



Department  
of Energy &  
Climate Change

# Research into the Green Deal and ECO Programme Supply Chain (Follow-up Study)

**Quantitative research with certified Green Deal  
advisors, assessors and installers**

July 2015

© Crown copyright 2015

URN 15D/387

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/](http://www.nationalarchives.gov.uk/doc/open-government-licence/) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Any enquiries regarding this publication should be sent to us at [HouseholdEnergyEfficiencyResearch@decc.gsi.gov.uk](mailto:HouseholdEnergyEfficiencyResearch@decc.gsi.gov.uk).

The views expressed in this report are those of the authors, not necessarily those of the Department of Energy and Climate Change (nor do they reflect Government policy).

# Contents

Glossary of terms and acronyms .....	i
Executive Summary .....	ii
Profile of GD suppliers .....	ii
Delivery and demand under GD and ECO .....	iii
Targeting customers under GD and ECO .....	iv
GD assessments and help with finance .....	v
Installers under GD and ECO .....	v
GDHIF first release .....	vi
<b>1. Background and methodology .....</b>	<b>1</b>
The Green Deal and Energy Companies Obligation supply chain.....	1
Research objectives .....	2
Study methodology.....	4
Sampling .....	4
Fieldwork .....	6
Weighting and reporting conventions.....	7
Confidence intervals .....	7
<b>2. Profile of GD suppliers .....</b>	<b>9</b>
Key messages.....	9
Overview of GD suppliers.....	10
Ownership status of advisors .....	10
Size of GD assessors and installers.....	11
Age and background of GD suppliers.....	12
Experience of other DECC policies (installers).....	12
Geographical coverage and scale of GD suppliers .....	13
Regional coverage .....	13
Geographical scale of activity .....	14
<b>3. Delivery and demand under GD and ECO.....</b>	<b>15</b>
Key messages.....	15
Delivery under GD and/or ECO .....	16
Delivery under ECO .....	17

Delivery under both GD and ECO .....	19
Number of assessments/ installations delivered under GD/ ECO .....	20
Non-GD assessments under ECO .....	25
Generation of income through GD and/or ECO .....	26
Demand under GD and/or ECO .....	28
Comparison of levels of activity under GD and ECO against expectations.....	28
Expectations for future levels of demand under the GD and ECO programme.....	29
4. Targeting customers under GD and ECO .....	31
Key messages.....	31
Generation of leads for the GD and ECO programmes .....	32
Generation of leads for GD .....	32
Generation of leads for ECO.....	33
Main means of making first contact with customers.....	34
Targeting customers.....	36
Targeting GD customers.....	36
Targeting ECO customers .....	37
5. Assessments and help with finance .....	40
Key messages.....	40
GD assessments carried out for other organisations.....	41
Time taken by advisors to complete an assessment .....	43
Charges for GD assessments .....	44
Support provided as part of a GD Assessment .....	46
Report provision following GD assessments under ECO and EPCs .....	48
6. Installers under GD and ECO .....	50
Key messages.....	50
Measures offered by installers.....	51
Activity under other DECC policies.....	52
Installations carried out for other organisations .....	52
Delays experienced by installers when installing measures under GD .....	55
The provision of financial support.....	56
Customer contributions for ECO-funded installations.....	57
Whether installers had considered becoming GD providers.....	58
7. GDHIF registered installers in first release .....	60
Key messages.....	60
Registration status for GDHIF first release .....	61
Measures installed under GDHIF first release.....	62

Readiness for GDHIF first release.....	63
Additional support desired from DECC.....	63
Experiences and expectations of demand under GDHIF first release .....	64
Alliances with other suppliers .....	66
Views on incentives for SWI/ two measures and customer contributions .....	66
The incentive level for Solid Wall Insulation (GDHIF first release).....	66
The incentive level for installing two measures (GDHIF first release).....	67
Customer contribution (GDHIF first release).....	68
Installers' intentions regarding GDHIF second release .....	69
<b>8. Conclusions .....</b>	<b>71</b>
The operations of the GD supply chain .....	71
GD installers' views and experiences of the first release of GDHIF .....	74



# Glossary of terms and acronyms

This report uses the following terms and acronyms:

<b>CERO</b>	Carbon Emission Reduction Obligation
<b>CERT</b>	Carbon Emissions Reduction Target
<b>CESP</b>	Community Energy Saving Programme
<b>CSCO</b>	Carbon Saving Community Obligation
<b>CWI</b>	Cavity wall insulation
<b>DECC</b>	Department of Energy and Climate Change
<b>ECO</b>	Energy Companies Obligation
<b>EPC</b>	Energy Performance Certificate
<b>EWI</b>	External wall insulation
<b>GD advisor</b>	Green Deal advisor
<b>GD assessor</b>	Green Deal assessor organisation (GDAO)
<b>GD finance</b>	Green Deal finance
<b>GD installer</b>	Green Deal installer
<b>GD ORB</b>	Green Deal Oversight and Registration Body
<b>GD Plan</b>	Green Deal Plan
<b>GD provider</b>	Green Deal provider
<b>GD</b>	Green Deal
<b>GDAO</b>	Green Deal assessor organisation
<b>GDAR</b>	Green Deal Advice Report
<b>PV</b>	Solar Photovoltaic
<b>SWI</b>	Solid wall insulation

# Executive Summary

This report presents the findings from a follow-up study of suppliers for DECC that was carried out in late 2014 and early 2015 by ICF International and GfK NOP, referred to as the 'follow-up study'. The first supplier study was conducted in January 2014 (referred to as the 'first supplier study'). Both studies explored the operations and delivery of the GD supply chain. This follow-up study has reviewed the experiences of installers in delivering measures under the first release of the Green Deal Home Improvement Fund (hereafter GDHIF), which was launched in June 2014.

In this follow-up study, just over 700 interviews were conducted amongst three groups of suppliers across the UK: advisors, assessors and installers. Interviews were conducted at an establishment level<sup>1</sup> for the latter two groups, while the advisor group comprised individuals operating either as sole traders or employed directly by Green Deal assessor organisations (henceforth 'GDAO'). For ease of reading, this report refers to advisors, assessors and installers as 'businesses'. The full methodology is provided in Section 1 of the report.

This report reviews some of the key findings from the follow-up study survey by advisors, assessors and installers, plus a note of any differences by two specific types of installer: those delivering Solid Wall Insulation (SWI) and those registered for GDHIF. The summary also introduces, for some themes, significant differences between suppliers in terms of volume of assessments (for advisors and assessors) or installations (for installers) undertaken since January 2014 to the time of the interviews in late 2014/early 2015<sup>2</sup>.

## Profile of GD suppliers

This follow-up survey has estimated that there were in excess of 7,000 unique businesses supplying in the Green Deal market (certified by the GD Oversight and Registration Body (ORB) in the September 2014 release of data). The vast majority of these suppliers were certified for a single role within the supply chain i.e. either as an advisor, assessor or installer. Advisors made up the majority of the suppliers with an estimated 4,015 individuals working either as sole traders or employed, in part or in full, by assessors. It is estimated that there were 2,621 installer and 206 assessor single site businesses. Businesses described as multiple function accounted for another 257 businesses (3% of the total).

In terms of demographics:

- Some 44% of advisors were sole traders and 38% were employed by a Green Deal assessor organisation (GDAO), with almost one fifth reporting that both descriptions applied. The

---

<sup>1</sup> Establishment level: where the sample included organisations with two or more business premises listed, all the business premises were deemed to be eligible for the survey.

<sup>2</sup> An analysis by the volume of assessments/installations undertaken since January 2014 involved each supplier type being sorted by volume of assessments/ installations undertaken for GD and/or ECO since January 2014 and those in the top third were framed as 'high volume' and the lower third as 'low volume'. On a total base this amounted to 69 respondents defined as 'high volume' and 56 as 'low volume' in the advisor group; 37 respondents defined as 'high volume' and 34 as 'low volume' in the assessor group; and 80 respondents defined as 'high volume' and 67 as 'low volume' in the installer category.

majority (over two thirds) of advisors employed by an assessor were employed by a single organisation. This advisor profile remains largely unchanged since the first supplier study.

- In terms of coverage, almost half of the advisors (45%) and approximately a third of assessors and installers (33% and 37%) were willing to supply GD services in a single region. At the other end of the spectrum, 14% of assessors, 13% of installers and 9% of advisors were willing to work in five or more regions.
- the majority of assessor (56%) and installer (62%) businesses were defined as micro<sup>3</sup>. In both cases approximately a quarter (28% of assessors and 25% of installers) were small businesses and the remainder medium/large (15% of assessors and 13% of installers). The larger the installer, the more willing they were to target a wider area; 49% of medium/large installers were willing to work in 5 or more regions compared to 18% of micro installers.
- a quarter of installer businesses were founded before 2001. Fifty two per cent of installers set up in 2011 or later were set up specifically to serve GD / ECO. The same was true of 65% of assessors. A quarter of all assessors and 15% of installers described themselves as GD providers.

A minority of installers were or had been engaged across other DECC policies: 29% under the Feed-in Tariff; 26% under the Renewable Heat Incentive (RHI); and 19% under the CERT / CESP programmes<sup>4</sup>

### **High and low volume suppliers**

**The profile:** Assessors and installers defined as 'high volume' were significantly more likely to be medium/large size (29% of assessors and 34% of installers compared to 2% and 8% of 'low volume' suppliers within each supplier group). They were also more willing to work over 5 plus regions across the UK: in the case of assessors 59% compared to 30% of 'low volume' and for installers, 46% compared to 15%.

**Working with a wider role in GD:** Whilst there was no significant difference in their likelihood to be a GD provider, the 'high volume' installers were significantly more likely to be certified GDAOs (37% versus 9% of 'low volume' installers).

### **Delivery and demand under GD and ECO**

The majority of advisors and assessors (83% and 88% respectively) had delivered GD assessments since January 2014. Just over half of advisors and assessors (56% and 57% respectively) had delivered GD assessments as part of the ECO programme in the same timescale. Similar proportions of advisors and assessors had delivered GD assessments under **both** GD and for ECO since January 2014 (52% and 54% respectively). Half of the installers had delivered installations under ECO and 29% under both programmes. Installers offering Solid Wall Insulation were significantly more likely to be involved in supply of all the measures.

<sup>3</sup> Created using the EU definition of an SME as a broad guide ([http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm)); in this study the definitions are: Micro = <10 employees and turnover <£2m; Small = 10-49 employees and turnover £2m - £9.99m; Medium/large = 50+ employees and turnover £10m+.

<sup>4</sup> The Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP), which finished in December 2012 and were schemes prior to the ECO programme.

Supply of both GD and ECO services remains skewed (as was the case in the first supplier study), with relatively small numbers of larger businesses being responsible for the majority of assessments and installations:

- *GD/ECO assessments since January 2014:* 20% of advisors and assessors were responsible for an estimated 80% and 74% (respectively) of GD assessments.
- *GD/ ECO installations since January 2014:* 20% of installers accounted for an estimated 86% of installations carried out under GD and /or ECO

As was the case in the first supplier study, the majority of GD suppliers reported that their levels of assessment and installation activity under GD and/or ECO had been lower than they had initially expected. Nonetheless, substantial proportions of suppliers attributed 50-99% of their total sales to GD and/or ECO (32% of assessors, 25% of advisors and 17% of installers).

In light of this context there was mixed optimism for the next 12 months. Broadly equal proportions of advisors thought demand under GD and ECO would either increase or decrease in the next 12 months. This was similar amongst assessors, although they were slightly more optimistic about demand under GD. Installers were generally more positive: around a third believed that demand under GD (35%) or ECO (36%) would increase over the next 12 months, with 18% and 20% expecting a decrease under each respective programme. Notably, SWI Installers were significantly more likely than installers as a whole to anticipate an increase in demand for GD installations over the coming year (50% compared to 35%). This may have been related to the expected demand for SWI driven by anticipated releases of GDHIF.

### ***High and low volume suppliers***

***Sales in 2014:*** Sales under GD and/or ECO programmes represented a higher proportion of core business activity for the 'high volume' suppliers in each group. This was particularly so for advisors (63% of 'high volume' advisors said it reflected 50-100% of sales compared to 12% of 'low volume' advisors). Predictions of demand in the future were not significantly different for the two groups in each supplier type.

### **Targeting customers under GD and ECO**

Leads for GD and ECO were generated mainly by internal mechanisms: either by the respondent (the person most responsible at the business for assessments/installations) or by colleagues within their organisation.

Amongst installers and assessors, print marketing and use of an existing customer base were most influential in terms of contact with potential customers for both GD and ECO. In the case of GD, supplier websites/ social media was also a common method of contacting new customers. SWI installers used similar methods to installers as a whole to reach potential customers for GD and ECO.

Amongst advisors, telesales/text (SMS) messages was one of the most commonly cited means of reaching potential customers for GD and ECO. Door-to-door sales was important for reaching potential customers for ECO, whilst for GD, their own website/ social media was commonly used. There was no evidence that greater volumes of assessments/installations were linked to different methods of targeting potential customers for either GD or ECO. Advisors and installers were more likely to be targeting potential ECO customers rather than potential GD customers. Older and less efficient properties were the main focus for both GD and ECO.

## GD assessments and help with finance

Working with other organisations regarding the delivery of GD and/or ECO was widespread. The majority of advisors and assessors that had delivered GD assessments since January 2014 had done so on behalf of other organisations and most of these (eight in ten across both groups) had done so specifically because of GD and/ or ECO. Similar findings were noted in the first supplier study.

The vast majority of advisors and assessors provided some form of post-assessment support to customers, primarily advice relating to energy efficiency, help understanding their report and/or advice on next steps. Whilst a majority, 56% of advisors and 74% of assessors, provided information on finance options, far fewer recommended financial organisations or products (12% of advisors and 25% of assessors). Advisors and assessors were primarily providing information on, or recommending, GD finance, GDHIF, ECO funding or funding relating to renewable heat or solar power. Only a minority of advisors and assessors arranged or brokered finance for customers (7% and 19% respectively).

Just over one in ten (11%) of advisors and 28% of assessors did not charge for GD assessments. Advisors reported that the mean average cost for an assessment (at the time of the survey) was £128; for assessors it was £138.

### **High and low volume suppliers**

**Charging and working with other organisations:** *With regards to assessors and advisors, 'high volume' suppliers were significantly more likely than 'low volume' to always charge customers for GD assessments (83% of 'high volume' assessors versus 53% of 'low volume' assessors, and amongst advisors, 60% of 'high volume' versus 42% of 'low volume'). Significantly more 'high volume' than 'low volume' suppliers had undertaken assessments for other organisations (assessors: 97% compared to 58%; and amongst advisors: 94% versus 76% respectively).*

**Support:** *Significantly more 'high volume' advisors were likely to have offered the following support compared to 'low volume': recommend GD provider or installer (54%), provide general information on GD or other financial options (70%) and/or recommend specific financial products or services (23%). Whilst the same patterns were evident for assessors, base sizes were smaller and did not show differences to be significant.*

## Installers under GD and ECO

Measures most commonly installed under GD or ECO, since January 2014, were gas boilers, loft insulation (not room in roof), solar photovoltaics and external solid wall insulation (mentioned by 57%, 45%, 38% and 35% of all installers respectively). A majority of installers (78%) had worked for other organisations installing measures and most of these (80%) had done so specifically because of GD or ECO.

Two thirds (67%) of installers engaged in GD since January 2014 experienced delays in installing measures, most commonly these were related to customers having problems securing finance (38% of those engaged with GD since January 2014), finalising their GD Plan (36% of those experiencing delays) and/or securing a GD provider (25% of those experiencing delays).

Over half (51%) of installers engaged in GD offered financial information, advice or recommendations as part of a GD installation<sup>5</sup>. General information was most likely related to GD Finance (67%), GDHIF (66%) and ECO funding (65%). The majority of installers delivering ECO did not require a customer contribution (57%). When sought (16% required it all of the time) it was most commonly linked to finance for gas boilers.

### **High and low volume installers**

**Sales in 2014:** Sales from GD and/or ECO represented much higher percentages of core business activity for the 'high volume' installers: 56% of 'high volume' said they accounted for 50-100% (compared to 9% of the 'low volume' installers) and conversely three quarters of the 'low volume' group said sales under GD and/or ECO accounted for under 10%. Significantly more 'high volume' than 'low volume' installers had undertaken installations for other organisations (97% compared to 52%). Predictions of demand in the future for installations were not significantly different for the two groups.

### **GDHIF first release**

Almost half of the installers in the survey (49%) said that they had registered for the first release of GDHIF which took place between June and July 2014. Of the GDHIF registered installers, just over a third (36%) had been inactive and the remainder had installed, were completing such installations, or had work booked in/were expecting future bookings within the redemption period. Six in ten installers intended to complete work under GDHIF second release. Those already engaged, both in terms of being registered and installing higher volumes of measures in the first release, were significantly more likely to be anticipating involvement in the second release of GDHIF.

Apart from being a SWI installer, an analysis of installer demographics showed very little in terms of likelihood to engage with GDHIF first release (88% of those supplying SWI had completed installations under GDHIF). The measures most commonly installed under GDHIF first release stated by installers were: external solid wall insulation (almost seven in ten installers), condensing gas boilers (40%), flue gas heat recovery (35%) and gas boilers (33%), internal solid wall insulation (23%) and loft insulation (15%).

In terms of preparedness for the scheme, six in ten registered installers were ready to respond to GDHIF first release at launch in June 2014 and a total of eight in ten within one month. Just over a third (34%) of installers felt that demand had been lower than expected and 30% higher than expected, with a majority of respondents in both cases saying there had been impacts on the business as a result (over seven in ten in each case). Almost one in five installers who had completed measures under GDHIF vouchers said that they had established alliances with other installers, most commonly driven by a need to meet demand.

Views on the design of GDHIF's first release were varied. Almost two fifths (39%) of installers registered for GDHIF thought that the incentive for Solid Wall Insulation was set at the right level, with a significantly higher positive response coming from those installing SWI. Almost half of installers (45%) said the same for the two measures and 56% said that the customer contribution was set at the right amount. Relatively high levels of 'don't know' were observed across these questions and this response was significantly higher for those registered but inactive under GDHIF.

---

<sup>5</sup> The survey did not explore when they provided financial advice, which could be where customers, having had a GD assessment, contact installers directly to discuss the installation of measures (e.g. outside of a GD Plan).

### **High and low volume installers<sup>6</sup>**

**Experience of the first release of HIF:** Whilst similar proportions of both groups that had registered for GDHIF were prepared to respond to the initiative at launch, the 'high volume' installers were more likely to say that demand had been in line or above their expectations (73% compared to 41% of the 'low volume' installers). The volume of installations using the voucher was significantly higher amongst the 'high volume' group (a mean average of 73 installations) than the 'low volume' group (a mean average of 3). Going forward, there was no significant difference between the 'high' and 'low volume' groups in terms of their intention to engage with the second release of GDHIF.

---

<sup>6</sup> Questions about the first release of GDHIF were asked of all those who had registered for first release in June 2014, out of a total of 73 of those defined as 'high volume' and 30 of the 'low volume' installers.



# 1. Background and methodology

## The Green Deal and Energy Companies Obligation supply chain

- 1.1. The Green Deal (hereafter GD) and Energy Companies Obligation (ECO) programme promotes a market based approach (via GD) and the use of an obligation based on energy suppliers (via ECO). The programme launched in Spring 2013 in order to deliver carbon savings and reduce fuel poverty through energy efficiency improvements in domestic buildings.
- 1.2. The GD and ECO programme is delivered by a supply chain consisting of businesses and individuals that fulfil distinct roles. These roles include the following (note that, for the most part, the ECO programme can be delivered by businesses that are not certified GD suppliers):
  - **GD advisors:** individuals operating as sole traders, or under contract to GD assessor organisations, and certified to undertake GD assessments (and on the basis of this prepare GD Advice Reports – GDARs – for consumers). GD assessments are the first major ‘stage’ within the GD ‘customer journey’, and may also form part of the ECO customer journey. Only authorised GD advisors are allowed to undertake GD assessments
  - **GD assessors** (also known as GD assessor organisations, or GDAOs): businesses that are certified to provide GD assessments to households. GD assessors may employ GD advisors to carry out GD assessments
  - **GD installers:** businesses that install energy efficiency measures for households. Only authorised GD installers may install measures that are funded via the GD finance mechanism
  - **GD providers:** businesses that organise the financing and installation of energy efficiency improvements, including contracting with other GD suppliers. Only GD providers can provide GD finance and prepare GD Plans.
- 1.3. Underpinning the GD and ECO supply chain is an ‘infrastructure’ consisting of various organisations, including: certification bodies, which certify GD assessors and installers; the GD Oversight and Registration Body (GD ORB), which manages the supplier authorisation process; and Ofgem, which administers the ECO programme. The supply chain must also adhere to the regulations, code of practice and other standards that govern the process of delivering GD and ECO and ensure consumer protection.
- 1.4. The Green Deal Home Improvement Fund (hereafter GDHIF) sits within the wider programme of GD work and DECC launched the first release in June 2014 (it did not

operate in Scotland, which had a slightly different cashback scheme<sup>7</sup>). The objectives of GDHIF are to:

- incentivise households to take action by reducing the costs to the householder of installation and providing government and the supply chain with a marketing tool to attract customers
- support the development of the market and support a switch towards SWI in particular
- bring forward the installation of measures that would not have taken place in the absence of the GDHIF, by requiring customer to install 'packages' of measures
- support the wider delivery of GD by encouraging take-up of a Green Deal Advice Report (hereafter GDAR), the costs of which can be refunded under GDHIF.

1.5. To claim for work undertaken, a GDHIF application will be made prior to the installation and the voucher is redeemed afterward. The installation has to have been compliant with the terms and conditions of the scheme<sup>8</sup>, and if so, the voucher is redeemed. One of the conditions is that installations must be carried out by a certified GD installer or GD provider. To date, GDHIF has been delivered in three releases (the first in June/July 2014, the second in December 2014 and the third in March 2015). In the report these are generally referred to as the 'first release', 'second release' etc.

## Research objectives

1.6. This report presents the findings from a follow-up study of suppliers for DECC that was carried out in late 2014/early 2015 by ICF International and GfK NOP. The first survey was conducted in January 2014 and reported later the same year<sup>9</sup>. Where questions have remained the same, this report will make reference to a comparison between the first and the follow-up studies (the latter being the survey in 2015 to which this report pertains). However, caution should be highlighted. Some changes to the sampling method and slight changes to question wording were made in the follow-up study and therefore comparisons should be seen as indicative only. These changes are outlined in the section 'Study Methodology'.

1.7. The follow-up study was developed in relation to the following two broad objectives:

- to collect evidence on the operations of advisors, assessors and installers and how they are delivering under GD and ECO; and
- to investigate GD installers<sup>10</sup> views and experiences of the first release of the GD Home Improvement Fund (GDHIF) scheme.

---

<sup>7</sup> Respondents who indicated that they were willing to work in Scotland only had their answers regarding registration for the first release of GDHIF double-checked within the CATI survey; they were also reminded throughout the survey that GDHIF did not operate in Scotland.

<sup>8</sup> [https://energy-saving-home-improvement-fund.service.gov.uk/Downloads/GDHIF\\_TermsAndConditions.pdf](https://energy-saving-home-improvement-fund.service.gov.uk/Downloads/GDHIF_TermsAndConditions.pdf)

<sup>9</sup> The report can be found here:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/421010/P10\\_GD\\_Supply\\_chain\\_research.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/421010/P10_GD_Supply_chain_research.pdf)

<sup>10</sup> GD HIF questions were only asked of certified GD installers, since neither GD advisors nor assessors have a specific role in the delivery of GDHIF. Although GD providers may also deliver under GDHIF, the survey excluded certified GD providers (unless they were also certified GD installers where they would only have been asked about their GD installer activities specifically).

## **To collect evidence on the operations and delivery of the GD supply chain**

- 1.8. The GD supply chain consists of a set of individuals and businesses that are certified to fulfil one or more roles/functions within the delivery of the GD programme (namely as advisors, assessors, installers and/or providers). Only certified individuals or businesses may undertake GD assessments, arrange GD finance, and/or install measures within the framework of a GD Plan. There is no such certification requirement for delivery under ECO; whilst in practice many certified GD suppliers do deliver under ECO, the energy companies also use non-GD certified suppliers to deliver their ECO obligations<sup>11</sup>. This study only covers the activities of certified GD advisors, assessors and installers, and thus does not draw conclusions about the ECO supply chain as whole.
- 1.9. This study provides updated information on the operations of the supply chain since the first supplier study in January 2014. It addresses the following research questions:
- What are advisors, assessors and installers' views on consumer demand GD, and how this has changed since early 2014?
  - How are certified GD advisors, assessors and installers delivering under GD? How do they secure customers, and do they target specific types of customer?
  - How are certified GD advisors, assessors and installers delivering under ECO? How do they secure customers, and do they target specific types of customer?
  - To what extent have GD advisors, assessors and installers formed alliances with other organisations to deliver under GD and/or ECO?
  - Have GD installers considered becoming certified GD providers? If so, what barriers have they faced?
  - What services do GD advisors, assessors and installers offer GD consumers? To what extent do they provide advice on finance and, if so, what types of finance?

## **To investigate GD installers' views and experiences of the GDHIF scheme**

- 1.10. GDHIF was launched after the first supplier study of the supply chain was completed (fieldwork ended in January 2014 and the scheme launched in June the same year), and so to date there has been no research undertaken within the GD and ECO evaluation with installers involved in the delivery of the GDHIF. The follow-up study has addressed this gap in the GD evidence base by collecting information on delivery under the first release of GDHIF<sup>12</sup>. Specifically, this study was designed to answer the following research questions in relation to the first release of GDHIF:
- How widespread was the GD supply chain participation in the first release of GDHIF? Why did GD installers choose to participate or not to participate in the first release of GDHIF?
  - What were installers' views on the design of the first release of GDHIF (the incentive level and the customer contribution level)?

---

<sup>11</sup> Another research project under the GD and ECO evaluation programme ("Research into businesses that were not certified GD suppliers", found here: <https://www.gov.uk/government/publications/research-into-businesses-that-were-not-certified-green-deal-suppliers>) involved research with businesses that were not certified GD suppliers, many of whom confirmed that they had delivered under ECO.

<sup>12</sup> Note that although the study was in field at the launch of GDHIF second release, the survey questions did not incorporate a measure of that activity, only a general question about intention to be involved

- What were installers' views on demand? Were they in a position to be able to respond to demand, and what was the impact of demand on their businesses?
- How did installers go about delivering the first release of GDHIF to customers? How did they secure customers?
- Did installers establish supply chain alliances under the first release of GDHIF?

## Study methodology

1.11. The following paragraphs give an overview of the method used in the survey of suppliers; further detail is provided in the Technical Report<sup>13</sup>.

- Whilst the first supplier study employed a mixed quantitative and qualitative approach, the follow-up study focussed on quantitative methods. The survey, which ran from 2<sup>nd</sup> December 2014 to 9<sup>th</sup> February 2015, interviewed 713 businesses and targeted a random stratified sample of GD suppliers<sup>14</sup> located in England, Wales and Scotland covering: GD advisors, GD assessors and GD installers.

## Sampling

- 1.12. As was the case in the first supplier study, the three groups of suppliers - certified GD advisors, assessors and installers - were treated as separate populations in terms of the sampling, question design, fieldwork and reporting. Contact details were accessed for all those that were registered with the GD Oversight and Registration Body (ORB). The GD ORB register included duplicate records, with businesses with multiple trading names sharing the same phone number or address, and advisors with more than one Certification ID (because they had been certified by more than one certification body). Leads were sometimes listed under one or more supplier types (e.g. assessor and installer). Leads were listed at an establishment level, i.e. all sites were listed for multiple-site organisations, and a named contact was included for each business.
- 1.13. The first step in the sampling process was for GfK NOP to conduct an extensive de-duplication exercise within, and across, the advisor, assessor and installer files at an establishment level (i.e. all business sites of the same organisation remained if they were at a different address). Due the amount of duplicates, at contact name and/or business name, both within the same supplier type, and across supplier types, this process was complex and a new universe had to be 'built'. In some cases any single business could have up to 3 contact names and telephone numbers and a hierarchy of contact was agreed.
- 1.14. Once the universe file was ready it was clear that stratifying the sample and drawing a representative '1 in N' sample would not award enough interviews to the assessor category (the majority of businesses in the database were flagged as installers or advisors). The sampling strategy also had to take into account the same business being multiple function i.e. installer and assessor and the need to boost certain groups to ensure representation for analysis purposes. The seven groups, with the total number of businesses shown in brackets, were:
- Advisor only (4015 businesses)

---

<sup>13</sup> The technical report can be found here: <https://www.gov.uk/government/publications/research-in-to-the-green-deal-and-eco-programme-supply-chain-follow-up-study>

<sup>14</sup> These were suppliers that were registered on the GD ORB database, but they were not necessarily active under GD.

- Assessor only (206)
- Installer only (2621)
- Advisor and assessor (68)
- Advisor and installer (65)
- Installer and assessor (90)
- Advisor/assessor and installer (34)

1.15. To ensure all objectives were met the following sampling stages were then agreed:

- Target interview numbers per supplier type: these were calculated bearing in mind the universe size and the levels required to deliver a 95% confidence level and a maximum 5% margin of error, assuming that 50% of respondents gave a particular response (and accounting for finite population correction)
- A census sample of assessors was taken (206 leads), with the aim of achieving a minimum of 70 interviews. The maximum number of interviews possible from the relatively small universe were needed
- A census of all those with multiple functions (257 leads), with the aim to achieve at least as many as possible (85 interviews). The handling of multiple function businesses was the primary difference in sampling methodology between the first supplier study and the follow-up study. The sample designation, and hence interview route, for multiple function suppliers in the first study was determined at the sampling stages. In the follow-up study, this responsibility was given to the respondent themselves. If they were designated as multiple function, i.e. an installer and assessor, they were asked which role was the main focus of their business activity under GD. It was thought that this was a better way of capturing the focus of work for any one business.

1.16. Once the targets for assessors and multiple functions were agreed, the remaining balance of interviews was split between advisors and installers to ensure sufficient interviews for sub group analysis:

- **Advisors:** The sample frame for this group was complex as it included sole traders and also individuals directly employed by assessor organisations. There was no flag to indicate the status of the advisor. It became clear that a high volume of shared telephone numbers meant that many advisors were working for relatively few assessor organisations. A system of sub sampling took place for practical reasons due to survey burden. Advisors were split into groups; a) those who either had a unique telephone number/email address or who were associated to relatively small 'pools' of other advisors (email addresses and generic telephone numbers shared by less than 10 advisors in total) and b) advisors who were associated by telephone number/email address with high volumes of others (10 or more contacts on the database). In the latter instance the advisors were split by assessor name and a target number of advisors per organisation was calculated relative to organisation size.

- **Installers:** Due to the focus for the follow-up study there was a need at the outset to ensure a minimum number of installers involved in GDHIF and also in delivering Solid Wall Insulation (SWI) were interviewed to allow for separate analysis. Those who were on the register for GDHIF were matched to the installer sample and SWI installers were flagged via the original sample frame. These two groups were then oversampled to ensure a high enough base size for sub analysis.

1.17. The sample frames for single role advisors and installers were stratified as follows (assessors and multiple function businesses were a census and therefore no stratification was needed): the location of the business (England, Wales or Scotland); the date of registration; for *installers*: the type of measure that they installed (overlapping categories: solid wall insulation; hard-to-treat cavity wall insulation; solar photovoltaic; and/or heating technologies).

## Fieldwork

- 1.18. Interviews were conducted by GfK NOP using Computer Assisted Telephone Interviewing (CATI). Prior to being contacted by telephone, all sampled leads were sent a letter or an email introducing the project and offering them an opportunity to opt-out of the research via direct contact details for a member of the GfK NOP research team<sup>15</sup>.
- 1.19. A pilot of 21 interviews was undertaken in mid-November 2014. At the end of the pilot, GfK NOP provided a short discussion paper and a marked up questionnaire for final review with DECC. Following the pilot, final minor adjustments to the questionnaire were made to aid clarity and flow. These pilot interviews were not included in the final data that this report is based upon.
- 1.20. Mainstage interviewing ran from 2<sup>nd</sup> December 2014 to 9<sup>th</sup> February 2015. The interviewing team received a face to face briefing from the GfK NOP executive team before commencing interviewing. All businesses in the sample were given an equal opportunity to be interviewed and each contact was tried a minimum of ten times before being labelled as a non-response. The interviews averaged 20 minutes. In all cases the named contact in the sample was asked to confirm they were the best person to speak to in terms of an overview of all assessments/installations at that site. If they were not, a referral was sought.
- 1.21. In total 713 interviews were achieved. Table 1.1 shows the breakdown of interviews by sample type.

**Table 1.1: Interviews achieved by sample group**

Sample type (from GD ORB database)	Achieved
Advisor	289
Assessor	79
Installer	257
Advisor / assessor (assessor route taken for this sub group)	29
Advisor / installer (respondent selected interview route)	20

<sup>15</sup> These letters and the questionnaire itself can be found in a separate document, The Research Instruments, here: <https://www.gov.uk/government/publications/research-in-to-the-green-deal-and-eco-programme-supply-chain-follow-up-study>

Sample type (from GD ORB database)	Achieved
Installer / assessor (respondent selected interview route)	27
Advisor / assessor / installer (respondent selected interview route)	12
<b>Total interviews, of which:</b>	<b>713</b>
<b>Advisor routing (total respondents)</b>	<b>295</b>
<b>Assessor routing (total respondents)</b>	<b>123</b>
<b>Installer routing total respondents)</b>	<b>295</b>

1.22. A total of 151 interviews were achieved with installers flagged as SWI in the sample and 183 interviews were conducted with installers who went on to confirm they were registered for the first release of GDHIF.

### Weighting and reporting conventions

1.23. The data were weighted to the profile of the de-duplicated universe to correct for any differences in the achieved profile of interviews. This was the same approach used in the first supplier study. Random Iterative Method (RIM) weights were applied in line with the counts from the de-duped universe as follows (bands were the same as those used for sample frame stratification):

- Assessors and advisors were both weighted according to: the GD supplier roles that they fulfilled (i.e. one or more of advisor, assessor and installer), geography and date of registration
- Installers were weighted according to: the GD supplier roles that they fulfilled (i.e. one or more of advisor, assessor and installer), geography, date of registration. The boosted samples of certified SWI installer and/or GDHIF registered installers were down weighted to ensure that the sample was representative of all GD registered installers.

1.24. The following reporting conventions are used throughout this report: all differences between groups and within sub-groups that are commented on in the analysis are statistically significant at the 95% confidence level; reported data are weighted; all base sizes quoted in the report are unweighted; and 'don't know' and 'refused' answers have been omitted from the charts except where they are relevant.

### Confidence intervals

1.25. A confidence interval is a measure of the range within which it is probable that a population value lies. The wider the confidence interval, the more variation there is in an estimate of the population value. It is typical to calculate confidence intervals using a 95% confidence level. This means that we are 95% certain that the population value lies within the confidence interval (i.e. that if we drew 100 samples from the population and asked the same question, in 95 of these 100 samples, their response to the question would lie within the range of the confidence interval).

1.26. Table 1.2 shows the confidence intervals for a selection of sample sizes for a range of survey estimates (e.g. percentages of survey respondents). For example, if 295 advisors answered a yes/no question and 50% said 'yes', we can be 95% certain that between 44.6% and 55.4% of all installers in the population would have answered 'yes'. As this table demonstrates, confidence intervals narrow (meaning greater precision

about the true population value) when the sample size increases and/or where responses are more ‘polarised’ (i.e. where a high/low proportion of survey respondents provide a particular response).

**Table 1.2: Confidence intervals for the quantitative survey (expressed as +/- %) for a selection of survey responses (percentages)**

Type of supplier	Sample size <sup>16</sup>	Survey response		
		10% / 90%	30% / 70%	50% / 50%
Advisor	295	3.2	4.9	5.4
Assessor	123	3.4	5.1	5.6
Installer	295	3.3	5.0	5.5

1.27. Readers of this report should be aware that, whilst only a proportion of all GD registered advisors, assessors and installers participated in the study, the research design was robust enough to ensure that the results of the quantitative telephone survey were representative of the wider populations of advisors, assessors and installers. It is worth adding that because a census of all GD registered assessors was taken for the survey, the resulting sample, though smaller than that for other supplier types, is robust given the relatively small population size of the assessor group. That said, readers should always take into account the confidence intervals of the reported data.

1.28. In terms of the reporting:

- the narrative only reports statistically significant differences in the data, and makes clear which sub groups comparisons relate to; and
- the main basis of the report revolves around assessments undertaken by advisors and assessors and work undertaken by installers. However, two groups of interest (SWI and GDHIF installers) are presented alongside the main three supplier groups where relevant throughout the report.

<sup>16</sup> The table shows slightly different confidence intervals for advisors and installers even though the sample size was the same; this is because the actual universe is taken into account, which was larger for installers.

## 2. Profile of GD suppliers

This chapter reviews the characteristics of GD advisors, assessors and installers that collectively form part of the GD and ECO supply chain. It reviews the number of businesses working in the supplier market and their profile by size, year established and region worked

### Key messages

- The vast majority of GD suppliers were certified for a single role within the supply chain, i.e. either as an advisor, assessor or installer. Advisors made up the majority of the suppliers in the market (an estimated 4,015 individuals), followed by 2621 installers and 206 assessors. Those described as having multiple functions, for instance assessments and installations, accounted for another 257 establishments (just 3% of the total).
- A quarter of all assessors and 15% of installers were also certified GD providers. This is an increase since the first supply chain study of +17% points for assessors (from 7%) and +11% points for installers (from 3% at the first supply chain study).
- In this follow-up supply chain study, 44% of advisors were sole traders and 38% were employed by a GDAO (almost one fifth reported that both descriptions applied). Over two thirds of advisors employed by GDAO were employed by a single organisation. These profiles remained largely unchanged since the first supply chain study.
- The majority of businesses were defined as micro businesses<sup>17</sup>.
- Installers were more likely than assessors to be older businesses in terms of the date they were established (25% were founded before 2001). Moreover, installers were less likely to have been set up to serve GD / ECO; 52% of installers that were set up in 2011 or later specifically did so in response to GD / ECO, compared to 65% of assessors.
- A minority of installers were or had been engaged across other DECC policies: 29% under the Feed-in Tariff; 26% under the Renewable Heat Incentive (RHI); and 19% under the CERT / CESP programmes<sup>18</sup>.
- Almost half of the advisors (45%) and approximately a third of assessors and installers (33% and 37%) delivered GD services in a single region. At the other end of the spectrum, 14% of assessors, 13% of installers and 9% of advisors were working in five or more regions.

---

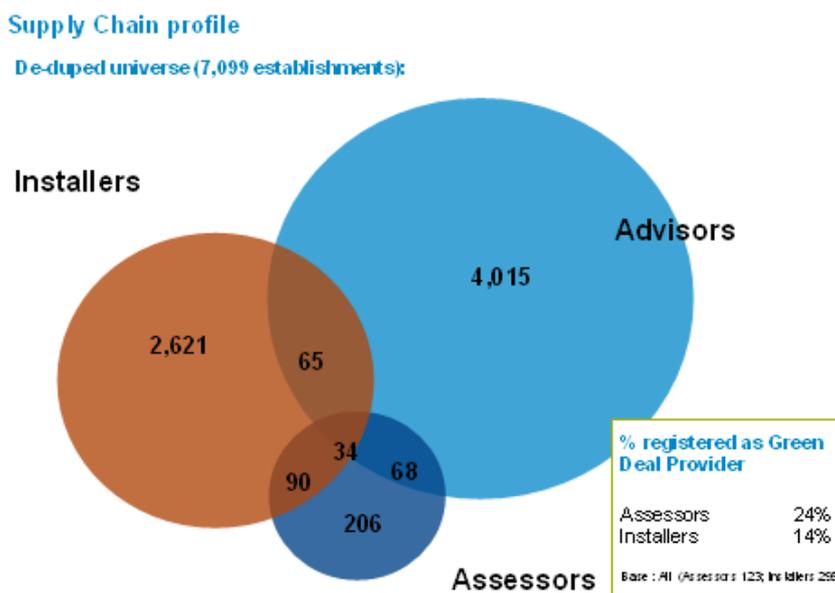
<sup>17</sup> Micro was defined as 9 employees or fewer in the organisation (including the respondent) and a turnover of up to £1.99 million in the financial year 2013 - 2014

<sup>18</sup> The Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP), which finished in December 2012 and were schemes prior to the ECO programme

## Overview of GD suppliers

- 2.1. As of September 2014, there were a total of just over 7,000 businesses involved the supply of GD, either at an assessment or installation level:
- the vast majority of contacts were certified to undertake one GD supply chain role (97%), and just 3% of the sample were dual or triple function
  - advisors were the most common single role supplier (57% of all contacts), followed by installers (37%)
  - assessors accounted for a relatively small proportion of all suppliers (3% of the contacts were designated assessor organisations and another 2% could be found within multiple function).

**Figure 2.1: The universe of GD suppliers**



- 2.2. A quarter of all assessors (24%) and 14% of installers also described themselves as certified GD providers. This was an increase since the first supplier study of +17 percentage points for assessors (from 7%) and +11 percentage points for installers (from 3% in the first supplier study).

## Ownership status of advisors

- 2.3. Due to the fact that advisors were listed as individuals in the GD ORB database they were a very different type of supplier group in terms of demographics than assessors or installers). Their status varied considerably and included those who were self-employed and working independently to those employed full time by a single GDAO. All advisors were asked about their working status. In the follow-up study, 44% were sole traders and 38% were employed by a GDAO. Almost one fifth (17%) reported that both descriptions applied, which would consist of a subcontractor arrangement with one or more GDAOs. If employed by a GDAO, advisors were asked how many they worked for. Almost two thirds reported that they were employed by a single GDAO (64%). Of those employed by more than one GDAO, they were most commonly employed by two or three (53%). The composition relating to ownership has changed but not significantly between the first supplier survey and this follow-up survey.

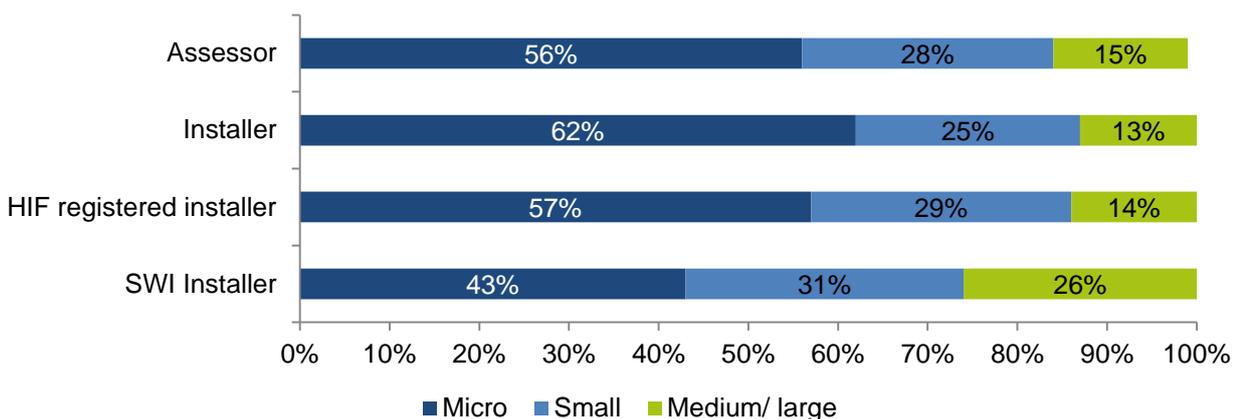
## Size of GD assessors and installers

2.4. The size of GD assessors and installers in both 2014 and 2015 was categorised using a combination of data on employment and annual turnover<sup>19</sup>. Note that advisors were not described in this way as they were a mixed group of sole traders and employed individuals. The majority of all assessor and installer businesses were classed as micro businesses. As Figure 2.2 shows:

- just over half (56%) of assessors were micro businesses in the follow-up study, 28% were small and 13% were medium/large. This profile has remained very similar to that shown in the first supplier study.
- the installer profile also remained largely unchanged. In the follow-up study, 62% of installers were classed as micro businesses, 25% as small businesses, and 13% as medium/large businesses (this compares to 63%, 27% and 10% in the first supplier study respectively).
- The chart below also shows size profile for two sub groups of installers: installers registered to deliver under GDHIF, and installers that were certified to install Solid Wall Insulation (hereafter SWI installers). The size profile of the GDHIF registered group are broadly in line with installers overall but the SWI installers were significantly less likely than installers overall to be classed as micro businesses (43% were micro businesses, 31% were small businesses and 26% were medium/large businesses).

**Figure 2.2: The size of GD suppliers (based on employment and annual turnover)**

Size derived from a combination of: A14. How many people, approximately, including yourself are employed by your organisation in Great Britain? A18. What, approximately, was your annual turnover in the last financial year (2013/14)?



**Base: All (assessors 123; installers 295, HIF installers 183 SWI installers 122)**

<sup>19</sup> Created using the EU definition of an SME as a broad guide ([http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm)); in this study the definitions are:

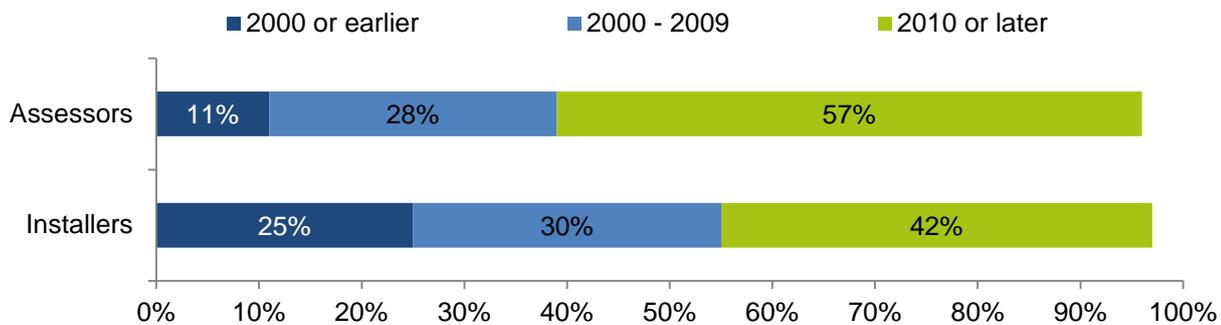
- Micro = <10 employees and turnover <£2m
- Small = 10-49 employees and turnover £2m - £9.99m
- Medium/large = 50+ employees and turnover £10m+

## Age and background of GD suppliers

2.5. Installers were an older group of suppliers than assessors in terms of the date they were established. Figure 2.3 shows that, whilst just over one in ten assessors (11%) were established in 2000 or earlier, a quarter of installers (25%) said the same.

**Figure 2.3: Year established (assessors and installers)**

**A12a When was your business established?**



**Base: All (assessors 123, installers 295)**

2.6. Assessors and installers established after 2001 were all asked if the generation of their business was in direct response to GD or ECO. Assessors established in 2011 or more recently were more likely to have been set up to respond to GD and ECO than installers (65% compared to 52% of installers).

## Experience of other DECC policies (installers)

2.7. Almost three in ten installers (29%) had delivered under the Feed-in Tariff (hereafter FiT) and 26% had delivered under the Renewable Heat Incentive (RHI).

- Micro sized installers were significantly less likely to be delivering measures under FiT or RHI (23% of micro compared to 37% of small and 42% of medium/large in relation to FiT and 20% compared to 35% and 34% respectively for RHI)
- Installers with multiple roles were significantly more likely to be delivering under these policies than single role installers (40% compared to 25% in relation to FiT and 36% compared to 22% in relation to RHI).

2.8. Just under a fifth of suppliers (19%) indicated that they had previously delivered under the CERT/ CESP<sup>20</sup> initiatives (which ran up until the end of December 2012).

<sup>20</sup> The Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP), which finished in December 2012 and were 'precursors' to the ECO programme

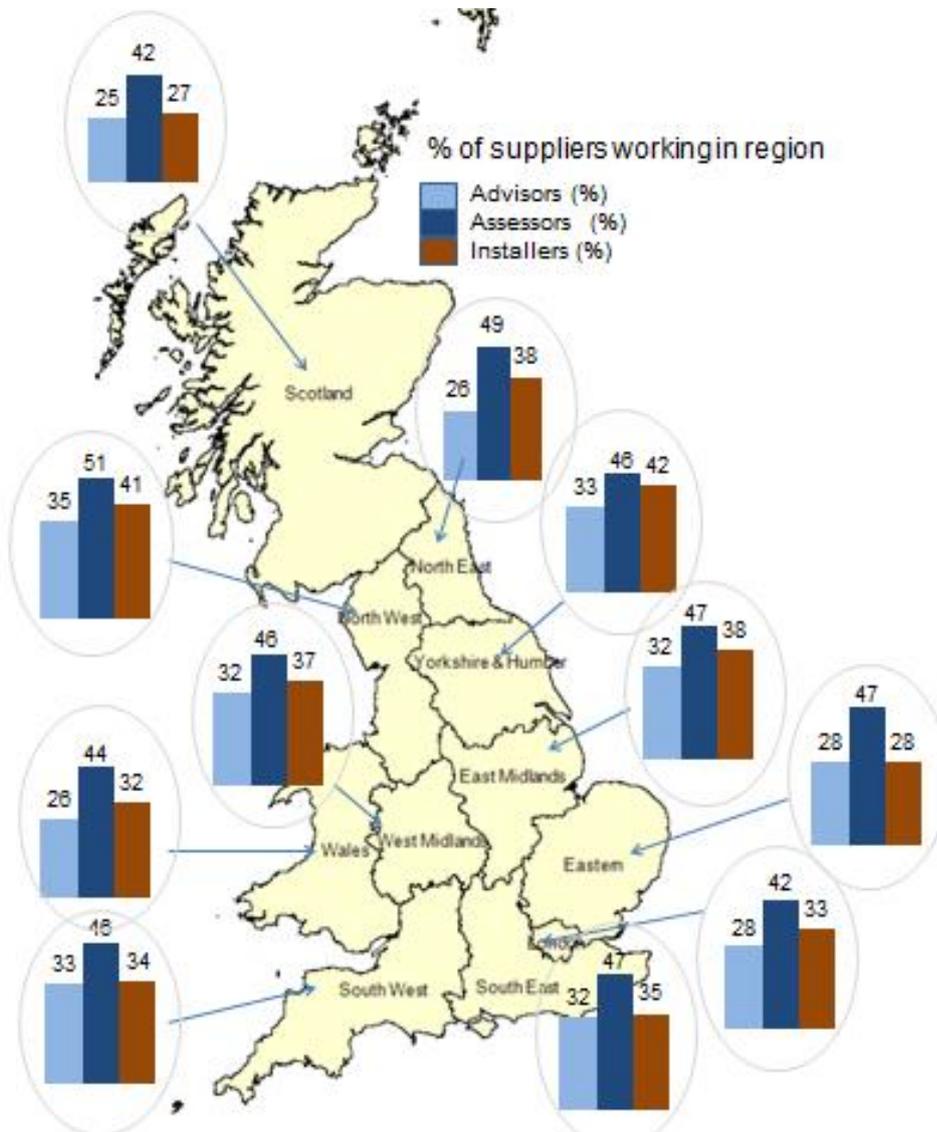
# Geographical coverage and scale of GD suppliers

## Regional coverage

2.9. Figure 2.5 shows the proportion of each supplier type that indicated that they were willing to serve each English region / devolved administration. The lowest proportions of all supplier types served Scotland (25% of advisors, 42% of assessors and 27% of installers). With over a third (35%) of advisors, half of assessors (51%) and four in ten installers (41%) willing to carry out work in the North West, this made it the region most commonly targeted by all supplier types.

**Figure 2.5: The proportion of GD suppliers willing to undertake assessments/ installations in regions and devolved administrations of Great Britain**

A20 In which regions are you/is your organisation willing to carry out assessments/installations?



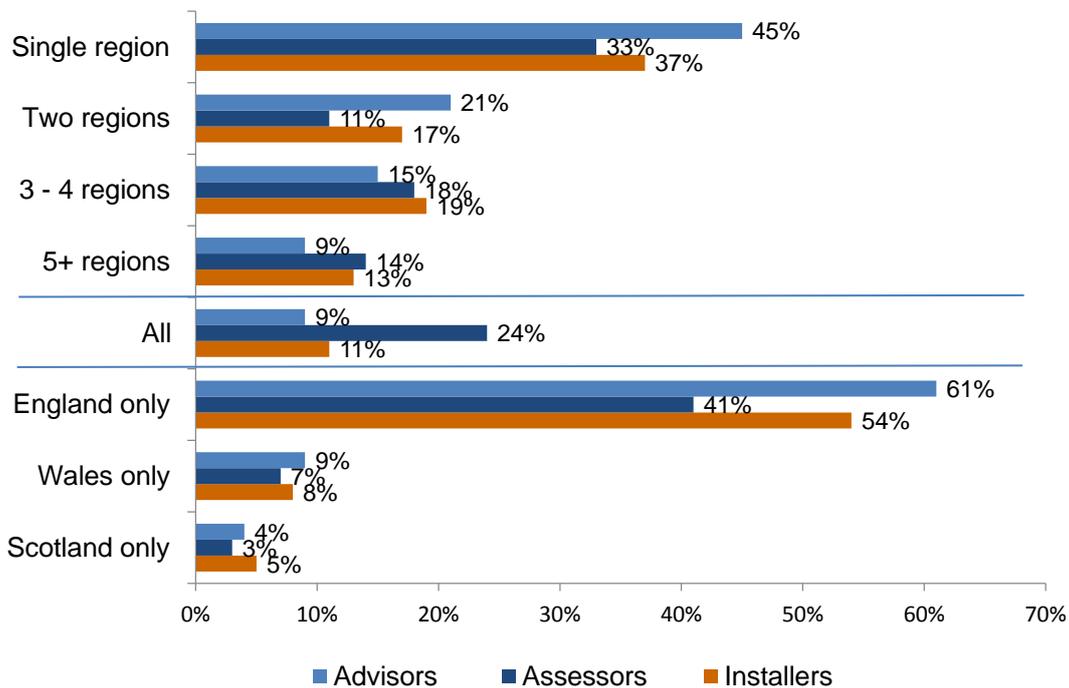
Base: All (advisors 295, assessors 123; installers 295)

## Geographical scale of activity

- 2.10. Figure 2.6 shows the proportion of GD suppliers that served one region, two to four regions, or at least five regions. Almost half of the advisors (45%) and approximately a third of assessors and installers (33% and 37%) were only willing to carry out installations / assessments in a single region. This concentration was very similar to that in the first supplier study (48% of advisors, 29% of assessors and 36% of installers only served a single region).
- 2.11. In the follow-up study, 14% of assessors and 13% of installers and 9% of advisors were willing to work in five or more regions.

**Figure 2.6: The number of regions that GD suppliers were active within**

**A20 In which regions are you/is your organisation willing to carry out assessments/installations?**



**Base: All (advisors 295, assessors 123; installers 295). Don't know not included (advisors 2%, assessors 4% and installers 4%)**

### 3. Delivery and demand under GD and ECO

This chapter explores delivery under GD and/or ECO, and considers GD suppliers' views on demand to date and how they expect this to change in the future

#### Key messages

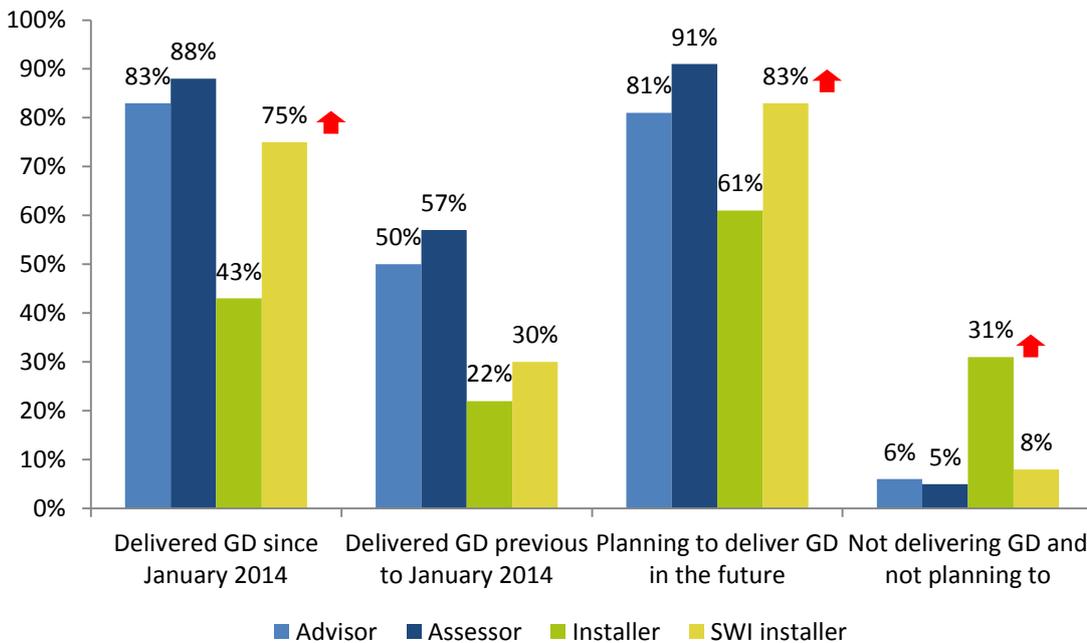
- The vast majority of advisors and assessors (83% and 88% respectively) had delivered GD assessments since January 2014. Just over half of advisors and assessors (56% and 57% respectively) had delivered GD assessments as part of the ECO programme since January 2014. Similar proportions of advisors and assessors had delivered GD assessments under both GD and ECO since January 2014 (52% and 54% respectively).
- As was the case in the first supplier study, the follow-up supply chain study found the GD assessments market to be skewed, with 20% of advisors and assessors in the sample responsible for a large proportion of completed GD assessments (80% and 74% respectively), and a long 'tail' of individuals and businesses that had undertaken very few assessments and installations under the GD and/or ECO programmes.
- Just over two-fifths (43%) of GD installers had installed measures under GD, although the figure was much higher amongst SWI installers (75%). Amongst those who were inactive since January 2014 the main reasons given were: a lack of demand (28%), the complexity of the GD (27%) and/or the cost of setting up/accreditation with the GD (23%). Half of GD certified installers (50%) were installing measures under the ECO programme, and again this was significantly more likely to be the case amongst SWI installers (67%). Three in ten installers (29%) had delivered under both GD and ECO since January 2014.
- GD/ ECO installation market also remained skewed, with 20% of installers in the sample accounting for 86% of the installations that had been completed under GD/ ECO in the sample since January 2014.
- A third of GD assessors (32%) said 50-99% of their overall sales were from GD and/ ECO (the highest proportion giving this answer across the three supplier types). Whilst 30% of GD assessors said less than 10% of their sales were from GD and/or ECO, the same was true for 41% of advisors and 49% of installers.
- The majority of each type of GD supplier reported that their levels of assessment and installation activity under GD and ECO were lower than they had initially expected (although the proportions saying this were not as great as those observed in the first supplier study).
- Broadly equal proportions of advisors thought demand under GD and ECO would either increase or decrease in the next 12 months; similarly amongst assessors, although they were slightly more optimistic about demand under GD. Installers were generally more positive: around a third believed that demand under GD (35%) or ECO (36%) would increase over the next 12 months, with 18% and 20% expecting a decrease under each respective programme. Notably, SWI installers were significantly more likely than installers as a whole to anticipate an increase in demand for GD installations over the coming year (50%).

## Delivery under GD and/or ECO

- 3.1. As Figure 3.1 shows, whilst most advisors (83%) and assessors (88%) had delivered GD assessments since January 2014, just 43% of installers had delivered GD installations over this period<sup>21</sup> (although 75% of SWI installers had delivered GD installations in the same period). Approximately half of advisors and assessors had delivered under GD prior to January 2014, and a fifth (22%) of installers had delivered under GD prior to January 2014. The majority of advisors and assessors were planning to deliver under GD in the future (81% and 91%), compared to 61% of installers (although at 83%, SWI installers were much more likely than installers overall to be predicting future delivery under GD).
- 3.2. Only a small minority of advisors (6%), assessors (5%) and SWI installers (8%) said they had not been, and were not planning to deliver under GD, but almost a third of installers as a whole said this was the case (31%).

**Figure 3.1: The proportion of GD suppliers that had delivered under GD**

**A9 (Advisors/ assessors) Please think specifically about Green Deal assessments, including any assessments for Energy Companies Obligation or ECO, which of these, if any, describes your activity as an Advisor/ at this site? (Installers) Please think specifically about Green Deal installations, which of these, if any, describes activity at this site?**



**Base: All respondents (advisors 295, assessors 123, installers 295, SWI installers 151). Note: don't know not shown (which ranged from 0%-1%)** ↑ denotes a significant difference between installers and SWI installers

- 3.3. Further analysis of the advisor and installer data shows that those businesses that served relatively few regions were more likely to say that they had not been and were not intending to be active under GD. Some 2% of advisors that served 5+ regions gave this response compared with 10% of the advisors that served one region only. Some 15% of installers that served 5+ regions gave this answer compared with 33% that served one region only.

<sup>21</sup> Installations under the GD programme were defined in the survey as measures installed that were at least partially funded through GD finance, GD cashback or the GD Home Improvement Fund (GDHIF), or measures that were installed following recommendations in a GD Advice Report (GDAR)

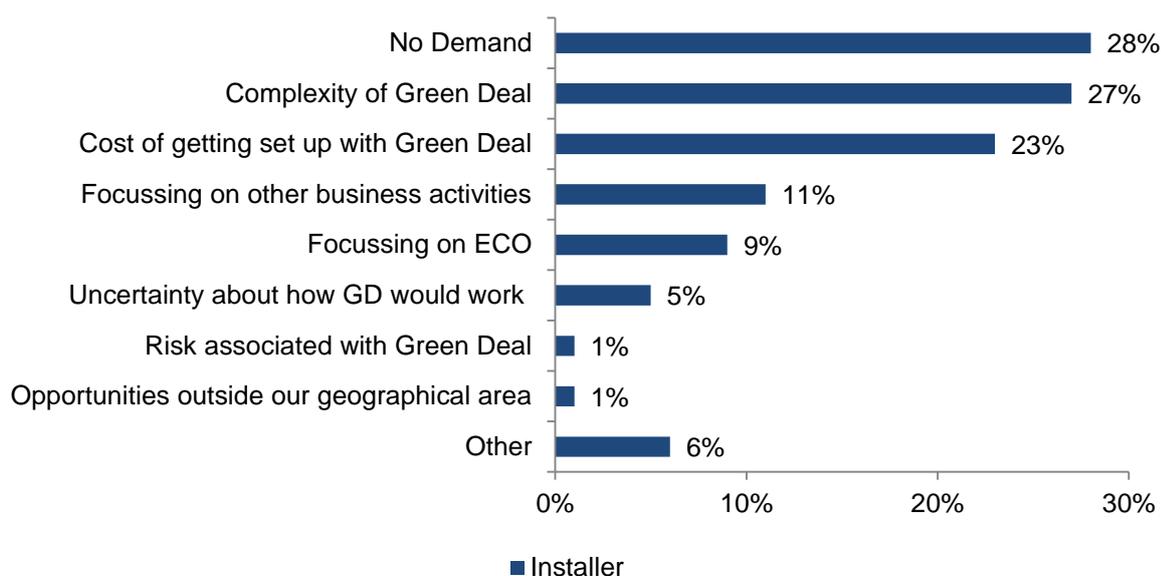
### Comparison with the first supplier study

A direct comparison with the first supplier study was not possible as the question was phrased slightly differently. However, a broad comparison shows the same pattern, with installers being most likely to say that they were inactive/ not planning to be active in both studies.

- 3.4. Advisors and installers<sup>22</sup> that were not active under GD since January 2014, or were not planning to be so, were asked why this was the case. The base size at this question was low for advisors, so the results must be treated as indicative, but the main reasons included no demand, the complexity of GD and focussing on other business activities.
- 3.5. Figure 3.2 presents the results for installers and shows that the main reasons for non-engagement (or no recent engagement) with GD were: no demand (28%), the complexity of GD (27%) and the cost of getting set up with the GD (23%).

**Figure 3.2: The reasons for installers never delivering under GD, not planning to deliver or not delivering since January 2014**

**A10 Why have you not yet delivered any Green Deal assessments/ installations? /Why do you say you have not, and are not planning to, deliver any Green Deal assessments/installations?/ Why have you not delivered any Green Deal assessments/installations since January 2014?**



**Base: All installers who were never active under GD and not planning to be or who were inactive since January 2014 or who were inactive since January 2014 but planned to be active or who had never been active but planned to be (122). Note: mentions of 5% or more; don't know and refused not shown**

### Delivery under ECO

- 3.6. As Figure 3.3 shows, amongst advisors and assessors who were active under GD or planning to be active, just over half had carried out GD assessments under ECO since January 2014 (56% of advisors and 57% of assessors)<sup>23</sup>. Around a quarter of advisors

<sup>22</sup> Small base sizes (n<20) means that it has not been possible to analyse responses of assessors or SWI installers at question A10

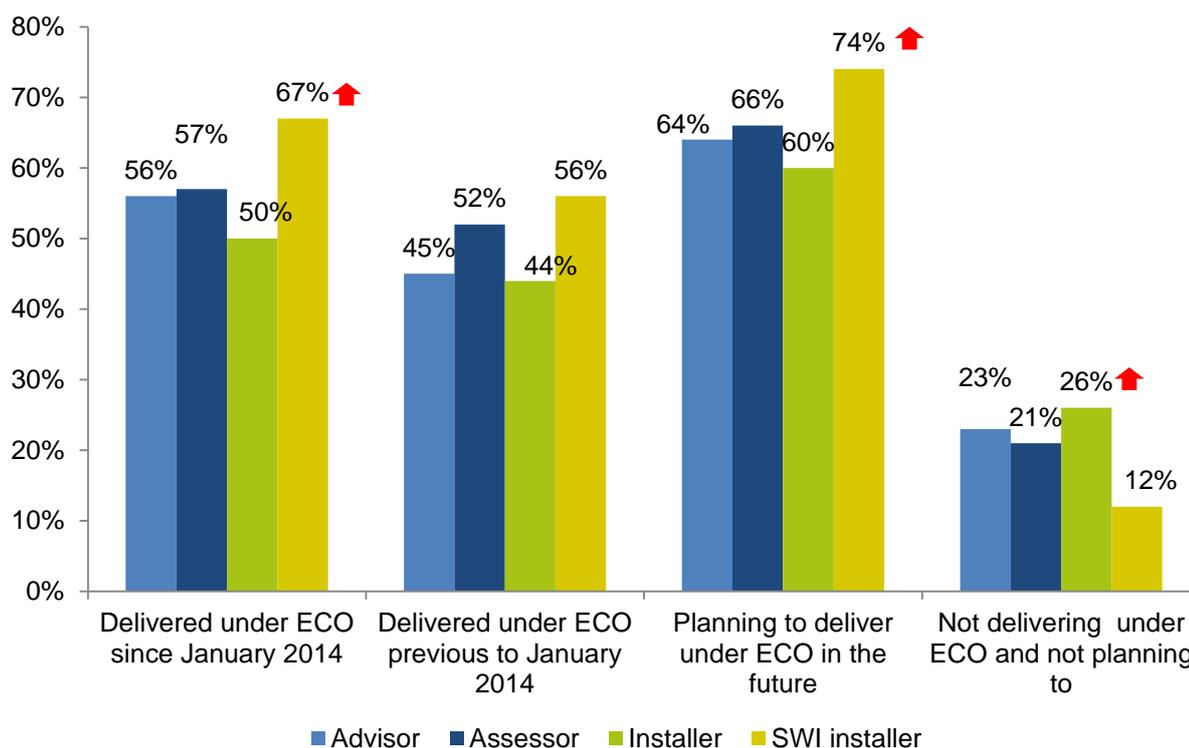
<sup>23</sup> GD assessments (or a property surveyor's report) are required for installations carried out under the CERO and CSCO obligations within the ECO programme

(23%) and assessors (21%) who were active under GD or planning to be had not delivered GD assessments under ECO and were not intending to do so.

- 3.7. Employed advisors were significantly more likely than sole trader advisors to have delivered GD assessments under ECO since January 2014 (65% versus 44%), and linked to this (employed advisors generally had greater operational coverage over a wider area) those operating in 5+ regions were more likely than those working in a single region to have delivered GD under ECO since January 2014 (71% versus 47%).<sup>24</sup>

**Figure 3.3: The proportion of GD suppliers that had delivered under ECO**

**A11 (Advisor/ assessor) And thinking about Green Deal assessments for the Energy Companies Obligation (ECO), which of these, if any, describes your activity as an Advisor/ at this site? (Installer) And thinking about installations for the Energy Companies Obligation (ECO), which of these, if any, describes your activity at this site?**



**Base: All except advisors and assessors not active under GD and not planning to be (advisors 276, assessors 117, installers 295, SWI installers 151). Note: don't know not shown (advisors 1%, assessors 2%, installers 1%, SWI installers 1%).** ↑ denotes a significant different between installers and SWI installers

- 3.8. For GD certified installers, delivery under ECO since January 2014 was slightly more common than delivering solely under GD - 50% were installing measures under ECO, compared with 43% installing measures just under GD. GD certified SWI installers were significantly more likely than GD certified installers as a whole to have installed measures under ECO (67% compared with 50% respectively). While a quarter of GD certified installers (26%) were not and were not planning to deliver under ECO, the same was true for 12% of GD certified SWI installers.

- 3.9. Larger GD certified installers were significantly more likely to have installed measures under ECO than smaller installers, with 38% of micro-sized businesses reporting that they had installed measures under ECO compared with 78% of medium/large-sized businesses. Similarly, GD certified installers with a history of delivery under CERT/

<sup>24</sup> Such patterns in delivery by geographical coverage were also evidence in the assessor data but the differences were not significant.

CESP were significantly more likely than those without such a history to have installed measures under ECO (76% compared with 43%). The correlation between these subgroups should be noted, as larger installers were more likely to have a history of delivering under CERT/CESP than smaller installers.

#### **Comparison with the first supplier study**

*A direct comparison with the first supplier study was not possible as the question was posed differently. However, a broad comparison shows that greater proportions of advisors and assessors said they had not and were not planning to deliver GD under ECO in the follow-up study when compared with the first. Similarly for installers, a greater proportion said they had not and were not planning to install measures under ECO in the follow-up survey than was the case in the first survey.*

#### **Delivery under both GD and ECO**

- 3.10. Figure 3.4 illustrates that whilst approximately three in ten advisors and assessors were active under the GD programme but not ECO, the majority were delivering GD assessments under both GD and ECO. Amongst installers, just 14% were working under GD and 29% were working under both GD and ECO. Of those installers certified to install SWI, a fifth (21%) were working under GD but over half were delivering under GD and ECO (54%).
- 3.11. Due to the balance of responses and the majority delivering under both GD and ECO, the survey once again highlights the importance of ECO (this was the same in 2014).

#### **Comparison with the first supplier study**

*A direct comparison with the findings of the first survey is not possible due to differences in the way the questions were asked, but it is clear that there has been a large decrease in the proportions of suppliers saying that they were delivering under ECO only. There has been a corresponding increase in the proportions of suppliers delivering under GD only or under GD and ECO. This suggests that greater proportions of suppliers are delivering under GD, a conclusion reinforced by data that shows that GD / ECO accounts for a higher share of suppliers' income than was previously the case (see Figure 3.10)<sup>25</sup>.*

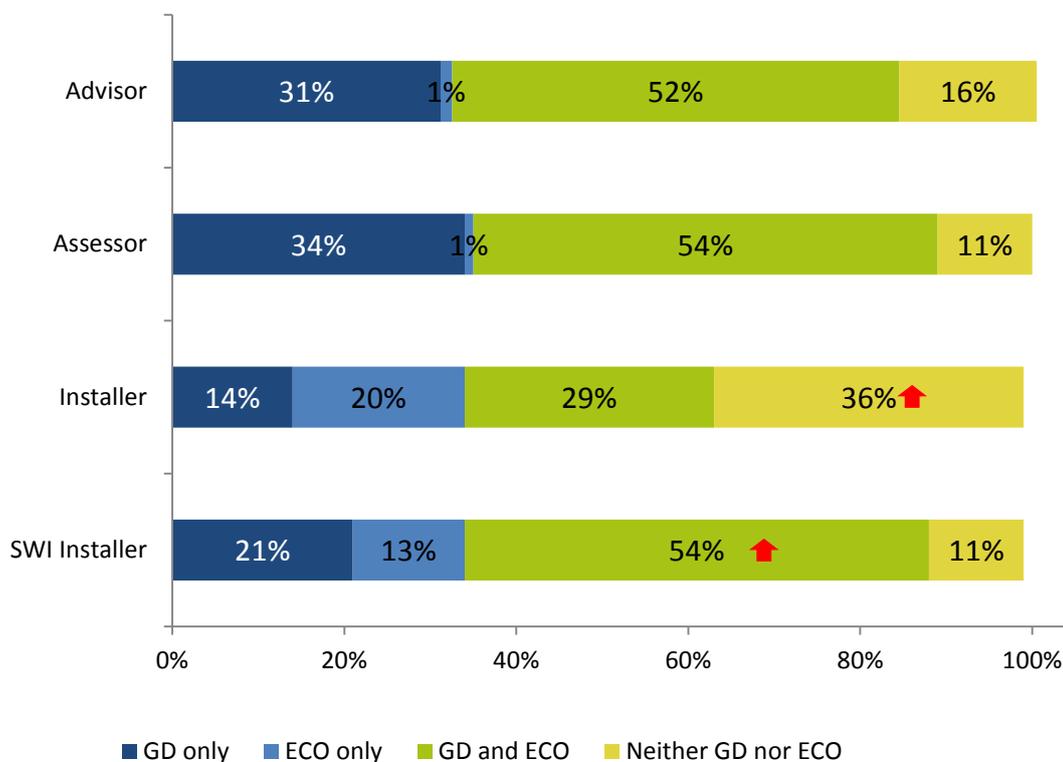
- 3.12. This drop in ECO-only delivery ties in with the findings from the first supplier study regarding suppliers' views of the proposed change to the ECO programme (announced in the Chancellor's 2013 Autumn Statement). In response to this, 29% of advisors, 42% of assessors and 39% of installers in the first supplier study thought that demand under ECO would decrease.

---

<sup>25</sup> To look at this issue in more detail, businesses would have needed to have been tracked over time between the first and follow-up surveys of suppliers, but this was not possible.

**Figure 3.4 The proportion of GD suppliers that had delivered GD assessments or installations under the GD and/or ECO programme**

**Proportion of GD suppliers that had delivered GD assessments or installations under the GD and/or ECO programme since Jan 2014 (combined responses from questions A9 and A11).**



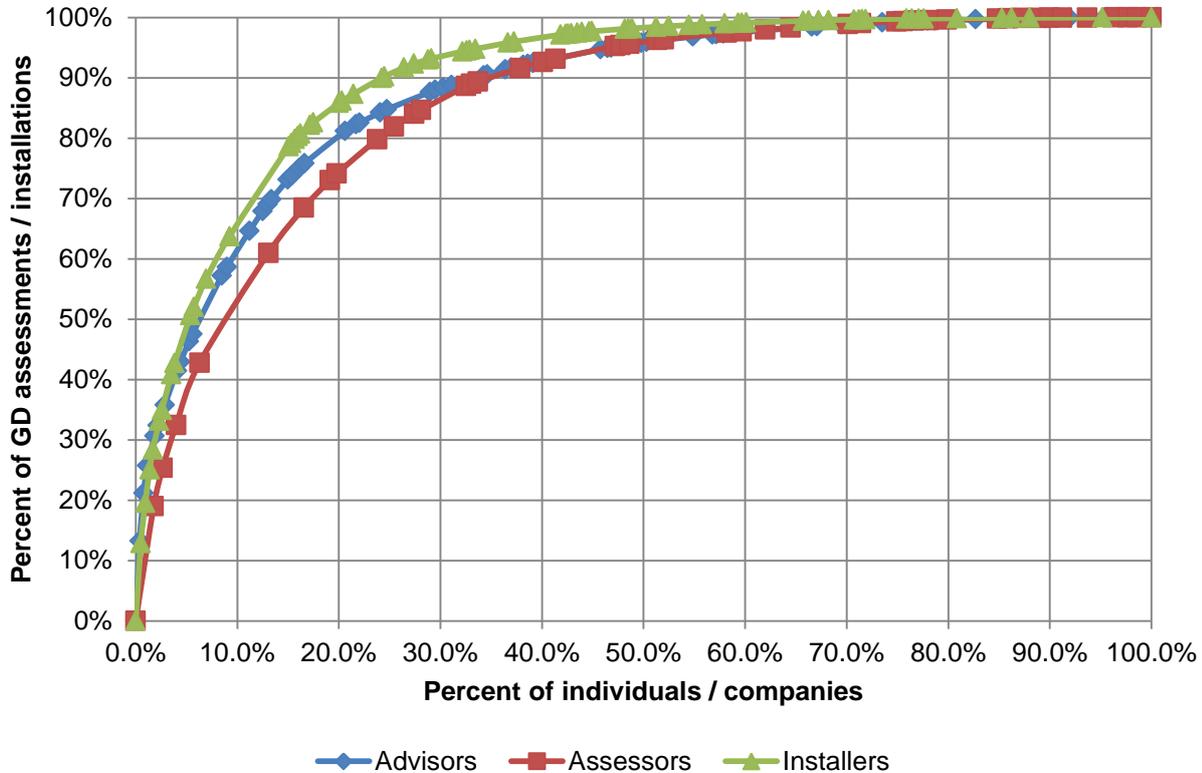
**Base: All (advisors 295; assessors 123; installers 295. SWI installers 151). Don't know not shown. denotes a significant difference between installers and SWI installers**

### Number of assessments/ installations delivered under GD/ ECO

- 3.13. Figure 3.5 shows – *for the survey sample* – the cumulative percentage share of all GD assessments delivered by GD advisors and assessors, and the cumulative percentage share of all GD/ ECO installations delivered by installers.
- 3.14. The data shows how the shape of the market remains skewed, with a small number of certified GD advisors, assessors and installers responsible for large numbers of assessments and installations, and a long ‘tail’ of individuals and businesses that have undertaken very few assessments and installations under the GD and ECO programme (a similar pattern of distribution was observed in the first supplier study). For example, 20% of advisors in the sample had completed 80% of all GD assessments undertaken by advisors in the sample; 20% of assessors in the sample had completed 74% of all GD assessments undertaken by assessors in the sample; and 20% of installers in the sample had completed 86% of all GD/ ECO installations undertaken by installers in the sample.

**Figure 3.5: From the survey, the cumulative share of GD assessments and installations delivered under GD and/or ECO by the advisors, assessors and installers in the survey sample**

**C4 How many Green Deal assessments/installations have you completed as part of the Green Deal and ECO programmes since January 2014?**



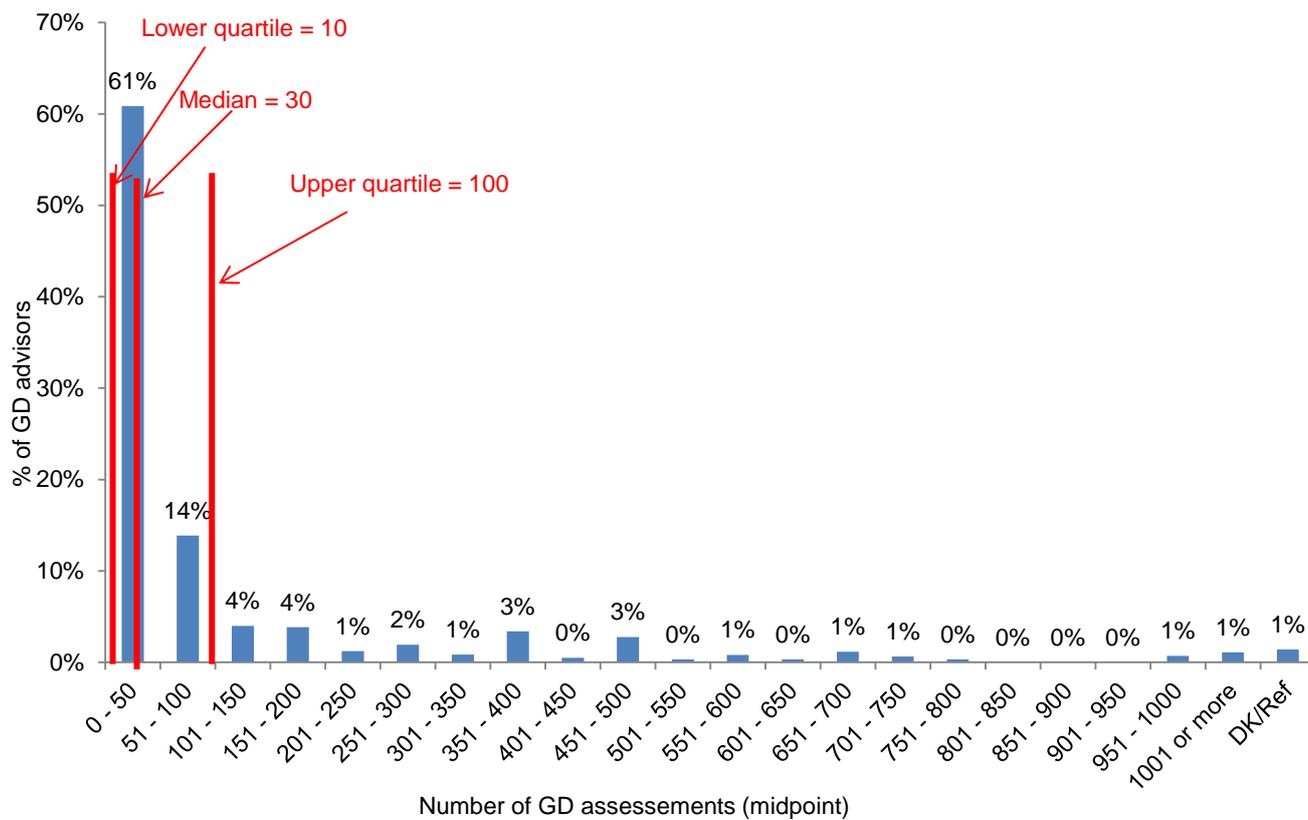
**Base: All providing a response regarding number of GD assessments/ installations at C4/C4a (advisors 245, assessors 109, and installers 187). Note: don't know and refused not shown (both ranging from 0% to 1%)**

**The number of GD assessments carried out by GD advisors**

- 3.15. Figure 3.6 depicts the number of GD assessments carried out by advisors that had delivered GD assessments since January 2014. Note that this includes GD assessments carried out under the ECO programme.
- 3.16. The data show a similar skewed distribution to that found in the first supplier study, with a quarter of these advisors completing up to 10 assessments since January 2014, and three quarters doing 100 or less in the same period. The median average number of GD assessments carried out since January 2014 was 30 (this compared to 50 in the first supplier study).

**Figure 3.6: Number of GD assessments carried out by GD advisors since January 2014**

**C4 How many Green Deal assessments have you completed as part of the Green Deal and ECO programmes since January 2014?**



**Base: All advisors delivering GD assessments since January 2014 (251)**

- 3.17. Advisors who had delivered GD assessments since January 2014 were asked whether the number of assessments they had completed under the GD and ECO programmes had increased or decreased compared with the previous year. Notably 18% of this subgroup said that they were not operating in the GD market during the previous year, so a comparison was not possible. Thirty eight per cent said activity had increased, 29% noted a decrease in activity and 8% said levels of activity were about the same (6% did not know).
- 3.18. Advisors who had completed GD assessments under ECO since January 2014 were asked how these broke down by obligation<sup>26</sup>. The findings are summarised as:
- 51% said at least some GD assessments under ECO were funded by CSCO
  - 48% said at least some were funded by CERO
  - 37% said at least some were funded by Affordable Warmth.

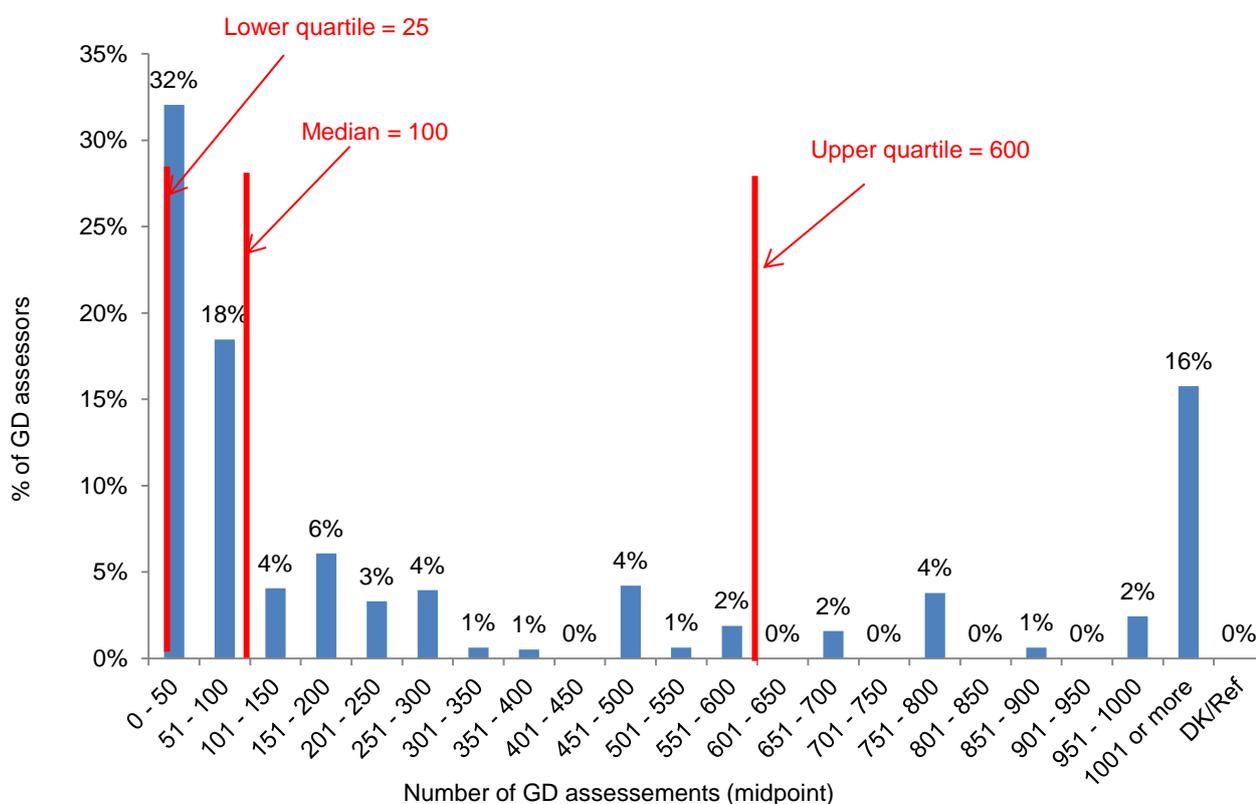
<sup>26</sup> **Carbon Emissions Reduction Obligation (CERO):** solid wall, cavity wall and loft insulation measures, and connections to district heating systems, alongside secondary measures including double glazing and draught proofing. **Carbon Saving Community Obligation (CSCO):** insulation measures and connections to district heating systems to households in specified low income areas. Suppliers must meet 15% of their obligation by installing measures in rural areas. **Affordable Warmth Obligation:** heating and insulation measures to consumers living in private tenure properties that receive particular means-tested benefits. This obligation supports low income consumers that are vulnerable to the impact of living in cold homes.

## The number of GD assessments carried out by GD assessors

- 3.19. Figure 3.7 shows the number of GD assessments carried out by assessors that had delivered GD assessments since January 2014. Note that this includes GD assessments carried out under the ECO programme.
- 3.20. As was the case with advisors, the data show a skewed distribution (and this was also found in the first supplier study) A quarter of these assessors had completed up to 25 assessments since January 2014, with three quarters having carried out 600 or fewer assessments in the same period. The median average number of GD assessments carried out since January 2014 was 100 (this compared to 120 in the first supplier study).

**Figure 3.7: Number of GD assessments carried out by GD assessors since January 2014**

**C4 How many Green Deal assessments have you completed as part of the Green Deal and ECO programmes since January 2014?**



**Base: All assessors delivering GD assessments since January 2014 (108)**

- 3.21. Assessors who had delivered GD assessments since January 2014 were also asked whether the number of GD assessments they had completed under the GD and ECO programmes had increased or decreased compared with the previous year. Forty four per cent said activity had increased, 29% noted a decrease in activity and 11% said levels of activity were about the same (13% did not know)<sup>27</sup>.
- 3.22. Those who had completed GD assessments under ECO since January 2014 were asked how these broke down by obligation. The findings are summarised as:
- 50% said at least some GD assessments under ECO were funded by CSCO

<sup>27</sup> percentage responses are based on all who answered the question (n=76)

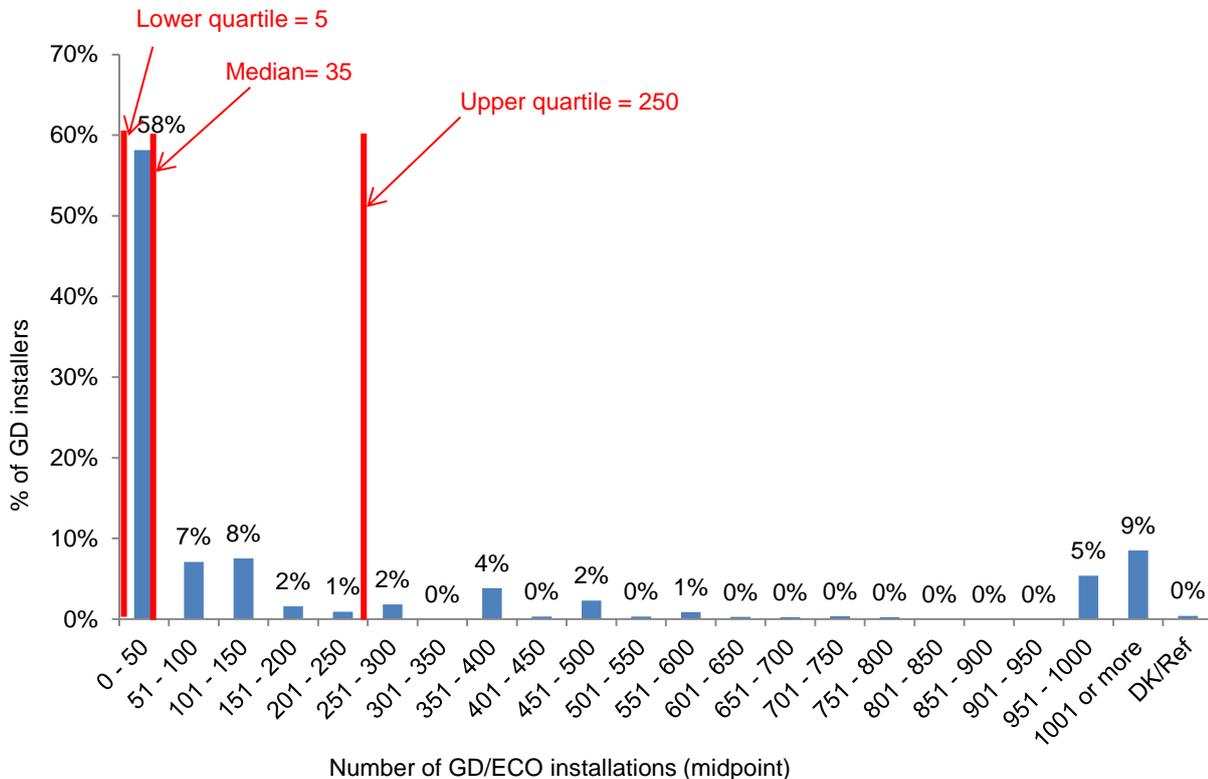
- 43% said at least some were funded by CERO
- 39% said at least some were funded by Affordable Warmth.

### The number of GD/ECO installations carried out by GD installers

- 3.23. Figure 3.8 depicts the number of GD/ ECO installations carried out by installers that had delivered installations since January 2014.
- 3.24. The GD/ECO installation market was also skewed (this was also the case in the first supplier study). A quarter of installers had carried out 5 or fewer GD and/or ECO installations, and three quarters had carried out up to 250 GD and/or ECO installations. The median average per installer was 35 GD and/or ECO installations (compared to 70 in the first supplier study).

**Figure 3.8: Number of installations carried out by GD installers under GD/ECO since January 2014**

**C4 How many Green Deal installations have you completed as part of the Green Deal and ECO programmes since January 2014?**



**Base: All installers delivering GD installations and/or installations under ECO (226)**

- 3.25. Installers who had delivered GD installations since January 2014 were asked whether the number of installations they had completed under the GD and ECO programmes had increased or decreased compared with the previous year. Forty per cent said activity had increased, 37% noted a decrease in activity and 10% said levels of activity were about the same (13% did not know)<sup>28</sup>.
- 3.26. GD certified installers who had completed installations under ECO since January 2014 were asked how these broke down by obligation. The findings are summarised as:
- 45% said at least some installations under ECO were funded by CSCO

<sup>28</sup> percentage responses are based on all who answered the question (n=179)

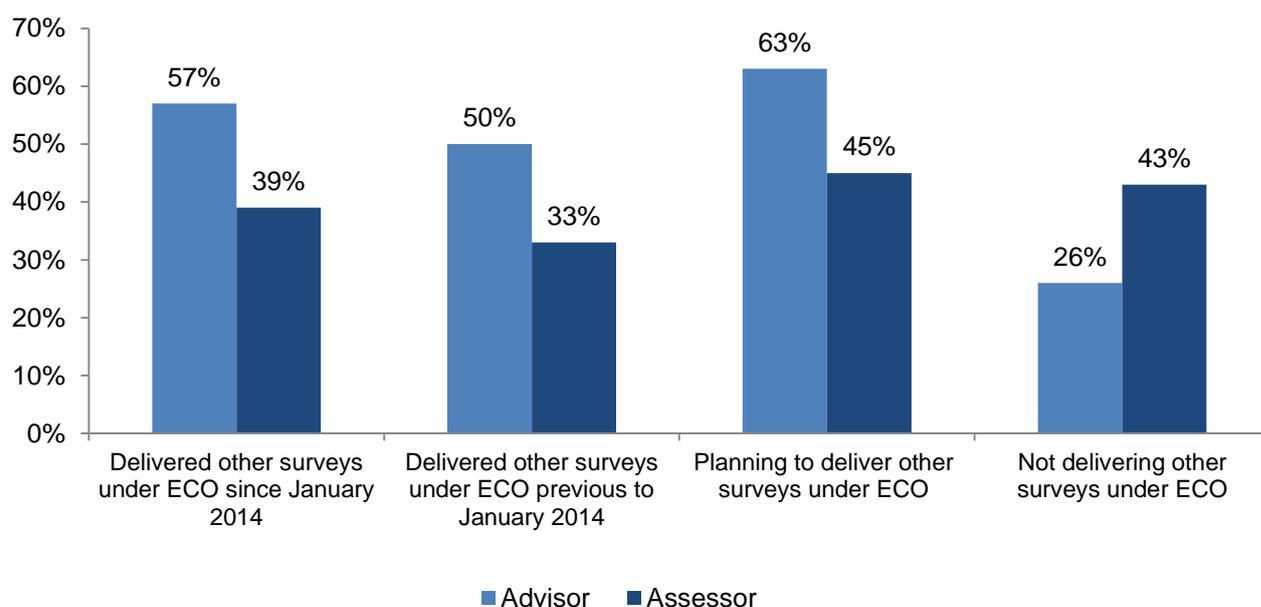
- 38% said at least some were funded by CERO
- 53% said at least some were funded by Affordable Warmth.

### Non-GD assessments under ECO

- 3.27. Advisors and assessors were asked if they had carried out any other property surveys for ECO that were not GD assessments (Figure 3.9). Fifty seven per cent of advisors and 39% of assessors had done so since January 2014. A quarter of advisors (26%) and two fifths of assessors (43%) had not delivered such surveys and were not planning on doing so.
- 3.28. Amongst advisors and assessors there was evidence that recent delivery of non GD surveys under ECO was correlated with a wider geographical reach. For example, 70% of advisors working in 5+ regions had delivered such surveys under ECO since January 2014 compared with 49% of those operating in a single region. The same was true for 54% of assessors working in 5+ regions compared with 25% of those working in a single region.

**Figure 3.9: The proportion of GD suppliers that had delivered non GD assessments under ECO**

**A12 And in regard to other property surveys for the Energy Companies Obligation (ECO) that are not Green Deal assessments which of these, if any, apply?**



**Base: All (advisors 295, assessors 123)**

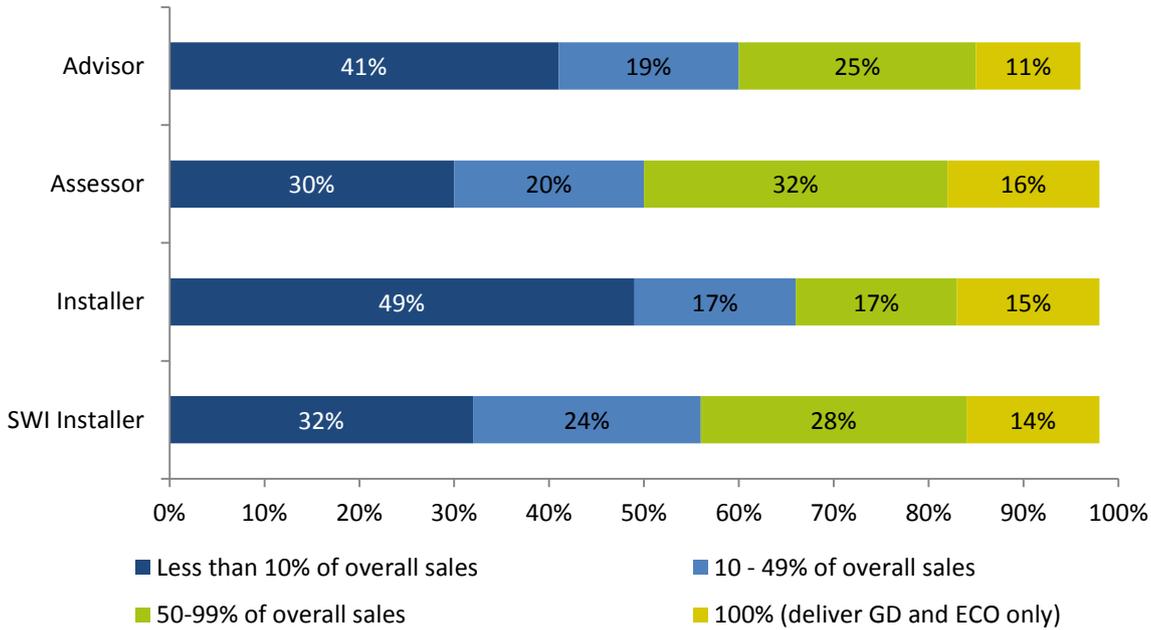
- 3.29. Almost all advisors (98%) and 100% of assessors who had delivered non GD assessments under ECO since January 2014 said they had delivered Energy Performance Certificates (EPCs). Thirty eight per cent of assessors active since January 2014 had provided Chartered Surveyor reports; the same was true of 8% of advisors active in the same time period. Notably only employed advisors (i.e. those working for one or more GD assessor organisations) said they were providing Chartered Surveyor reports; none of the sole trade advisors active since January 2014 were carrying out this type of survey.

## Generation of income through GD and/or ECO

- 3.30. All suppliers that had delivered under GD and/or ECO since January 2014 were asked to estimate their GD/ ECO sales as a proportion of their overall turnover (Figure 3.10).
- 3.31. Just over two fifths (41%) of advisors generated less than 10% of their sales from GD or ECO. Another fifth (19%) said that they generated 10-49% of sales this way and a quarter (25%) estimated that GD or ECO accounted for 50-99% of their sales. A tenth (11%) derived all their income from GD/ECO.
- 3.32. Sole traders were significantly more likely to give a lower proportion of sales (48% generated less than 10% of sales from GD or ECO compared with 36% of those employed by assessor organisations). Advisors who were working across multiple regions were deriving a higher proportion of sales from GD/ECO (37% of advisors working across 5 or more regions attributed 50-99% of sales to GD or ECO compared with 18% of those working in a single region). Further analysis also showed that those undertaking a higher volume of assessments were estimating higher percentage of total sales from GD/ECO (50% of advisors undertaking 100 plus assessments estimated sales from these sources accounted for 50-99% of their total compared with 15% of those undertaking fewer than 100 assessments).
- 3.33. Three in ten assessors (30%) generated less than 10% of their annual sales from the GD and/or ECO programmes (with 50% generating up to 50% of their total sales this way). Assessors handling larger amounts of work (100 assessments or more since January 2014) were significantly less likely to estimate that less than 10% of sales were derived from GD/ECO (18% compared to 42% of those undertaking fewer than 100 assessments over the year). Those working solely on GD were more likely to estimate lower proportions of overall sales coming from this route (44% estimated less than 10% of sales compared to 20% who worked across both GD and ECO).
- 3.34. With almost half (49%) of all installers estimating their sales from GD/ECO were under 10% of overall sales, this represents the highest proportion across all supplier types. Seventeen per cent of installers said that sales amounted to 10-49% of total incomes and a further 17% attributed 50-99% of sales to GD or ECO. Finally 15% said that all their sales were derived from GD/ECO. As a comparison, SWI installers were more likely to estimate revenue from these sources accounting for over 50% of total sales (42% compared to 32% of installers overall).
- 3.35. Almost two thirds of the medium/large installers (65%) said that they generated up to 10% of income from GD or ECO compared with 48% of the micro and 42% of the small installers. Installers who were active across most regions were more likely to estimate a higher percentage of sales than those focussed on one region (22% operating in 5 or more regions said 50-99% of sales were generated under GD/ECO compared to 6% of those operating in a single region).

**Figure 3.10: The proportion of suppliers' annual sales that are derived from GD and/or ECO**

**C10 Since January 2014, to what extent do sales under Green Deal and ECO programmes represent your core business activity?**



**Base: All delivering GD or ECO or non-GD ECO since January 2014 (advisors 270, assessors 112, installers 226, SWI installers 136). Don't know/ not applicable not shown (ranging from 2% to 5%)**

**Comparison with the first supplier study**

*The picture amongst advisors and assessors was very similar to that in the first supplier study. Amongst installers there were some shifts: a slightly lower proportion reported sales from GD and ECO accounting for between 10-99% in the follow-up study (34% versus 44% in the first supplier study), whilst a slightly higher proportion said sales from GD/ ECO accounted for 100% of total sales in the follow-up study (15% versus 9% in the first supplier study).*

## Demand under GD and/or ECO

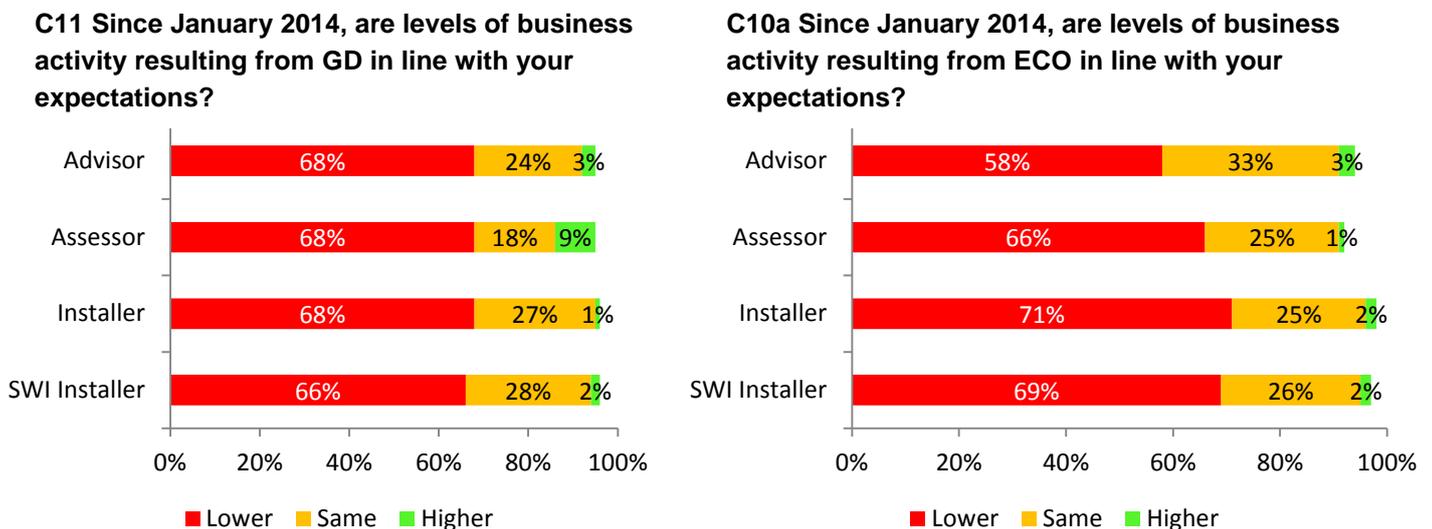
### Comparison of levels of activity under GD and ECO against expectations

- 3.36. GD suppliers who were active under GD since January 2014 were asked to compare their levels of activity since January 2014, under GD and ECO, with their expectations.
- 3.37. Figure 3.11 shows responses in relation to GD (on the left) and ECO (on the right). Levels of activity for both were lower than expected for the majority of GD suppliers. Approximately two thirds of each type of supplier reported GD sales were lower than expected, and similar proportions said the same for ECO. Most of the remaining suppliers in each case, for both GD and ECO, reported that levels of activity had been in line with their expectations as opposed to higher.
- 3.38. Amongst assessors and advisors, there was evidence that the volume of work undertaken under GD and/ or ECO correlated with suppliers' views regarding the demand for GD: those doing fewer than 100 assessments since January 2014 were more likely than those doing a greater volume to say that demand for GD had been lower than expected (assessors: 78% versus 59% respectively; advisors: 72% versus 56% respectively). There was no such correlation in the case of assessors' and advisors' views regarding demand for ECO.

#### Comparison with the first supplier study

The general pattern of response was the same as observed in the first supplier study, when the majority of each type of supplier indicated that sales were lower than expected (and the majority of the remainder saying sales were the same). However, smaller proportions of suppliers indicated that sales were lower than expected for GD in the follow-up study, and larger proportions felt that demand for GD was in line with their expectations.

Figure 3.11: How current levels of GD and/or ECO activity compared to expectations



Base: C10a All delivering ECO since January 2014 (advisors 205, assessors 80, installers 174, SWI installers 101; don't know not shown ranging from 1% to 9%). C11 All delivering GD since January 2014 (advisors 247, assessors 107, installers 170, SWI installers 117); don't know not shown ranging from 4% to 5%

- 3.48. Advisors and assessors were asked whether the first release of GDHIF (which launched in June 2014) had an impact on the demand for GD assessments. Just over a quarter of advisors (26%) and three in ten assessors (31%) said that the launch of GDHIF had impacted them to a 'large' extent. Another 24% of advisors and 33% of assessors

reported impacts to 'some' extent. The responses combined suggest that most advisors and assessors had made a link between GDHIF and increased demand.

### Expectations for future levels of demand under the GD and ECO programme

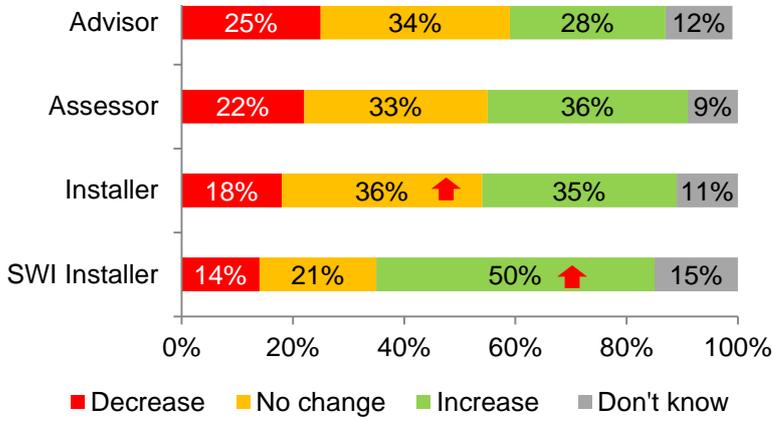
- 3.49. As Figure 3.12 shows, GD suppliers had mixed views about the likely direction of change of demand under the GD and ECO programme over the next year (i.e. through to early 2016). Between 8% and 17% of assessors, advisors and installers indicated that they 'didn't know' how demand would change under GD and ECO, suggesting a degree of uncertainty about market performance.
- 3.50. In the case of GD (the left of the two charts in Figure 3.11), between 28% and 35% of the three main GD supplier categories believed that demand for assessments and installations would increase over the next 12 months; assessors and installers were both more likely to predict an increase as opposed to a decrease in demand. Notably, SWI installers were significantly more likely than installers as a whole to predict an increase in demand (50% versus 35% respectively).
- 3.51. In the case of ECO (the right hand chart in Figure 3.11), similar proportions of suppliers expected demand to increase in the next 12 months as was the case for GD. While assessor and advisor views were roughly even in terms of the proportions expecting an increase versus those anticipating a decrease in demand, the proportion of installers (and SWI installers) expecting an increase was greater than the proportion expecting a decrease in demand.
- 3.52. There was evidence of a correlation between assessors' views on demand for ECO and volumes of work undertaken. Those that had completed fewer than 100 assessments since January 2014 were more likely than those who had completed more to anticipate no change in demand for ECO over the coming year (45% versus 22% respectively). Such a pattern was not seen in relation to demand for GD over the next year.
- 3.53. Amongst advisors, those doing fewer than 100 assessments since January 2014 were more likely than those doing more to say that they didn't know how demand for ECO would change over the coming year (19% versus 5% respectively). When the findings relating to future demand for GD were examined, it was clear that employed advisors were more likely than sole traders to think that demand would increase over the coming year (34% versus 22% respectively).

#### **Comparison with the first supplier study**

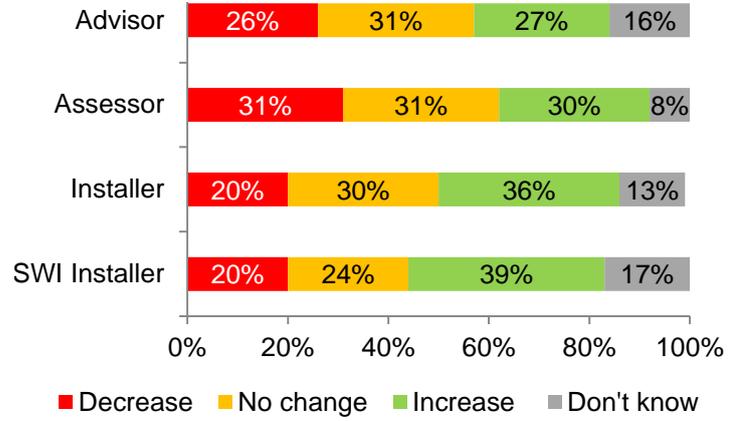
*It is not possible to make a direct comparison as the time reference period differed between the two surveys (in the first supplier study, suppliers were asked to think 6 months, rather than a year, ahead).*

**Figure 3.12: Expectations for future demand under the GD and ECO programme**

C19b How do you expect demand for assessments/ installations for GD purposes to change over the next year?



C19a How do you expect demand for assessments/ installations for ECO purposes to change over the next year?



**Base: C19b All (advisors 295, assessors 123, installers 295, SWI installers 151); C19a All delivering under ECO or planning to (advisors 247, assessors 99, installers 235, SWI installers 130). ▲ denotes a significant difference between installers and SWI installers.**

## 4. Targeting customers under GD and ECO

This chapter examines how the supply chain generates leads for GD and ECO, and amongst those with a responsibility for lead generation, it considers how potential new customers are reached and who is targeted

### Key messages

- Amongst installers, assessors and advisors, leads for GD and ECO were generated mainly by 'internal' mechanisms: either by the respondent (who was the person most responsible at the organisation for assessments/installations) or by colleagues within their organisation.
- In terms of contact with potential customers, installers commonly mentioned making use of print marketing and their existing customer base for both GD and ECO. In the case of GD, their own website/ social media was also a common method of contacting new customers. SWI installers used similar methods to installers as a whole to reach potential customers for GD and ECO.
- Amongst advisors, telesales/text (SMS) messages was one of the most commonly cited means of reaching potential customers for GD and ECO. Door-to-door sales was important for reaching potential customers for ECO, whilst for GD, their own website/ social media was commonly used.
- There was no evidence that greater volumes of assessments/installations were linked to different methods of targeting potential customers for either GD or ECO.
- Advisors and installers were more likely to be targeting potential ECO customers rather than potential GD customers. Older and less efficient properties were the focus for both GD and ECO, and for both advisors and assessors.

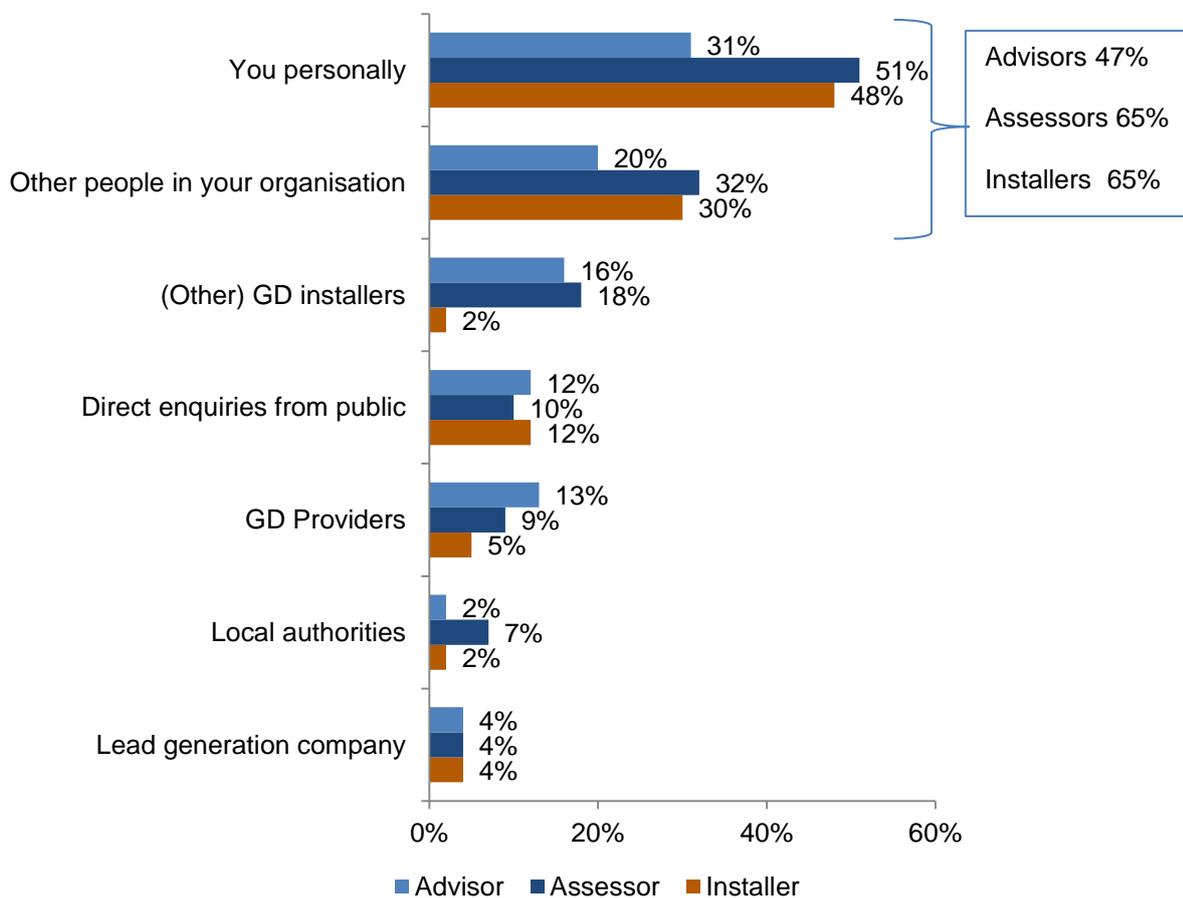
# Generation of leads for the GD and ECO programmes

## Generation of leads for GD

- 4.1. As Figure 4.1 shows, amongst suppliers who had been active in the GD market since January 2014, most leads for GD work were generated via internal mechanisms, i.e. by the respondent themselves (as main contact for assessments/installations at that site) or their colleagues. Combining these top two answers shows that 47% of advisors, 65% of assessors and 65% of installers were generating leads for GD via internal mechanisms.
- 4.2. In terms of external lead generation mechanisms, around a tenth of each supplier group mentioned direct enquiries from the public (12% of advisors, 10% of assessors and 12% of installers). Nearly a fifth of assessors (18%), 16% of advisors and 2% of installers were generating leads via (other) GD installer organisations, while GD Providers generated leads for 13% of advisors, 9% of assessors and 5% of installers.

**Figure 4.1: How leads are generated for GD work**

**E1a Who is responsible for generating leads for GD work?**



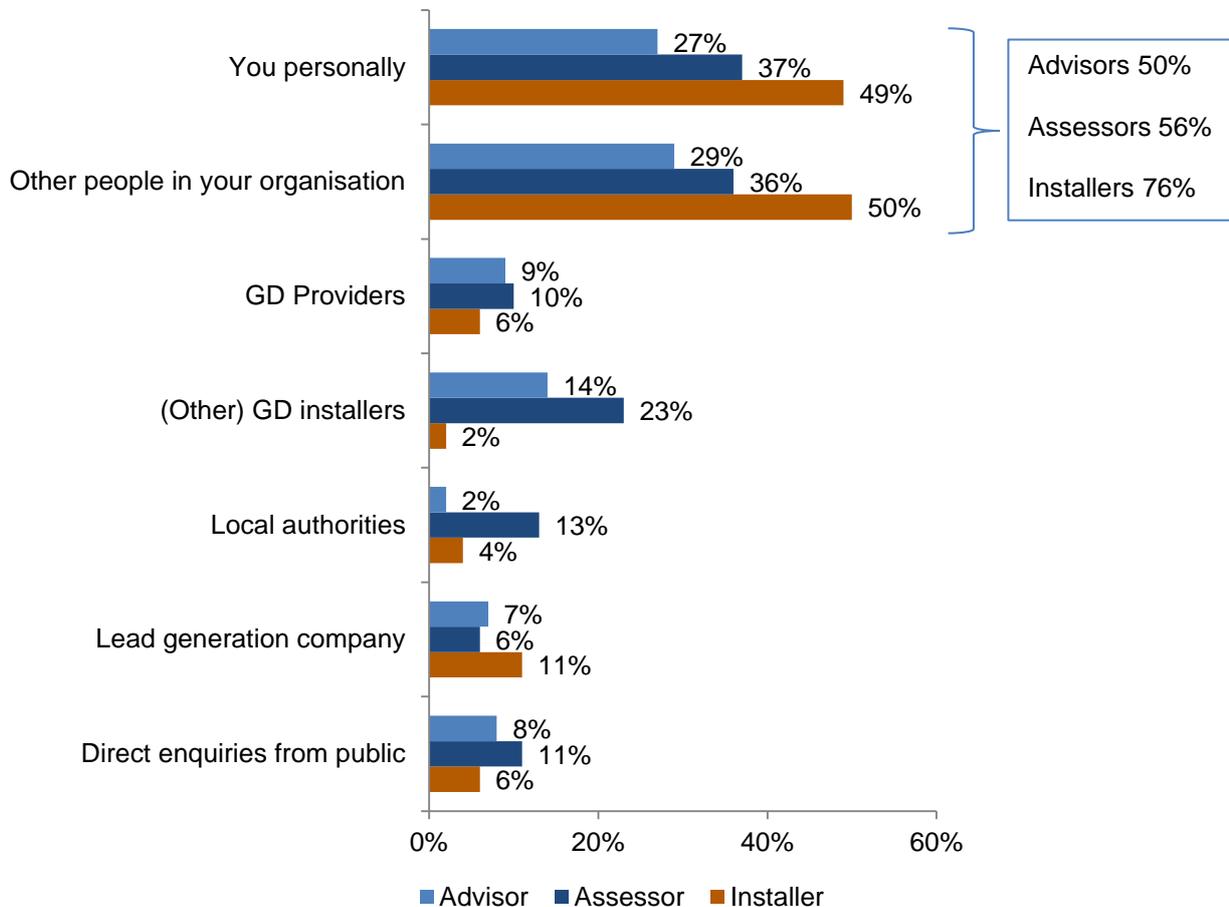
**Base: All delivering GD since January 2014 but not exclusively for ECO (advisors 236, assessors 104, installers 168). Note: mentions of 2% or more in any one supplier group.**

## Generation of leads for ECO

- 4.3. As Figure 4.2 shows amongst suppliers who had been active in the ECO market since January 2014, most leads were generated by the respondent or by others in their organisation (the net figures were 50% of advisors, 56% of assessors and 76% of installers).
- 4.4. Smaller proportions of all suppliers were using external means of lead generation. For example, 14% of advisors, 23% of assessors and 2% of installers mentioned (other) GD Installers. GD Providers were mentioned by around a tenth of advisors (9%) and assessors (10%) and by 5% of installers. Local authorities were mentioned by 13% of assessors (and by 2% of advisors and 4% of installers).

**Figure 4.2: How leads are generated for ECO work**

**F1 Who is responsible for generating leads for ECO work?**



**Base: All engaged with ECO since January 2014 (advisors 205, assessors 80, installers 174). Note: mentions of 2% or more in any one supplier group.**

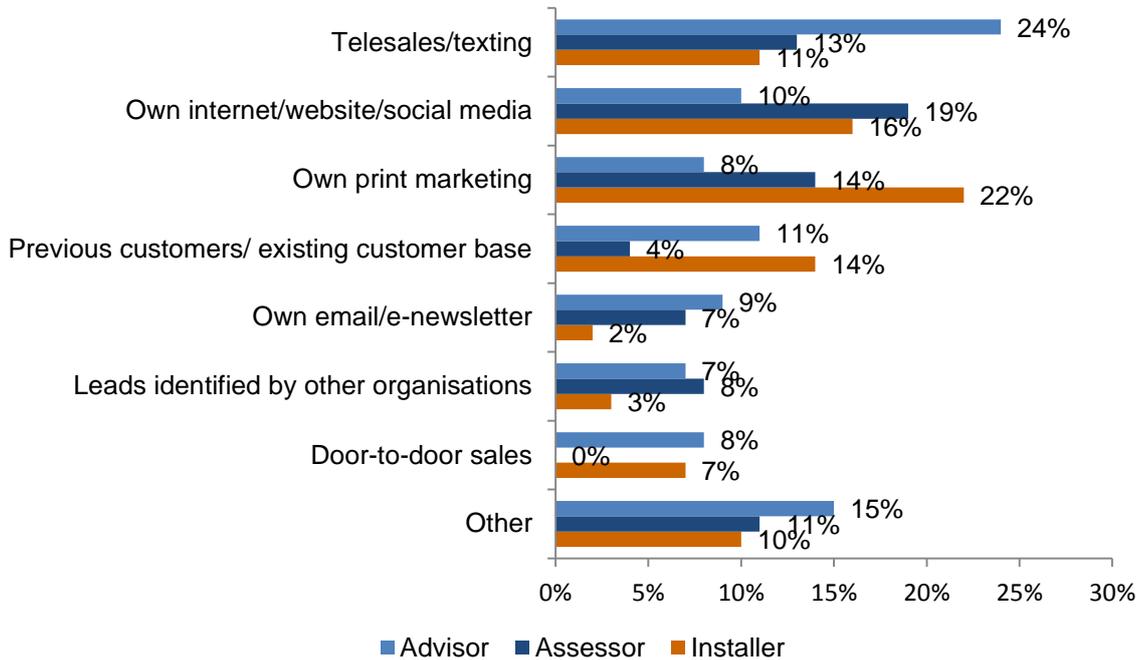
- 4.5. Amongst advisors, those employed by GD assessor organisations were more likely than sole trader advisors to mention registered social landlords/ housing associations as source of leads for ECO (6% versus 0% respectively).
- 4.6. SWI installers were more likely than non SWI installers to say that local authorities generated leads for ECO (9% versus 0% of non-SWI installers).

## Main means of making first contact with customers

- 4.7. Suppliers who were responsible for lead generation were asked about how they first made contact with customers for both GD and ECO.
- 4.8. There are a few notable differences in how customers for GD and ECO were contacted by the different supplier groups. For example:
- Amongst advisors, door-to-door sales were a relatively more important means of contacting customers for ECO than for GD (24% of advisors responsible for lead generation mentioned this as a means of first contacting ECO customers, compared with 8% mentioning it in relation to GD).
  - Amongst assessors, telesales/ texting was relatively more important for ECO than for GD (22% of assessors responsible for lead generation mentioned this for ECO compared with 13% mentioning it in relation to GD).
  - Amongst installers, the use of a company website/ social media was relatively more important for GD than for ECO (16% of installers responsible for lead generation mentioned this means of making first contact for GD compared with 4% mentioning it in relation to ECO).
- 4.9. Figure 4.3 summarises the main way in which suppliers who were responsible for lead generation first made contact with potential GD customers.
- 4.10. Advisors were most likely to be using: telesales/ texting (SMS messages) (24%), their existing customer base (11%) and their own website/ social media (10%). For assessors, the most common methods were: own website/ social media (19%), print marketing (14%) and telesales/texting (13%).
- 4.11. Amongst installers responsible for lead generation the most common methods being used were print marketing (22%), their own website/ social media (16%) and their existing customer base (14%). There were no significant differences in the methods used by SWI installers compared to installers as a whole.
- 4.12. Across all supplier groups there was no evidence to suggest that businesses with higher volumes of assessments/ installations undertaken since January 2014 had used different methods to contact potential customers for GD. Nor was there any further evidence of significant differences either by size of organisation or, in the case of advisors, by sole trader/ employed status.

**Figure 4.3: Main method of first contact with potential GD customers**

**E2a/E3a What is your main means of first contacting potential GD customers?**

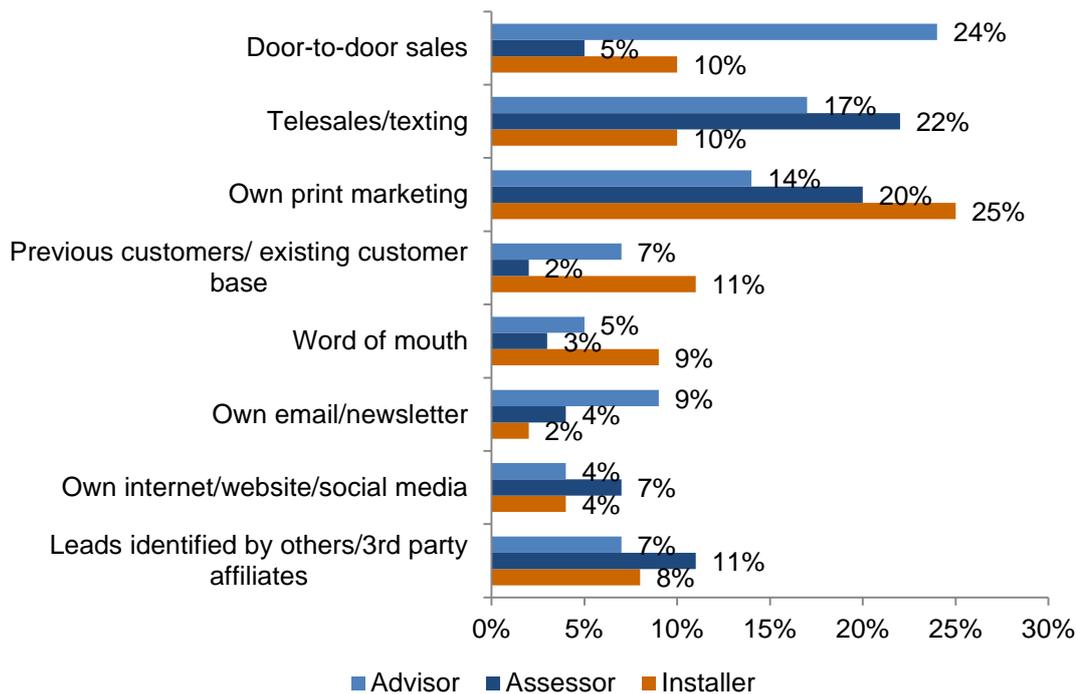


**Base: All responsible for lead generation for GD (advisors 73, assessors \*\*44, installers 79). Note: \*\* denotes small base size of less than 50 cases. Mentions of 5% or more in any one supplier group; don't know not shown (ranging from 2% to 14%)**

- 4.13. Figure 4.4 summarises the main way in which suppliers who were responsible for lead generation first made contact with potential ECO customers.
- 4.14. Advisors were most likely to be using: door-to-door sales (24%), telesales/texting (17%) and print marketing (14%). For assessors, the most common methods were the same as those used for GD, namely: telesales/texting (22%), print marketing (20%) own website/ social media (7%).
- 4.15. Amongst installers responsible for lead generation the most common methods being used were print marketing (25%), existing customer base (11%), telesales/ texting (10%) and door-to-door sales (10%). As was the case for GD, there were no significant differences in the methods used by SWI installers to contact potential customers for ECO compared to installers as a whole.
- 4.16. Again the volumes of assessments/ installations undertaken since January 2014 had no perceptible correlation with the methods used by suppliers to contact potential customers for ECO.

**Figure 4.4: Main method of first contact with potential ECO customers**

**F3/F4 What is your main means of first contacting potential ECO customers?**



**Base: All responsible for lead generation for ECO (advisors 75, assessors \*\*38, installers 111). Note: \*\* denotes small base size of less than 50 cases. Mentions of at least 5% in one or more supplier groups shown; don't know not shown (6% in each supplier group)**

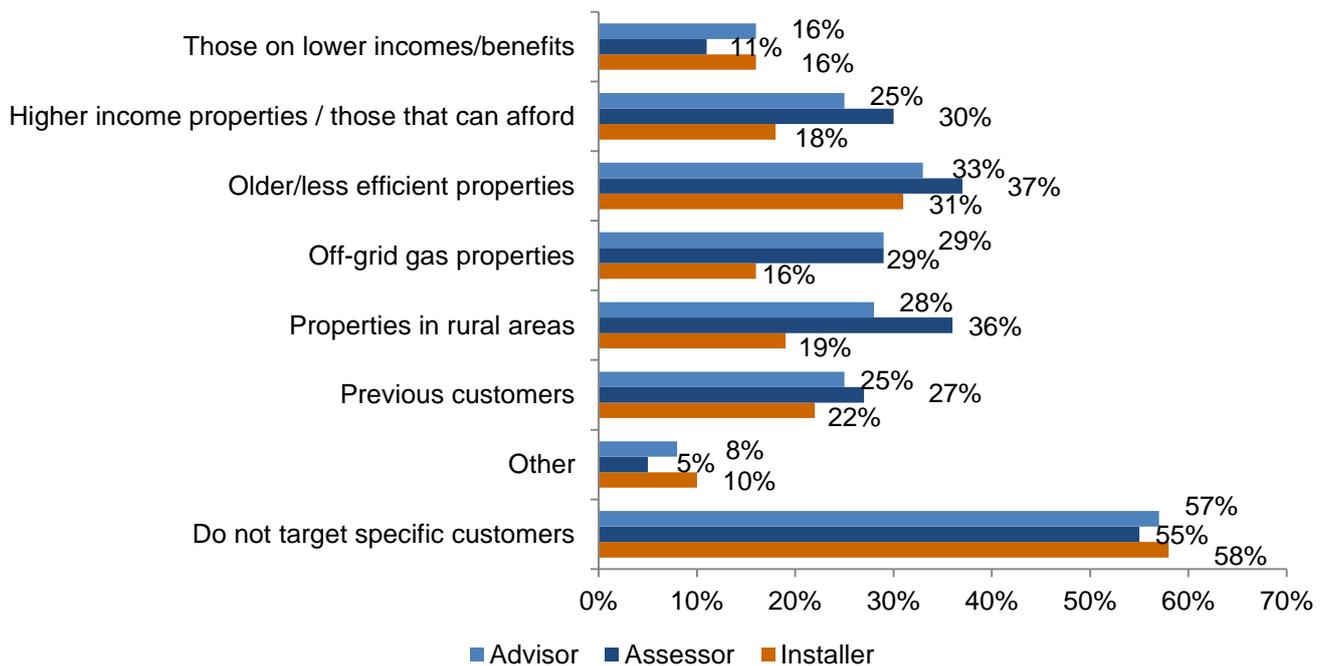
## Targeting customers

### Targeting GD customers

- 4.17. As Figure 4.5 shows, over half of advisors, assessors and installers who were responsible for lead generation were not targeting specific groups of customers for the GD programme.
- 4.18. Across all three supplier groups, the most commonly mentioned customer group for targeting was those living in older or less energy efficient properties (mentioned by 33% of advisors, 37% of assessors and 31% of installers).
- 4.19. As well as older/ less energy efficient properties, 20% or more of suppliers were targeting:
  - Advisors: off-grid gas properties (29%), properties in rural areas (28%), higher income properties (25%) and their existing customer base (25%)
  - Assessors: properties in rural areas (36%), higher income properties (30%), off-grid gas properties (29%) and their existing customer base (27%)
  - Installers: their existing customer base (22%).
- 4.20. There were no significant differences in the customer groups targeted by SWI installers versus installers as a whole.

**Figure 4.5: Types of customer which are specifically targeted for GD**

**E4a Do you target specific types of customers? If so, what type?**



**Base: All responsible for lead generation for GD (advisors 111, assessors 67, installers 111). Don't know not shown (ranging from 3% to 4%)**

- 4.21. Advisors undertaking 100+ assessments since January 2014 were more likely than those doing a lesser volume to report targeting those on lower incomes (30% versus 7% respectively) and higher income properties (38% versus 18%).
- 4.22. There was no evidence of any variation in targeting by volume of assessments/ installations for assessors and installers.

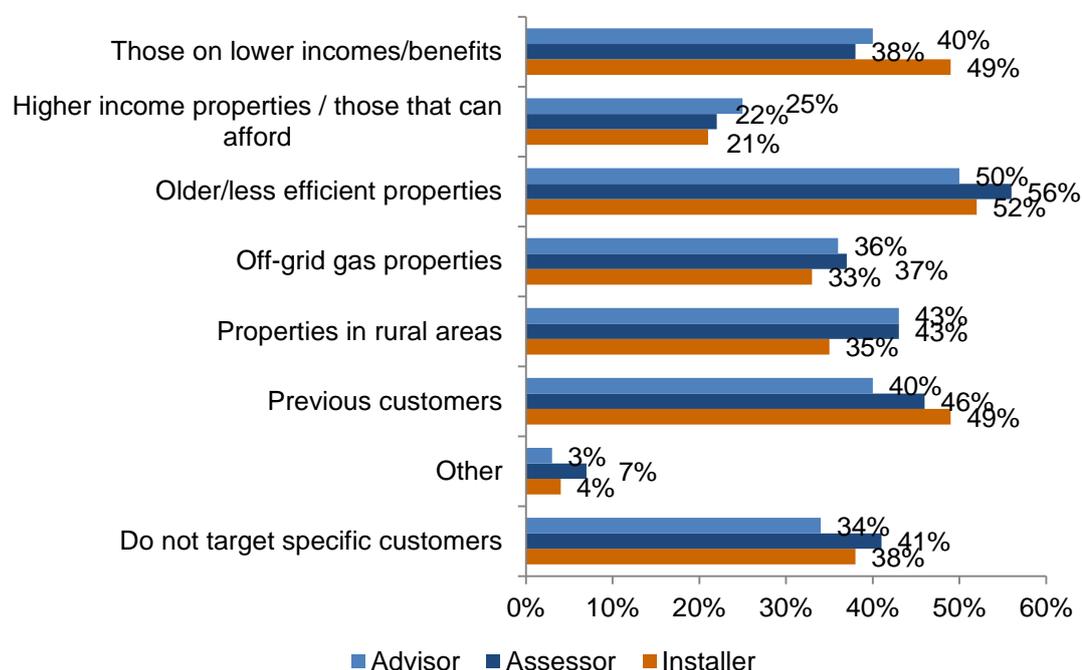
**Targeting ECO customers**

- 4.23. Suppliers responsible for lead generation were more likely to be targeting customers for ECO than for GD; as Figure 4.6 shows, between 34% and 42% of advisors, assessors and installers said they were not targeting specific groups of customers as opposed to around half in the case of GD.
- 4.24. As was the case with GD, across all three supplier groups, the most commonly mentioned group of customers that was being targeted for ECO was those living in older or less energy efficient properties (mentioned by 50% of advisors, 56% of assessors and 52% of installers). As well as older/ less energy efficient properties, 20% or more of suppliers were commonly targeting:
  - Advisors: properties in rural areas (43%), those on lower incomes (40%), their existing customer base (40%) and off-grid gas properties (36%)
  - Assessors: their existing customer base (46%), properties in rural areas (43%), those on lower incomes (39%) and off-grid gas properties (37%)
  - Installers: those on lower incomes (49%), their existing customer base (49%), properties in rural areas (35%) and off-grid gas properties (33%)

There were no significant differences in the customer groups targeted by SWI installers for ECO versus installers as a whole.

**Figure 4.6: Types of customer which are specifically targeted for ECO**

**F5 Do you target specific types of customers? If so, what type?**

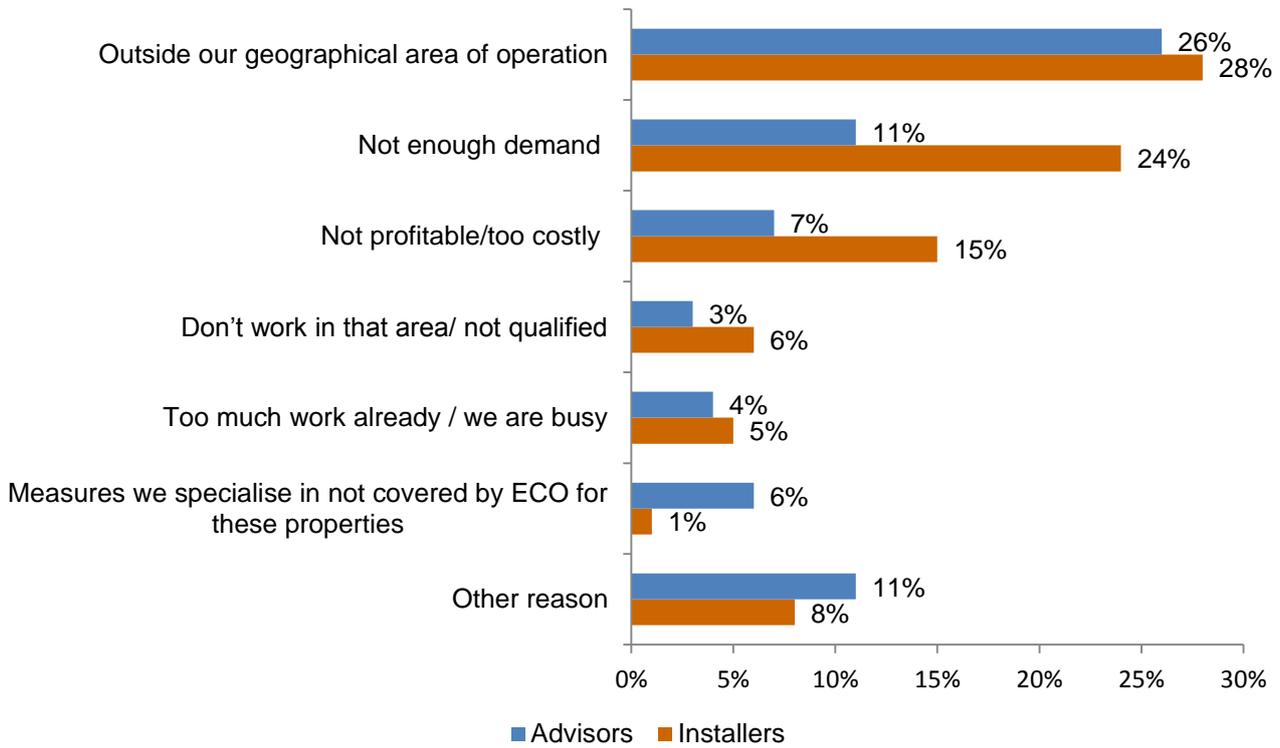


**Base: All responsible for lead generation for ECO (advisors 98, assessors \*\*44 installers 133). Note: \*\* denotes small base size of less than 50 cases. Don't know not shown (ranging from 2% to 4%)**

- 4.25. Installers responsible for 100+ installations since January 2014 were more likely than those doing fewer than 100 installations to report targeting off-grid gas properties (49% versus 16% respectively), properties in rural areas (51% versus 18%) and their existing customer base (60% versus 38%).
- 4.26. There was no evidence of a variation in the customer groups targeting by volume of assessments for advisors and assessors.
- 4.27. Suppliers who were not targeting off-grid gas properties or those in rural areas for ECO were asked why this was the case. Figure 4.7 shows that, for advisors, the overarching reason was that these types of property were outside their geographical area of operation (26%). Installers also cited this reason (28%) as well as not enough demand (24%) and that it was not profitable/ too costly (15%).
- 4.28. Just 24 assessors were asked this question so their responses are not shown in the chart. Their answers, however, were spread across the response categories and there were no evidence of an overriding theme.

**Figure 4.7: Reasons for not targeting off-grid gas properties or properties in rural areas**

**F5a You said you do not target [textfil from F5: off-grid gas properties /(and) properties in rural areas]. Why is that?**



**Base: those who did not target off-grid gas properties or properties in rural areas for ECO (advisors 57, installers 78) Note: mentions of 5% or more in any one supplier group; don't know not shown. Base for assessors too small for findings to be shown.**

## 5. Assessments and help with finance

This chapter explores the experiences of advisors and assessors who were active in the GD assessment market. This includes an overview of the supply chain and detailed findings on assessment durations, fees charged, and other forms of support offered to customers

### Key messages

- The majority of advisors and assessors that had delivered GD assessments reported that they had done so on behalf of other organisations. Of those that had worked for other organisations to deliver assessments, the vast majority, over eight in ten across both groups, had started doing so because of GD and/ or ECO - most commonly for GD installers and GD providers). Similar findings were noted in the first supply chain study.
- Advisors reported that the median average duration of a GD assessment was 82 minutes. The median average duration of an EPC was 44 minutes.
- The vast majority of advisors and assessors provided some form of post-assessment support to customers, most commonly advice relating to energy efficiency, help understanding their report and/or advice on next steps after the assessment.
- Fifty six per cent of advisors and 74% of assessors provided information on finance options, while smaller proportions recommended financial organisations or products (12% of advisors and 25% of assessors). Advisors and assessors were primarily providing information on or recommending GD finance, GDHIF, ECO funding or funding relating to renewable heat or solar power.
- A minority of advisors and assessors arranged or brokered finance for customers (7% and 19% respectively).
- A majority of advisors and assessors charged for GD assessments either all or some of the time (69% and 88% respectively)<sup>29</sup>. Eleven per cent of advisors and 28% of assessors did not charge for GD assessments. Those who did not or only sometimes charged, most commonly said this was because the assessment fee was paid for by a GD installer.
- Where a charge was levied for a GD assessment, advisors reported that the mean average cost (at the time of the survey) was £128; for assessors it was £138.

---

<sup>29</sup> This finding does not cover GD assessments carried out under ECO.

## GD assessments carried out for other organisations

- 5.1. GD advisors and assessors who had been active in delivering GD and/or ECO assessments since January 2014 were asked if they had undertaken any of these assessments on behalf of selected organisations (Figure 5.1). The majority of advisors and assessors that were delivering under GD and/or ECO (84% of advisors and 78% of assessors) had carried out a GD and/or ECO assessment for at least one other organisation.
- 5.2. Amongst advisors and assessors, 45% and 49% respectively had carried out GD assessments for GD Installers, while 42% of advisors and 35% of assessors had done so for GD Providers. Around a third of both supplier groups had worked for letting agents/ landlords (35% and 34% respectively).
- 5.3. Social housing organisations were a key source for assessments, with 17% of advisors and 30% of assessors mentioning local authorities and 24% of advisors and 30% of assessors saying they had worked on behalf of housing associations.
- 5.4. Fewer advisors and assessors mentioned energy companies<sup>30</sup> and/or other GD advisors / assessor organisations; however mentions were still in the range of 23% to 27% across both groups.
- 5.5. The greater the volume of work undertaken by suppliers, the more likely they were to have worked for other organisations. Those who had completed 100 or more assessments since January 2014 were more likely than those who had done fewer to have worked for GD Installers, GD Providers, letting agents/ landlords, local authorities (assessors only), housing associations and energy companies (advisors only)<sup>31</sup>.
- 5.6. Advisors that were employed directly by a GD assessor organisation were more likely to have worked for one or more types of organisation than was the case for sole traders. Eighty nine per cent of employed advisors said they had undertaken GD and/or ECO assessments for at least one of the organisations mentioned, compared with 78% of sole traders.

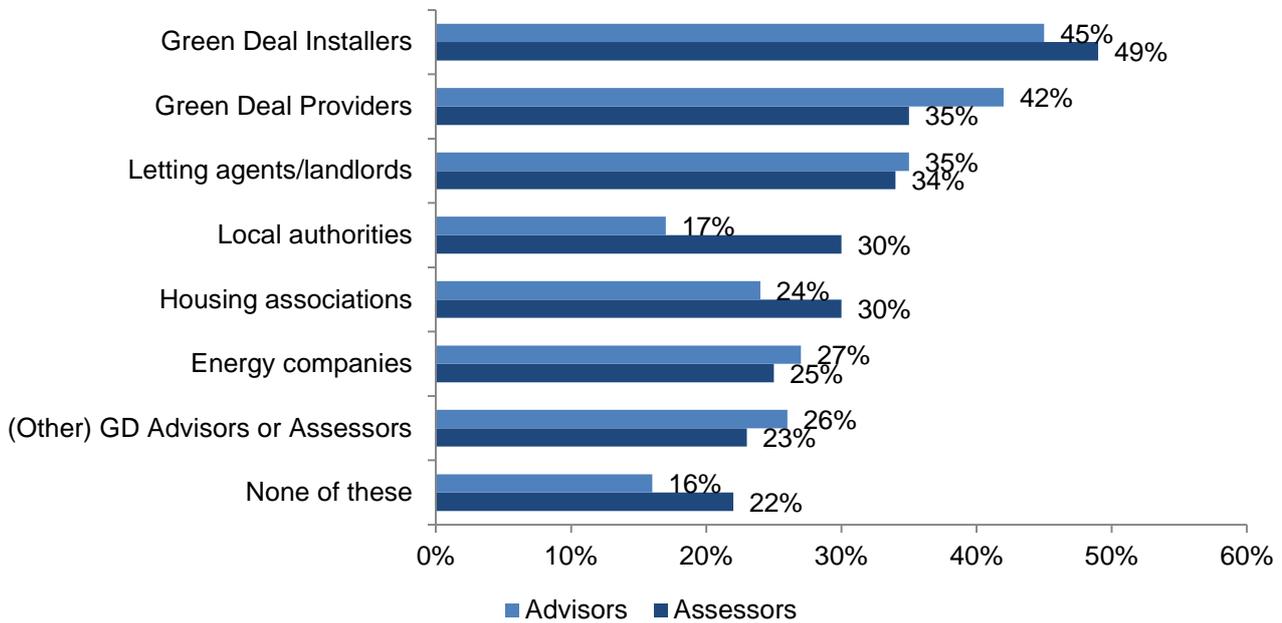
---

<sup>30</sup> Advisors and assessors carrying out assessments under GD and ECO were more likely than those working under GD only to mention energy companies: 38% versus 15% of advisors respectively and 37% versus 4% of assessors respectively.

<sup>31</sup> The figures to represent the observation are, for advisors: GD providers (54% of those working on 100 plus GD or ECO assessments since January 2014 compared to 39% of those working on under 100 assessments), Housing Associations (40% compared to 18%), GD installers (63% compared to 39%), Letting agents (52% compared to 28%) and Energy companies (38% compared to 24%). For assessors: GD providers (46% of those working on 100 plus GD or ECO assessments since January 2014 compared to 23% of those working on under 100 assessments), Local authorities (44% compared to 10%), Housing Associations (40% compared to 16%), GD installers (58% compared to 37%) and Letting agents (48% compared to 15%).

**Figure 5.1: Whether advisors and assessors had delivered GD assessments for other organisations**

**D1 Since January 2014, have you undertaken GD or ECO assessments for any of the following organisations?**



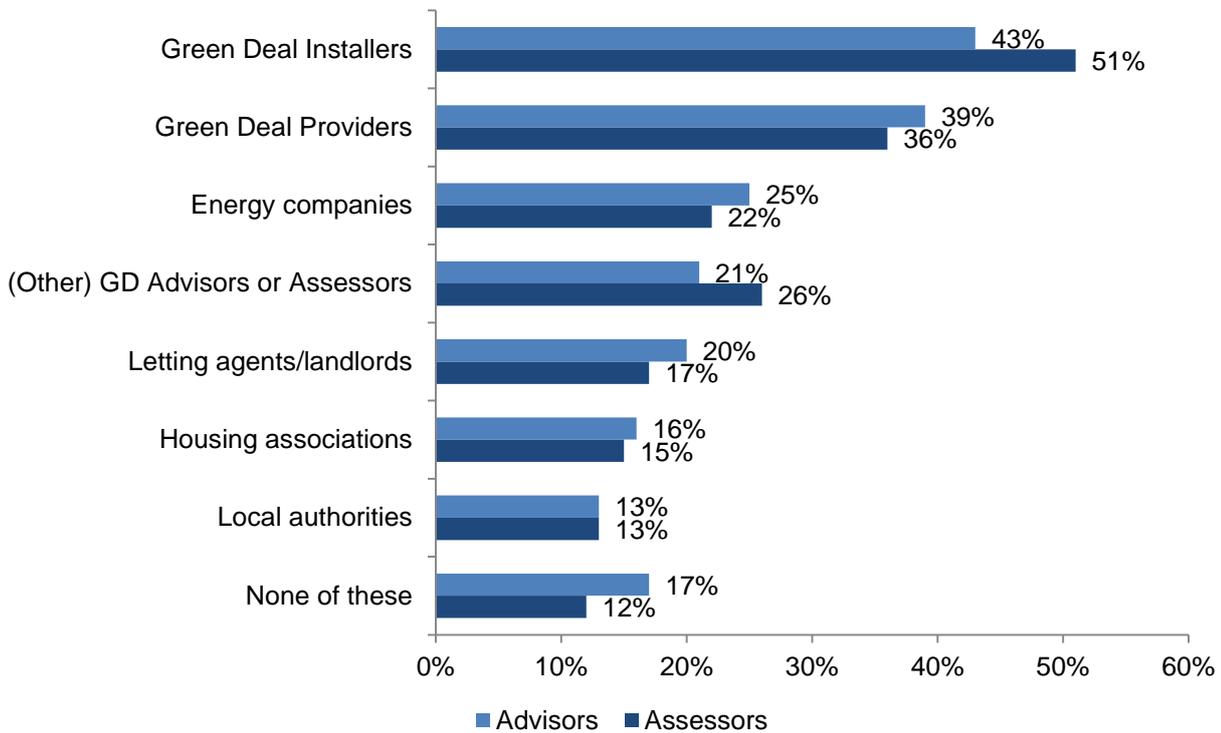
**Base: Those delivering under GD and/or ECO since January 2014 (advisors 270, assessors, 112)**

- 5.7. The sub-group of advisors and assessors that were carrying out assessments for other organisations were asked whether any of these relationships were established as a result of GD and/or ECO (Figure 5.2).
- 5.8. Amongst suppliers who had delivered GD and/or ECO assessments for at least one organisation since January 2014, 83% of advisors and 88% of assessors said they had begun working with one or more organisations to deliver assessments because of the GD or ECO programmes.
- 5.9. More specifically, 43% of advisors reported they had worked with GD Installers and 39% with GD Providers because of GD or ECO; the same was true for 51% and 36% of assessors respectively. At least a fifth of advisors had worked for energy companies, other GD advisors or assessors, and/or letting agents, as a result of the GD or ECO schemes. A similar proportion of assessors said the same for energy companies and other GD advisors or assessors (see Figure 5.2).

**Comparison with the first supplier study**  
*A similar pattern was observed in the first study: relationships with GD providers and GD installers as a result of GD and/or ECO were most commonly reported by advisors and assessors.*

**Figure 5.2: Whether advisors and assessors were working with other organisations as a result of GD and/or ECO**

**D2 And which of these, if any, have you only begun working with because of the GD or ECO?**



**Base: Those who have undertaken GD or ECO assessments for other organisations since January 2014 (advisors 227, assessors, 89)**

### Time taken by advisors to complete an assessment

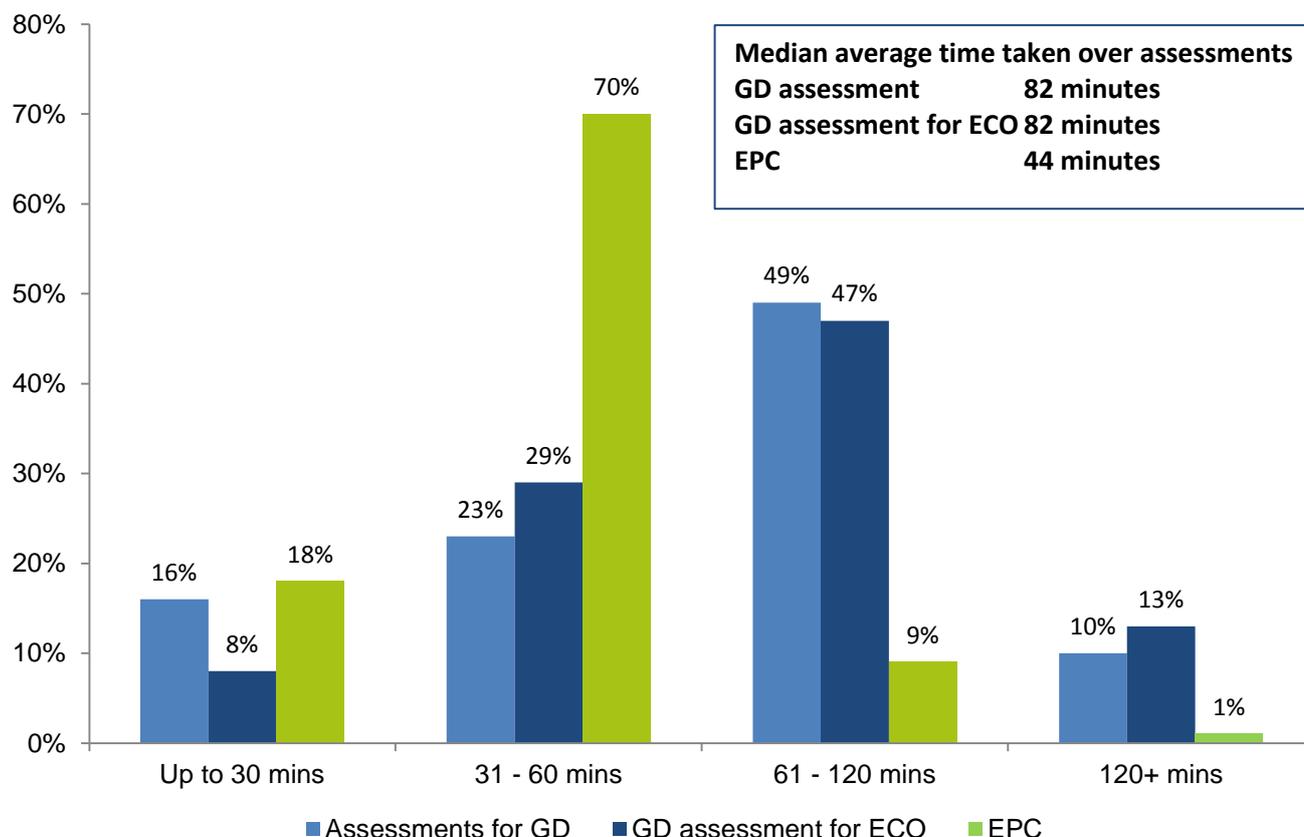
- 5.10. Figure 5.3 shows the average time taken by advisors to complete GD assessments (whether for GD or ECO purposes), and for EPCs carried out under ECO. The reader should note that these questions were asked of advisors but not assessors. The most common response for GD assessments was that they took between 61 and 120 minutes (49% and 47% of assessments for GD or ECO respectively). The majority of advisors (70%) that undertook EPC assessments said that the assessment took between 31-60 minutes.
- 5.11. The median average time taken to undertake GD assessments under GD and under ECO was 82 minutes; for EPCs the median average time taken was lower at 44 minutes.

**Comparison with the first supplier study**

*While advisors were spending significantly more time undertaking GD assessments for GD compared with GD assessments for ECO in the first supplier study, in the follow-up, the same median average timings were recorded. No comparison was available for EPCs.*

**Figure 5.3: Time taken by advisors to complete assessments**

**F6/E5 How much time, in minutes, do you typically spend at a property in order to complete assessments?**



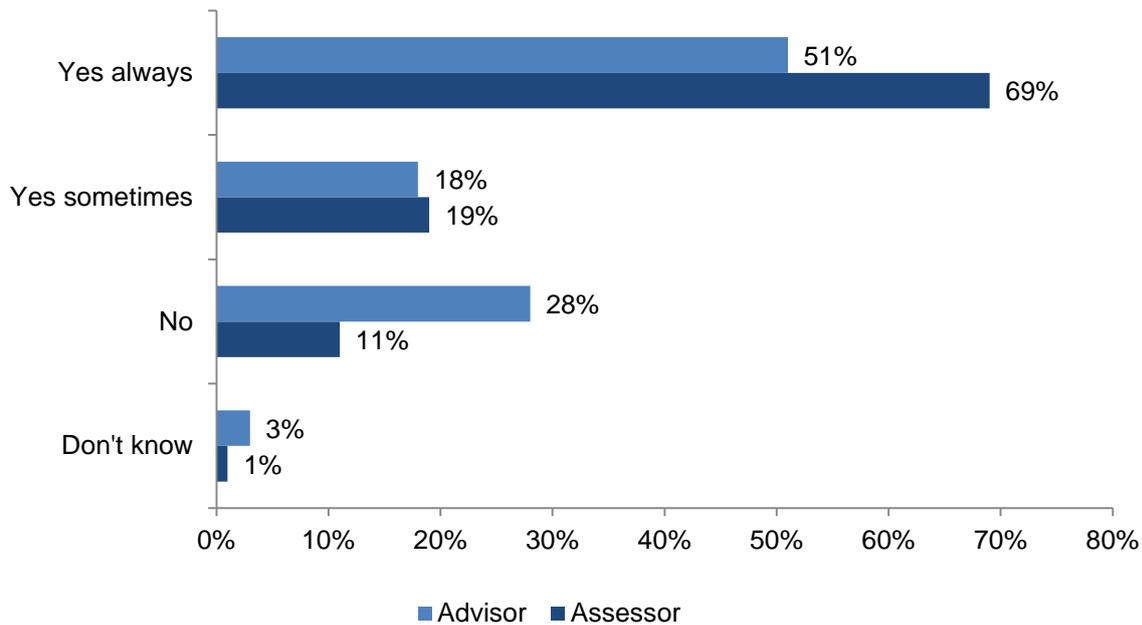
**Base: Question E5 – advisors delivering GD assessments for GD (236); Question F6 – advisors delivering GD assessments for ECO (159) and delivering EPCs for ECO since January 2014 (166). Don't know/refused not shown (2% for each type of report)**

### Charges for GD assessments

- 5.12. As Figure 5.4 shows, half of advisors (51%) and nearly seven in ten assessors (69%) said they always charged for GD assessments. Around a fifth of both supplier groups sometimes charged a fee for GD assessments. Eleven per cent of advisors and 28% of assessors did not charge fees for GD assessments.
- 5.13. Sole trader advisors were significantly more likely than employed advisors to always charge for a GD assessment (59% versus 45% respectively). In the first supplier study, the opposite was true: employed advisors were more likely than sole traders to say they charged for GD assessments: 67% versus 46%.
- 5.14. There was evidence to suggest that assessors who were undertaking a greater volume of GD assessments were less likely to always charge a fee: 60% of those doing 100 plus assessments since January 2014 said they always charged a fee versus 80% of those doing fewer than 100 assessments in the same time period. The same correlation was not found in the advisor data.

**Figure 5.4: Whether fees were charged for GD assessments**

**G1(i) Do you/ does your organisation ever charge a fee to the customer for GD assessments?**



**Base: All who had delivered GD assessments (advisors, 247; assessors 107)**

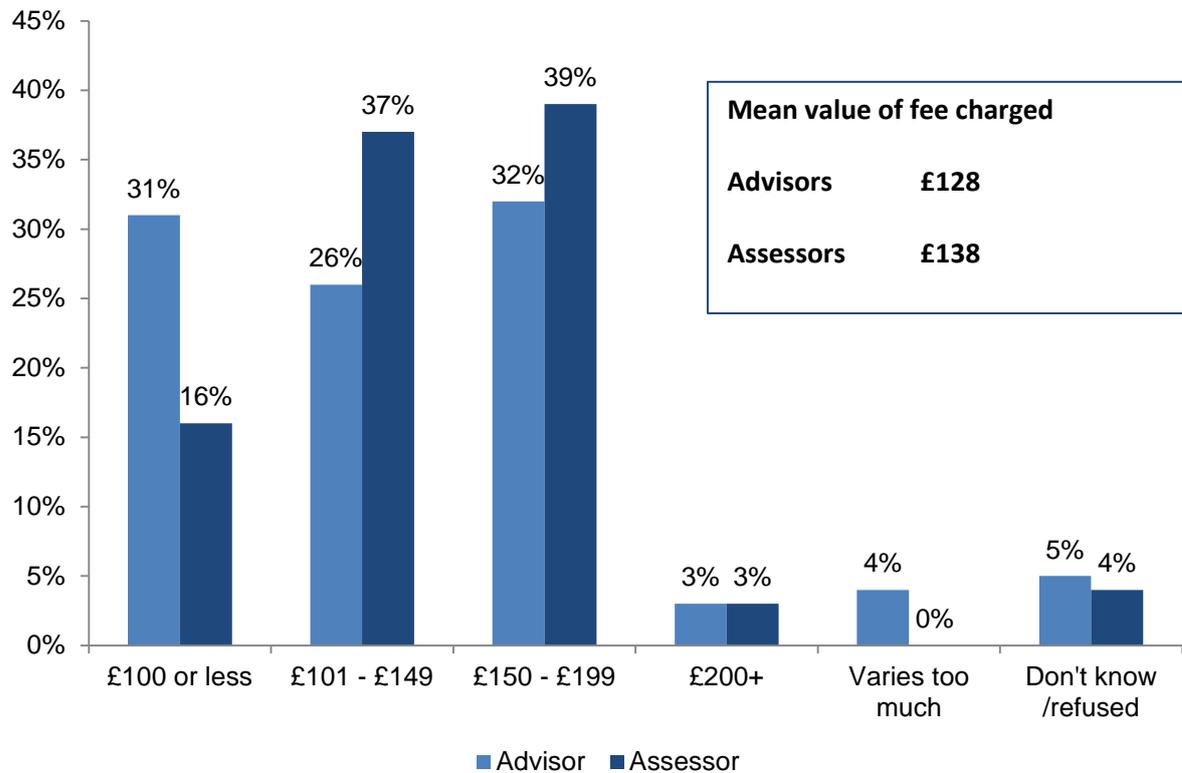
- 5.15. Where fees were not or only sometimes charged by advisors<sup>32</sup>, this was typically because another organisation was paying for the assessment. Most commonly this was paid for by a GD installer (48%), a GD assessor organisation (43%) or by an energy company (40%).
- 5.16. Twenty eight per cent of advisors who did not or only sometimes charged a fee did so in order to generate new business. Those that were employed by GD assessor organisations were more likely than sole trader advisors to waive charges for this reason (37% versus 13% respectively) and also those doing a greater volume of assessments (42% of those that had undertaken 100 plus assessments since January 2014 versus 20% of those doing less).
- 5.17. Amongst assessors, the sample of respondents that did not or only sometimes charged a fee was very small and therefore the results should be treated with caution<sup>33</sup>. The most common reasons given were: the fee was paid by a GD installer organisation, new business generation, the fee was paid by an energy company, the fee was paid for by a GD assessor organisation and free assessments were conditional on taking out a GD Plan.
- 5.18. Advisors reported that the mean average price of a GD assessment was £128 (Figure 5.5). Advisors' fees varied, with around a third of those who always or sometimes charged, charging £100 or less (31%), a quarter charging £101 - £149 (26%) and 32% charging £150 - £199. Amongst assessors who always or sometimes charged for GD assessments, the mean average fee was £138.

<sup>32</sup> The advisor base at question G2 was n=115

<sup>33</sup> The assessor base at question G2 was n=33.

**Figure 5.5: Amount charged for GD assessments**

**G5(i) When you do charge, on average, how much do you charge for GD assessments?**



**Base: those that always or sometimes charged a fee for a GD assessment (advisors 180; assessors 94)**

### Support provided as part of a GD Assessment

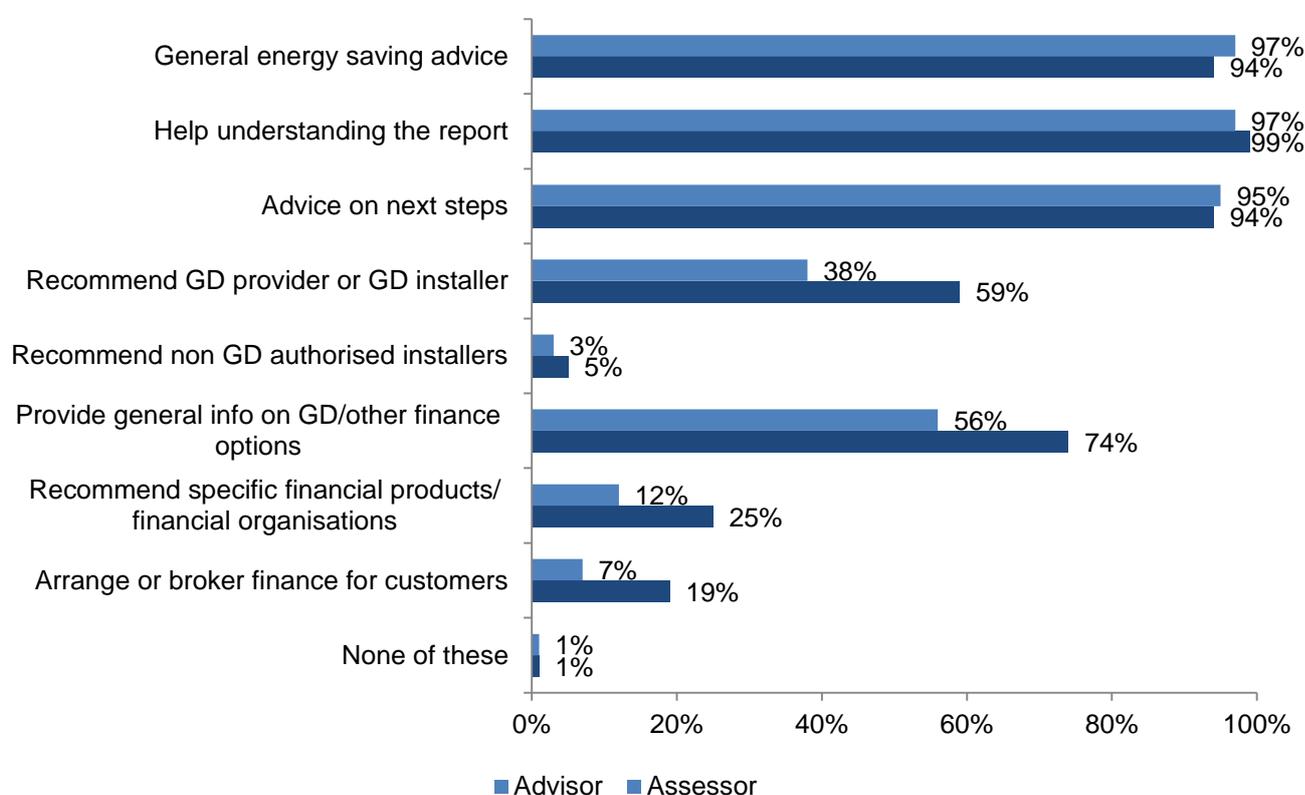
- 5.19. As shown in Figure 5.6, advisors and assessors were asked whether they provided other services or support, including financial support, following a GD assessment.
- 5.20. Virtually all suppliers reported that they provided some form of post-assessment support, with just 1% of advisors and assessors indicating that they did not do so. As was the case in the first supplier study the vast majority of advisors and assessors provided energy saving advice, information on next steps following the assessment, or help understanding the GDAR (each mentioned by 94-97% of advisors and assessors). Almost four in ten (38%) advisors and six in ten (59%) assessors indicated that they would recommend a GD provider or GD installer to a customer. In the case of advisors, those that were employed by a GDAO were more likely than sole trader advisors to make such a recommendation (49% versus 24% respectively).
- 5.21. Looking at the support with finance options provided to customers following a GD assessment, a majority of both advisors and assessors provided general information on finance options (56% and 74% respectively). Smaller proportions of advisors and assessors said they made a specific recommendation in relation financial products or finance providers (12% of advisors and 25% of assessors), or that they arranged/ brokered finance on behalf of customers (7% of advisors and 19% of assessors).
- 5.22. Again with regard to financial options, sole trader advisors were no less likely than those employed by a GDAO to say that they provided general information on finance options or recommended financial products/ financial organisations, but they were less likely

than employed advisors to say that they arranged or brokered finance (3% versus 10% respectively).

- 5.23. Amongst advisors, there was evidence that the volume of assessments undertaken since January 2014 correlated with some aspects of support provision: those who had undertaken 100 plus assessments were more likely than those that had done fewer to say that they had recommended a GD Provider or installer (54% versus 31% respectively), provided general information on GD/ other finance options (72% versus 49%) and recommended specific financial products or financial organisations (21% versus 9%).
- 5.24. There was no evidence amongst advisors to suggest that the provision of advice and support correlated with the charging of fees for assessments (note that the base size for assessors is too small for this variable to review).

**Figure 5.6: Whether advisors and assessors provided support after the GD assessment**

**E10 Once you have undertaken an assessment, do you/ does your organisation provide the customer with any of the following support?**



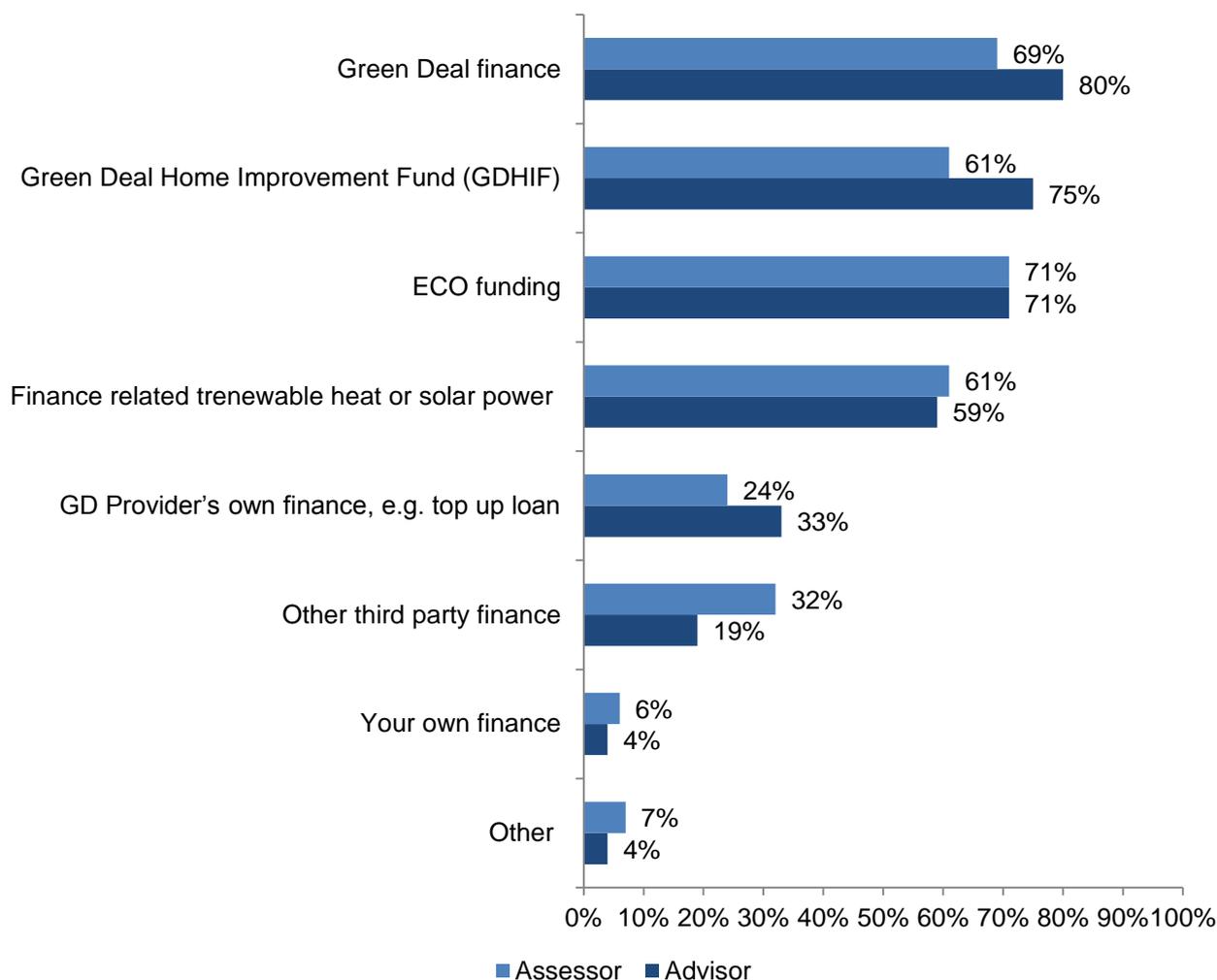
**Base: those delivering GD assessments since January 2014 (advisors 236; assessors 104)**

- 5.25. The sub-group of advisors and assessors that indicated that they provided their customers with general information or made a recommendation regarding finance<sup>34</sup> were asked to identify the finance that they offered to customers. As Figure 5.7 shows, amongst both advisors and assessors the most commonly discussed options were: GD finance; ECO funding; GDHIF; and/or finance related to renewable heat or solar power (mentioned by between 59% and 80% of advisors and assessors across each of the finance types).

<sup>34</sup> n = 130 (advisors); n = 79 (assessors)

**Figure 5.7: Types of finance that advisors and assessors provided advice about or recommended to their GD customers**

**E11a Which of the following types of finance do you provide information about or recommend to your GD customers?**



**Base: Those providing information on finance options or making a recommendation (advisors 130; assessors 79)**

5.26. Only small proportions of advisors and assessors arranged or brokered finance for customers (7% and 19% respectively), so the follow-up question regarding the types of finance arranged or brokered should be treated with caution due to very small base sizes<sup>35</sup>. Amongst advisors and assessors, the types of finance most commonly arranged or brokered were: GD finance; GDHIF; and/or ECO funding.

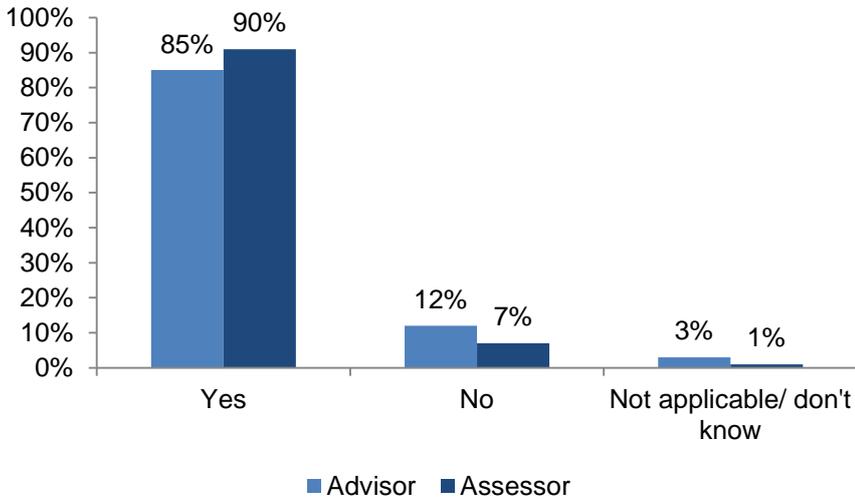
### Report provision following GD assessments under ECO and EPCs

5.27. Advisors and assessors who undertook GD assessments under ECO and/or who carried out EPC assessments were asked whether they provided customers with a report, post-assessment. Majorities of both advisors and assessors reported that they did provide a report, for both GD assessments under ECO and for EPC assessments, as shown in Figures 5.8 and 5.9.

<sup>35</sup> For question E11, advisor base was n=16, assessor base was n=21

**Figure 5.8: Whether reports are provided to customers after a GD assessment under ECO**

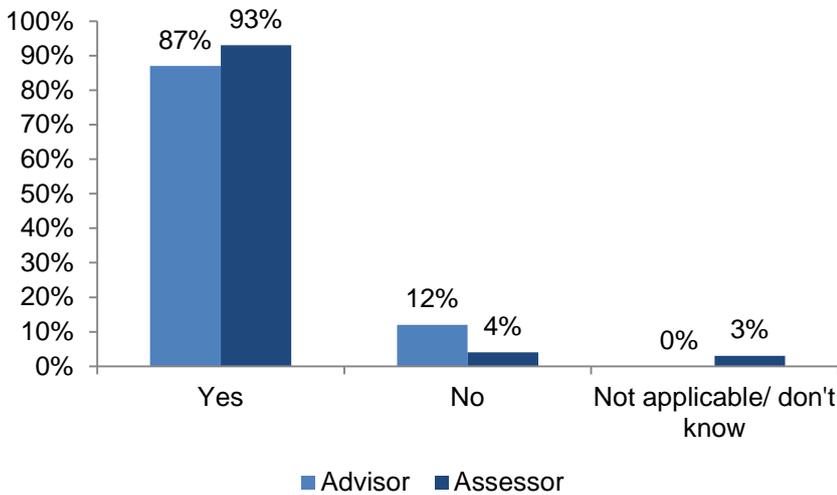
**F8i** After undertaking a GD assessment for ECO customers, do you/does your organisation usually provide them with a report?



Base: all delivering under ECO since January 2014 (advisors 159; assessors 71)

**Figure 5.9: Whether reports are provided to customers after an EPC**

**F8ii** After undertaking an EPC for ECO customers, do you/does your organisation usually provide them with a report?



Base: Those carrying out EPCs since January 2014 (advisors 166; assessors 51)

## 6. Installers under GD and ECO

This section analyses the services offered by installers and whether these have changed as a result of their involvement in GD. It also looks at any delays experienced by installers as part of the installation of measures under GD

### Key messages

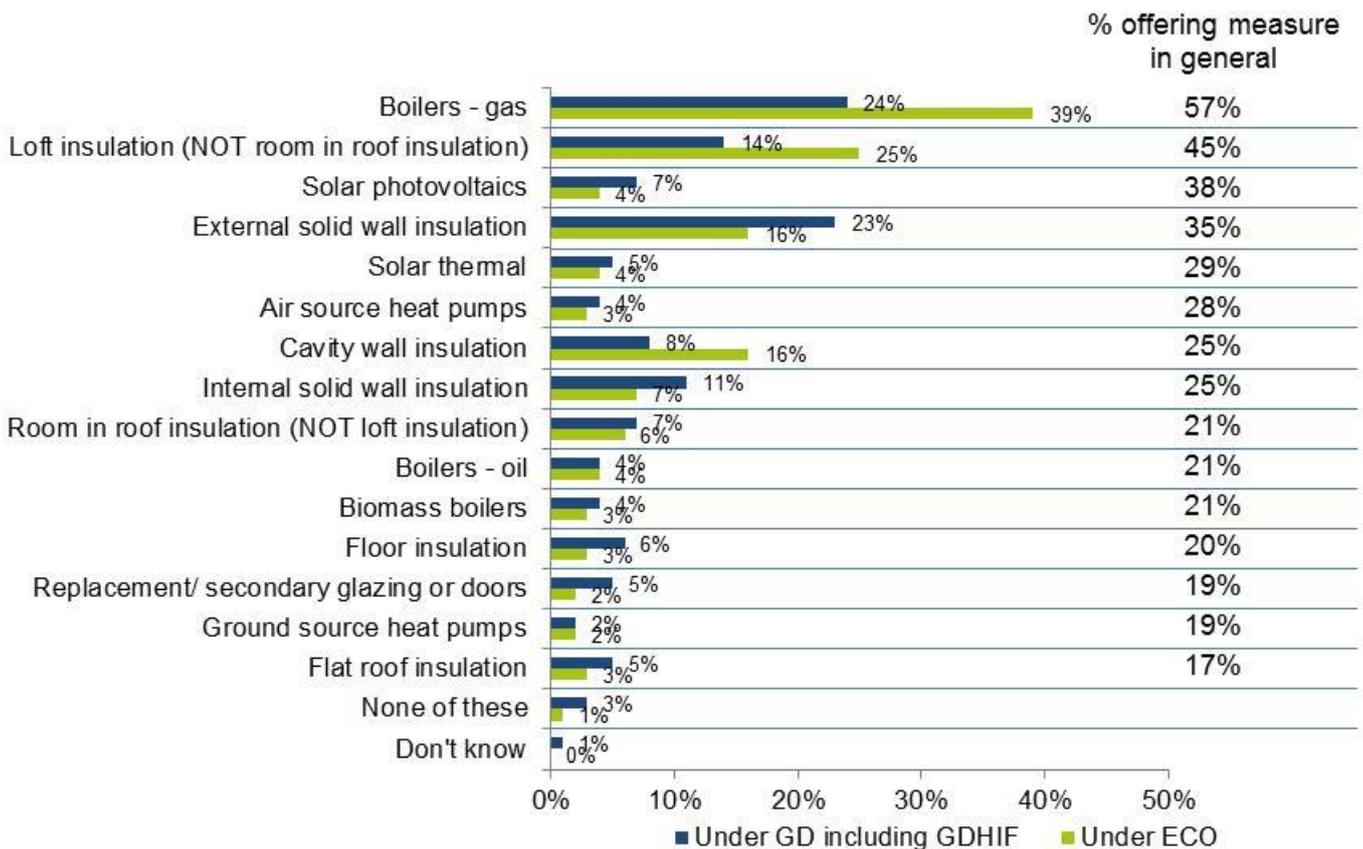
- Gas boilers, loft insulation (not room in roof), solar photovoltaics and external solid wall insulation were the measures most commonly installed in general since January 2014 (mentioned by 57%, 45%, 38% and 35% of all installers respectively). Most installers said that they had installed the following specifically under GD; gas boilers (24%), external solid wall (23%) and/or loft insulation (not room in roof) (14%). ECO followed the same pattern in terms of types of measures installed but the percentages were much higher for two; 39% for gas boilers, 25% for loft insulation (not room in roof). Whereas the proportion installing external solid wall insulation was lower when linked to ECO compared to GD (16%), the proportion installing cavity wall insulation was higher (16% compared to 8%).
- Between two and three in ten installers had experience of working with a range of DECC policies; the Feed in Tariff (29%), Renewable Heat Incentive (26%) and/or CERT/CESP (19%). These were more likely to be multiple role installers (those undertaking assessments also) and medium/large businesses.
- A majority (78%) of installers had worked for other organisations installing measures and again, in a majority of cases, they had done so specifically because of GD or ECO (80%).
- Two thirds (67%) of installers engaged with GD since January 2014 experienced delays in installing measures; most commonly these were related to customers having problems securing finance (38% of those engaged with GD since January 2014), finalising their GD Plan (36%) and/or securing a GD provider (25%).
- Over half (51%) of installers engaged in GD offered financial information, advice or recommendations. General information was most likely related to GD Finance (67%), GDHIF (66%) and ECO funding (65%).
- The majority (57%) of installers delivering ECO did not require customer contribution. When sought (16% required a contribution all of the time) it was most commonly linked to finance for gas boilers.
- Just over half (53%) of installers who were not already certified providers reported that they would not consider it. One in ten (11%) were currently thinking about the option and 26% may do so in the future. Focussing on current business activities, too much bureaucracy and complexity of the accreditation process were barriers to moving status (mentioned by at least half of those currently considering but not yet in the process of becoming accredited).

## Measures offered by installers

- 6.1. Figure 6.1 shows the measures that installers said they offered customers at the time of interview (December 2014 - February 2015). It highlights types of installation in the general portfolio (the percentages to the left of the bar chart), those specifically offered under GD (including any measures offered using the GDHIF voucher) and finally, measures offered under ECO.
- 6.2. Gas boilers were the most commonly offered measure (by 57% of installers), followed by loft insulation (45%), solar photovoltaics (38%) and external solid wall insulation (35%). Gas boilers was also the measure most commonly offered by installers under the first release of GDHIF (24%) followed by external solid wall insulation (23%) and loft insulation (14%). The most common measures offered by installers under ECO were the same as those offered under GD, but gas boilers (39%) and loft insulation (25%) were relatively more common. Notably 16% of installers mentioned cavity wall insulation as one of the measures they offered under ECO (compared to 8% who said they offered this measure under GD).

**Figure 6.1: Measures offered by certified GD installers, under GD and ECO, and outside of these programmes**

Which measures does your company install? (Combined answers to questions B2a, B2a2 and B2a3)

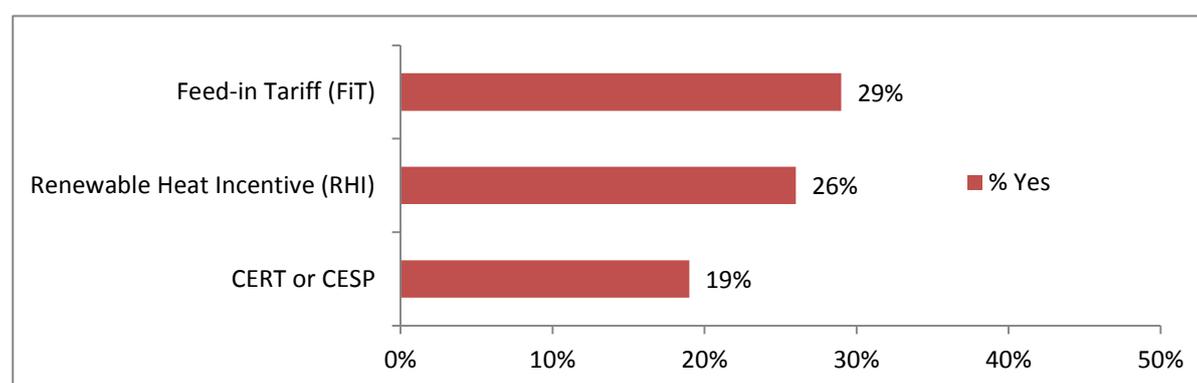


Base: all installers (295).

## Activity under other DECC policies

- 6.3. All installers were asked whether they had installed measures under other previous and current DECC policies and government energy saving initiatives. The data are summarised in Figure 6.2. Between two and three in ten installers had installed measures under the Feed in Tariff (FiT, 29%), the Renewable Heat Incentive (RHI, 26%) or were involved with the CERT<sup>36</sup>/CESP<sup>37</sup> programmes (19%).
- 6.4. Size of organisation appeared to have a bearing on the findings, for example 12% of micro installers had delivered under CERT/CESP compared with 20% of small installers and 53% of medium/large installers. Micro installers were also significantly less likely than medium/ large installers to have installed measures under FiT (23% versus 42%).
- 6.5. SWI installers were significantly more likely than installers as a whole to say that they had delivered services under CERT or CESP (34% versus 19% of all installers).
- 6.6. Finally, across all three policies, installers which were multiple function (i.e. offering assessments and installations), were more likely than those who were just certified as installers to have engaged with other DECC programmes. This was significantly so in the case of FiT (40% compared to 25%) and RHI (36% versus 22%).

**Figure 6.2: Activity under other DECC policies and government energy saving initiatives**



**Base:** all installers (295).

## Installations carried out for other organisations

- 6.7. GD installers were asked whether they had undertaken any installations under GD and/or ECO on behalf of selected organisations (Figure 6.3). Around three quarters of installers had done so for at least one other organisation (78% of all installers, 77% of GDHIF registered installers and 87% of SWI installers).
- 6.8. Around half of installers generally (48%) had carried out installations for GD providers, two fifths (42%) had done so for letting agents/landlords and a third had carried out installations for energy companies (32%). Installations carried out for energy companies are likely to be largely ECO driven, and indeed 35% of installers that had only delivered under ECO had worked for energy companies, whereas the proportion

<sup>36</sup> The Carbon Emissions Reduction Target (CERT) ran between 1 April 2008 and 31 December 2012 and followed the Energy Efficiency Commitment (EEC) 2005-2008. CERT required certain gas and electricity suppliers to achieve targets for reducing carbon emissions within domestic properties.

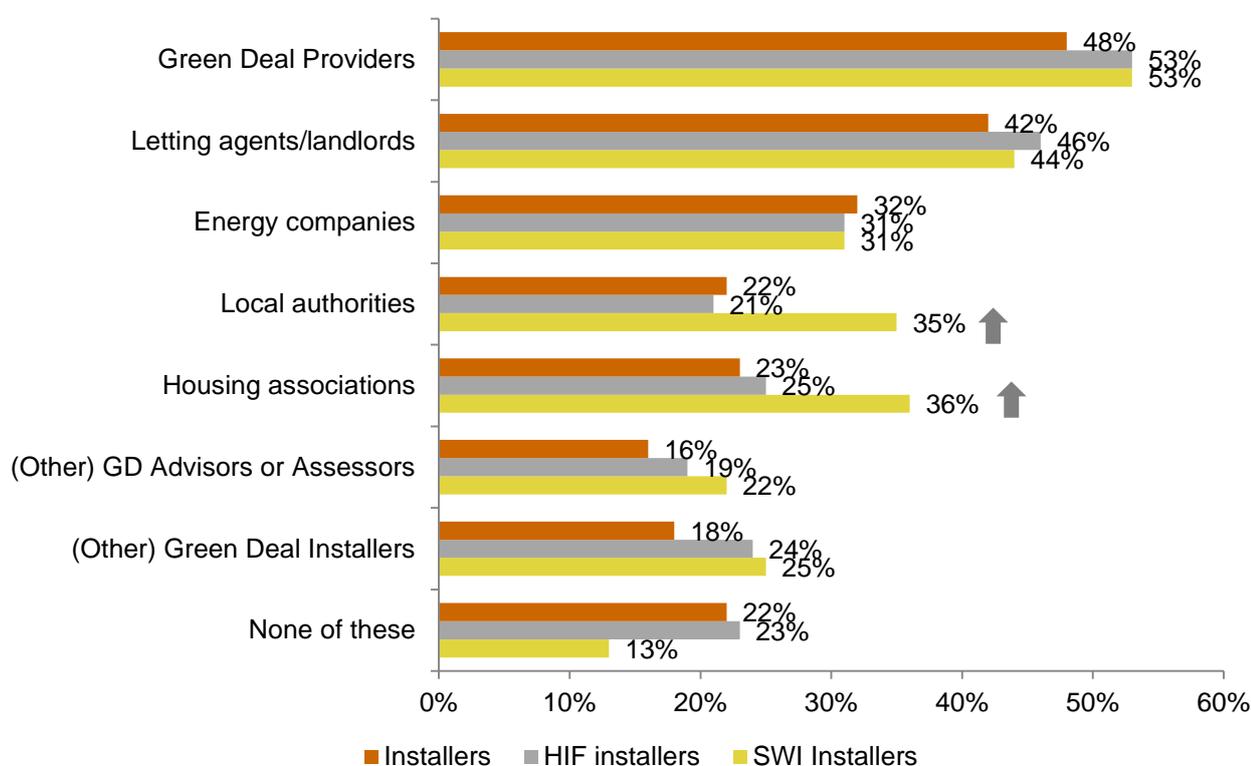
<sup>37</sup> The Community Energy Saving Programme (CESP) came into force on 1 September 2009; the obligation period ran from 1 October 2009 to 31 December 2012. CESP was created as part of the government's Home Energy Saving Programme

amongst installers that had only delivered under GD was just 6%<sup>38</sup>. Installers delivering under ECO did so for a range of types of organisation, including GD providers (who might have contracted with energy suppliers via the ECO Brokerage platform) and local authorities (45% and 43% of ECO-only installers respectively).

- 6.9. Less than a fifth of installers mentioned having undertaken installations for other GD advisors/assessors (16%) or other GD installers (18%). GDHIF registered and SWI installers gave a similar response.
- 6.10. Around a fifth of installers had worked for housing associations (23%) and local authorities (22%). Both of these organisations were mentioned by significantly greater proportions of SWI installers than installers as a whole (36% and 35% respectively).

**Figure 6.3: Delivering GD installations for other organisations**

**D1 Since January 2014, have you undertaken GD or ECO installations for any of the following organisations?**



**Base: all installers who have been delivering GD or ECO since January 2014: installers (226), GDHIF installers (160), SWI installers (136)** The arrow in the chart denotes a significant difference across the two sub groups.

- 6.11. Data revealed that particular sub groups were significantly more likely than average to have worked with particular types of organisations in order to deliver installations for GD or ECO:
- energy companies were significantly more likely than average to be mentioned by medium/large installers (60%), those with multiple functions (47%) and those previously involved in CERT/CESP (53%)
  - those previously involved with CERT/CESP were also significantly more likely to mention having worked with housing associations (47%) and local authorities (44%)

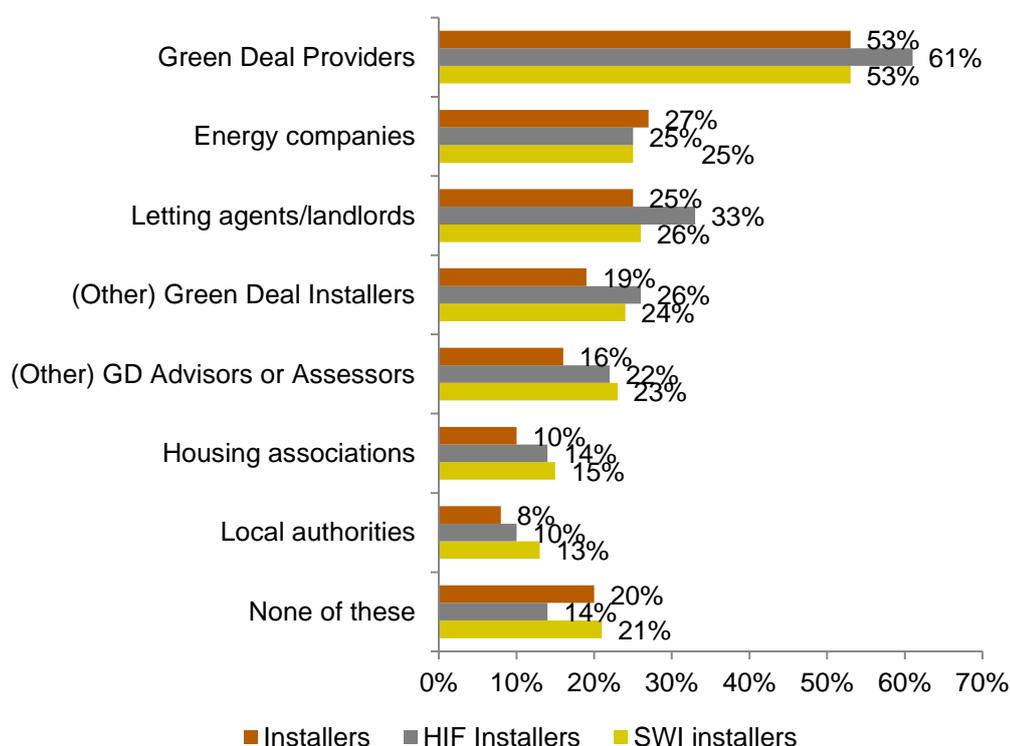
<sup>38</sup> Bases of n=52 and n=56 respectively

- installers who recorded a higher volume of GDHIF funded installations (10 plus) were significantly more likely than average to have said they had worked with GD providers (69%), letting agents (67%), housing associations (39%) and other GD advisors/assessors (39%).

6.12. Of the sub-group of installers who had undertaken installations for other organisations<sup>39</sup>, most had done so specifically because of GD or ECO (80% of this sub-group of installers). Such a connection was commonly mentioned in relation to GD Providers (53%), energy companies (27%) and / or letting agents/landlords (25%). Figure 6.4 shows the full breakdown.

**Figure 6.4: Whether installers who had worked for other organisations had done so because of GD or ECO**

**D2 And which of these, if any, have you only begun working with because of the GD or ECO?**



**Base: all installers who have undertaken installations under GD and/or ECO on behalf of other organisations: installers (185), GDHIF installers (131), SWI installers (117)**

6.13. All installers who had undertaken installations for other GD installers were asked what energy saving measures the other organisation covered. The base at this question was small<sup>40</sup>, so the results may only be said to be indicative. The measures most commonly covered by the partner GD installer were external solid wall insulation, loft insulation (not room in roof) and cavity wall insulation.

<sup>39</sup> n = 185

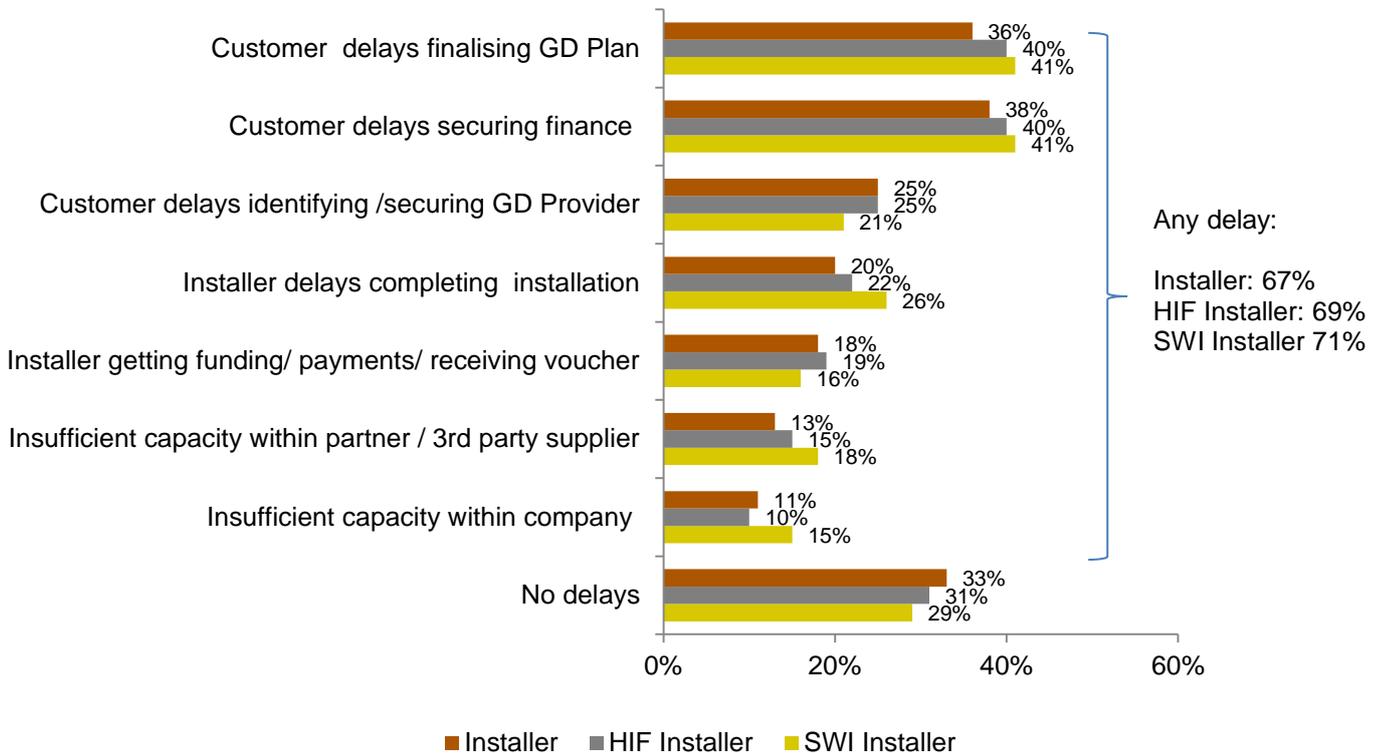
<sup>40</sup> The unweighted base at question D2a was 41.

## Delays experienced by installers when installing measures under GD

- 6.14. Those installers that had installed measures under GD were asked whether they had experienced any delays and, if so, what they believed had caused these delays (Figure 6.5). A third (33%) of installers that had installed measures under GD reported that they had not experienced a delay with a GD installation.
- 6.15. The most common causes of delay for installers were customers experiencing delays in either securing finance to fund the installation (38% of installers), in finalising their GD Plan (36% of installers) and delays in identifying and/or securing a GD provider (25% of installers). SWI and GDHIF installers did not significantly vary from the general responses in this respect.

**Figure 6.5: Reasons for delays to GD installations**

**E17 Which of the following, if any, have caused delays to your GD installations?**



Base: all installers engaged with GD since January 2014 (168), GDHIF net registered (129), SWI installers (117). Mentions of 10% or more; don't know not shown.

### **Comparison with the first supplier study**

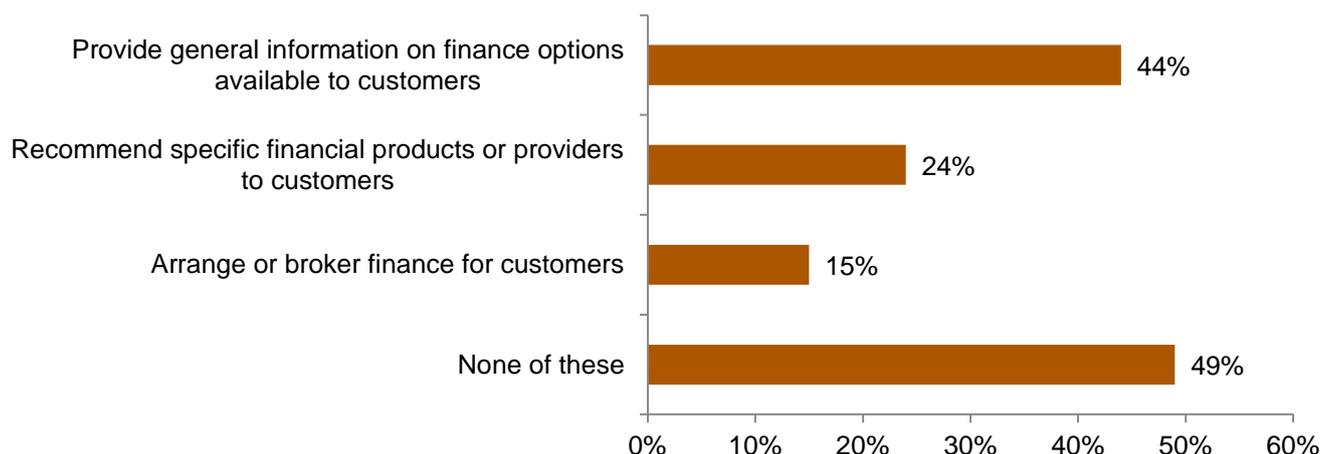
Looking back to the findings from the first supplier study shows that the proportion of installers reporting delays is very similar. In the first supplier study, 69% reported having experienced delays to GD installations. The key reasons given for delays remained the same in the follow-up study, although a slightly higher proportion in the previous survey mentioned delays due to problems securing a GD Provider (31% versus 25% in the follow-up)

## The provision of financial support

6.16. Figure 6.6 shows that half (51%) of installers engaged with GD provided some services related to finance. Just over two fifths (44%) provided general information on finance options available to customers; a quarter (24%) recommended specific financial products or providers to customers and 15% arranged or brokered finance.

**Figure 6.6: Finance services offered**

**E12 Do you provide any of the following services for your GD customers?**



**Base: All installers engaged with GD since January 2014 (168). Don't know not included (less than 1%)**

6.17. Of the sub-group of installers who reported that they provided general information on finance options or recommended specific products<sup>41</sup>, 67% provided information or recommended GD finance, 66% did so for the GD Home Improvement Fund (GDHIF) and 65% did so for ECO funding. Approximately a third of this sub-group of installers provided information or recommended other third party finance (35%), GD Providers' own finance (34%) or finance related to the installation of renewable heat or solar power (30%).

**Figure 6.7: Types of finance for which information is provided or a recommendation made to GD customers**

Base: All engaged with GD since Jan 14 who provided information on finance options or recommended financial products to customers (question E13a). n = 90	
GD finance	67%
GD Home Improvement Fund (GDHIF)	66%
ECO funding	65%
Other third party finance	35%
GD Provider's own finance, e.g. top up loan	34%
Finance related to the installation of renewable heat or solar power	30%
Your own finance	12%
Other	2%
Don't know	13%

<sup>41</sup> n = 90

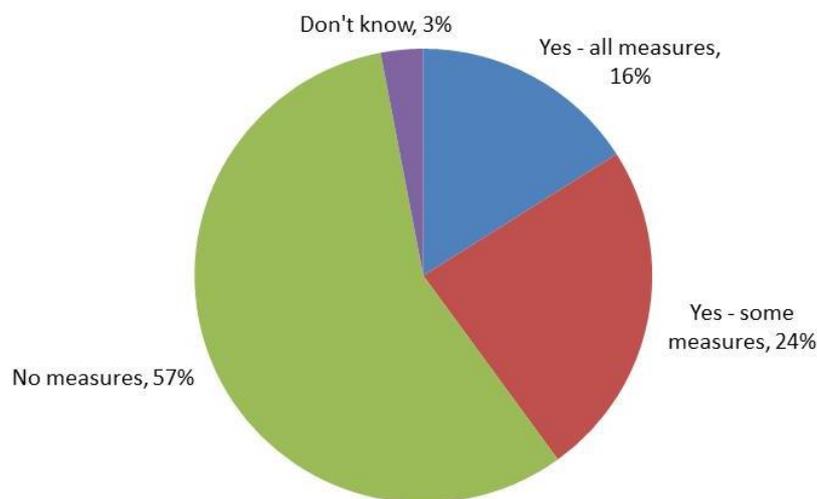
6.18. Installers who said that they arranged or brokered finance for customers were asked which types of finance were arranged<sup>42</sup>. The findings show that ECO funding, GD Finance and GDHIF were the main types of finance arranged or brokered by this subgroup of installers.

## Customer contributions for ECO-funded installations

6.19. A majority of the sub-group of installers who had delivered ECO installations since January 2014<sup>43</sup> did not seek a customer contribution for measures installed under ECO (57%). Around a quarter of this sub-group (24%) sought a customer contribution for some measures and just over one in seven did so for all measures (16%). The only sub-group showing any significant variance was whether the installer was registered for GDHIF. Those that were registered were significantly more likely than average to say they sought customer contribution for all measures (26% compared to 16% of those not registered for GDHIF).

**Figure 6.8: Whether a customer contribution is sought for ECO installations**

**G5a As an installer, do you seek a customer contribution for any measures regarding ECO installations?**



**Base: all installers who had delivered ECO installations since January 2014 (174)**

6.20. Those who sought a customer contribution “for some measures” numbered just 43 installers (unweighted cases) so caution needs to be noted when interpreting the results. These showed that contribution was most commonly sought for gas boilers (78%), followed by external solid wall insulation (28%), loft insulation (not room in roof) (21%), cavity wall insulation (19%) and internal solid wall (14%). All other measures were cited by less than 10% of installers.

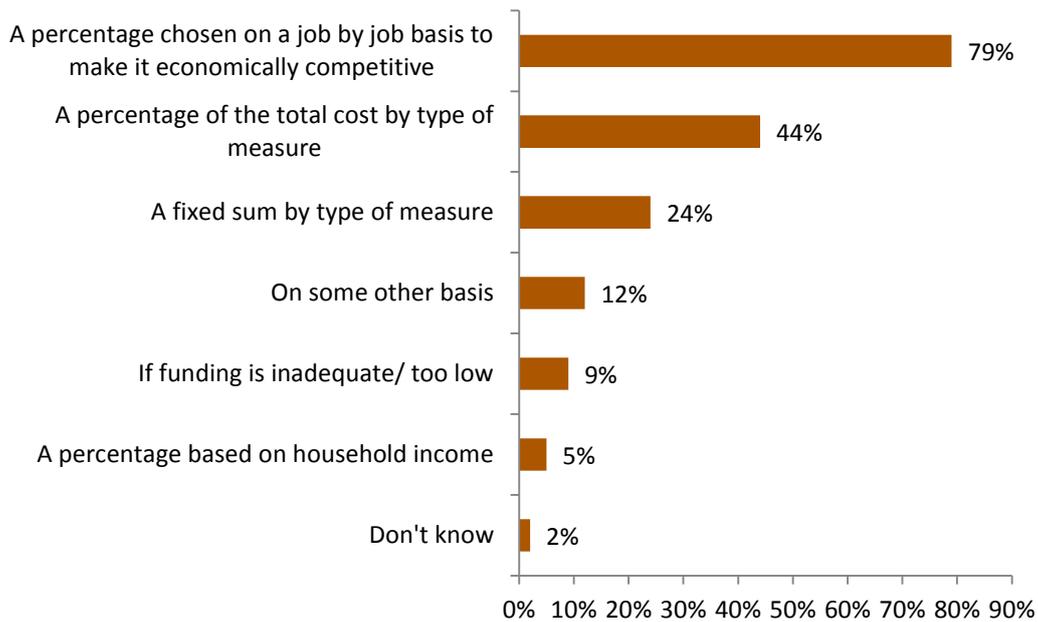
6.21. Installers who had delivered under ECO since January 2014 and who sought a customer contribution either for every measure or for some measures were asked on what basis they did so and were given a list of possible responses. Almost eight in ten (79%) said that it was a percentage contribution made on a job-by-job basis to make the work economically competitive. Two fifths (44%) said it was a percentage of the total cost by the type of measure and a quarter (24%) that it was a fixed sum by measure. Figure 6.9 shows the remaining responses.

<sup>42</sup> The base at this question is very small (32 respondents unweighted) so caution must be taken in interpreting results

<sup>43</sup> n = 174

**Figure 6.9: The basis on which customer contributions for ECO installations are sought**

**G5c On what basis do you seek a customer contribution. Is it...**



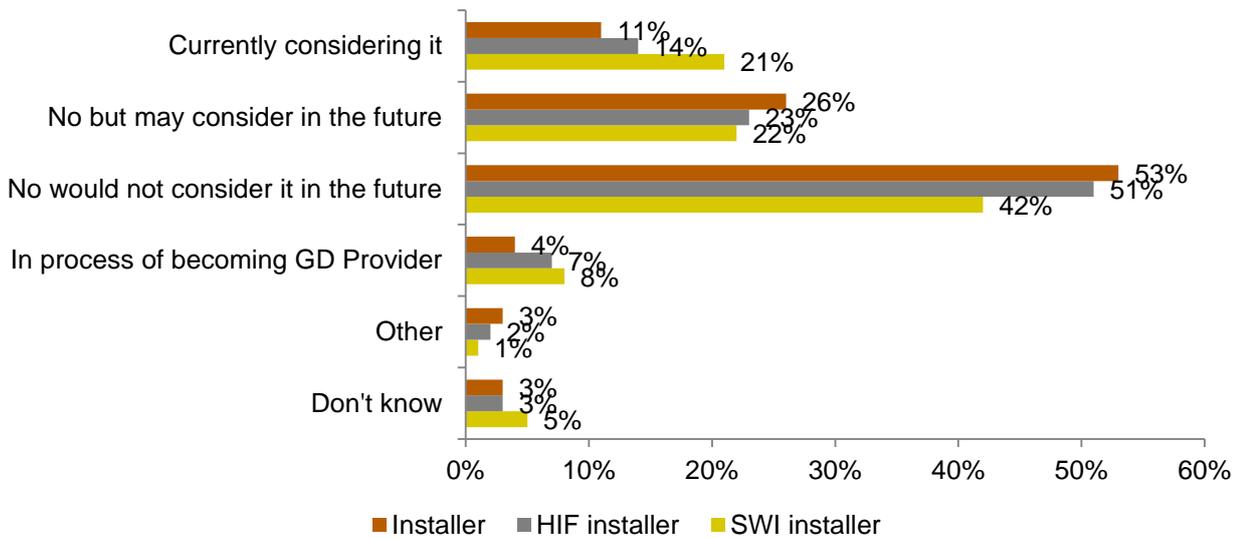
**Base: all installers of ECO services that seek customer contributions for ECO installations (76). Mentions of 5% or more**

## Whether installers had considered becoming GD providers

- 6.22. Installers who were not already GD providers were asked whether they had considered becoming one (Figure 6.10). While the majority (53%) said that they would not consider becoming a GD provider, one in ten (11%) said that they were considering it at the time of the survey (December 2014 to February 2015) and a further quarter (26%) said that they may consider it in the future.
- 6.23. Some installers were significantly more likely to say they were currently considering becoming a GD provider (all percentages express the proportion of installers that were considering the GD provider role):
- those that participated in CERT/ CESP (20% compared with 8% of non-participants)
  - those with multiple supply chain roles (25% compared with 8% of those with a single supply chain role)
  - those that had delivered under GD and ECO since January 2014 (27% compared with 10% of those delivering under ECO only, 7% of those delivering under GD only and 1% of those not delivering under GD or ECO)
  - those flagged in the sample as SWI (21% compared to 7% of those who were not)
  - those that delivered large numbers of GD/ ECO installations (30% of installers that had done 100 plus installations, compared to 9% of those delivering fewer than 100).

**Figure 6.10: Whether installers had considered becoming GD providers**

**D11 Has your organisation considered becoming a GD Provider?**



**Base: all who are not currently GD providers (installers 252, GDHIF installers 154, SWI installers 130)**

6.24. Installers that were considering becoming GD providers were asked why they had not done so already. The base is very small (41 unweighted cases) so caution should be taken when interpreting the results. The most common reasons, given by over half of this sub-group of installers, were that they were concentrating on current business activities (61%), that there was too much red tape and complexity in GD finance (56%), that there was too much red tape and complexity in the accreditation process (54%), and that accreditation was too expensive (52%).

## 7. GDHIF registered installers in first release

This chapter presents analysis of installers who had registered for GDHIF's first release. It looks at how many of these had installed measures under the GDHIF voucher and goes on to explore readiness and experiences of demand, thoughts about the scheme and, finally, the intention to be active under the second release

### Key messages

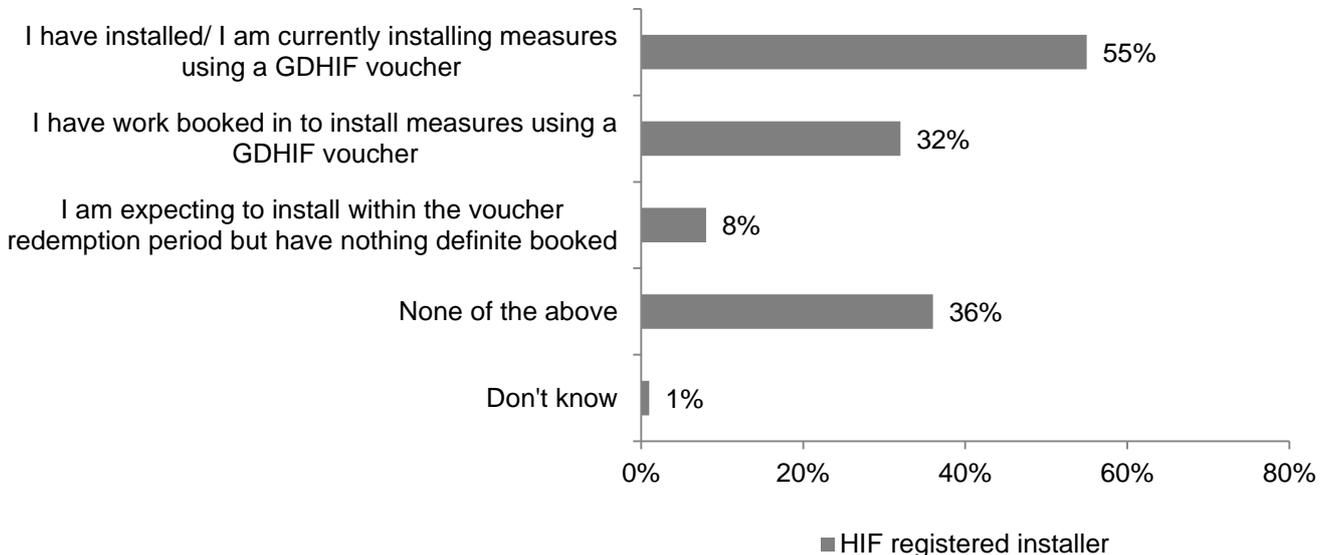
- Just under half of GD certified installers in the survey (49%) reported that they had registered for the first release of GDHIF (which took place between June and July 2014).
- Of the GDHIF registered installers, just over half (55%) had installed GDHIF funded measures or were in the process of completing installations at the time of the interview (December 2014 to February 2015, or between six and eight months after the first release of GDHIF opened to applications). SWI installers were more likely than installers of other types of measure to have been active under the first release of GDHIF (88% of SWI installers had completed GDHIF-funded installations).
- Just over a third (36%) of GDHIF registered installers had not installed any measures under the first release of GDHIF and were not expecting to in the future.
- Sixty per cent of GDHIF registered installers reported that they were ready to respond to the scheme at the point it was launched (June 2014), and eighty per cent were ready within a month of launch. Ten per cent of GDHIF registered installers indicated that they had not been ready to respond to the scheme in the period that it was open to applications (June and July 2014).
- A third (34%) of GDHIF registered installers believed that demand under the first release had been lower than they had expected. Reported impacts included a lack of work and/or a need for redundancies within the business. Conversely, 30% of GDHIF registered installers believed that demand had been higher than they had expected under the first release (25% reported that demand had been in line with expectations). An impact of higher than expected demand was difficulties in installing measures within the voucher redemption period.
- Two thirds of GDHIF registered SWI installers (66%) thought that the incentive for SWI was set at the right level (the proportion was 39% amongst all installers registered for the first release of GDHIF). Almost half of GDHIF registered installers (45%) believed that the incentive level was set correctly for the installation of two measures.
- Some 56% of GDHIF registered installers believed that the customer contribution was set at the right amount (19% thought it was set too high).
- Six in ten installers intended to complete work under the second release of GDHIF.

## Registration status for GDHIF first release

- 7.1. All installers were asked about their registration status. Some 49% said that they had registered for the first release of the GDHIF (which ran between June and July 2014), 49% said that they had not, and the remainder did not know.
- 7.2. Many of the standard demographic variables such as size of business, number of regions covered, and whether the installer was a single or multi role supplier (i.e. installer and assessor organisation) showed no significant link with whether installers were registered for GDHIF or not. However, significantly more installers who were providing SWI were registered for GDHIF (73%)<sup>44</sup> and also a higher proportion of those involved in both GD and ECO since January 2014 (71%). Just three in ten of installers who had not delivered under the GD or ECO programmes since January 2014 had registered for GDHIF.
- 7.1. The survey aimed to clarify the activity levels from all those registered. Just over half (55%) of installers registered for the first release had installed or were completing installations using the voucher at the time of the interview (December 2014 to February 2015). A third (32%) had work booked in, and another 8% were expecting future bookings within the six month redemption period (these options were not mutually exclusive). Just over a third (36%) had been, and were expecting to stay, inactive under GDHIF first release.

**Figure 7.1: Level of activity under GDHIF first release**

**C7 Thinking about the installation of any measures where the household used or will be using a GDHIF voucher from the first round of GDHIF that launched in June 2014, which of the following apply?**



**Base: All GDHIF registered installers (183). Note: respondents could give more than one answer, so sums to more than 100%**

- 7.2. Installers who were flagged as SWI in the sample and those that had installed higher volumes of measures under GD were significantly more likely than average to say they

<sup>44</sup> The incentive payment offered in the first release of HIF specific to this work were 75% of the total amount paid towards the cost of installing internal solid wall insulation and/or external solid wall insulation up to a maximum of £6,000 and hence SWI was a major component of work under the scheme.

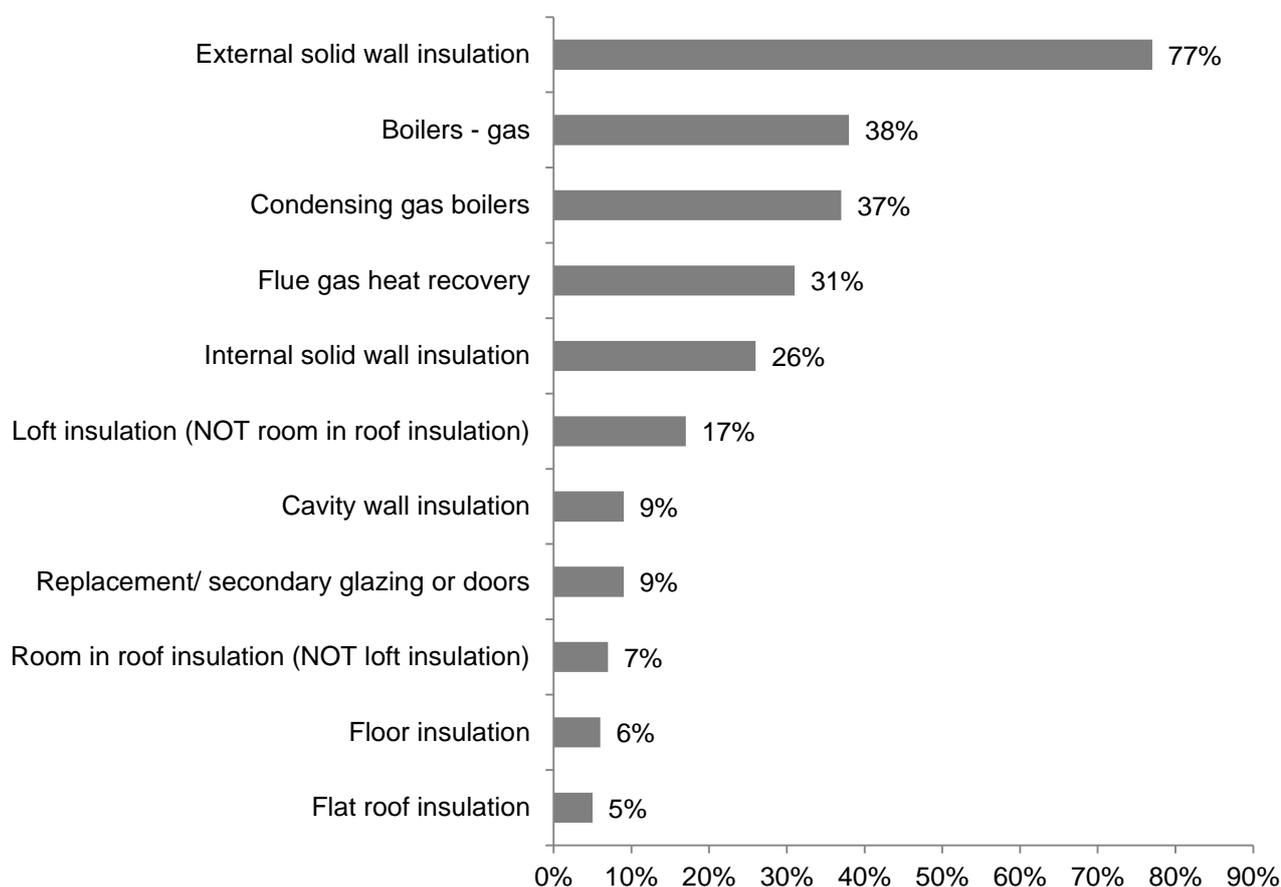
had installed or were installing measures using a GDHIF voucher (88% and 73% respectively versus the average of 55%).

## Measures installed under GDHIF first release

7.3. All installers active under the first release were asked what measures they had installed under the scheme. The most commonly identified measure was external solid wall insulation (77%). There were then a series of measures related to heating that were mentioned by between a third and two fifths of installers: gas boilers (38%), condensing gas boilers (37%) and flue gas heat recovery (31%). Internal solid wall insulation was identified by 26% of installers and loft insulation by 17%. The remaining measures were installed by fewer than 10% of installers (see Figure 7.2).

**Figure 7.2: Measures installed under GDHIF**

**Z1a/Z1b Earlier you told me that you had installed the following measures under GD. Which of these have you installed under GDHIF?**



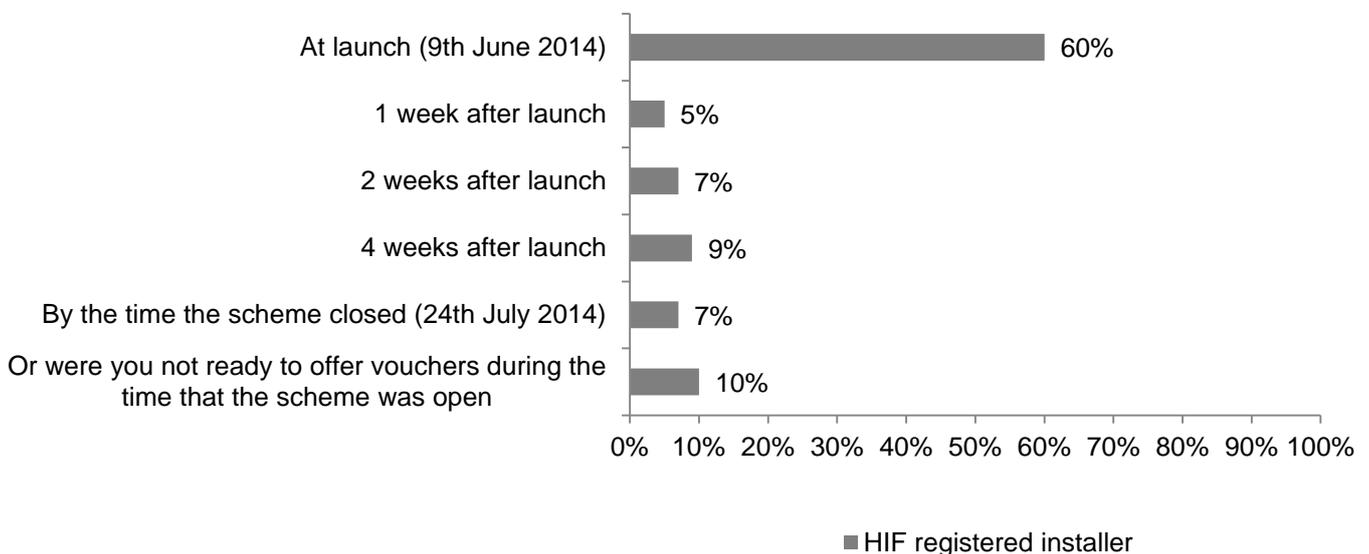
**Base: All installers registered for GDHIF and active under first release (115). Don't know/ refused/ not stated excluded from base. Mentions of 5% or more.**

## Readiness for GDHIF first release

- 7.4. Installers who were registered for GDHIF were asked about their preparedness to respond to the anticipated demand from the scheme. The majority, six in ten (60%), were ready to respond at launch on 9th June 2014. Another fifth (21%) indicated that they were ready within a month after launch. One in ten (10%) said that they were not ready to offer vouchers at all during the time the scheme was open (June and July 2014).
- 7.5. Those installers that went on to deliver higher numbers of installations funded by GDHIF were more likely to have been ready at launch (72% of those that completed 10 or more measures were ready at launch, compared to 46% of those who delivered less than 10). Whilst the medium/large businesses were more likely than the micro to say that they were ready at launch (71% compared to 55%) this was not statistically significant.

**Figure 7.3: Readiness for GDHIF first release**

**Z4 Thinking about the first round of GDHIF, were you ready to respond to the anticipated demands from the initiative...**



**Base: All GDHIF registered installers (183)**

## Additional support desired from DECC

- 7.6. Installers that were registered for GDHIF were asked what additional support from DECC, if any, would have been helpful in the first release of the scheme. This was an open question and the responses were coded at the analysis stage.
- 7.7. Almost a fifth of GDHIF registered installers (17%) said no further help was needed, with 19% of those active under the first release of GDHIF giving this response compared to 13% of those inactive, there was no significant difference by level of engagement with the scheme.
- 7.8. For those that did offer an opinion relating to support, codes have been split into three broad categories; information/communication, general management of scheme and processing/administration. The quotes below have been selected to illustrate the range of points raised in the interviews.
- 7.9. A total of 36% of those registered mentioned further support was needed in relation to information/communication. Of these, almost a fifth (16%) mentioned more clarity in how

the scheme works and 10% requested that communication channels gave more notice/informed in time. Quotes from installers included:

*“We are not informed with enough time. We have 30 - 40 customers waiting for the Home Improvement Fund to start again and we may not be able to meet demands. Customers will get angry before we even start the jobs.”*

*“To have given more notice when they close. We had booked assessments and had to let customers down.”*

*“Prior notice before we went live. Given us the opportunity to be ready and not knowing the requirements. We were unprepared.”*

- 7.10. Further support to suppliers that was linked to general management issues received a combined response of 34%. The main two issues within this category were general comments linked to management ('manage it better/correctly') mentioned by 13% of respondents, and issues relating to the control of funding, mentioned by 11%. This latter aspect included a fairer distribution between companies and/or limiting the number of vouchers so some companies:

*“A steady release of the funds, by the time we had done all the marketing and assessments the funds had gone.”*

*“Running it correctly, monitoring companies and how legitimate they are. Vouchers were applied for and they went overnight.”*

*“If DECC had made it the responsibility of the GD installer or provider to apply for the voucher.”*

- 7.11. Finally, with regards to processing/administration, 11% cited support specifically linked to the processing of vouchers and payment of work. Issues raised included quicker payments needed and more clarity about how the processing and waiting times worked.
- 7.12. Reviewing the types of support needed across demographics or other variables the only element which shows significant variance is the volume of installations completed under a GDHIF voucher. Those who had completed 10 plus installations were significantly more likely than those who had completed fewer to mention support relating to information/communication (57% compared to 37%) and aspects related to processing/administration (20% compared to 1%).

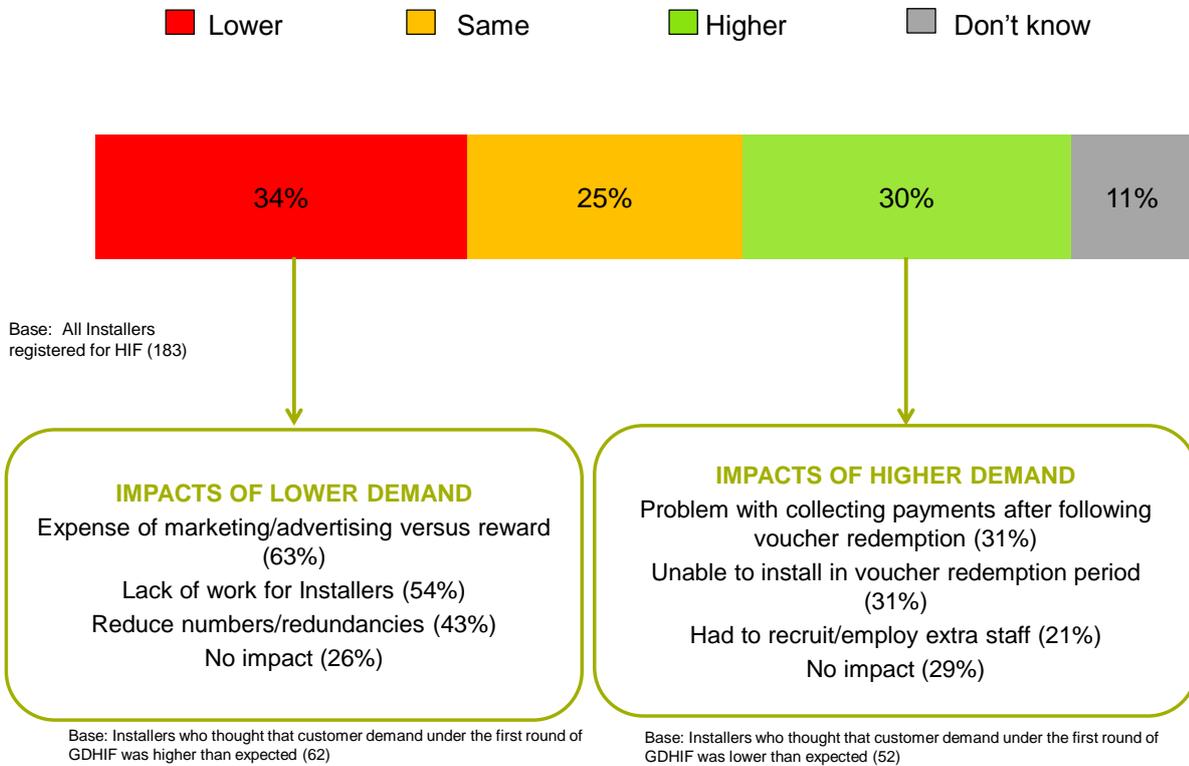
## Experiences and expectations of demand under GDHIF first release

- 7.13. All installers were asked if the customer demand they experienced in the first release of GDHIF was in line with their expectations and if not, what the impacts of it being too high or too low had been on their business. Of all installers registered for GDHIF, a third (34%) said that the demand was lower than expected, three in ten (30%) said it had been higher, and a quarter (25%) said that it had been in line with expectations. Just over one in ten (11%) didn't know.
- 7.14. Installers who were registered and active under the first release of GDHIF were significantly more likely than those who had been inactive to say that demand was higher than expectations (38% compared to 19%). Installers significantly more likely than average to say the demand had been higher than expected were those who said they had installed a higher volume of installations under GD and ECO generally (46% of those installing 100 plus installations) and those who had gone on to undertake higher volumes of GDHIF funded installations (49% of those citing 10 plus installations).

**Figure 7.4: Customer demand for installations in GDHIF first release**

**Z2) Was the customer demand that you experienced under the first round of GDHIF in line with your expectations before the scheme started? /Z3) What was the impact on your business of customer demand being too high/low**

**Customer demand under the first release of GDHIF in line with expectations**



7.15. A quarter (26%) of the sub-group of GDHIF registered installers who believed that demand had been lower than expected and almost three in ten (30%) of the sub-group for whom demand had been higher than expected, said that there were no impacts on their business as a result. Impacts cited by those who experienced low demand were most commonly related to wasted cost of marketing/advertising (63%), a lack of work for installers (55%) and in some cases (43%) reducing their workforce/redundancies. Where impacts had been felt of higher demand, they were most likely to have been related to problems with payments in the redemption period (32%), an inability to resource all installations (33%) and a need to recruit extra staff (21%).

## Alliances with other suppliers

- 7.16. Almost one in five GDHIF registered installers who had installed measures under the vouchers said that they had established alliances with other installers in order to complete a GDHIF funded installation (19%; for GDHIF registered SWI installers the finding was 18%). There was nothing significantly different across the sub groups to suggest that alliances were linked to business size or volume of installations since January 2014.
- 7.17. Those that had forged alliances were asked about the specific measures they had installed under this relationship. The base size for this question was very low so findings can only be indicative<sup>45</sup>. The most commonly mentioned measure installed in this situation was external solid wall insulation and the most frequent driver being to meet demand.
- 7.18. All installers who were active under GDHIF were asked if they had experienced any difficulties in establishing an alliance with another installer to complete a GDHIF funded installation. This was asked regardless of whether or not they had in fact established alliances. Just under half did not try (45%), of the remainder, the vast majority had taken some steps or considered an alliance and experienced no problems (52%). Just 3% of all installers active in GDHIF first release said that they had tried to establish an alliance and experienced problems in doing so.

## Views on incentives for SWI/ two measures and customer contributions

### The incentive level for Solid Wall Insulation (GDHIF first release)

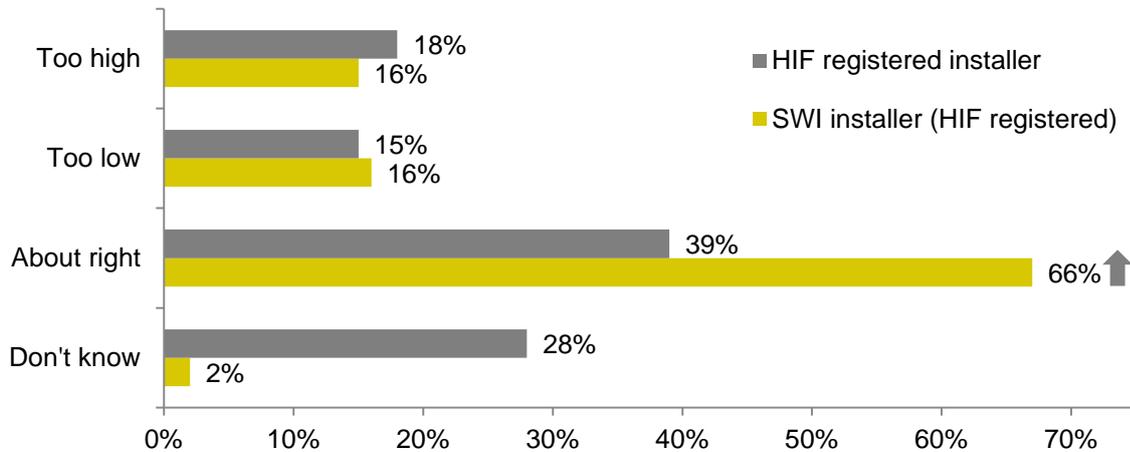
- 7.19. Almost two fifths (39%) of installers registered for GDHIF thought that the incentive for Solid Wall Insulation was set at the right level under the first release. With 18% thinking it was too high, and 15% too low, opinion was broadly divided amongst the remaining respondents.
- 7.20. Those who stated the incentive was about right were significantly more likely than average to be providing solid wall insulation (66%), active in the first release (56%) and to have undertaken higher volumes of installations under GD and/or ECO (58% of those recording 100 plus installations).
- 7.21. Compared to the average of 28%, those registered but inactive and those not installing solid wall insulation were significantly more likely to state they didn't know to this question (58% and 50% respectively).

---

<sup>45</sup> The unweighted base for question Z5a and Z6 was 23

### Figure 7.5: Views on incentives for Solid Wall Insulation

Z8a Still thinking about the first round of GDHIF, was the incentive set at the right level...Solid Wall insulation?



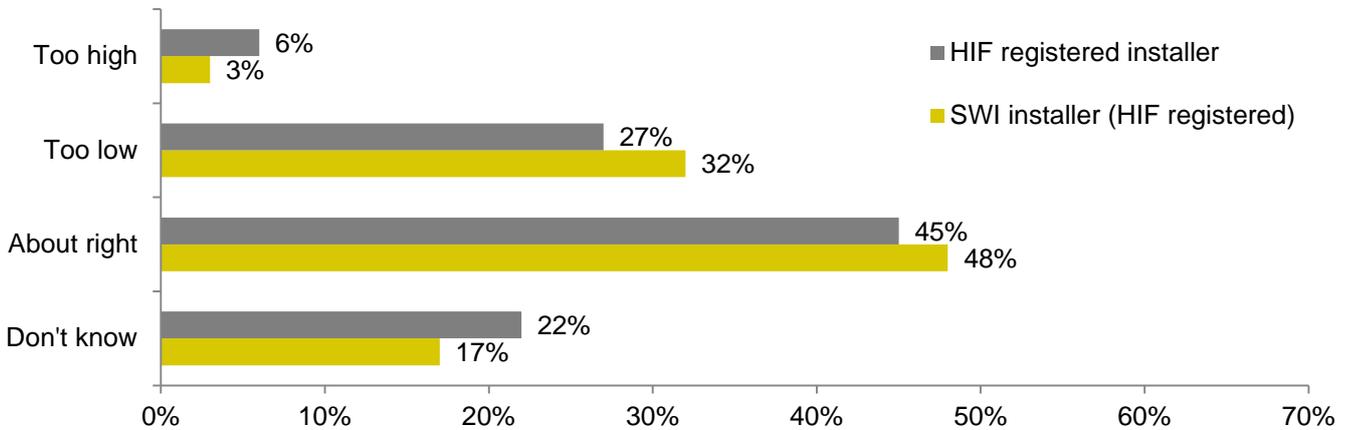
Base: All GDHIF registered installers (183), all SWI installers (GDHIF registered) (114). The arrow in the chart denotes a significant difference across the two sub groups.

#### The incentive level for installing two measures (GDHIF first release)

- 7.22. Almost half of the installers (45%) registered for GDHIF first release thought that the incentive level for installing two measures was set at the right amount. Just over two fifths (22%) said that they didn't know. Of the remaining, the majority felt that the incentive was too low (27% of the total compared to 6% who felt it was too high).
- 7.23. Level of activity under GDHIF appeared to make a difference to installers' responses; those who installed measures using GDHIF vouchers were significantly more likely than average to say that the incentive was about right (56% compared to 45% overall) and those that were registered but inactive were significantly more likely to say that they didn't know (35% compared to 22% overall).
- 7.24. Those installers who installed solid wall insulation were not significantly different in their response compared to all registered GDHIF installers.

### Figure 7.6: Views on incentives for Two Measures

Z8a Still thinking about the first round of GDHIF, was the incentive set at the right level...installing Two Measures



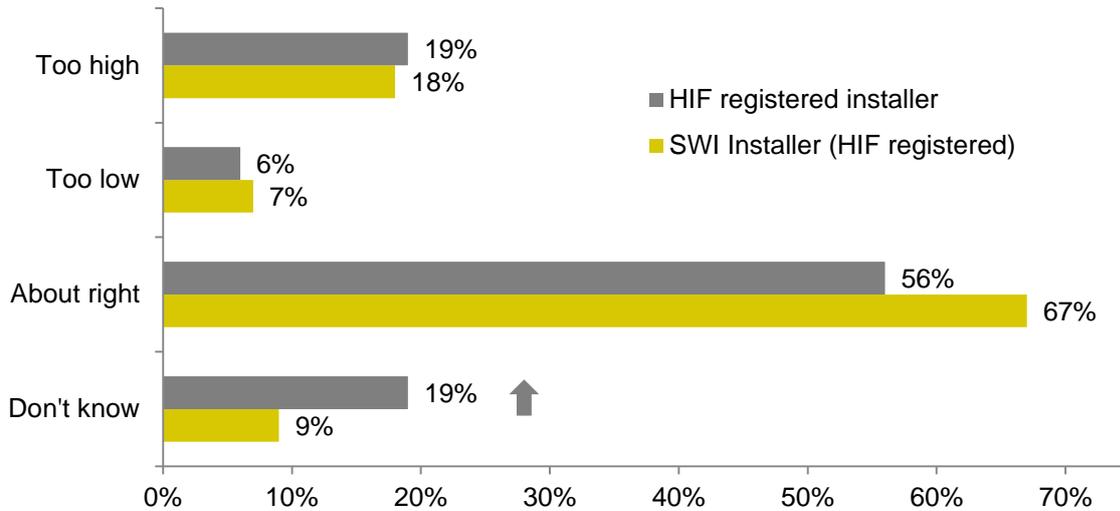
Base: All GDHIF registered installers (183), all SWI installers (GDHIF registered) (114)

### Customer contribution (GDHIF first release)

- 7.25. All GDHIF registered installers were asked about the customer contribution required by GDHIF first release and their thoughts as to whether it was set at the right level. The majority (56%) said that the contribution was set at the right amount. Almost a fifth (19%) said that it was set too high and just 6% believed that it was too low. A relatively high proportion, almost a fifth of respondents, said that they didn't know whether the customer contribution was set at the right level. Those who were registered and inactive in the first release (37%) were significantly more likely to give this response compared to those that had installed measures (7%).
- 7.26. Certain sub groups of GDHIF registered installers were significantly more likely to agree that the contribution from customers had been set at the right level. This included: those installers previously delivering under CERT / CESP (73% believed the contribution was about right, compared to 51% of those not previously involved), those registered and active in the first release (69% compared to 37% registered but inactive) and installers involved in SWI (67% compared to 46% who were not installing SWI).

## Figure 7.7: Views on customer contribution being set at the right level

Z11a And thinking about the level of customer contribution required by GDHIF, would you say that this was...?



**Base:** All GDHIF registered installers (183), all SWI installers (GDHIF registered) (114). The arrow in the chart denotes a significant difference across the two sub groups.

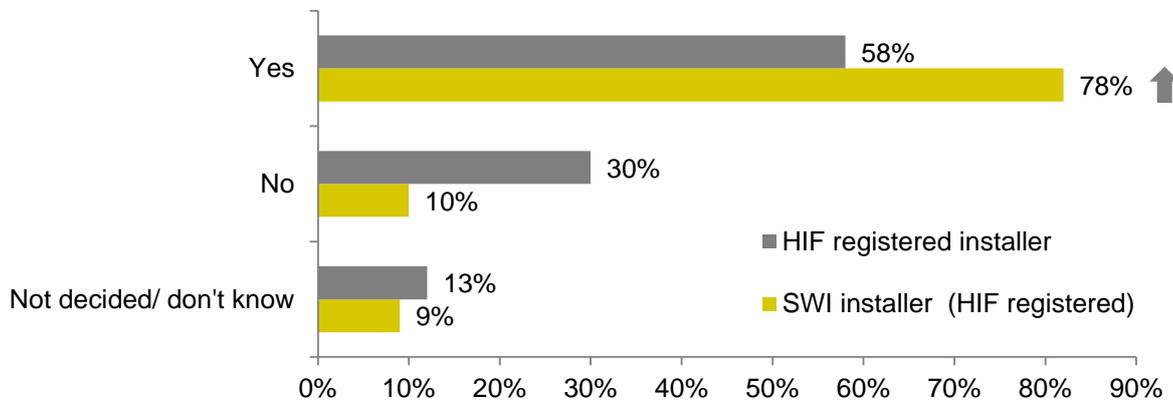
7.27. When asked for their view on what the customer contribution required by GDHIF should have been, almost half (47%) said that it should have been '15% or less'. Another 15% said it would have been between 15% and 25%. Of the remaining, 7% thought it should be between 26% and 40% and 16% thought it should be as high as between 46% and 50%. Just over one in ten (12%) said that it depended on the measures.

## Installers' intentions regarding GDHIF second release

- 7.28. All installers that had registered for the first release were asked about their intentions regarding GDHIF second release. Six in ten of all installers who were registered for GDHIF first release (58%) were intending to complete work under the second release. Three in ten (30%) said that they did not intend to participate, and 12% were undecided at the time of interview (December 2014 to February 2015).
- 7.29. Installers who completed higher volumes of work under GD and those who supplied SWI were both significantly more likely than average to give a positive response in relation to intentions toward involvement in GDHIF second release (77% and 78% intended to participate compared to 58% overall). Installers who had been registered and active in the first release were significantly more likely than those who had been inactive to intend to participate (69% compared to 43%), as were those installers who were active and installing higher volumes of work through GDHIF vouchers (91% of those who had completed 10 or more installations compared to 59% of those with a smaller portfolio of less than 10 installations).

**Figure 7.8: Intentions to engage with GDHIF second release**

**Z12 Can I check, do you intend to carry out installations under the next round of GDHIF (which commences in December 2014)?**



**Base: All GDHIF registered installers (183), all SWI installers (GDHIF registered) (114). The arrow in the chart denotes a significant difference across the two sub groups.**

7.30. Those installers who were not intending to install measures under GDHIF second release were asked why not<sup>46</sup>. With just 41 respondents the base is relatively low but can give some indication about the barriers. The most common reasons for not engaging with Round 2 were: not enough demand under GDHIF, measures installed were not on the list/taken off the list, the complexity of registration/too much work/time to register, funding availability/runs out too quickly and/or that they were not willing to change current business model.

7.31. The following comments provide a flavour of installers' views about why they did not intend to install measures under the second release of GDHIF:

*“Don't have the management skills or resources to pursue that end of the market.”*

*“[It] went to quickly - customers were not able to apply.”*

*“Unable to install second measure.”*

*“Too many complaints from our customers.”*

*“Heating engineers haven't got a chance, [this is] not for small companies only large companies with teams of salesmen.”*

<sup>46</sup> n = 41

## 8. Conclusions

This final chapter brings together the results of the preceding chapters and sets out the conclusions of GfK NOP and ICF International's study team in respect of the research questions

### The operations of the GD supply chain

**What are advisors, assessors and installers' views on consumer demand under GD, and how this has changed since early 2014?**

- 8.1. The majority of advisors, assessors and installers (around two thirds of survey respondents in each case) reported that consumer demand under GD since January 2014 had been lower than they had expected. The remainder (between 18% and 27%) believed that demand under GD had been the same as they had expected. Whilst these broad patterns were the same as under the first GD supply chain study, direct comparisons cannot be drawn due to differences in the way that the question was asked.
- 8.2. Looking forward over the 12 months after the survey (i.e. through to early 2016), suppliers' views on the likely direction of change in demand under GD were mixed. Around a third of each supplier type expected demand to grow (ranging from 28% of advisors to 36% of assessors). In contrast, between 18% and 25% of GD suppliers expected consumer demand under GD to decrease over the 12 months after the survey.

**How are certified GD advisors, assessors and installers delivering under GD? How do they secure customers, and do they target specific types of customer?**

#### *Delivering under GD*

- 8.3. The majority of GD advisors and assessors had delivered GD assessments since January 2014 (83% and 88% respectively); however for GD installers the proportion fell to 43% (though it was significantly higher for SWI installers at 75%). Though changes to the phrasing of the question meant that a direct comparison could not be drawn with the first supply chain study, the broad pattern was similar, with GD installers most likely to indicate that they had been inactive in the 12 months preceding the survey.
- 8.4. Perhaps relatedly, the findings point towards a 'skewed' GD assessment and installation market. Twenty per cent of advisors in the sample had completed 80% of all GD assessments undertaken by advisors in the sample (whether they were carried out under GD or ECO). Similarly, 20% of assessors in the sample had completed 74% of all GD assessments undertaken by assessors in the sample (again whether under GD or ECO). Some 20% of installers in the sample had completed 86% of all GD/ ECO installations undertaken by installers in the sample.
- 8.5. Large numbers of advisors / assessors and installers carried out a relatively small number of GD assessments and GD installations. A quarter of advisors had carried out ten or fewer GD assessments since January 2014, and a quarter of assessors had

carried out 25 or fewer GD assessments since January 2014. A quarter of installers had carried out five or fewer GD installations since January 2014.

### *Securing and targeting GD customers*

- 8.6. Most assessors and installers (65% in both cases) that had delivered under GD<sup>47</sup> indicated that they secured GD customers through leads that they or their business had generated. Advisors were slightly more likely to rely on external sources of leads, with 47% of advisors that had delivered under GD indicating that they or somebody else in their organisation was responsible for lead generation. For advisors, assessors and installers, other types of GD supplier were an important source of customer leads (including GD providers).
- 8.7. Amongst advisors, assessors and installers who were responsible for generating leads for GD customers<sup>48</sup>, just over half of survey respondents (between 55% and 58%) indicated that they did not target specific types of customer. The most commonly mentioned customer group for targeting were households living in older or less energy efficient properties (mentioned by around a third of advisors, assessors and installers who were responsible for generating leads). Other types of customer that were targeted included the following (note there is overlap in these categories): off gas grid households, properties in rural areas, and higher-income households.

### **How are certified GD advisors, assessors and installers delivering under ECO? How do they secure customers, and do they target specific types of customer?**

#### *Delivering under ECO*

- 8.8. Half or just over half of GD advisors, assessors and installers reported that they had delivered under ECO since January 2014 (56%, 57% and 50% respectively). As previously, direct comparison with the first supply chain study was not possible due to changes in the phrasing of the question. However, broad comparison suggests that for all types of GD supplier, the share of businesses that were delivering under ECO fell between the first supplier study and this follow-up study. As noted above, the GD assessment market (including GD assessments carried out under ECO) and the installation market (including ECO installations) was highly skewed.

#### *Securing and targeting ECO customers*

- 8.9. Most advisors, assessors and installers (50%, 56% and 76% respectively) that had delivered under ECO<sup>49</sup> indicated that they secured ECO customers through leads that they or their business had generated. Other sources of leads for ECO customers that were mentioned by GD suppliers included other types of GD supplier (including GD providers), and local authorities. Amongst advisors, assessors and installers who were responsible for generating leads for ECO customers<sup>50</sup>, between 34% and 42% reported that they did not target specific types of customer. This was lower than the proportion who reported that they did not target customers under GD. At or just over half (between 50% and 58%) of GD suppliers who were responsible for generating ECO leads targeted older or less energy efficient properties, whilst other commonly applied targeting criteria included: lower income households; properties in rural areas; and off gas grid properties.

---

<sup>47</sup> Sub groups of sizes n=236 for advisors, n=104 for assessors, and n=168 for installers

<sup>48</sup> Sub groups of sizes n=111 for advisors, n=44 for assessors (note low base size), and n=111 for installers

<sup>49</sup> Sub groups of sizes n=205 for advisors, n=80 for assessors, and n=174 for installers

<sup>50</sup> Sub groups of sizes n=98 for advisors, n=43 for assessors (note low base size), and n=133 for installers

## **To what extent have GD advisors, assessors and installers formed alliances with other organisations to deliver under GD and/or ECO?**

8.10. Most advisors, assessors and installers reported that they worked with other certified GD suppliers to deliver under GD and/or ECO. Of the suppliers that had delivered assessments or installations under either GD and/or ECO in 2014<sup>51</sup>, most had done so on behalf of at least one other organisation (84% of advisors and 78% of both assessors and installers respectively -similar proportions were reported under the first supply chain study). GD advisors and assessors had commonly delivered on behalf of GD installers and/or GD providers, together with letting agents / landlords, local authorities, and housing associations. GD installers had a similar profile in terms of alliances with other organisations, and had also completed work on behalf of the energy companies. Evidence indicates that many – though not all – of these relationships were new, and had been established as a result of GD and/or ECO.

## **Have GD installers considered becoming certified GD providers? If so, what barriers have they faced?**

8.11. Of the GD installers that were not registered as GD providers at the point at which the survey was conducted (i.e. December 2014 to February 2015), around half (53%) said that they would not consider becoming a certified GD provider. Key factors that were reported to have deterred this sub-group of installers included: that they were concentrating on their current business activities; that there was too much red tape and complexity in providing GD finance; and that the accreditation process was too expensive.

## **What services do GD advisors, assessors and installers offer GD consumers? To what extent do they provide advice on finance and, if so, what types of finance?**

### *The provision of 'financial support' to GD consumers*

8.12. Advisors, assessors and installers were all asked if they provided any form of 'financial support' to GD customers, which could range from providing general advice on the financial options available, through recommending specific financial products, to actually arranging or brokering finance for customers. Most advisors and assessors reported that they did provide customers with general information on financial options following the completion of a GD assessment (56% and 74% of advisors and assessors respectively). Some 44% of installers indicated that they provided general advice on finance, indicating that this was less common (though of course installers would typically come into contact with GD customers at a later stage in the customer journey than is the case for GD advisors or assessors).

8.13. As the nature of 'financial support' became more complex, the share of GD suppliers who provided this support decreased. Some 12%, 25% and 24% of advisors, assessors and installers respectively reported that they would recommend specific financial products. Looking at those suppliers that indicated that they provided general advice and/or made specific recommendations<sup>52</sup>, GD finance, GDHIF, and/or ECO funding, were the most commonly mentioned types of financial product. Just 7%, 19% and 15% of advisors, assessors and installer indicated that they arranged or brokered finance for customers following a GD assessment. Low base sizes prevent detailed analysis of the types of finance involved, but this included GD finance, GDHIF, and/or ECO funding. It

---

<sup>51</sup> Sub groups of sizes n=270 for advisors, n=112 for assessors, and n=226 for installers

<sup>52</sup> A sub group of size n=130 for advisors, n=79 for assessors and n=90 for installers

is not possible to compare this position with the first supplier study because the question was phrased differently as part of this follow-up study<sup>53</sup>.

## GD installers' views and experiences of the first release of GDHIF

### How widespread was the GD supply chain participation in the first release of GDHIF?

8.14. Just under half (49%) of certified GD installers reported that they had registered for the first release of GD HIF. SWI installers were more likely than other types of installer to have registered for GDHIF, as were those installers who had delivered under GD and ECO since January 2014. Of the GDHIF registered installers<sup>54</sup>, at the time of survey (December 2014 to February 2015), just over half (55%) had installed or were in the process of installing GDHIF-funded measures. Around a third (36%) of GDHIF-registered installers had nothing booked.

### What were installers' views on the design of the first release of GDHIF (the incentive level and the customer contribution level)?

8.15. The GDHIF incentive level was considered in two parts: for SWI installations only, and for installing two measures. Some 39% of GDHIF registered installers believed that the SWI incentive was set at the correct level, though this increased to 67% amongst SWI installers who were GDHIF registered<sup>55</sup>. As regards the installation of two measures under GDHIF, just under half (45%) of GDHIF registered installers believed that the incentive was set at the right level; around a quarter (27%) thought it was set too low.

8.16. Just over half (56%) of GDHIF registered installers believed that the customer contribution level under the first release of GDHIF was set at the right level; 19% either thought it was too high, or did not know ('don't know' was particularly common amongst installers that were registered for GDHIF but had not installed any GDHIF-funded measures).

### What were installers' views on demand? Were they in a position to be able to respond to demand, and what was the impact of demand on their businesses?

8.17. Views on demand were divided amongst installers that were registered for GDHIF. Just under a third (30%) of GDHIF registered installers<sup>56</sup> reported that demand under the first release of GDHIF had been higher than expected. The sub-group of installers for whom demand has higher than expected<sup>57</sup> noted that this had caused them problems with collecting payments after voucher redemption, problems with completing installations within the voucher redemption period, and more positively, a need to recruit extra staff. A further 34% of GDHIF registered installers reported that demand was lower than expected, and this sub-group<sup>58</sup> noted that this had caused issues such as a lack of work for installers, and a need to make staff redundant.

8.18. The majority (60%) of GDHIF registered installers indicated that they were ready to respond to demand when the first release of the scheme had launched in June 2014. By the time that the scheme closed at the end of July 2014, just 10% of GDHIF registered installers reported that they were still not ready to respond to demand.

---

<sup>53</sup> Previously, under wave one of the research suppliers were simply asked if they provided 'help' with finance, which could include the provision of advice and also brokering finance. This was disaggregated for wave two

<sup>54</sup> n=183

<sup>55</sup> n=106

<sup>56</sup> n=183

<sup>57</sup> n=52

<sup>58</sup> n=62

### **Did installers establish supply chain alliances under the first release of GDHIF?**

- 8.19. Just 19% of those installers who had installed measures under GDHIF reported that they had established alliances with other installers in order to complete a GDHIF-funded installation. Small base sizes prevent detailed analysis of the experiences of these installers. Just under half (45%) of all GDHIF registered installers (i.e. regardless of whether they had actually installed a measure under GDHIF) reported that they had not tried to establish an alliance.

© Crown copyright 2015

Department of Energy & Climate Change

3 Whitehall Place

London SW1A 2AW

[www.gov.uk/decc](http://www.gov.uk/decc)

URN 15D/387