

EXTENDING THE ECO4 END DATE CONSULTATION END FUEL POVERTY COALITION RESPONSE 25 September 2025

The End Fuel Poverty Coalition is a <u>broad coalition of more than 100 anti-poverty, health, housing and environmental campaigners, charities, local authorities, trade unions and consumer organisations</u>. It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

Extending ECO4 in the manner proposed - without additional resources - risks stalling progress in tackling fuel poverty, collapsing installer confidence, and leaving households in cold, unhealthy homes. The Government must move quickly to provide certainty, adequate funding and a rapid pathway to its successor scheme.

We urge Ministers to reconsider these proposals and ensure the ECO4 extension helps efforts to reduce fuel poverty and ensures that the proposals safeguard the delivery of future schemes — including the Warm Homes Plan.

Concerns with the current proposals

1. No new funding

Extending ECO4's end date but not its budget means the scheme will have to do more with less. This is effectively a cut to funding at a time when millions of households remain in cold, damp homes.

Based on industry analysis by E3G, only around £200m would be available through the whole 9-month extension period, compared with £330m spent in just three months at the start of 2025. Funding would collapse to around one fifth of current levels, leading to a damaging slowdown.

2. Jobs and supply chains

With such reduced funding, installers would be forced to lay off thousands of skilled workers. Many of these workers could not simply be redeployed: other schemes such as the Boiler Upgrade Scheme are far smaller in scale, narrowly focused, and not suitable for contractors with varied capabilities. The private market for insulation and efficiency measures remains limited, as households consistently deprioritise efficiency compared to aesthetics.

A collapse in capacity now will leave the Government without the workforce it needs to deliver the Warm Homes Plan. Once lost, these skills are costly and time-consuming to rebuild.

3. Uncertain carry-over rules

The Government has suggested allowing up to 20% carry-over into the successor obligation. However, suppliers will not commit resources unless they have legal certainty that a successor obligation will definitely be legislated, and they understand the scheme design,

including eligible measures and scoring.

Without clarity on both points, suppliers are unlikely to use carry-over at scale, leaving the extension period even more underfunded.

Therefore, extending the obligation would minimise the need for carry over and the risk highlighted here.

4. Gap before successor scheme

A smooth transition from ECO4 to its successor is essential. Currently, there is no clear timetable for consultation, design and parliamentary approval of the next obligation. This risks a damaging hiatus in delivery, with contractors downing tools and skilled workers exiting the sector.

This will undermine the delivery of the Warm Homes Plan, which requires a stable, growing supply chain to succeed.

Recommendations

- **Provide additional funding** alongside any ECO4 extension to avoid a de facto cut in support.
- Accelerate development of the successor scheme, ensuring consultation and parliamentary approval are completed rapidly to give suppliers and contractors certainty.
- **Provide immediate clarity** on the scope and operation of carry-over, including a clear timetable for legislative approval and scheme design.
- **Guarantee a "no-gap" transition** so households and contractors are not left in limbo between schemes.
- Publish a clear timetable for the Warm Homes Plan and explain how ECO4 and its successor will integrate with it.
- **Protect good quality contractors** by ensuring fair prices, adequate funding and independent inspection of works.

We would be grateful if you could continue to keep the Coalition informed about developments in this consultation.

About the End Fuel Poverty Coalition

The End Fuel Poverty Coalition is a <u>broad coalition of more than 100 anti-poverty, health, housing and environmental campaigners, charities, local authorities, trade unions and consumer organisations</u>. It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

We believe that everybody has the right to a warm, dry home that they can afford to heat and power.

Members of the Coalition include: <u>Action with Communities in Rural England</u>, <u>ACE</u>

<u>Research</u>, <u>Age UK</u>, <u>All Birmingham's Children</u>, <u>Austerity Action Group</u>, <u>Association of Green</u>

<u>Councillors</u>, <u>Association of Local Energy Officers</u>, <u>Association for Decentralised Energy</u>,

<u>Asthma + Lung UK</u>, <u>Basingstoke & Deane Borough Council</u>, <u>Beat the Cold</u>, <u>Bruton Town</u>

Council, Camden Federation of Private Tenants, Carers Trust, Child Poverty Action Group, Church Poverty Action, Chartered Institute of Environmental Health, Chartered Institute of Housing, Community Action Northumberland, Centre for Sustainable Energy, Climate Action Network West Midlands, Debt Justice, Disability Poverty Campaign Group, Disability Rights UK, E3G, Energise Sussex Coast, Energy Advice Line, Energy Cities, Epilepsy Action, Exeter Community Energy, Fair Energy Campaign, Fair By Design, Foster Support, Fuel Poverty Action, Fuel Poverty Research Network, Generation Rent, Good Law Project, Groundwork, Hackney Foodbank, Heat Trust, the HEET Project, Home Start Oxford, Independent Age, Independent Food Aid Network, Inner City Life, Joseph Rowntree Foundation, Lambeth Pensioners Action Group, London Borough of Camden, London Borough of Lewisham, Marches Energy Action, Marie Curie, Mencap, Mayor of London, MECC Trust, Moorland Climate Action, National Pensioners Convention, National Union of Students / Students Organising for Sustainability, NCB, National Energy Action, New Economics Foundation, National Federation of Women's Institutes, Northern Health Services Alliance, Oxford City Council, Positive Money Tower Hamlets, Plymouth Community Energy, Redcar & Cleveland Council, Repowering London, Retrofit Bruton, Right To Energy Coalition, Rossendale Valley Energy, Ryecroft Community Hub, Save the Children, Sense, Severn Wye, Scope, Shaping Our Lives, Social Workers Union, South Dartmoor Community Energy, South East London Community Energy, Southwark Group of Tenants Organisations, South West London Law Centres, Stop The Squeeze, Tamar Energy Community, Thinking Works, Uplift, UNISON, Warm & Well North Yorkshire, Warm & Well in Merton, Winter Warmth Network, Young Lives vs Cancer, 361 Energy.

The Coalition is also part of the <u>End Child Poverty Coalition</u> and the <u>Renters Reform Coalition</u>. We work closely with <u>Energy Action Scotland</u>, <u>NEA Wales</u> and the <u>Fuel Poverty NI coalition</u>. The coordination for the <u>End Fuel Poverty Coalition</u> is provided by social enterprise Campaign Collective.

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