

**ECO4 FLEX SCHEME FOR THE INSTALLATION OF ENERGY SAVING/CARBON  
REDUCTION MEASURES IN PRIVATE HOUSING**

**Report of the Director of Place Management**

**1. INTRODUCTION AND PURPOSE OF REPORT**

- 1.1 This report provides a summary of the ECO4 flex scheme currently being delivered within Stockport.

**2.0 BACKGROUND**

- 2.1 ECO or Energy Company Obligation, is the Government's requirement for energy companies to spend a proportion of their income on measures that address energy use/carbon reduction/fuel poverty. ECO4 is the 4<sup>th</sup> version of this obligation, with two parts, ECO4 and ECO4 Flex.
- 2.2 The details and rules of the scheme are set by the Government, with guidance from the regulatory body OFGEM (Office of Gas and Electricity Markets) on how the money must be spent, that is, property and household requirements and qualifying measures to achieve the required improvement in energy efficiency.
- 2.3 Although the works are fully funded, the type and number of qualifying measures that can be installed are determined on a property by property basis, with the requirement to achieve minimum 'uplifts' in energy performance generally meaning the measures have to be installed as a package. Typical works may include cavity wall insulation, internal/external wall insulation, loft/floor/other insulation, solar panels (PV), air source heat pumps, 'first time' central heating, heating controls and boiler replacement (from a very inefficient system).
- 2.4 Both ECO4 and ECO4 flex are delivered by contractors aligned to the energy companies, with the contractors submitting relevant information post works to draw down the monies from the energy companies and the energy companies in turn having to provide returns to OFGEM to confirm that monies are being spent in accordance with the OFGEM/Government guidance.
- 2.5 ECO4 can be delivered by any contractors aligned to the energy companies, with or without the knowledge or involvement of local councils. ECO4 flex, must however be delivered through local councils (including Combined/Regional Authorities such as Greater Manchester), with the Council having to sign and approve every individual case to enable the contractor to draw down the funding from the energy companies.
- 2.6 Although ECO4 flex does allow, as the name suggests, greater flexibility than ECO4, it is still strictly controlled by OFGEM/Government guidance with participating councils required to publish a 'statement of intent', and to procure/have delivery partnership arrangements in place with named contractors.

2.7 In addition to ECO4 and ECO4 flex, the Government have also created two support schemes that are generally available without a household financial income/savings assessment. The first provides up to £7500 towards the cost of replacing a fossil fuel heating system with a zero/low carbon system, most typically an Air Source Heat Pump. The second, the Great British Insulation Scheme (GBIS), is only now starting to be developed in detail and rolled out. Both of these schemes are designed to be delivered primarily directly from energy companies and aligned contractors without local authority involvement.

### 3.0 GMCA ECO FLEX SCHEME

3.1 Greater Manchester has a long and successful track record, dating back over 20 years, of coordinating delivery and funding opportunities for residential energy efficiency/carbon reduction/fuel poverty measures, with the Government recognising the strength, flexibility and ability to deliver that comes with such an approach. The creation of the GMCA has strengthened these arrangements and provided GM with an enviable reputation for delivery, including in recent years through GDC (Green Deal for Communities) and the LADs (Local Authority Delivery Schemes).

3.2 With the announcement of ECO4 flex, officers from GMCA worked with officers from all ten GM Councils to develop and seek approval for a single ‘statement of intent’, which is now published on the GM website:

<https://www.greatermanchester-ca.gov.uk/media/9082/eco4-and-gbis-flexible-eligibility-statement-of-intent-v5.pdf>

Although this statement currently applies to ECO4 flex, the reference to GBIS is in preparation for potential future GBIS flexibility opportunities linked to local delivery.

3.3 In parallel to this work, a full competitive procurement exercise was also undertaken which has now resulted 3 contractors being appointed, and allocated to work across GM as follows:

Districts	Installer	Contacts
Manchester, Stockport & Trafford	Improveasy Ltd	Improveasy.com 0800 024 8505
Bolton, Salford & Wigan	Next Energy Solutions Ltd	Nextenergyuk.co.uk 0800 021 3145
Bury, Oldham, Rochdale & Tameside	PHS Home Solutions Ltd, T/A 0800 Repair	0800repair.com 0800 737 247

3.4 The GM ECO4 flex scheme has been rolled out in all ten authorities from summer 2023, with full governance and complaints systems now in place to oversee delivery.

3.5 Within Stockport, the scheme has been promoted widely using existing comms/social media, officer and partner agency promotion, and public promotion (for example in Merseyway) and direct targeted promotion to households/properties that may qualify.

3.6 Although the scheme has only been operating for a few months, compared to the other GMLAs, thanks to the proactive promotion, delivery in Stockport has been impressive with 142 ECO4 flex (higher than any other GMLA), plus a further 17 ECO4 installs completed by 22/12/2023 by Improveasy, at a cost of £1,159,000 (more than twice any other GMLA). These works will result in an estimated saving of 987.2 tonnes of CO2, with each household saving an estimated £594 per year on their fuel bills. An example of one of the completed installs is included at appendix 1.

#### **4.0 Recommendations**

4.1 The Scrutiny Committee is requested to consider and note the report.

#### **BACKGROUND PAPERS**

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Andy Kippax on or by email on [andy.kippax@stockport.gov.uk](mailto:andy.kippax@stockport.gov.uk)

## **Appendix 1**

**Name:** Mr L

**Address:** SK7

**Property Type:** 3 Bed Semi-Detached

**Qualification Type:** Route 1 (Low Income)

**Installed Measures:** Air Source Heat Pump, Programmer and Room Thermostat, Thermostatic Radiator Valves, Cavity Wall Insulation, Loft Insulation

**Starting EPC:** G7

**Finishing EPC:** B82

**Assessed Yearly CO2 Saving:** 7.159976584 Tonnes

**Assessed Yearly Fuel Bill Saving:** £2,843.80

(Please note, given the exceptionally poor starting EPC and consequential cost of heating the property, it's highly unlikely the property was heated to the minimum recommended temperatures of 18c in living rooms and 16c in bedrooms prior to the works)