



Rochford District
Council

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| REPORT TITLE: | GBIS & ECO4 Insulation Scheme |
| REPORT OF: | Executive Lead Member of Resources, Climate Change and Economy Cllr Michael Hoy |

REPORT SUMMARY

The report considers how the Energy Company Obligation (ECO4) and Great British Insulation (GBIS) schemes detailed herein, can support the Rochford District Council fuel poverty and environmental strategy and contribute towards reaching District wide net zero carbon targets.

The reports seeks to agree, create and publish a Statement of Intent ([Appendix 1](#)) and apply to Ofgem, setting out Rochford District Council's own eligibility criteria, so that a larger proportion of vulnerable residents can benefit from ECO4 and GBIS funded measures.

Other Essex Councils currently applying for the schemes: Epping District Council, Colchester Borough Council, Braintree District Council, Chelmsford Borough Council, Essex County Council.

To consider, the formation of collaborative working relationships with managing agents and accredited installers with access to ECO4 and GBIS funding and consider other match funding routes that can work in conjunction with ECO4 and GBIS schemes, and, or extend collaboration with managing agent Aran Insulation Limited after the current contract expiring on 21st December 2024.

RECOMMENDATIONS

R1 – To publish a Statement of Intent as set out in [Appendix 1](#), and administer the ECO4 and GBIS schemes.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

1.1 In order for households to access ECO4 and GBIS the Council must state publicly through a Statement of Intent (Sol) the criteria it intends to adopt to identify households that meet the eligibility criteria.

- 1.2 The Statement of Intent will confirm Rochford District Councils intention to participate in the schemes and enables energy suppliers to engage with eligible residents.
- 1.3 Rising energy costs are impacting households significantly; accordingly, Rochford District Council is keen to support its residents to access energy efficiency schemes that will not only reduce excessive energy bills, but also seeks to reduce their carbon footprint thus supporting the recent Climate & Ecological Emergency declared by the Council.

2.0 BACKGROUND INFORMATION

Energy Company Obligation 4 Scheme

- 2.1 The Government launched the Energy Company Obligation (ECO) programme in April 2013 - a national scheme designed to reduce fuel poverty and improve the energy efficiency on domestic properties in England.
- 2.2 ECO is a legal requirement for major energy companies (those with more than 150,000 customer accounts). They are obligated to provide funding for the installation of energy saving measures in eligible households throughout Great Britain.
- 2.3 The funding covers or contributes towards the cost of installing domestic insulation, renewable and heating upgrades, helping vulnerable residents reduce their fuel bills whilst also reducing domestic carbon emissions.
- 2.4 Some energy companies have their own installers, but it is more common for them to use a managing agent to distribute the funding to contractors or through energy efficiency schemes. Regulations have changed over the years with ECO4 being the latest phase, taking over fully from ECO3 in July 2022.
- 2.5 The ECO4 scheme is administered by Ofgem and places a Home Heating Cost Reduction Obligation (HHCRO) on medium and large energy suppliers to promote measures that support low income, fuel poor and vulnerable households to heat their homes. The target measures to be undertaken by each energy company is based on their share of the domestic gas and electricity market.
- 2.6 In many cases ECO4 will allow residents to receive fully funded improvements such as wall and roof insulation, heating upgrades and solar PV with their home achieving a C rated EPC- Energy Performance Certificate.
- 2.7 Residents can qualify for ECO4 through various routes including being in receipt of eligible benefits of the Help to Heat Group, Living in social housing with poor energy efficiency or via Local Authority Flexibility (LA Flex).

- 2.8 ECO4 does provide options for residents both on and off the mains gas network. Gas heated homes also receive heating upgrades where the boiler meets specific technical criteria.
- 2.9 ECO4, ends March 2026, it supports residents in fuel poverty, allowing owner occupiers, landlords and social housing providers to access grant funded support to improve the energy efficiency of the home in line with the EPC recommendations.

Great British Insulation Scheme

- 2.10 The Great British Insulation Scheme was known as ECO+ during its main consultation phase. The scheme was announced by the Chancellor on 23 September 2022 as part of the Growth Plan, confirming £1bn of help through the scheme between April 2023 and March 2026.
- 2.11 A core aim of GBIS is to reach a large number of households and deliver a high number of energy efficiency measures as quickly as possible.
- 2.12 GBIS will deliver mainly single, low-cost insulation, such as cavity wall insulation, measures to households rather than multiple measures. This will ensure the maximum number of households can receive support through the scheme as quickly as possible.
- 2.14 A core aim of GBIS is to reach many households and deliver a high number of energy efficiency measures as quickly as possible. GBIS will deliver mainly single, low-cost insulation measures to households rather than multiple measures. This will ensure the maximum number of households can receive support through the scheme as quickly as possible. No heating measures, other than heating controls for homeowners, are included in the scheme. GBIS incorporates wider eligibility criteria than ECO4 as more than just those on low incomes can access support.
- 2.15 GBIS is not means tested but does require the home to be in council tax bands A to D. There are three annual phases to the scheme starting on 1 April 2023 and ending in 2026.

3.0 OTHER OPTIONS CONSIDERED

- 3.1 Connected for Warmth (CFW) supports Loft and Cavity wall insulation for residents living in a Council Tax A-D home within the private sector. Grant funding will cover, in most cases, the cost of Loft and Cavity wall insulation and the upgrades of mechanical ventilation in wet rooms.
- 3.2 Aran Insulation Ltd (Aran) have been appointed by Agility ECO4 to deliver this project across various areas in the East and South East of England including Rochford. <https://www.connectedforwarmth.org.uk/insulation>
- 3.3 Moreover, CFW is a government scheme that helps people who are at risk of fuel poverty or are vulnerable to heat their homes. The scheme installs

heating and insulation measures into homes across Britain to reduce energy bills, carbon emissions, and make homes comfortable.

- 3.4 In summary, whilst all three schemes aim to improve energy efficiency and reduce fuel poverty, they have different focuses and eligibility criteria. Connected for Warmth specifically targets those at risk of fuel poverty or vulnerability, while GBIS and ECO4 have broader objectives in funding energy-efficient upgrades to homes.

4.0 RELEVANT RISKS

- 4.1 All contracts sit between the managing agent, in this case Aran and the homeowner, be that the owner occupier or the landlord so there is limited risk to Rochford District Council. All ECO4 works are installed to PAS2019:2030 regulated standards.
- 4.2 Rochford District Council may opt to provide top up assistance to support vulnerable residents. There is also no cost other than Flex administration time.

5.0 ENGAGEMENT/CONSULTATION

- 5.1 Local Authorities tend not to access ECO4 or GBIS funding directly from energy companies because they would need to go through an onerous accreditation process which is both costly and time consuming.
- 5.2 Rochford District Council can team up with an energy company that has its own installer network or more commonly, work with a managing agent that has ECO4 and GBIS funding delivery contracts in place.
- 5.3 Aran is the signposted managing agent for Rochford to deliver the schemes until the contract expiry 21/12/2024.
- 5.4 Rochford District Council can refer customers to the managing agent (Aran) who will then deal with the funding submission and clarify the support that can be claimed for different properties and energy saving measures.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The signposted managing agent (Aran) will draw down on the scheme's funds.
- 6.2 Grant funding is calculated around the property footprint, the RDSAP improvement and is dependent on the utility ECO4 rate. The utility ECO4 rate is determined through Government Impact Assessment.
- 6.3 Caution does need to be taken as ECO4 funding may not cover the full cost of works at each property. Therefore, RDC and Aran Services must maintain residents' expectations from the outset.

7.0 LEGAL/GOVERNANCE IMPLICATIONS

7.1 All works are pursuant to PAS 2019:2030 and compliant with UK law & regulations.

7.2 Aran Insulation Limited is contracted to RDC until 21/12/2024.

8.0 EQUALITY & HEALTH IMPLICATIONS

8.1 The schemes have been introduced to aid those residents living in homes with low temperatures which pose a risk to health, with a range of negative morbidity and mortality impacts associated with exposure to the cold and the most vulnerable households.

8.2 The Marmot Review on cold homes and health, in addition to the Hills Fuel Poverty Review, set out the strong body of evidence linking low temperatures to these poor health outcomes.

9.0 ENVIRONMENT & CLIMATE IMPLICATIONS

9.1 Both ECO4 and GBIS schemes will aid towards RDC impact on the climate towards district wide net zero carbon emissions by 2030.

9.2 Improving the thermal efficiency of fuel poor households in our district enables residents to heat their homes at a lower cost, reducing the health inequalities and impacts of living in cold, damp homes, reduces the carbon emissions as heating requirements from fossil fuels is reduced. ECO4 is part of an ongoing government scheme to support low-income households, and create more energy efficiency homes, appropriately maximising the opportunity that this funding provides towards many environmental, ECO4 economic and health benefits.

9.3 Rochford District Council has a statutory duty under HECA 1995 Act to report on action taken to reduce fuel poverty, the Energy and Low Emission Strategy includes the need for action to reduce fuel poverty and this funding reflects RDC Sustainability Strategy 2022, commitment, and declaration to achieving net zero carbon status by 2040 for the Rochford District area and pursue efforts to achieve net zero CO2 emissions even earlier to protect and enhance biodiversity.

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APPENDICES

Page 8. Process Map for ECO4 and GBIS within Rochford

Page 9-12. Template Statement of Intent

BACKGROUND PAPERS

[GBIS Guidance Ofgem](#)

[Connected for Warmth Official Guidance](#)

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|---|--|
| [Insert whether Council, Executive, or name of Committee, where relevant] | [insert date of Council, Executive or Committee meeting] |

Appendix 1: Statement of Intent for ECO4 and Great British Insulation Scheme

Rochford District Council ECO4 and Great British Insulation Scheme Flexible Eligibility Statement of Intent

Local Authority name: Rochford District Council

Publication Date: XX/XX/XXXX

Version number: V.X

Publication on web site: www.rochford.gov.uk

This statement sets out **Rochford District** Council's flexible eligibility criteria for the Energy Company Obligation (ECO4) and Great British Insulation schemes which run until March 2026.

The ECO4 scheme will focus on supporting low income and vulnerable households. The scheme will improve the least energy efficient homes helping to meet the Government's fuel poverty and net zero commitments. The Great British Insulation Scheme will support the ECO4 scheme in the delivery of predominantly single measures targeted at a wider range of households. Rochford District Council has made a commitment to reducing its own emissions to net zero and supporting the district in achieving net zero by 2030, see link <https://www.rochford.gov.uk/carbon-neutral-2030-council-strategy> .

The flexible approach for Local Authorities (LAs) to identifying fuel poor and vulnerable households who may benefit from heating and energy saving measures is referred to as "ECO4 Flex" and "Great British Insulation Scheme Flex".

This statement of intent will support the groups work, especially when Rochford District Council has limited funds to directly support residents.

The Council welcomes the introduction of the ECO4 and GBIS eligibility routes as it helps Council achieve its plans to improve homes of those in fuel poverty or vulnerable to the cold.

The Council is publishing this Statement of Intent (SoI), on the **XX/XX/2023** to confirm that each of the households declared will adhere to at least one of the four available routes outlined below.

Route 1: Household Income less than £31,000 gross, and SAP bands D-G

This cap applies irrespective of the property size, composition, or region, and must have a valid Energy Performance Certificate (EPC) rating of D-G for owner occupied households and E-G private rented households.

Route 2: Households must meet 2 proxies below and have a valid EPC at band E-G for Owner-occupied and private rented sector households.

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| Proxy 1) Homes in England in Lower-layer Super Output Area 1-3 (LSOA) ¹ |
| Proxy 2) Householders receiving a Council Tax rebate on the grounds of low-income, excluding single person rebates. |
| Proxy 3) A person living at the premises is considered to be vulnerable to the cold under the National Institute for Health and Care Excellence (NICE) Guidance NG6: Recommendation 2, for a reason other than their low-income ^{2*} |
| Proxy 4) A child living at the premises is eligible for free school meals, due to low-income ³ |
| Proxy 5) A household referred to Rochford District Council for support by their energy supplier or Citizens Advice, because they have been identified as struggling to pay their electricity and/or gas bills. |
| Proxy 6) Households identified through energy supplier debt data. This route enables obligated suppliers to use their own debt data to identify either non pre-payment meter households (non-PPM), or pre-payment meter households (PPM)*. <ul style="list-style-type: none"> a. Non-PPM customers: These are customers who have been in debt for more than 13 weeks ending with the day on which the declaration is made and are in a debt repayment plan with their energy supplier or repaying their fuel debt through 3rd party deductions. b. PPM customers: Suppliers may also identify PPM households who: |

¹ Published at <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>. The deciles are published in "File 7: all ranks, deciles and scores for the indices of deprivation, and population denominators".

³ Under section 512ZB(4) of the Education Act 1996 or section 53 of the Education (Scotland) Act 1980

- have either self-disconnected or received supplier Discretionary/Friendly credit within the last 13 weeks ending with the day on which the declaration is made; or
- are in a debt repayment plan with their energy supplier; or
- repaying their fuel debt through 3rd party deductions. *

* **Note proxies 1 and 3 cannot be used together.**

* **Proxy 6 cannot be used in combination with proxy 5**

☒ Route 3: NHS Referrals: Owner-occupied and private rented sector households that have been identified by either a person registered in the General Practitioner Register, an NHS Foundation Trust, or an NHS Trust as vulnerable, with an occupant whose health conditions may be adversely affected by living in a cold home. These health conditions must be cardiovascular, respiratory, immunosuppressed, or limited mobility related.

☒ Route 4 [applicable to ECO4 Flex only]: Owner-occupied and private rented sector households that are referred under Route 4: Bespoke Targeting.

Suppliers and Rochford District Council can submit an application to the Department for Energy Security and Net Zero where they have identified new methods to identify low-income and vulnerable households. Applications need to demonstrate a number of factors, including that the proposed methodology is more effective at identify households in fuel poverty than the criterion offered under Routes 1 and 2.

GBIS scheme complements the ECO4 scheme, however GBIS scheme is not means tested but does require the home to be in council tax bands A to D and an Energy Performance Certificate Rating of D-G.

Scheme eligibility

Application enquiries for potentially eligible households of ECO4 and GBIS, should apply through **our managing agents Aran Insulation:** Aran have been appointed through Fusion 21 to deliver this project.

Applications Contact: email: ECO4leads@araninsulation.co.uk

Telephone: 01284 812520 or 0800 5877795

For any general enquiries relating to this SoI please contact:

Name: Simone Nairn (Rochford District Council)

Job Title: Domestic Energy Efficiency Officer

Telephone: 01702 318070 Ext 9672

Email: simone.nairn@rochford.gov.uk

CEO or dedicated responsible person mandatory signature.

The Rochford District Council will administer the ECO4 Flex scheme according to the Electricity and Gas (Energy Company Obligation) Order 2022 (ECO4 Order).

The Council will administer Great British Insulation Scheme Flex according to the Electricity and Gas (Energy Company Obligation) Order 2023 (ECO4A Order).

The CEO/ dedicated responsible person of the Council will oversee the process of identifying eligible households under ECO Flex and Great British Insulation Scheme Flex. The Council will notify Ofgem of households that declarations have been issued for via the declaration notification template.

All personal data collected or processed by **Rochford District** Council for the purposes of ECO4 Flex or Great British Insulation Scheme Flex will be processed and stored in accordance with: the Council's obligations under UK GDPR and the Data Protection Act 2018, the Council's data protection policy, the Information Commissioner's Office Data Sharing Code and other guidance, and Department for Energy Security and Net Zero guidance.

Signature: XXXXXX

Name: XXXX XXXX

Job Title: CEO/ dedicated responsible person **[Amend as appropriate]**

Date of signature: XX/XX/XXXX