

Energy Company Obligation (ECO)

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ECO3 HMO bedsit premises - scoring method

Background

In September 2021, an Alternative Methodology application was approved for a new scoring method for measures installed in bedsit premises within ECO3. Houses in Multiple Occupation (HMOs)¹ are eligible to receive ECO measures.

In ECO3, the boundaries of the premises are the outermost walls of the total space used exclusively by the occupants of the premises². For a bedsit containing private kitchen facilities, with access to shared bathroom facilities, the boundaries of the premises are the walls of that bedsit. Meaning each tenant's eligibility only extends to their private rooms, not the HMO as a whole.

Scoring method

The savings are calculated by selecting a cost score from the ECO3 deemed scores matrix³, based on the property archetype of the whole HMO. The score claimed for a measure installed in each eligible bedsit will be a proportion of the whole HMO score, based on the number of bedsits in the HMO. For example:

- If a measure is installed in two eligible bedsits, which are part of detached HMO premises with five bedsits.
- The 'Det_5' property archetype is chosen to obtain the whole HMO cost score.
- Both eligible bedsits can claim 20% of the whole premises cost score.
- An individual measure notification is made for each of the two bedsits, with the POPT for each measure reduced to 20%.
- If a measure is applied to the whole HMO property, such as external wall insulation (EWI), an EWI measure can only be claimed for the two eligible bedsits.

¹ Defined in section 254 (2) (f) of the Housing Act 2004 and section 125 of the House (Scotland) Act 2006

² Paragraph 2.28 [ECO3 Guidance: Delivery](#)

³ [ECO3 deemed scores](#)

Requirements for using the scoring method

The use of this scoring method is dependant on the following conditions:

- It only applies to larger properties originally built as a single domestic premises, which has since been converted into bedsits. If the building was designed to have shared amenities, the above method is not appropriate.
- Each bedsit is required to be notified individually as the occupant's eligibility only extends to their individual private rooms.
- It is only applicable to measures installed solely within an eligible bedsit.
- Before notification, suppliers must contact Ofgem to provide details of the property address, measures installed and the number of eligible bedsits.