

Greater Manchester Combined Authority

Date: 15 December 2023

Subject: GMCA Statement of Intent for delivery of ECO4 and GB Insulation Schemes

Report of: Councillor Tom Ross, Portfolio Lead for Green City-Region and
Harry Catherall, Portfolio Lead Chief Executive for Green City-Region

Purpose of Report

To provide an update on progress in delivering energy efficiency programmes to residents and seek approval for the latest GMCA Energy Company Obligation (ECO4) and Great British Insulation Scheme (GBIS) Flex Statement of Intent (Sol) Version 5 (V5) which sets the Local Authority Flexible Eligibility criteria for these funding schemes in Greater Manchester.

Recommendations:

The GMCA is requested to:

1. Note the progress made to date in delivering ECO4, the Social Housing Decarbonisation Fund, and the Local Energy Advice Demonstrator Project in Greater Manchester.
2. Approve the centralised management of ECO4 and GBIS Flex by the GMCA for the whole of Greater Manchester.
3. Approve the GMCA ECO4 and GBIS Flex Statement of Intent V5 (Annex 1) and authorise the Chief Executive of the GMCA and TfGM to sign it on behalf of the GMCA.
4. Note the numerous long term significant positive impacts on health and wellbeing, jobs and skills, and carbon reduction through an increase in home energy efficiency and a reduction in fuel poverty identified in the Sustainability Assessment.

Contact Officers

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Equalities Impact, Carbon, and Sustainability Assessment:

Recommendation - Key points for decision-makers

Note the numerous long term significant positive impacts on health and wellbeing, jobs and skills, and carbon reduction through an increase in home energy efficiency and a reduction in fuel poverty.

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	<p>Positive impact on the health and wellbeing of younger children, older people, disabled people and pregnant women.</p> <p>Positive impact on the health and wellbeing of socially and economically disadvantaged people, such as those living in fuel poverty.</p> <p>Positive impact on local people's access to grants for improving home energy efficiency.</p>
Health	G	<p>Positive impact on the physical health of Greater Manchester residents by reducing cold homes and fuel poverty through improved home energy efficiency.</p> <p>Positive impact on the mental health and wellbeing of Greater Manchester residents by reducing cold homes and fuel poverty through improved home energy efficiency.</p> <p>Positive impact on the levels of social isolation of Greater Manchester residents by reducing cold homes and fuel poverty through improved home energy efficiency.</p>
Resilience and Adaptation	G	<p>Positive impact on the climate risk in Greater Manchester by reducing carbon emissions through improved home energy efficiency.</p> <p>Positive impact on enabling individuals to better withstand and recover more quickly and effectively from disruption by increasing disposable incomes through reduced fuel poverty.</p> <p>Positive impact on reducing current levels of vulnerability both for people by increasing disposable incomes and improving health and wellbeing through reduced fuel poverty; and the environment by reducing carbon emissions through improved home energy efficiency.</p>
Housing	G	<p>Positive impact on people who are experiencing or at risk of any form of homelessness by increasing disposable incomes through reduced fuel poverty.</p> <p>Positive impact on the accessibility and affordability of homes for Greater Manchester residents by increasing disposable incomes through reduced fuel poverty.</p> <p>Facilitate maintenance and improvement of existing residential buildings through improved home energy efficiency.</p> <p>Assist landlords in complying with regulations on Minimum Energy Efficiency Standards through improved home energy efficiency.</p>
Economy	G	<p>Positive impact on contributing to improving economic development in Greater Manchester by providing work to contractors installing home energy efficiency measures.</p> <p>Positive impact on increasing employment opportunities for local people in installing home energy efficiency measures.</p> <p>Positive impact on creating, retaining, and attracting 'good jobs' with support available for people to progress and develop green skills in installing home energy efficiency measures.</p> <p>Positive impact on innovation, R&D, and the knowledge economy in Greater Manchester by developing new methods to target and install home energy efficiency measures.</p> <p>Positive impact on attracting inward investment in our towns and cities from grant funding for energy efficiency measures.</p> <p>Positive impact on increasing opportunities for formal education, vocational training, and skills development (including lifelong and community learning) in installing energy efficiency measures.</p>

Mobility and Connectivity		
Carbon, Nature and Environment	G	<p>Positive impact on local air quality by reducing public levels of exposure to oxides of nitrogen (NOx), volatile organic compounds (VOCs), and particulate matter (PM10 & PM2.5) by replacing gas, oil, and other fossil fuel heating systems with low carbon alternatives, such as heat pumps.</p> <p>Positive impact on the visual amenity of the environment by installing External Wall Insulation, windows, and doors.</p> <p>Positive impact on efforts to reduce carbon emissions across Greater Manchester through the installation of home energy efficiency measures.</p>
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		This proposal contributes to achieving the Greater Manchester Carbon Neutral 2038 target by reducing carbon emissions through the installation of home energy efficiency measures.
Summary	G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.
		R Mostly negative, with at least one positive aspect. Trade-offs to consider.
		RR Negative impacts overall.

Carbon Assessment

Overall Score	G	
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	G	<p>Homes in EPC band D or below will be improved to EPC band C or above.</p> <p>Gas, oil, and other fossil fuel heating systems will be replaced with low carbon alternatives, such as heat pumps.</p> <p>Installers will be encouraged to use building materials with low life cycle (embodied) carbon emissions.</p> <p>The building fabric of homes will be improved through insulation.</p> <p>A fabric first approach will be taken to retrofitting homes.</p> <p>Renewable energy generation, such as Solar Photovoltaics, will be provided to homes.</p>
New build non-residential (including public) buildings	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
La	No associated carbon impacts expected.	<p>G High standard in terms of practice and awareness on carbon.</p> <p>B Mostly best practice with a good level of awareness on carbon.</p> <p>A Partially meets best practice/ awareness, significant room to improve.</p> <p>R Not best practice and/ or insufficient awareness of carbon impacts.</p>

Risk Management

The proposal is in line with the government guidance listed in the Background Papers below and will continue to be delivered in accordance with the GMCA's governance and project management principles which include appropriate risk assessment and mitigation.

Legal Considerations

As noted in the report, the Great British Insulation Scheme runs alongside the ECO4 scheme and was introduced by the Electricity and Gas (Energy Company Obligation) Order 2023.

Relevant Authorities' can refer private domestic premises into the schemes if they are considered to be living in fuel poverty or on a low income and vulnerable to the effects of living in a cold home.

'Relevant Authorities' is defined to include a local authority in whose area the domestic premises are situated. The term 'local authority' includes a combined authority.

To participate, a local authority will need to publish a Statement of Intent (Sol) in line with the Ofgem template which outlines their intention to participate in the scheme and follow the scheme rules. Local authorities are responsible for determining whether households are eligible and will also need to produce declarations for all households they identify.

A local authority can provide Sols for households *not* within its administrative area under certain circumstances. For example, this includes where a local authority delegates some functions to another local authority. In such situations all relevant local authorities must co-sign the Sol to confirm which local authorities are operating on behalf of others. This must also be recorded on the local authority declaration. The local authority who delegates functions to another local authority must ensure that this is made clear on their website and publish the relevant Sol as well.

Only one Sol should be used when referring all households in the four years that ECO4 Flex is operating. Local authorities are responsible for ensuring the Sol is accurately numbered and dated to allow for clear distinction from previous versions. The local authorities must ensure all published versions of the Sol remain publicly available for viewing (i.e., published on a local authority's website). All previous versions of the Sol should be marked 'withdrawn / superseded' and dated accordingly.

Financial Consequences – Revenue

There are no financial consequences for the GMCA or GM LAs, as all revenue expenditure is being met through the concession fees paid to the GMCA by the approved installers.

Financial Consequences – Capital

There are no financial consequences for the GMCA or GM LAs, as all capital expenditure is being met through direct grant funding from the energy companies to the approved installers.

Number of attachments to the report:

1

Comments / recommendations from Overview & Scrutiny Committee

N/A

Background Papers

[Great British Insulation Scheme and ECO4 Local Authority Administration Guidance V1](#)

Tracking / Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

Yes

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Background

- 1.1 The Energy Company Obligation (ECO) is a government energy efficiency scheme designed to tackle fuel poverty and help reduce carbon emissions. The scheme works by placing an obligation on medium and large energy suppliers to deliver energy efficiency measures to low-income, fuel-poor, and vulnerable households. The current version of the scheme (ECO4) runs until 31 March 2026. ECO4 focuses on whole house retrofits, aiming to encourage installation of insulation and renewables, as well as upgrading inefficient heating systems.
- 1.2 The Great British Insulation Scheme (GBIS) continues ECO4's focus on reducing fuel poverty and energy bills but aims to deliver rapid installation of energy efficiency measures to a wider pool of households in the least efficient homes. GBIS runs until 31 March 2026. GBIS mainly focuses on the delivery of single measures (rather than whole house retrofits).
- 1.3 Through the main scheme eligibility criteria, households may be eligible if they receive specific benefits. The flexible eligibility (Flex) element of the schemes is for use by Local Authorities (LAs) and provides alternative routes to identify eligible households. This allows participating LAs to refer households they consider to be living in fuel poverty or on a low income and vulnerable to the effects of living in a cold home, but who may not qualify for the schemes via the standard eligibility criteria.
- 1.4 LAs can make a joint referral for both ECO4 Flex and GBIS Flex, as the eligibility criteria are similar. If a supplier decides to take the referral forward, a retrofit assessor would determine which of the schemes is suitable and the specific measures that would benefit the property.

2. Introduction and Proposal

2.1 In October 2022, the GMCA agreed to:

- Conduct an application process to produce a list of ECO4 approved installers.
- Centralise the management of ECO4 Flex on behalf of the 10 districts funded by concession fees paid by the approved installers.
- Approve the GMCA ECO4 Flex Statement of Intent (Sol) Version 4.

2.2 In February 2023, the GMCA appointed the following approved installers to deliver ECO4 funded energy efficiency measures in each district:

Districts	Installer
Manchester, Stockport, Trafford	Improveasy Ltd
Bolton, Salford, Wigan	Next Energy Solutions Ltd
Bury, Rochdale, Oldham, Tameside	PHS Home Solutions Ltd T/A 0800 Repair

2.3 In May 2023, the GMCA launched its [Retrofit Portal](#) which provides a single point of access for residents to check eligibility and apply for the main energy efficiency schemes available in Greater Manchester.

2.4 Since then, the approved installers have retrofitted energy efficiency measures to 311 privately owned homes in Greater Manchester funded by £1.6m of ECO4 Flex grants, resulting in an average energy bill saving of £659 per year for those households.

2.5 Given the introduction of the GBIS scheme, GMCA is now requested to approve the centralised management of both ECO4 and GBIS Flex by the GMCA for the whole of Greater Manchester.

2.6 In addition, the changes require that GMCA agree a new Flex Statement of Intent (Sol) (Annex 1), which has been based on the template provided by The Office of Gas and Electricity Markets' (Ofgem), provide approval for the Chief Executive of the GMCA and TfGM to sign the Sol on behalf of the GMCA and publish it on the GMCA's website.

3. Wider Updates

3.1 In addition, the GMCA has completed the delivery of Wave 1 of the Social Housing Decarbonisation Fund (SHDF), which has retrofitted around 3,400 energy efficiency measures to 871 socially rented homes owned by 10 social landlords in Greater Manchester, funded by £8m of grant and £8m of match funding.

3.2 Work is ongoing to deliver Wave 2.1 of SHDF, which is aiming to retrofit 20,987 energy efficiency measures to 5,481 socially rented homes owned by 18 social landlords by September 2025, funded by £37m of grant and £60m of match funding.

3.3 The GMCA has also recently been successful in receiving £1.94m from the Department for Energy Security and Net Zero through the North West Net Zero Hub to

deliver the Local Energy Advice Demonstrator (LEAD) project, which is designed to pilot new innovative approaches to providing local in-person and remote energy advice.

3.4 LEAD is intended to run from October 2023 to March 2025 and aims to help Greater Manchester residents better understand how to make energy efficiency improvements to their home, with a particular focus on harder-to-treat properties and harder-to-reach residents. In Greater Manchester, LEAD will utilise new and existing channels of engagement, outlining a clear pathway for individuals from retrofit advice to installation of measures and what funding may be available.

4. Recommendations

4.1 The recommendations are set out at the beginning of the report.

Statement of Intent for ECO4 and Great British Insulation Scheme

Greater Manchester Combined Authority

ECO4 and Great British Insulation Scheme Flexible Eligibility Statement of Intent

Local Authority name: Greater Manchester Combined Authority

Publication date: 15/12/2023

Version number: V5

Publication on web site: www.greatermanchester-ca.gov.uk/eco

This statement sets out the Greater Manchester Combined Authority's (GMCA) 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.

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".

The GMCA is publishing this Statement of Intent (Sol) on 15/12/2023 to confirm that each of the households declared will adhere to at least one of the four available routes outlined below. The tick boxes are used to indicate to households which routes the GMCA is using:

Route 1: Owner-occupied and private rented sector households with a gross annual income less than £31,000. This cap applies irrespective of the property size, composition, or region.

☒ **Route 2:** Owner-occupied and private rented sector households that meet a combination of two of the following proxies:

Proxy 1) Homes in England in Lower-layer Super Output Area 1-3 (LSOA) ^{1*}
Proxy 2) A person living at the premises is entitled to a Council Tax reduction on the grounds of low-income.
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
<p>Proxy 5) A person living at the premises is supported by a scheme established by the LA that is named and described within their Statement of Intent and established to support people living on a low-income and considered vulnerable to the cold under NICE Guideline NG6.</p> <p>The LA established schemes used are Bolton Care and Repair, Warm Homes Oldham, and AWARM Plus Wigan. They provide a local single-point-of-contact health and housing referral service commissioned to help vulnerable people who live in cold homes. They identify a wide range of people who are vulnerable to the cold because of:</p> <ul style="list-style-type: none"> • a medical condition, such as heart disease; • a disability that, for instance, stops people moving around to keep warm, or makes them more likely to develop chest infections; or • personal circumstances, such as being unable to afford to keep warm enough.
Proxy 6) A household referred to the LA for support by their energy supplier or Citizens Advice, because they have been identified as struggling to pay their electricity and/or gas bills.
<p>Proxy 7) [Please note, proxy 7 is for supplier owned debt data and is listed here for information only]. 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)*.</p> <p>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.</p> <p>b. PPM customers: Suppliers may also identify PPM households who:</p> <ul style="list-style-type: none"> • 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 7 cannot be used in combination with proxy 5 or proxy 6.

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".

² <https://www.nice.org.uk/guidance/ng6/chapter/1-Recommendations#recommendation-2-ensure-there-is-a-singlepointofcontact-health-and-housing-referral-service-for>

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

Route 3: Owner-occupied and private rented sector households that have been identified by either a person registered in the General Practitioner Register, a Scottish Health Board, a Welsh Health Board, 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 LAs 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.

Scheme eligibility

All potentially eligible households should apply through the GMCA or one of their following approved ECO4 and Great British Insulation Scheme installers to see if they can either benefit from the scheme or be assessed for eligibility under any other relevant programme:

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

An LA officer (not a 3rd party working on behalf of an LA) will be responsible for checking and verifying evidence and issuing declarations. For any general enquiries relating to this Sol, please contact: eco@greatermanchester-ca.gov.uk

CEO mandatory signature

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

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

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

All personal data collected or processed by the GMCA for the purposes of ECO4 Flex or Great British Insulation Scheme Flex will be processed and stored in accordance with the GMCA's obligations under UK GDPR and the Data Protection Act 2018, the GMCA'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: *Eamonn Boylan*

Name: Eamonn Boylan

Job Title: Chief Executive of the GMCA and TfGM

Date of signature: 15/12/2023