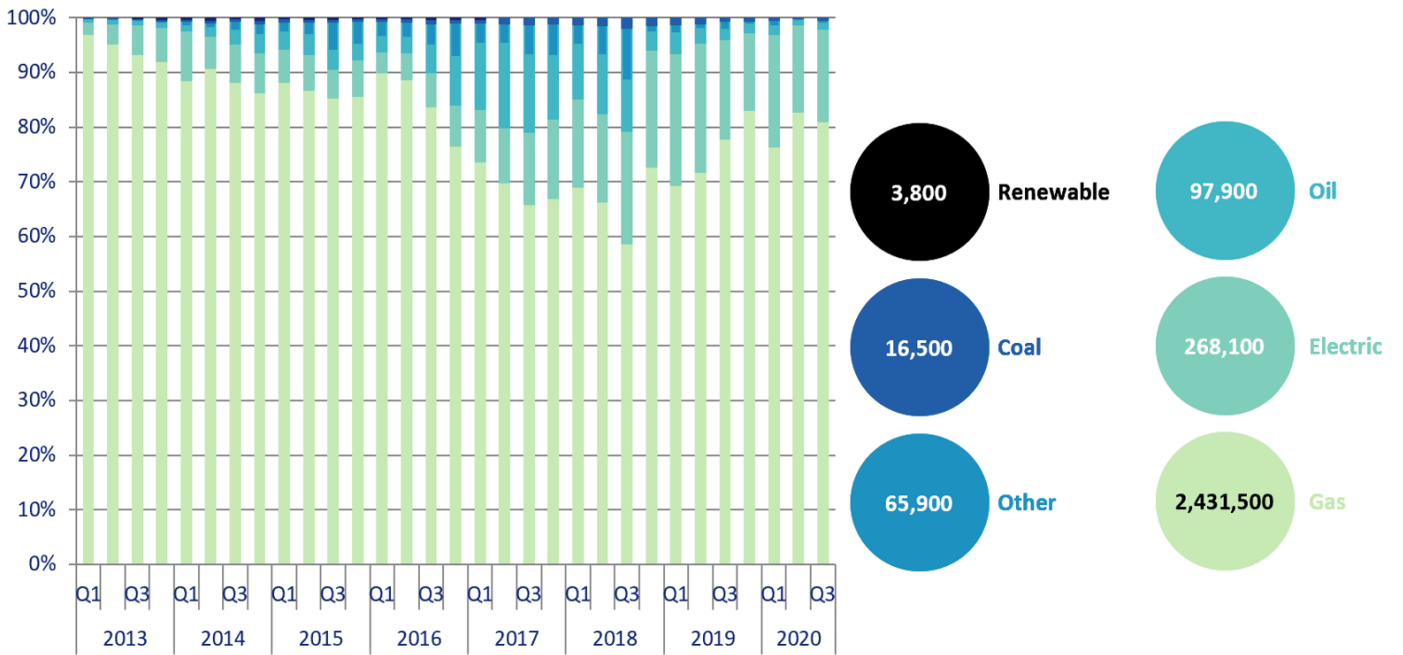


Around eight per cent of all households in Great Britain had a measure installed under ECO (i.e. around 81 per 1,000 households), up to the end of September 2020. The North West and North East regions had the highest amounts in England, with 121 and 107 households with ECO measures per 1,000 households, respectively. There were also around 118 measures per 1,000 households in Scotland and 83 per 1,000 households in Wales (Map 1, Table 4.1 and Table 4.4).

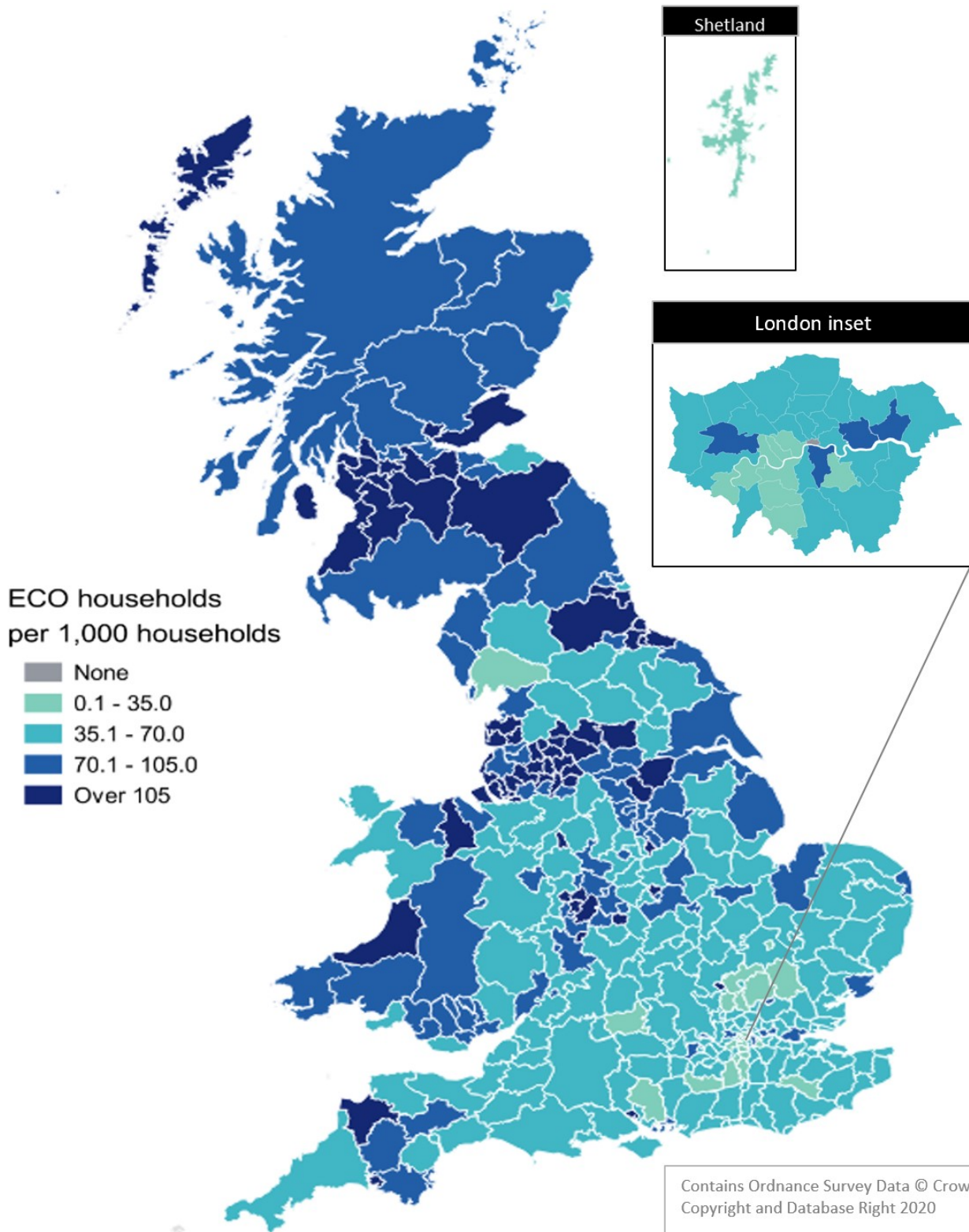
The interactive map for indicators of domestic energy efficiency includes the percentage of households receiving ECO measures down to Lower Layer Super Output Area up to December 2019. The map also shows the number of loft and wall insulation measures installed. www.domesticenergymap.uk

In total, to the end of September 2020, around 84 per cent of ECO measures were installed in properties that used gas as their main fuel type (around 2,431,500 measures). This figure has decreased 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 rising to 81 per cent in Q3 2020 (Chart 3, Table 3.2).

Chart 3: ECO measures by main fuel type of property, by quarter, up to end September 2020

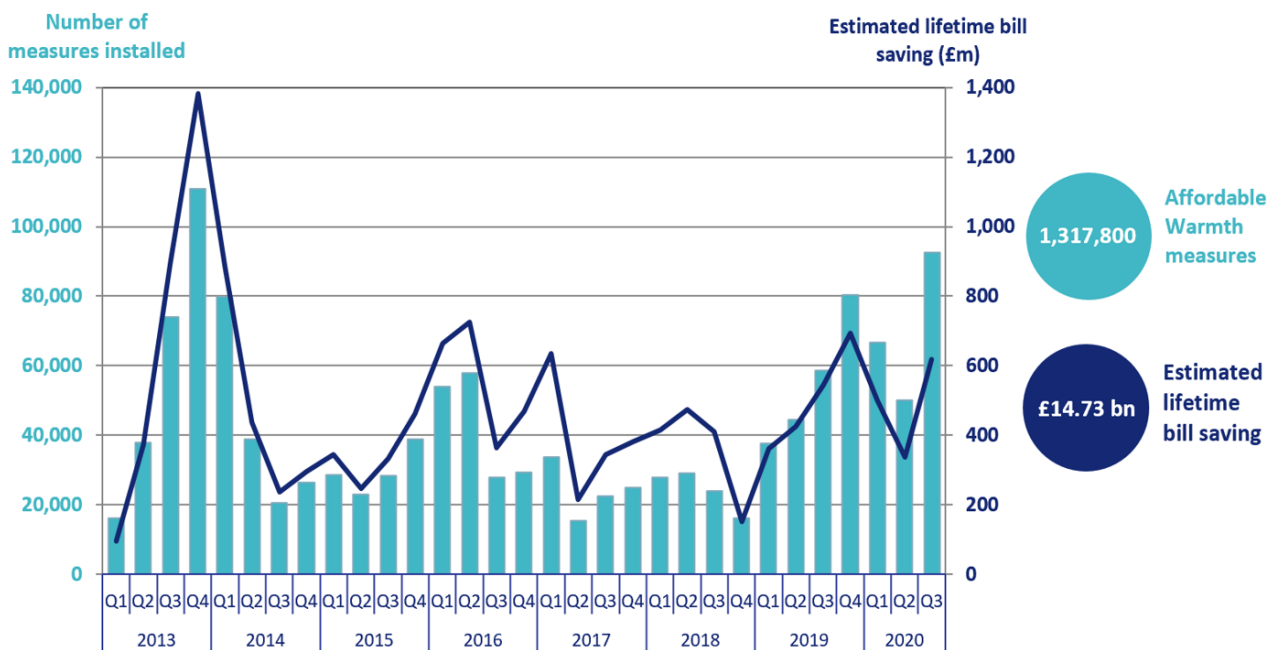


Map 1: Households in receipt of ECO measures by Local Authority per 1,000 households, up to end September 2020



Around 1,317,800 Affordable Warmth ECO measures installed up to the end of September 2020 are estimated to deliver £14.73bn worth of notional lifetime bill savings. In Q3 2020, Affordable Warmth delivered around 92,700 measures, resulting in around £617m of lifetime bill savings (Chart 4, Table 2.1).

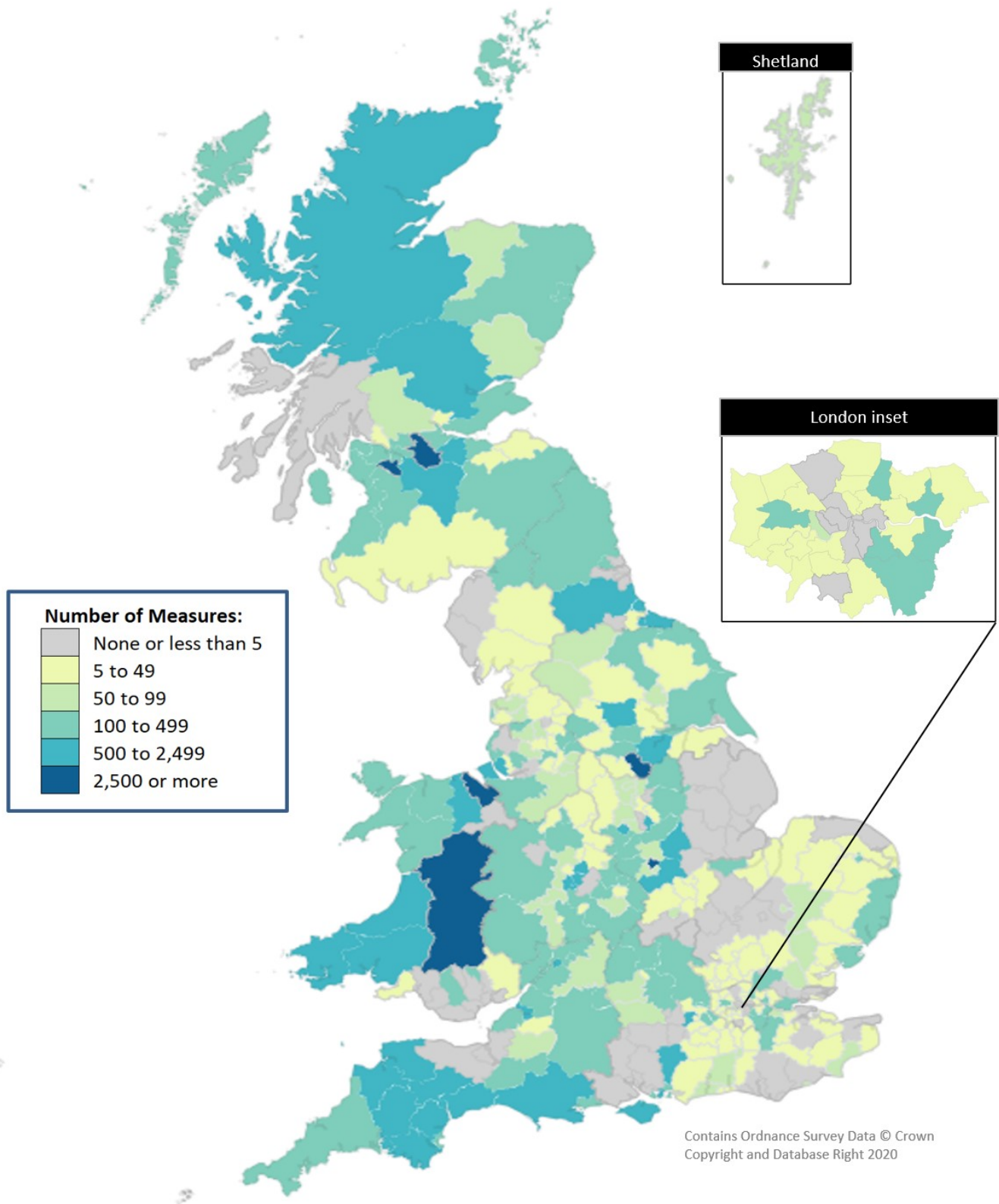
Chart 4: Estimated lifetime bill savings for Affordable Warmth measures, by installation quarter, up to end September 2020



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 September 2020, 177 local authorities had seen 50 or more measures installed through Flexible Eligibility, 46 of which had over 500 measures installed. Scotland had the highest number of flex measures installed of any region, with around 19 per cent of the flex measures in Great Britain, whereas Wales had 14 per cent. The South West region had the highest share of any region in England, with around 16 per cent of all flex measures installed in Great Britain (Table 3.5).

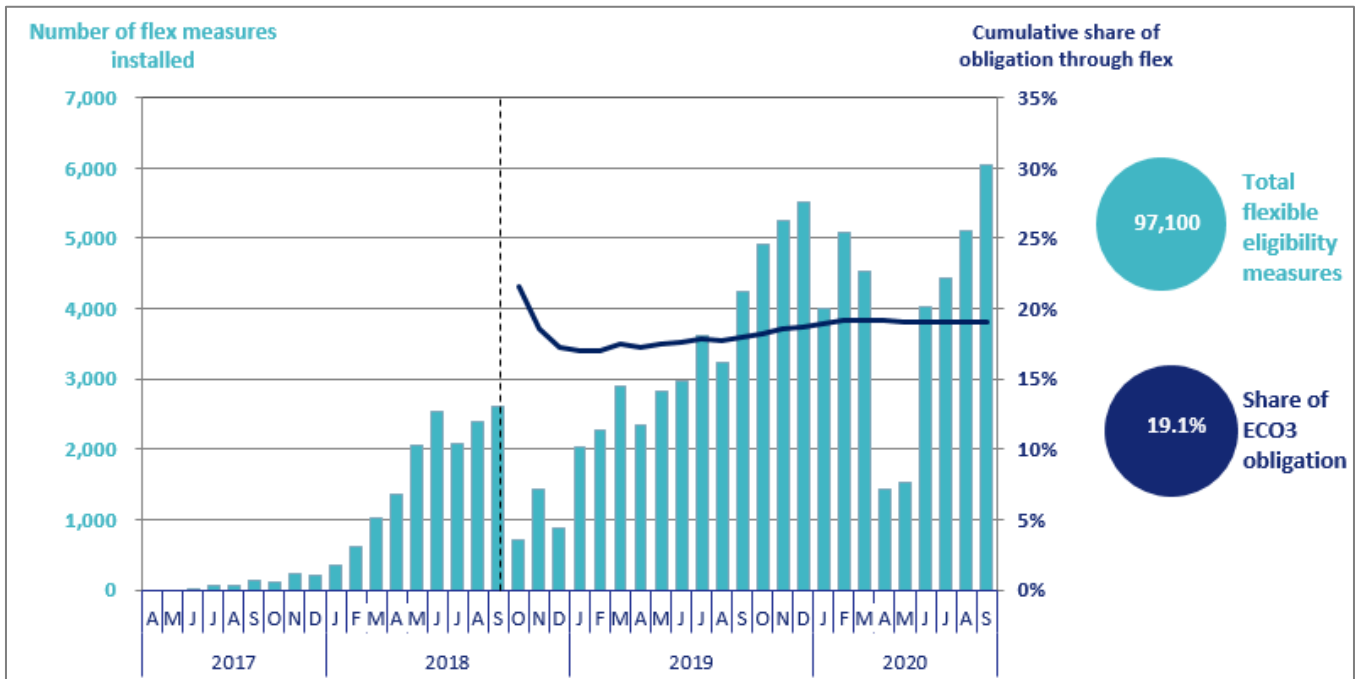
Since the introduction of Flexible Eligibility, 97,100 measures have been delivered through this aspect of the scheme up to the end of September 2020 (Tables 2.7 & 2.8). Under ECO3 (since October 2018), up to 25 per cent of the obligation can be delivered through Flex, with around 19 per cent of this obligation delivered through Flex up to the end of September 2020 (Chart 5).

Map 2: ECO measures installed through Flexible Eligibility, by Local Authority (April 2017 – September 2020)



Local Authorities are shown only if they have at least 5 flexible eligibility measures. In total, 317 Local Authorities had at least 1 flex measure up to September 2020.

Chart 5: Number of ECO3 Flexible Eligibility Measures by installation month and share of Affordable Warmth obligation delivered through flex, up to end September 2020²



² 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

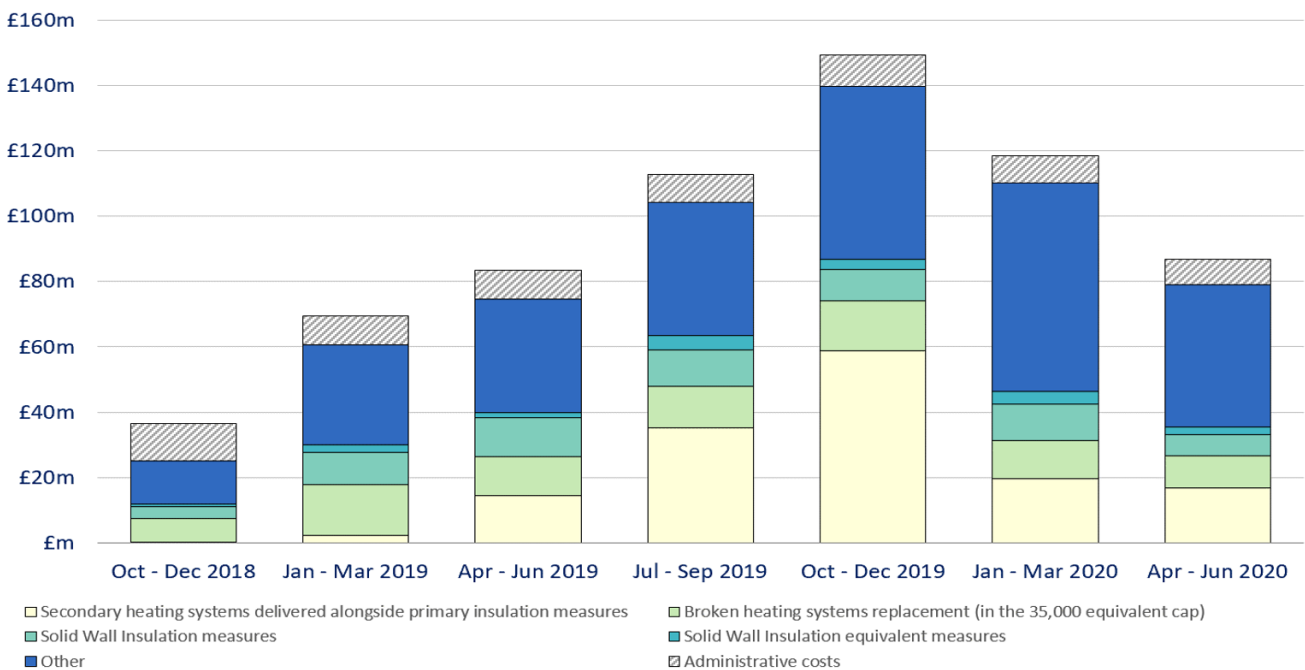
In the [data tables](#) accompanying this publication, tables 6.1-6.6 show amount of money suppliers have spent delivering and administering the ECO scheme.

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

The total ECO delivery costs up to the end of June 2020 were around £4.38bn, with an additional £462m in administrative costs. This meant that the total cost of ECO for the period was £4.84 billion. (Table 6.1).

The delivery costs for ECO3 up to the end of June 2020 were £593m, with 39 per cent of these costs funding boiler and 'other heating' systems. The total costs in Q2 2020 were 27 per cent lower than in Q1 2020, reflecting the reduction in measures during that period. (Table 6.6, Chart 6).

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



Up to the end of June 2020, the average cost of delivering the ECO3 Affordable Warmth obligation was 20 pence per £ lifetime bill savings, up from 15 pence per £ in ECO Help-to-heat. (Tables 6.3 & 6.4)

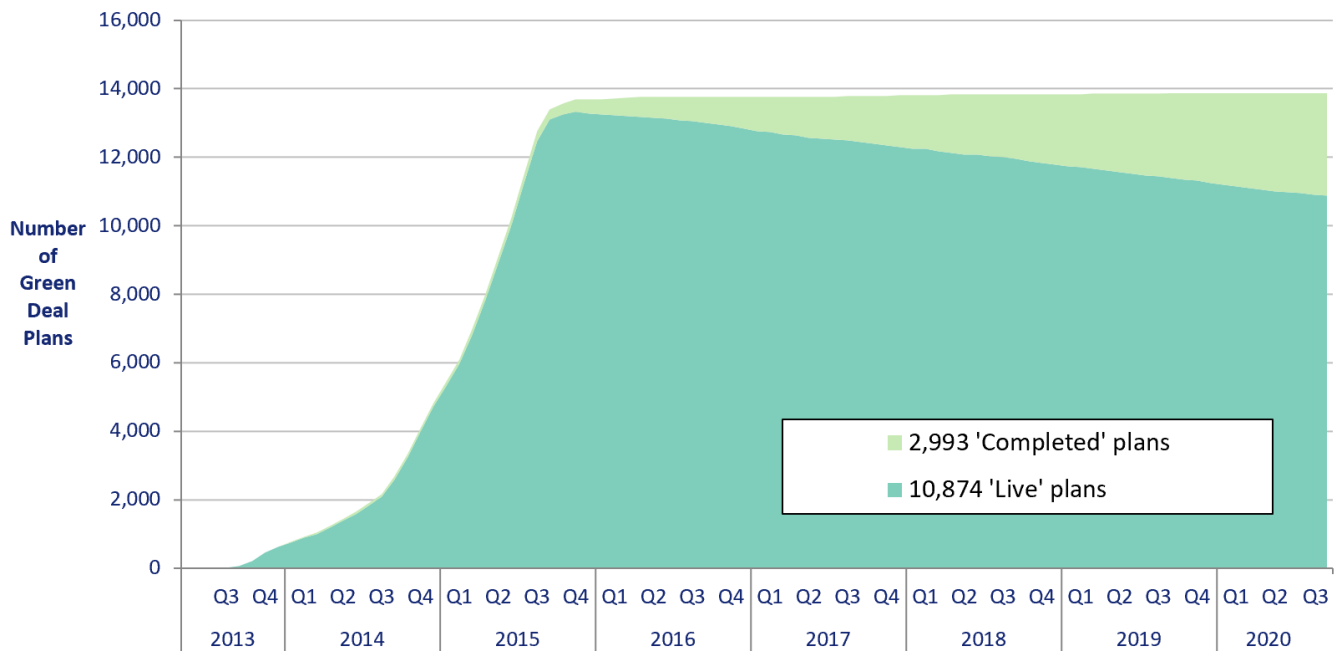
The Green Deal

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 October 2020. Of these, 10,834 were 'live' (all measures installed) and 3,033 were 'completed' (all measures installed and paid off). At the end of October 2020, 78 per cent of all plans were 'live'. Over the last three months (August - October 2020) 118 plans were 'completed', compared to 96 completions in the previous three months (Table 7.1).

Table 7.1 contains monthly data up to October 2020, 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 September 2020



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 can't 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 Warmth³ (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.

³ 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 December 2020** and will contain the latest available information on headline ECO measures and an update of Section 6 ECO costs to September 2020.

The next quarterly release is planned for publication at 9.30am on **25 February 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 through 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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