

**Department for Business, Energy and Industrial Strategy consultation for the Energy Company  
Obligation Scheme (ECO+) to deliver energy efficiency measures in homes across Great Britain  
from 2023 to 2026**

**Response from Propertymark  
December 2022**

**Background**

1. Propertymark is the UK's leading professional body of property agents, with over 17,000 members. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry leading training programme and mandatory Continuing Professional Development.

**Scheme launch and early delivery**

**Question 3: Do you agree with our proposal to facilitate early delivery under ECO+ ahead of the ECO+ Order coming into force?**

2. We do not agree that early delivery under ECO+ should be facilitated ahead of the ECO+ Order coming into force. We disagree for two reasons. Firstly, potentially this could be a dangerous proposal for homeowners who could invest in energy efficiency measures only for the scheme not to go into fruition. Secondly, this could also be an issue for insurance companies who may be reluctant to honour insurance claims prior to the start of legislation.

**Additional costs of compliance with retrofit standards**

**Question 12: Additional costs of compliance with retrofit standards: Do you agree with our assumptions for compliance with TrustMark and PAS2035 standards?**

3. We disagree with plans for compliance with TrustMark and PAS2035 standards. We have two concerns. Firstly, it is vital that standards of retrofit schemes are high, and we are aware of concerns in the industry over the regulation of spray foam insulation. However, in some particularly rural areas it proved difficult to find Trustmark accredited traders for grant aided work for the Green Homes Grant. This may have been a significant barrier to works being carried out. We believe it is important that standards are withheld, but it is overzealous to mandate that traders are Trustmark accredited and have signed up to the scheme. By mandating both requirements, the pool of traders becomes limited in some areas. We believe that being Trustmark accredited on its own should suffice. Secondly, lessons must be learnt from the failure and low take up of the Green Homes Grant. We make the following three observations following feedback from our members. Firstly, the scheme was time limited which meant that homeowners and landlords needed to have redeemed the voucher and ensure improvements were completed by 31 March 2022. Secondly, the scheme was only applicable in England and there is no equivalent scheme in Wales. This is despite UK

Government's energy efficiency targets for the property sector applying to both England and Wales. Thirdly, delays in vouchers being issued. This meant many homeowners and landlords put their installations on hold, and reduced the time left to complete the work.

### **Homes and household eligibility**

#### **Question 14: Do you agree ECO+ should target two groups with the first focusing on a general group with wider eligibility requirements and the second focusing on low-income households in line with ECO4?**

4. We agree that ECO+ should target two groups with the first focusing on a general group with wider eligibility requirements and the second focusing on low-income households in line with ECO4. We agree for three reasons. Firstly, ECO funding should be tenure blind as far as possible. However, efforts should be made to ensure that those who are impacted the most from fuel poverty are given priority to funding. Secondly, the consultation notes that the UK Government already has several funding schemes available and ECO + will give wider access to those groups and households that are not eligible for existing schemes. Thirdly priority can be given to those second groups that cover low-income households with similar eligibility as ECO 4.

#### **Question 15: Do you agree with our proposal to target "general group" support at households in Council Tax bands A-D in England, A-E in Scotland and A-C in Wales with an EPC of D and below**

5. In principle we agree with this approach for homeowners in potentially the lowest income brackets and least fuel-efficient homes. While homes are more affordable in Wales than in many parts of England, we believe that eligibility for Wales should mirror the Council Tax bands A to D as they are in England. Firstly, there would be a great many people living in Council Tax band D properties in Wales that are vulnerable to fuel poverty. Given the dramatic increase in energy prices, more hard-working families will be pulled into fuel poverty. Secondly, there are many households that are 'house price rich' but sadly 'cash poor' this is particularly the case for older people and people living in rural areas. Thirdly, outside the City of London and much of the Southeast of England, there are many areas of England that have similar house price values as in Wales. It would be fairer to have the same eligibility criteria for England and Wales to maximise opportunities and to ensure eligibility is streamlined and understandable. Fourthly and finally, Welsh Council Tax bandings is modelled on more recent data from 2003. However, English, and Scottish data is banded from modelled data from 1991 hence Welsh data is likely to be more accurate, albeit still out of date, than English and Scottish equivalents.

#### **Question 16: Do you agree with our proposal to target all eligible low-income households living in EPC band D-G through the low-income group?**

6. We agree with the proposal to target low-income households. To strengthen the proposal further we believe two things must be completed. Firstly, extend eligibility to support a wider number of vulnerable homeowners and those living in both social and privately rented

housing. Given the significant increase in energy prices we would recommend rolling out priority funding to older homeowners and tenants in both sectors. Secondly, priority should be further widened to households that contain a person who is particularly vulnerable to the cold as defined by the National Institute of Clinical Excellence's definition of vulnerability to the cold.<sup>1</sup> As a brief example, this could include persons living with respiratory or circulatory illness as one example.

**Question 17 Do you agree with our proposal to carry over the same eligible benefits from ECO4 to the low-income group under ECO+?**

7. We agree with the proposal to carry over the same eligible benefits from ECO4 to the low-income group under ECO+. ECO 4 is recognised widely by stakeholders and those working in the trade. We believe this is a sensible approach with the amendments recommended in the previous question.

**Question 18 Do you agree with our proposal to set a low-income group minimum requirement equivalent to 20% of each annual target with flexibility on whether the remaining obligation is delivered to low-income or general group households?**

8. We agree with the proposal to set a low-income group minimum requirement for targets with flexibility on whether the remaining obligation is delivered to low-income or general group households. Given the rapid increase in the cost of energy prices, many vulnerable people including those with the lowest income need urgent support. To strengthen the proposal, there must be a long-term commitment to improving the energy efficiency of the least fuel-efficient homes to protect future homeowners. Accordingly, we would recommend similar priority targets for the least fuel-efficient homes with EPCs of E to G. With legislation already in place to improve the energy efficiency of PRS and social housing, there is a great danger that homeowners will fall behind.

**Question 19: Do you agree that we should allow up to 80% of a supplier's low-income minimum requirement to be met through LA and Supplier Flex, with unlimited flex permitted beyond the low-income minimum requirement?**

9. In principle we agree that local authorities are in a strong position to target resources to any priority groups they have identified. However, we have already recommended that priority funding should be widened to older people and people who are vulnerable to the cold. We also believe that to ensure that for eligibility to be as widely understood as far as possible for all stakeholders, then there should be some general standardisation. That said, if a local authority can identify further cohorts that require prioritisation, then they should have the flexibility to implement this.

---

<sup>1</sup> [Quality statement 2: Identifying people vulnerable to health problems associated with a cold home | Preventing excess winter deaths and illness associated with cold homes | Quality standards | NICE](#)

**Question 20: How can referrals through LA and Supplier Flex be facilitated?**

10. We recognise that many local authorities would like to use flexible eligibility but are unable to do so due to lack of local authority resources including staffing. We would recommend that local authorities and governments do two things. Firstly, as far as possible, local authorities should partner with neighbouring local authorities on a regional basis in the administration of flexible eligibility. Secondly, use the opportunity for the devolved nations in Wales and Scotland or on a regional basis in England to fund administrators or to administer schemes themselves while respecting the flexible demands of participant local authorities.

**Private Rented Housing**

**Question 21: Do you agree with our proposal that only PRS households in EPC bands D and E should be eligible for ECO+ in the general and low-income group, while PRS households in EPC bands F and G should be excluded, other than when exempt from the minimum energy efficiency standard?**

11. Every effort must be made to ensure that PRS landlords are given the support they are required to make their homes fuel efficient for their tenants. We agree that PRS households in EPC bands D and E should be eligible for ECO+ but argue that it would be more efficient for the administration of the scheme to allow PRS households in EPC bands F and G to be eligible for funding. We have three reasons to extend the proposal. Firstly, the Private Rented Sector (PRS) has some of the highest levels of fuel poverty in Great Britain. Secondly, diminishing assets with no way of improving certain property. Thirdly, the UK Government must understand the legislative challenges that landlords and agents are operating in.
12. The Private Rented Sector (PRS) has some of the highest levels of fuel poverty in Great Britain. According to the Committee on Fuel Poverty, 2015/16 data, for England, shows that 19% of private sector tenants are fuel poor households compared to 8% in the owner occupier sector. Also 35% of all fuel poor people in England live in privately rented homes. The Senedd Cymru Climate Change, Environment and Rural Affairs Committee for Fuel Poverty in Wales found similar levels with the social sector being far more fuel efficient than the Welsh PRS. Furthermore, according to data from Rent Smart Wales, there are only a small number of properties in the Welsh PRS that have EPCs rated at F's and G's with only 2.4% of properties in the PRS that are rated F and G.
13. Under the proposals any landlords investing in properties that have an F or G rating, could be trapped with this asset with no real mechanism of support to improve the property to get the property fit for human habitation and energy efficient. We also believe that any properties that have an exemption from the current standards should also be eligible for funding provided they have registered the exempt property on the exemptions register. Finally, all properties that are on the exemptions register should be eligible for funding or if the landlord can prove that meeting the Minimum Energy Efficiency Standards (MEES) would have a negative impact on the fabric of the property

14. The UK Government must understand the legislative challenges that landlords are operating in. Our research has indicated that due to these challenges, from the proposals set out in the UK Government's A fairer private rented sector White Paper and the MEES, many landlords are considering exiting the market. For instance, our research shows that 53% of buy to let properties sold in March 2022 left the PRS, 84% of respondents to our survey told us that investors in the market have decreased over the last three years and there has been a 49% reduction in properties available to rent per agents branch in March 2022 compared to March 2019. Furthermore, landlords renting properties in the PRS across the UK have seen their tax burden increase in recent years. Higher rates of stamp duty on buy-to-let properties, the withdrawal of tax relief on mortgage interest costs and replacement with a 20% tax credit, removal of the 10% Wear and Tear Allowance for fully furnished properties being replaced with an at-cost relief and maintaining Capital Gains Tax (CGT) for rented property at 28%, when it was reduced to 18% for other assets.

**Question 22: Do you agree PRS households should not be eligible for secondary heating controls?**

15. We disagree that landlords operating in the PRS should be excluded for eligibility for secondary heating controls. We have three concerns with this proposal. Firstly, equality of fairness, landlords operating in the PRS should be open to funding to secondary heating systems. Secondly, many landlords invest in older stock which has been empty or dilapidated for extended periods of time, they also convert other non-residential buildings to use to increase the number of housing options especially for low-income families. Thirdly, more needs to be done to engage with the PRS and landlords on energy efficiency.
16. The consultation states that the exclusion is in place due to 'PRS households and landlords are expected to provide functioning heating systems for their tenants.' Surely this would apply equally to landlords operating in the social sector so for equality of fairness, landlords operating in the PRS should be open to funding to secondary heating systems if it is agreed that this will be open to the social sector following the consultation.
17. Many landlords invest in older stock which has been empty or dilapidated for lengthy periods of time, they also convert other non-residential buildings to use to increase the number of housing options especially for low-income families. According to the Office for National Statistics, Northern Ireland has the newest private rented dwelling stock in the UK with 38% built after 1980. In contrast Wales has the oldest PRS stock with 43% built pre-1919<sup>2</sup> All nations within the United Kingdom have stock within the PRS that is older than other tenure. This causes considerable challenges and to tackle the hardest to reach problems, landlords need to be financially supported rather than being excluded on ideological grounds.
18. More needs to be done to engage with the PRS and landlords in general. According to BEIS figures, just five per cent of PRS households in England have received support from the

---

<sup>2</sup> [UK private rented sector - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Government, compared with 21 per cent of owner occupiers, 12 per cent of council householders and 11 per cent in housing association homes. This is on top of further research that has indicated that on average it would cost in the region of £7,500 for landlords to get their property to the required C grade against a cost cap of £10,000. However, the average net annual rental income for a private landlord being less than £4,500, it is clear this will be unaffordable for a considerable number.

**Question 23: Do you agree with our proposal that PRS households in the general group should not be eligible for cavity and loft insulation?**

19. We strongly disagree with the proposal that PRS households should not be eligible for cavity and loft insulation. We have three concerns. Firstly, the main priority in terms of the scheme should be the comfort of the tenant and homeowners within properties and their ability to pay energy bills. Secondly, in terms of supporting the implementation within the PRS, we believe cost-effective fabric measures should be given priority such as loft insulation and cavity wall insulation. A considerable proportion of properties across tenures could benefit from further insulation. According to the 2019 English Housing Survey, private rented dwellings had the highest proportion of uninsulated cavity walls across tenures (25%), with owner-occupied (20.8%), local authority properties (24%) and housing association homes (20.2%) at lower but still significant level.<sup>3</sup> This would be a golden opportunity to address this shortfall and to achieve a baseline across all tenures. Thirdly, funding for insulation is available for the PRS through ECO 3 providing it is targeted at low-income households. However, only 5% of privately rented households have accessed funding compared to 12% of local authority housing, and 11% of social housing. By maximising the opportunities to improve the fabric of properties across all tenures, those properties in most need of improvement will be targeted with long-term and sustainable improvements will be achieved for those living in homes.

**Rural delivery**

**Question 27: Do you agree with only having a 'rural' rather than 'rural and off-gas' requirement for properties to receive an uplift in ECO+?**

20. We agree with only having a 'rural' rather than 'rural and off-gas' requirement for properties to receive an uplift in ECO+. We agree for three reasons. Firstly, despite one of the major challenges of reducing fuel poverty is the different geographic challenges, with significantly more rural properties being off the gas grid, rural communities experience several additional challenges outside the high proportion of homes off the grid. Secondly, we have already established that age of property is a significant factor in the performance of energy efficiency. According to Savills, a reliance on EPC data creates a bias against rural properties. They have found that around 40% of PRS properties in villages date from before 1900. That figure rises to close to over half (52%) of PRS properties in hamlets.<sup>4</sup> Compared to even some of the UK's largest cities, in Manchester and London, properties built before the 1900's amount to around 14% of total housing stock. When looking at the total housing stock of homes built before

<sup>3</sup> [DA6201 Insulation - dwellings.ods \(live.com\)](#)

<sup>4</sup> [Savills | Spotlight: Rural Homes Energy Challenge](#)

1900, over 30% are in EPC band E and 10% are band F. In contrast, less than 1% of homes constructed from 2002 were band F while 70% are band C. Thirdly, rural areas are also heavily characterised as having high proportions of properties built using traditional methods and materials. This includes a high number of properties that have solid walls, solid floors or thatched roofs which are significantly less energy efficient than modern methods of house construction. Rural properties are invariably fuelled by alternative fuels such as oil. Given these additional challenges we support the decision to widen uplift support to rural areas regardless of whether they are connected to the gas grid.

**Question 28: Do you agree that rural uplifts of 35% should apply in Scotland and Wales only?**

21. We agree that rural uplifts of 35% should apply in Scotland and Wales only. We agree for three reasons. Firstly, for English rural areas, there is support for low income off gas grid properties from the Home Upgrade Grant. The second phase of this scheme will provide widespread support for rural communities across England. Secondly, the Welsh and Scottish Government target their specific fuel poverty support on low income and deprivation criteria, and there is no specific support for rural communities in these nations. However, we recognise that there are regions within England that are equally as rural as parts of Wales and Scotland and have significantly challenges with fuel poverty. Thirdly, the quality of the home is not the only factor that impacts fuel poverty. The ability of households to heat their home is also a significant factor. Looking at statistics from the End Fuel Poverty Coalition, there are certainly challenges for local authority areas with rural local authority areas such as Shropshire, Herefordshire, King's Lynn, and West Norfolk ranking heavily as areas severely impacted by fuel poverty. However, the worst affected areas were in inner city areas such as Barking and Dagenham, Stoke-on-Trent, Waltham Forest and Kingston upon Hull.<sup>5</sup>

**Question 29: Should the rural uplift only apply to higher-cost measures, and therefore exclude loft insulation and heating controls, delivered in Scotland and Wales through ECO+?**

22. We agree that the rural uplift should only apply to higher-cost measures, and therefore exclude loft insulation and heating controls, delivered in Scotland and Wales through ECO+. We agree for two reasons. Firstly, the UK Government need to place greater emphasis on 'fabric first' energy efficiency improvements, where repairs, insulation and draft-proofing are prioritised ahead of add-ons and holistic system changes. Secondly, with focus currently on costly major transformations to homes and their heating systems, more achievable improvements to efficiency risk are being overlooked. To this end, the UK Government uplift should concentrate funding for 'fabric first' improvements to rural homes.

**Digital referrals**

**Question 32: Do you agree with our plans to explore additional access routes to the scheme, including through GOV.UK?**

---

<sup>5</sup> [Fuel poverty map of England revealed – End Fuel Poverty Coalition](#)



23. We welcome the UK Government's consideration of making the scheme as easy as possible for homeowners to get support. We strongly support a self-referral system for homeowners, which we agree could improve efficiencies and costs. We also agree that developing an expression of interest facility through GOV.UK would be advantageous. Given the scale of the challenge in the Private Rented Sector, we would also welcome a similar referral route for private landlords and property agents. A dedicated referral route for landlords and their agents could make targeting PRS properties in need more efficient and improve engagement between the government's schemes and property agents.

### **Eligible EPCs**

#### **Question 36 Do you agree with our proposal to target the low-income group at eligible households in EPC bands E, F and G that cannot meet the ECO4 minimum requirement?**

24. We agree with the proposal to target the low-income group at eligible households in EPC bands E, F and G that cannot meet the ECO4 minimum requirement.

### **Guarantees**

#### **Question 64 Do you agree with our proposal to impose ECO+ guarantee requirements through TrustMark registration?**

25. In principle we agree with the proposal to impose ECO+ guarantee requirements through TrustMark registration. Our concern is that for most Trustmark accredited traders, they are likely to already have a guarantee scheme in place.

#### **Question 65 Do you agree that we should require measure lifetimes through the scheme to benchmark guarantee requirements and for scheme reporting purposes?**

26. We do not fully agree that the UK Government should require measure lifetimes through the scheme to benchmark guarantee requirements and for scheme reporting purposes. We are concerned that this could over complicate the referral process and cause confusion over different guarantees for a variety of measures. A general guarantee from the Trustmark accreditation should suffice.

### **Smart Meters**

#### **Question 71 Do you agree with our proposal that advice should be provided on the benefits of smart meters and how to request installation of a smart meter alongside the advice provided under TrustMark Licence Plus and the energy advice requirements required by PAS2035 (as relevant)?**

27. We agree and are supportive of Smart Meter information being provided. Propertymark and our members recognise that smart meters can send up-to-date information to provide more accurate data on energy usage with the aim of reducing spending. Tenants, landlords, letting agents and energy companies all have a role to play in improving smart meter take up but this



can often be down to different types of properties and tenancy management arrangements in the private rented sector. However, the UK Government must recognise two issues

**Territorial extent**

**72. Do you have any views on the proposal for ECO+ to follow the approach of the existing ECO programme, in supporting consumers in all parts of Great Britain?**

28. We understand the Northern Ireland Sustainable Energy Programme operates in Northern Ireland as a public services obligation from electricity providers, but we question why the ECO scheme is not eligible for consumers in Northern Ireland and would ask the UK Government to either extend the scheme to Northern Ireland or clarify what the barriers are.

If there is a particular barrier to opening the scheme to Northern Ireland, then we would be content in continuing the approach of including the whole of Great Britain as has been the case for existing schemes. However, we would recommend that the UK Government engages with both the Scottish and Welsh Government to ensure that ECO+ compliments their schemes.

**73. Do you have views on how the scheme can best support consumers in Scotland, for those aspects that were transferred to Scottish ministers by the Scotland Act 2016?**

29. We recommend engaging with the Scottish Government on this matter.