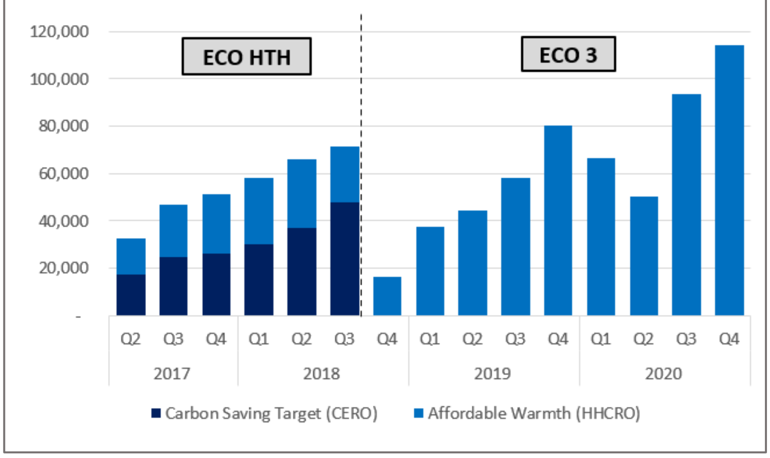
Department for
Business, Energy
& Industrial Strategy

Household Energy Efficiency headline release: Great Britain Data to Q4 2020

25 February 2021 **National Statistics**

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

Chart: ECO measures installed, by quarter, Q2 2017 – Q4 2020



- **Around 3.1 million measures have been installed in around 2.3 million properties through ECO and under the GD framework to the end of December 2020.** Around 3.0 million of these installed measures (97 per cent) were delivered through ECO.

- Since the start of ECO3 in October 2018, 560,900 measures have been installed, including 33,500 measures installed in December 2020. In line with usual seasonal patterns, December's number of delivered measures were around 17 per cent less than the number of measures delivered in November 2020.

- In Q4 2020, around 114,100 measures were installed – a 22 per cent increase in measures relative to the previous quarter, and the highest number of measures installed in a quarter since the start of ECO3. This trend follows on from Q3 2020, and indicates further recovery following the covid-19 lockdown in Q2 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 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).

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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 December 2020, with selected non-measure-based statistics for January 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 September 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 1m homes target and estimated carbon and energy savings.

Since 2013, around 3.1 million measures were installed in around 2.3 million properties through ECO and under the Green Deal Framework to the end of December 2020. Around 3.0 million of these installed measures (97 per cent) were delivered through ECO (Tables 1.1 and 1.2).

In Q4 2020, around 114,100 measures were installed through ECO in around an additional 44,900 households (Tables 3.3 and 4.1). The number of measures installed in Q4 2020 was 22 per cent higher than in Q3 2020. During Q3 2020 and continued in 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 further COVID-19 restrictions and lockdown measures, at a devolved administration and regional level, being introduced during the Q4 period. 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 December 2020 under ECO (including Affordable Warmth), Cashback, GDHIF and GD Plans was up to 53.8 MtCO2, with provisional estimated lifetime energy savings of around 206,830 GWh (Table 1.4).

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[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

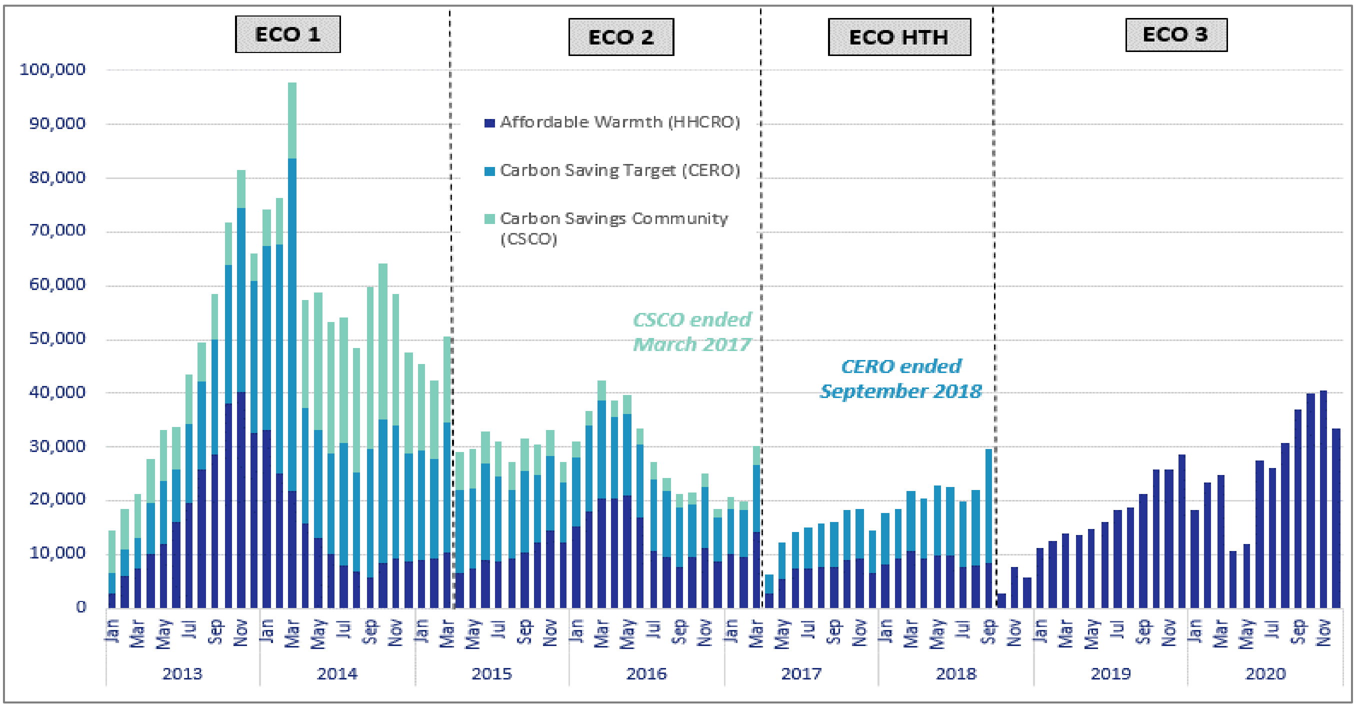
ECO Measures Installed and Households

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 2,997,741 measures installed in 2,201,215 households under ECO up to the end of December 2020 (Tables 1.1 and 1.2).

Since the start of ECO3 in October 2018, 560,916 measures have been installed. This includes 33,472 measures installed in December 2020, which provisionally represents a 17 per cent decrease relative to the number of measures delivered in November 2020 (Table 2.5). This decrease in December compared to November reflects the slowdown in delivery as a result of Bank Holidays over Christmas and New Year. Suppliers have until March 2022 to deliver their ECO3 obligations (Chart 1).

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



During Q4 2020, a number of effects have been observed in ECO delivery:

- In October 2020, 40,062 measures were completed, an increase of 8.7 per cent relative to September 2020.
- In November 2020, 40,565 measures were completed, an increase of 1.3 per cent compared with October 2020.
- In December 2020, 33,472 measures were completed, a decrease of 17 per cent compared with November.

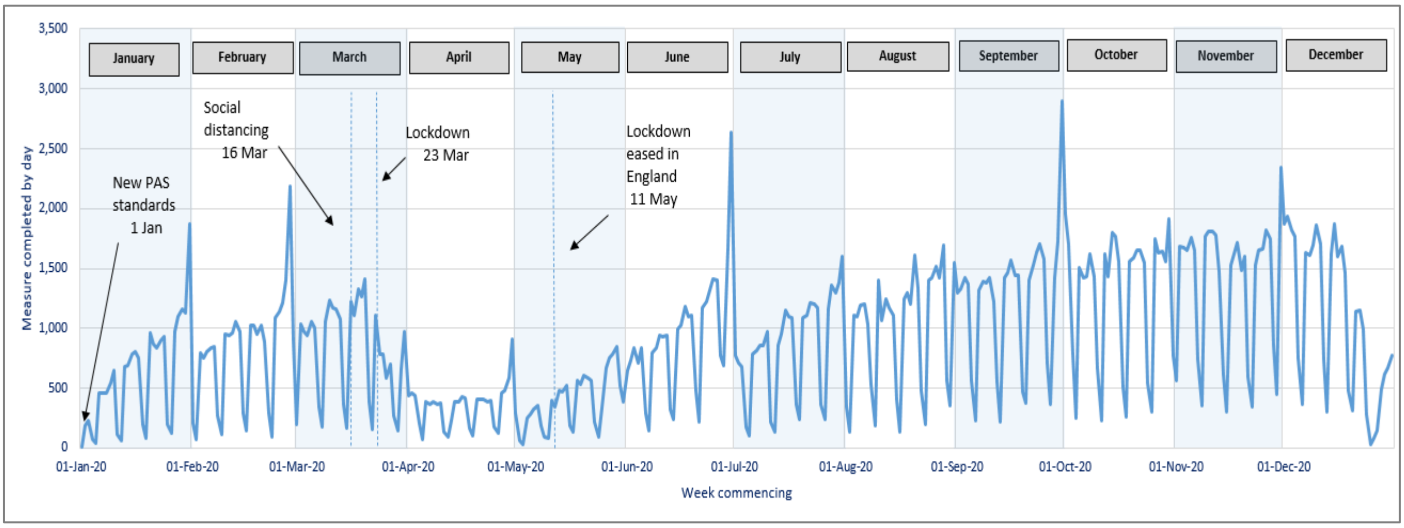
- Measure delivery in October and November 2020 was at its highest monthly level under ECO3, and the highest levels under ECO since May 2016.

- Although measures completed decreased in December 2020 relative to November, reflecting usual seasonal trends, monthly installations were the fourth highest of ECO3.

- Overall, Q4 2020 represents the highest number of measures delivered in a quarter since the start of ECO3.

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 pandemic[2]. From mid-May and through June, installation levels increased, with a large end of month peak in June. Through Q3 2020, there was a steadily increasing number of measures installed per day, with this trend continuing through Q4 2020. The drop off at the end of December is likely due to the Bank Holidays over Christmas and New Year.

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 1.91 million measures in around 1.29 million low income and vulnerable households, or households in specified areas of low income, by the end of December 2020 (Tables 2.6, 2.7 & 2.8). Since the start of April 2017, around 704,925 Affordable Warmth measures have been installed in around 412,700 low income and vulnerable households[3] (Tables 2.7 and 2.8).

[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

Under ECO3, the whole obligation is delivered through Affordable Warmth, with 114,100 measures installed in an additional 44,900 households in Q4 2020 (Tables 3.1 and 4.1).

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 2,108 measures were installed and reported to BEIS to date. In Q4 2020, 890 (42 per cent) innovation measures were installed. Of all the innovation measures, 78 per cent were smart heating controls and 13 per cent under floor insulation.

Of all notified ECO measures installed to end of December 2020, around 63 per cent of measures have been insulation measures, including cavity wall insulation (32 per cent), loft insulation (21 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 14 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

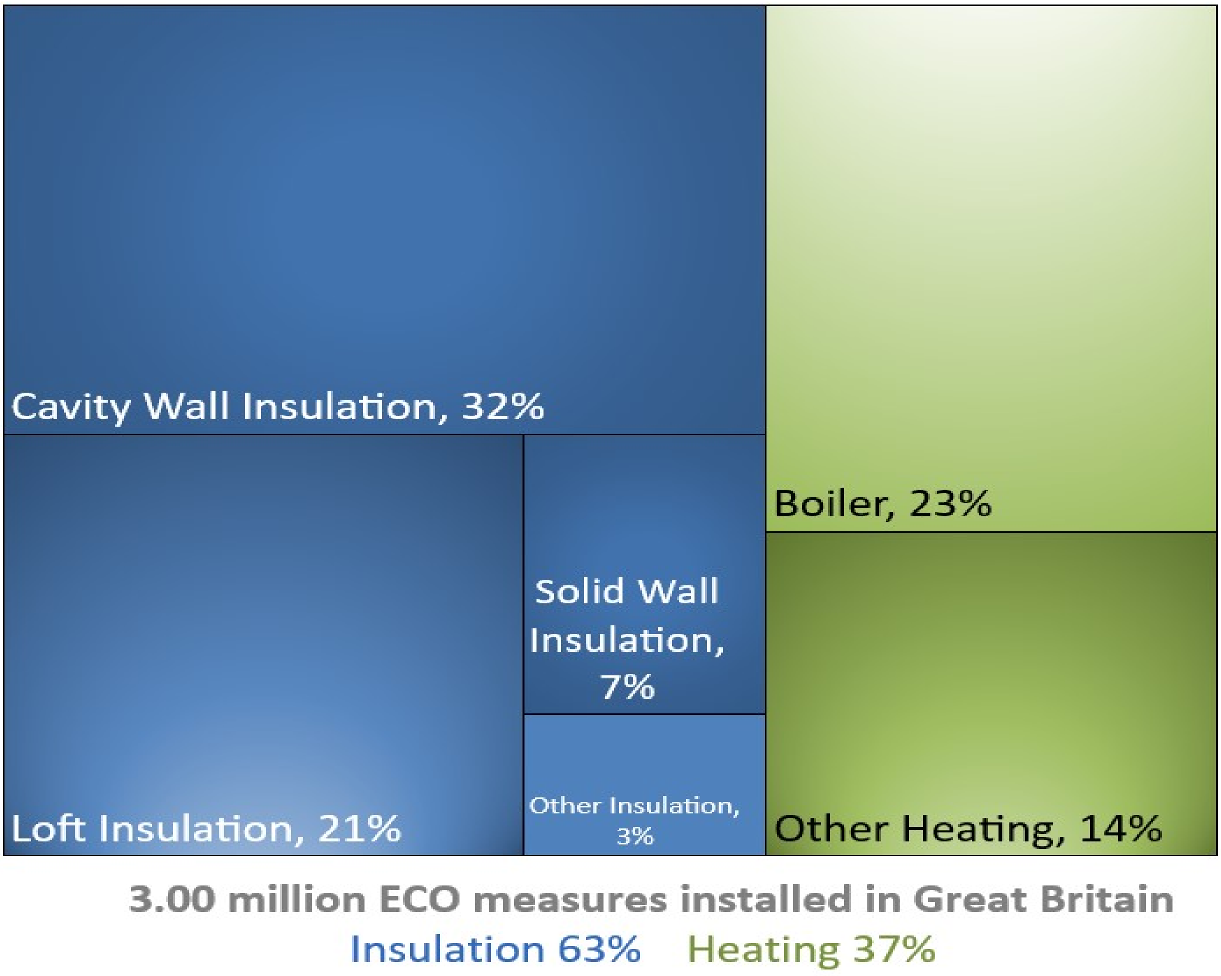


Chart 2a shows that the share of heating measures has increased in ECO3 compared to previous ECO phases. Just over half of ECO3 measures have been for heating measures, with boilers representing 28 per cent of measures and a further 28 per cent from 'other heating'

properties to receive an ECO3 measure, up to the end of December 2020 was 308,739 with around 43,189 (14%) of these properties also having received an ECO 1, 2 or Help-to-Heat measure.

measures up to December 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 December 2020, 15 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 81,600 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 December 2020

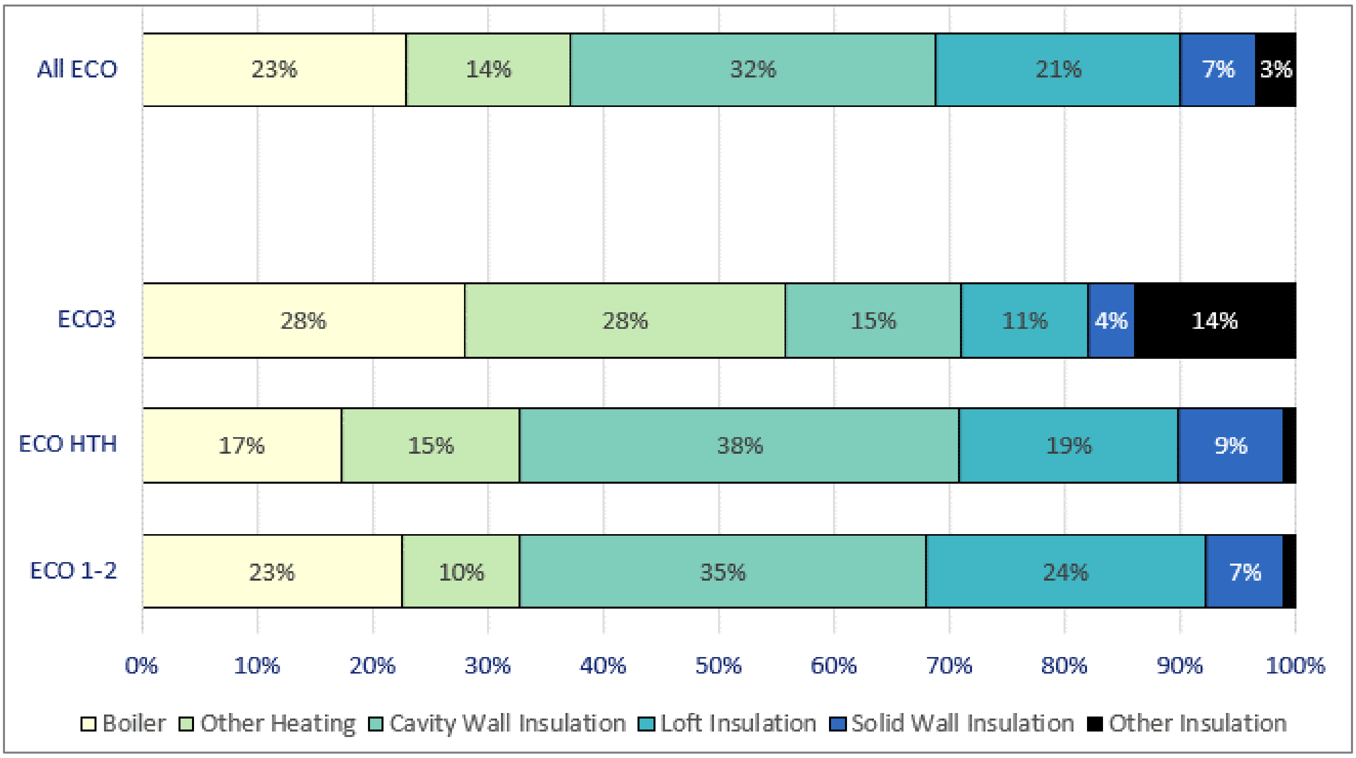
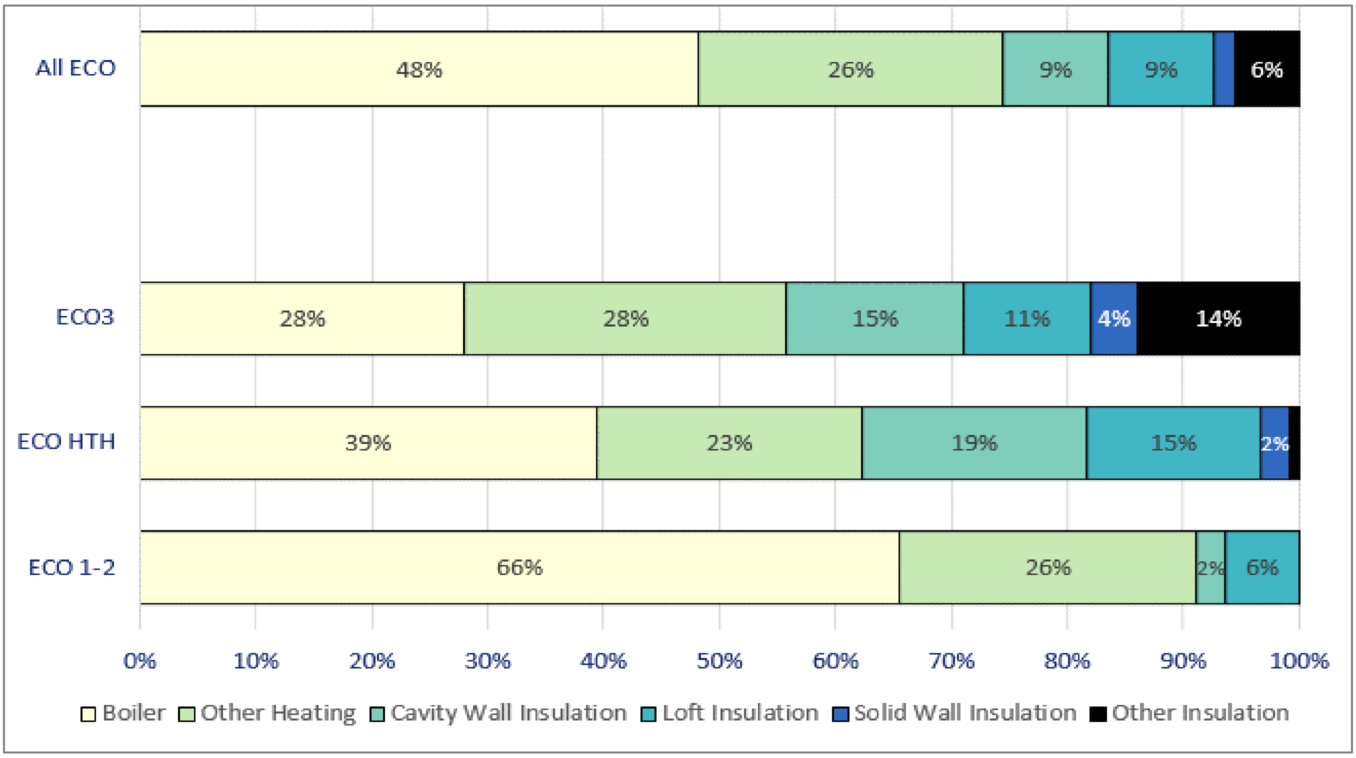


Chart 2b: Share of all Affordable Warmth measures installed, by measure type, by ECO phase, up to end December 2020



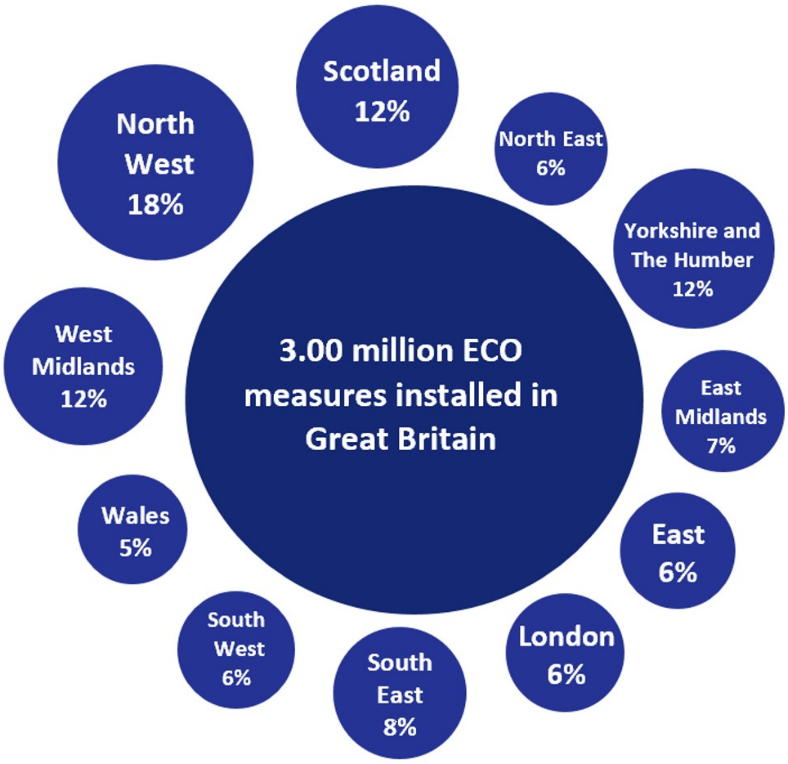
Since the start of ECO, an average of 1.36 measures have been installed per household receiving measures. Prior to the start of ECO3, the Affordable Warmth ratio was 1.41 measures per household reflecting that when a heating measure is installed it is often accompanied with heating controls as a secondary measure.

Across the whole of ECO3, the cumulative ratio of measures installed per household has increased from 1.25 in October 2018 to 1.82 in December 2020. When looking at all households receiving an ECO3 measure, the average number of measures per household was 2.17 in Q4 2020, which was considerably higher than the ratio of 2.02 in Q3 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 Q4 2020, 114,100 measures were installed in 52,500 households, of which 7,600 households (14 per cent) had previously received an ECO measure.

Up to the end of December 2020, around one fifth (18 per cent) of ECO measures were in the North West (548,451), the highest in any region. Twelve per cent of ECO measures were installed in Scotland (367,400) and five per cent were in Wales (159,537). In Q4 2020, around 19 per cent of ECO measures were in the North West (21,205), the highest in any region. Ten per cent of ECO measures were installed in Scotland (10,955) and around three per cent were in Wales (3,629) (Infographic 3, Table 3.3).

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

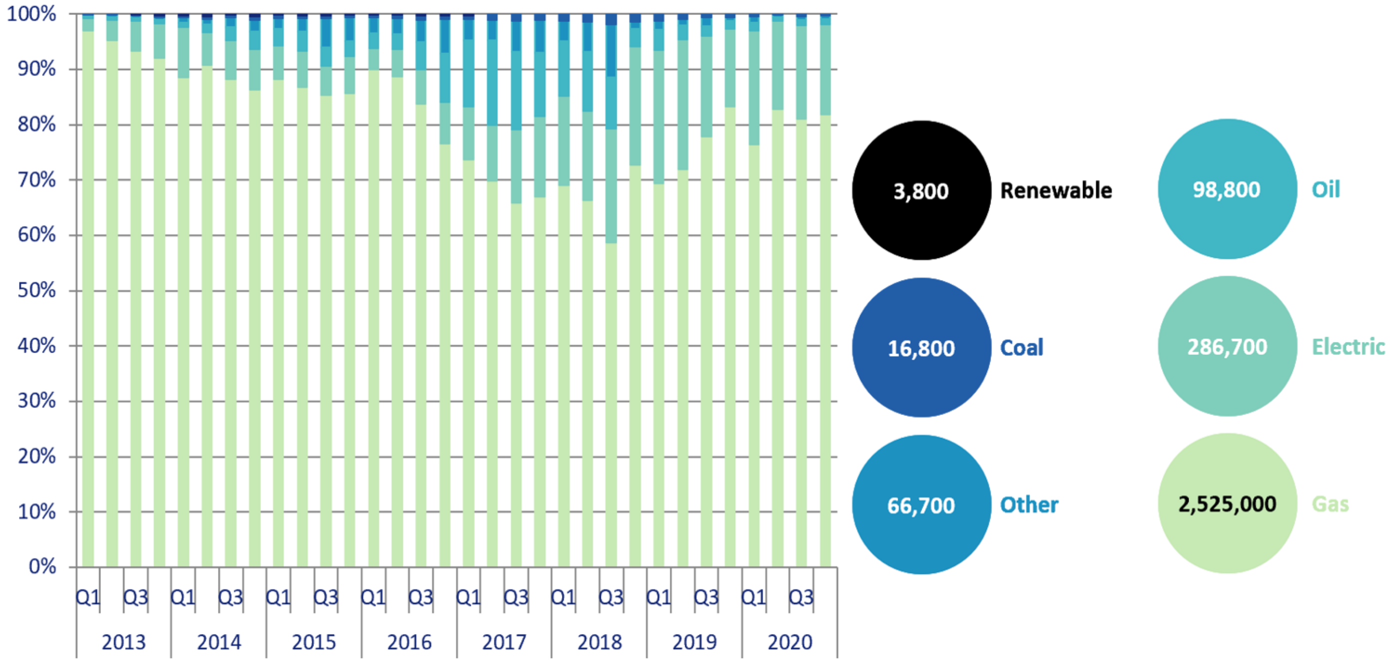


Around eight per cent of all households in Great Britain had a measure installed under ECO (i.e. around 83 per 1,000 households), up to the end of December 2020. The North West and North East regions had the highest amounts in England, with 123 and 109 households with ECO measures per 1,000 households, respectively. There were around 120 measures per 1,000 households in Scotland and 84 per 1,000 households in Wales (Map 1, Table 4.1, and Table 4.4).

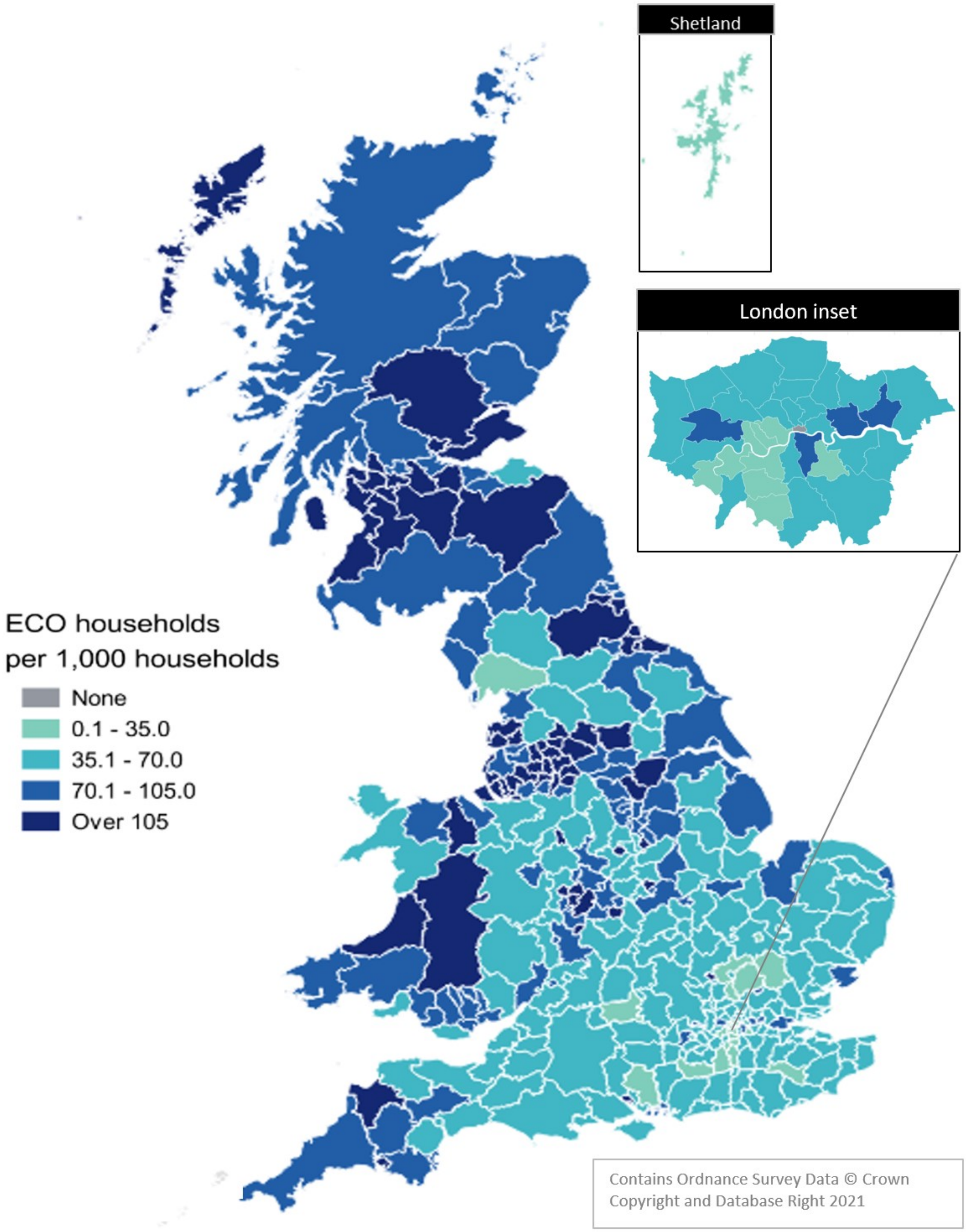
The interactive map for indicators of domestic energy efficiency includes the percentage of households receiving ECO measures down to Lower Layer Super Output Area up to December 2020. The map also shows the number of loft and wall insulation measures installed. www.domesticenergymap.uk

In total, to the end of December 2020, around 84 per cent of ECO measures were installed in properties that used gas as their main fuel type (around 2.53 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 rising to 82 per cent in Q4 2020 (Chart 3, Table 3.2).

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

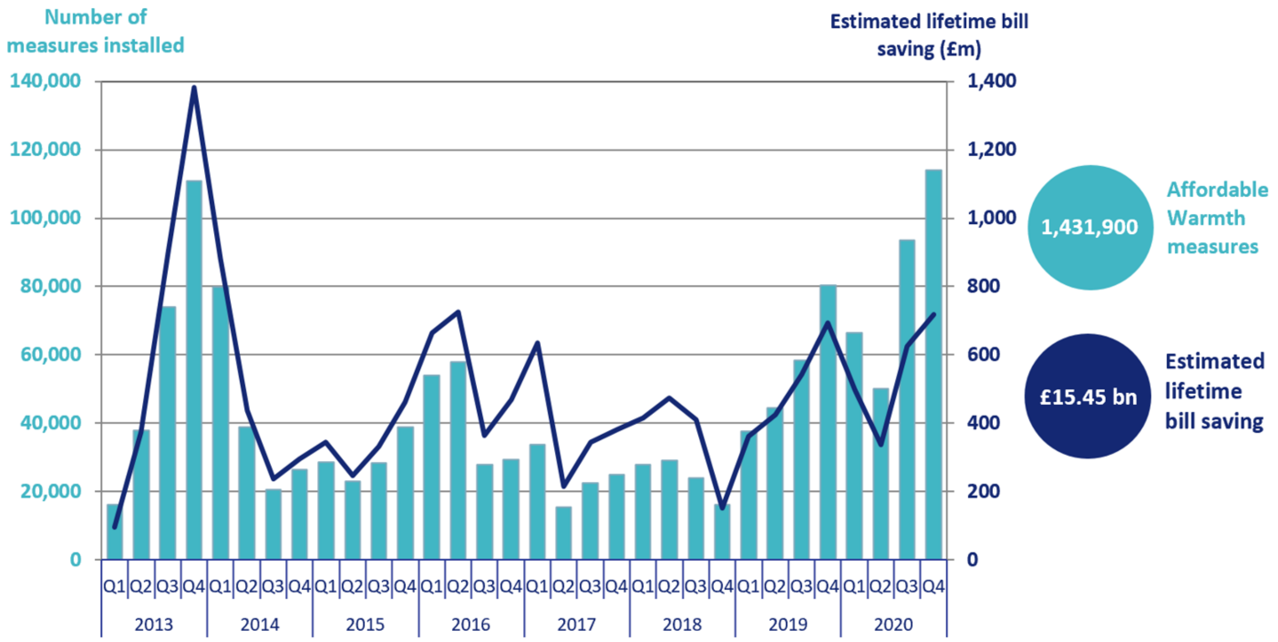


Map 1: Households in receipt of ECO measures by Local Authority per 1,000 households, up to end December 2020



Around 1.43 million Affordable Warmth ECO measures installed up to the end of December 2020 are estimated to deliver £15.45bn worth of notional lifetime bill savings. In Q4 2020, Affordable Warmth delivered around 114,100 measures, resulting in around £719m of lifetime bill savings (Chart 4, Table 2.1).

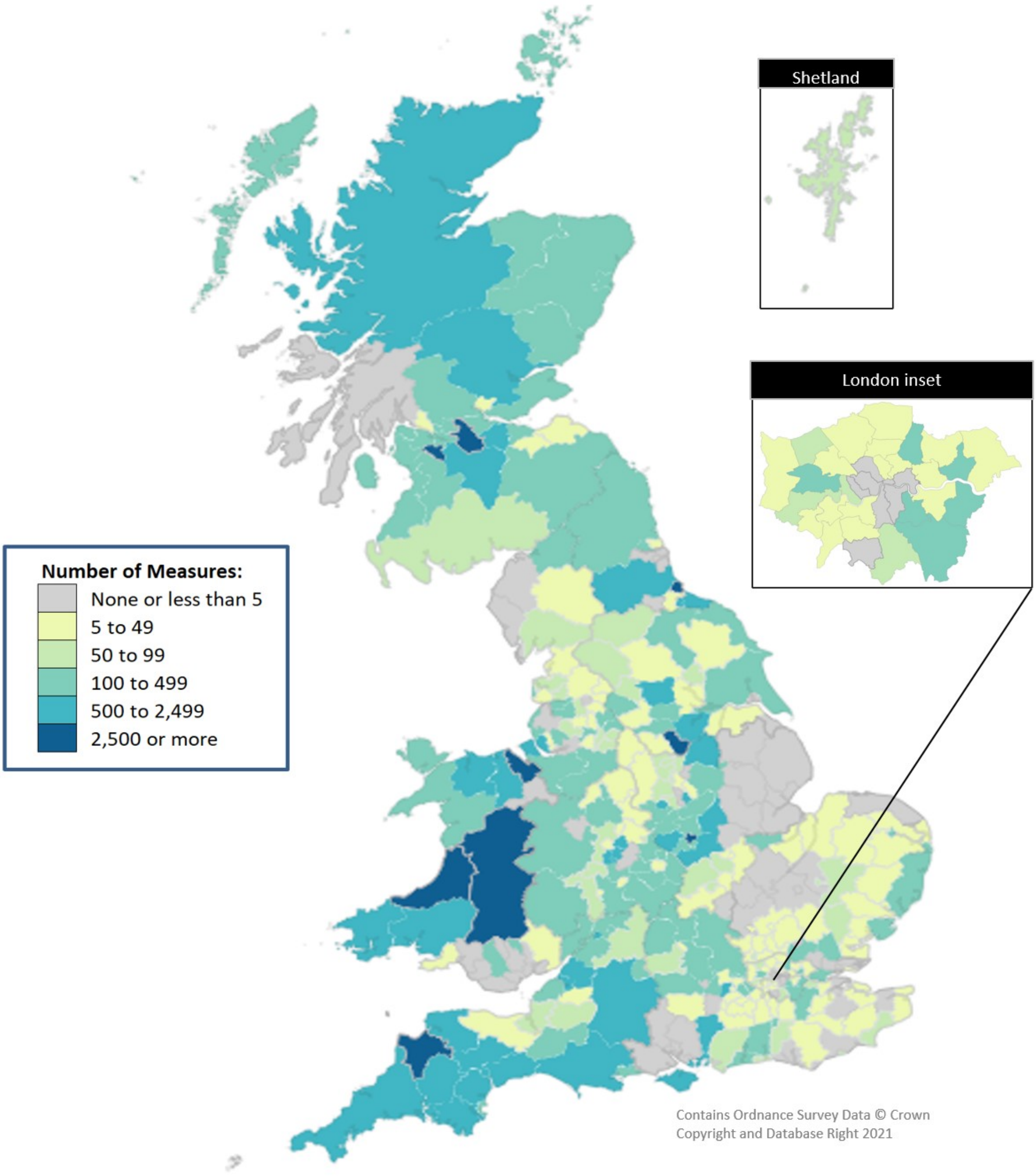
Chart 4: Estimated lifetime bill savings for Affordable Warmth measures, by installation quarter, up to end December 2020



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 December 2020, 193 local authorities had seen 50 or more measures installed through Flexible Eligibility, 54 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 13 per cent. The South West and East Midlands regions had the highest share amongst regions in England, each having around 15 per cent of all flex measures installed in Great Britain (Table 3.5).

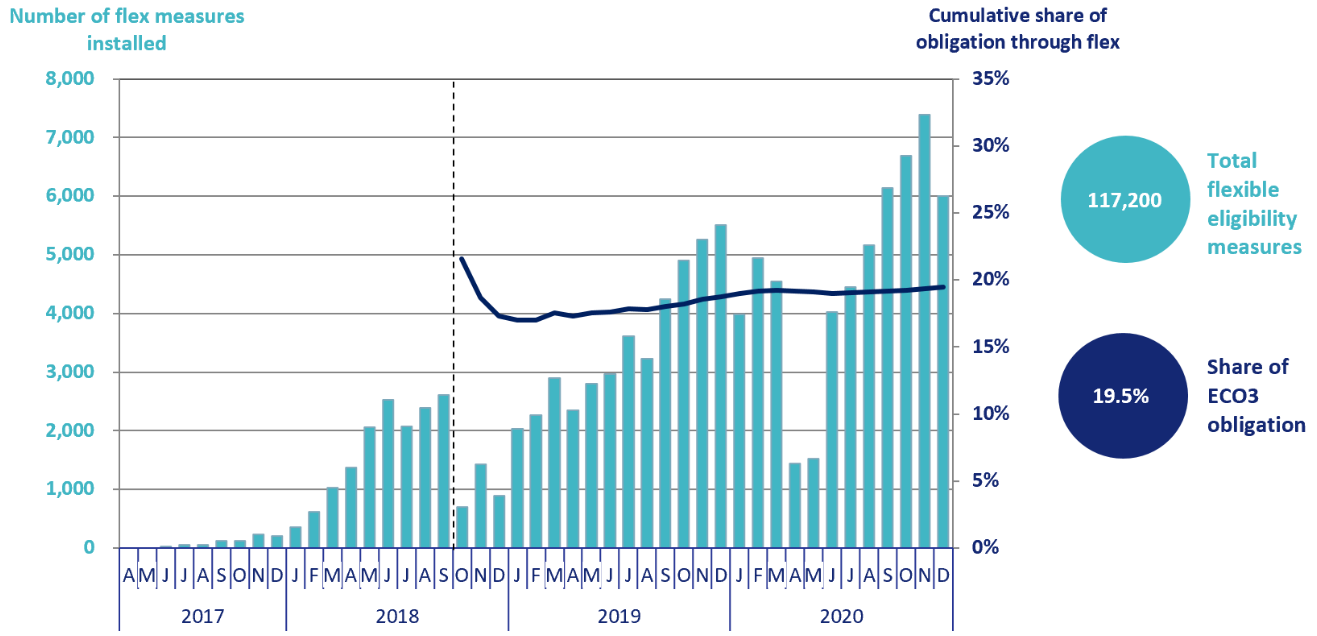
Since the introduction of Flexible Eligibility, 117,226 measures have been delivered through this aspect of the scheme up to the end of December 2020 (Tables 2.7 & 2.8). Under ECO3 (since October 2018), up to 25 per cent of the obligation can be delivered through Flex, with around 20 per cent of this obligation delivered through Flex up to the end of December 2020 (Chart 5).

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



Local Authorities are shown only if they have at least 5 flexible eligibility measures. In total, 325 Local Authorities had at least 1 flex measure up to December 2020.

Chart 5: Number of ECO3 Flexible Eligibility Measures by installation month and share of Affordable Warmth obligation delivered through flex, up to end December 2020[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

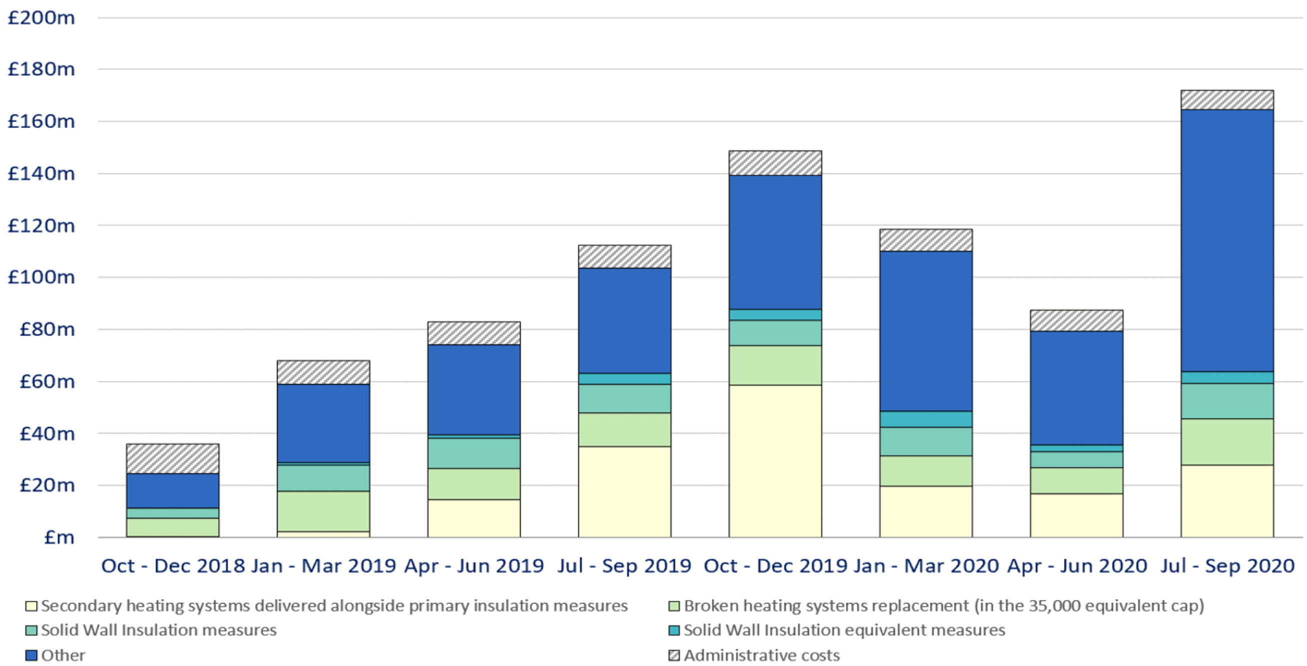
In the data tables accompanying this publication, tables 6.1-6.6 show amount of money suppliers have spent delivering and administering the ECO scheme.

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

The total ECO delivery costs up to the end of September 2020 were around £4.54bn, with an additional £469m in administrative costs. This meant that the total cost of ECO for the period was £5.01 billion. (Table 6.1).

The delivery costs for ECO3 up to the end of September 2020 were £755m, with 37 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 85 per cent, relative to Q2 2020, which therefore resulted in an associated increase in ECO costs. When Q3 2020 is compared with Q2 2020, total costs nearly doubled (up 97 per cent). Q3 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 September 2020



Up to the end of September 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)

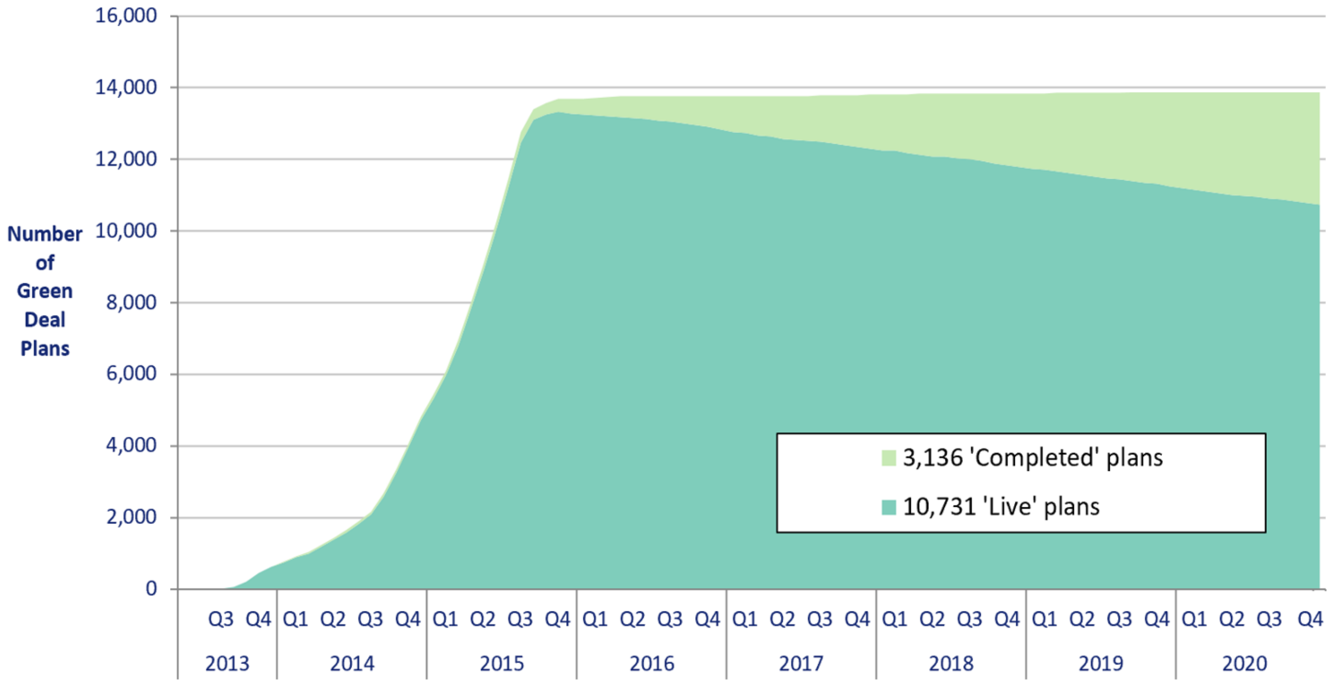
The Green Deal

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 January 2021. Of these, 10,663 were 'live' (all measures installed) and 3,204 were 'completed' (all measures installed and paid off). At the end of January 2021, 77 per cent of all plans were 'live'. Over the last three months (November 2020 to January 2021) 171 plans were 'completed', compared to 118 completions in the previous three months (Table 7.1).

Table 7.1 contains monthly data up to January 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 December 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 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 **18th March 2021** and will contain the latest available information on headline ECO measures up to the end of January 2021 and update of Section 6 on ECO costs to December 2020.

The next quarterly release is planned for publication at 9.30am on **27th May 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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