

The Energy Company Obligation is the government’s flagship grant scheme. Since starting in 2013 it runs for set periods before being reviewed. The 4th period began in April 2022, and will run until March 2026.

What’s available?

The primary aim of ECO4 is to assist potentially vulnerable residents to achieve whole-house retrofit, in order to increase the Energy Performance Certificate (EPC) of their home, and wherever possible, to lift them out of fuel poverty. A Retrofit Coordinator will ultimately determine what measures should be installed, and these can include the following:

1st time central heating	Air source heat pump
Boiler repair/replace	Cavity wall insulation
Electric storage heaters	Flat roof insulation
Heating controls	Loft insulation
Pitched roof insulation	Room-in-roof insulation
Solar panels	Solid floor insulation
Solid wall insulation	Under-floor insulation

Property eligibility

Because ECO4 is intended to support residents to increase their home’s energy efficiency, properties that are already efficient are not covered by the scheme. There are also different rules depending on whether you own your home, or rent from a private landlord, or rent from a social landlord. As follows:

Resident eligibility

There are two groups of residents who are eligible for support via ECO4:

- Help to Heat Group
- Flexible Eligibility

Help to Heat Group

Residents in receipt of certain welfare benefits automatically qualify for ECO4. But they still must live in a property that’s eligible, and a Retrofit Coordinator must still ultimately determine what measures – if any – are appropriate for the property. Qualifying for ECO does not automatically ensure that any works will proceed.

The following welfare benefits are included in the Help to Heat Group:

- Income Based Job Seekers Allowance (JSA)
- Income Related Employment and Support Allowance (ESA)
- Income Support (IS)
- Pension Credit Guarantee Credit (PCGC)
- Working Tax Credit (WTC)
- Universal Tax Credit (UC)
- Child Tax Credit (CTC)
- Housing Benefits
- Pension Credits
- Child Benefits. If you are in receipt of child benefit you will need to meet the income thresholds on this table.:

Household Composition	Maximum Income
You and 1 child	£19,900
You and 2 children	£24,800
You and 3 children	£29,600
You and 4+ children	£34,500
A couple and 1 child	£27,500
A couple and 2 children	£32,300
A couple and 3 children	£37,200
A couple and 4+ children	£42,000

Flexible Eligibility (ECO4 Flex)

Up to 50% of all works carried out by ECO4 can be provided to residents who aren’t part of the Help to Heat Group, but who their Local Authority declares to be in need of support, via ECO4 Flex.

To receive support via ECO4 Flex your Local Authority must have published an “ECO 4 Flexible Eligibility Statement of Intent”, identifying which residents will qualify.

This will therefore vary according to your Local Authority, so the following details are provided merely as examples:

Route 1: Low Income

- Property must be EPC band D-G
- Gross, total household income less than £31,000

Route 2: Fuel Poverty Proxies

- Property must be EPC band E-G
- Households must meet a combination of two of the following proxies of fuel poverty (note: Proxies 1 and 3 cannot be used together):

Proxy 1) Homes in England in Lower-layer Super Output Area 1-3 (LSOA) in the English Indices of Deprivation 2019

Proxy 2) Householders receiving a Council Tax rebate (rebates based on low income only, excludes single person rebates).

Proxy 3) Householders vulnerable to living in a cold home as identified in the National Institute for Health and Care Excellence (NICE) Guidance. Only one from this list can be used:

- People with cardiovascular conditions
- People with respiratory conditions
- People with disabilities
- People with mental health conditions or learning difficulties that reduces individual's ability to self-care (inc. dementia)
- Older people (age 65+)
- Households with young children (0-school age)
- Pregnant women

Proxy 4) A householder receiving free school meals due to low-income.

Proxy 5) A householder supported by a Local Authority run scheme, that has been named and described by the LA as supporting low income and vulnerable households for the purposes of NICE Guideline.

Proxy 6) A household referred to the Local Authority for support by their energy supplier or Citizen's Advice, because they have been identified as struggling to pay their electricity and gas bills.

Route 3: Health referrals

EPC band D-G households that have been identified by one of the following organisations:

- NHS Trust
- NHS Foundation Trust
- A general medical practitioner provider
- A Health Board
- A Local Health Board

With an occupant having a severe and/or long-term health condition that falls under one of the four umbrella conditions:

- Cardiovascular
- Respiratory
- Immunosuppressed
- Limited mobility

And could be severely impacted by living in a cold home.

This is because the local authorities identify a positive correlation between households who suffer from long-term health conditions and living off a low income, with living in poorly insulated homes.

Route 4: Bespoke targeting

Suppliers and Local Authorities can submit an application to government where they have identified a low income and vulnerable household, who is not already eligible under the existing routes.

Please note, Route 4 is not expected to be used aside from exceptional circumstances, as the Help to Heat Group, plus ECO 4 Flex Routes 1-3 should be sufficient to identify and support vulnerable residents.

As with the Help to Heat Group, being identified through any of the ECO 4 Flex routes does not guarantee any works will be undertaken.