

ECO4 Flex fact sheet for third parties

What is this document for?

This document aims to help third parties involved with the ECO4 Flex mechanism, such as Citizen's Advice, Citizen's Advice Scotland, and NHS healthcare professionals, with their understanding of the policy.

It aims to inform third parties of how ECO4 Flex operates and of the criteria that they will need to include in their referral letters to Local Authorities (LAs). Citizen's Advice and NHS healthcare professionals can find generic letter templates on our Ofgem website¹.

What is ECO4?

The Energy Company Obligation focuses on supporting low-income and vulnerable and fuel-poor households through installation of insulation and heating measures. This policy aims to reduce fuel poverty and energy bills in the long-term and reduce carbon emissions. All obligated suppliers are required to deliver measures under ECO4 and, where a supplier fails to meet the requirements of the ECO4 Order, Ofgem may take enforcement action.

The Electricity and Gas (Energy Company Obligation) Order 2022 (ECO4 Order)², or the "ECO4" scheme, covers the period from the commencement date of the ECO4 Order on 27 July 2022 to 31 March 2026.

You can find out more information about ECO4 in our [ECO4 Delivery Guidance](#)³.

What is ECO4 Flex?

The flexible approach to identifying eligible households exists to target low-income households who are unlikely to be in receipt of the scheme's standard approach to fulfilling eligibility. This approach is available for LAs, and Devolved Administrations (DAs), under the ECO4 scheme.

¹ www.ofgem.gov.uk/publications/final-eco4-guidance-local-authority-administration

² www.legislation.gov.uk/ukxi/2022/875/made

³ www.ofgem.gov.uk/publications/energy-company-obligation-eco4-guidance-delivery

ECO4 Flex is a household referral mechanism within the wider ECO4 Scheme which enables Councils to widen the eligibility criteria for ECO, allowing them to tailor energy efficiency schemes to their respective sector.

Under ECO4 Flex, a participating LA can refer private tenure households that it considers to be living in fuel poverty or on a low income and vulnerable to the effects of living in a cold home. Suppliers and DAs will also have an optional role under ECO4 Flex. Further information about ECO4 Flex can be found in our [ECO4 Flex Administrative Guidance for Local Authorities](#)⁴.

What roles and responsibilities do third parties have?

Citizen's Advice and NHS professional healthcare workers can both identify and refer households under Route 2. NHS professional healthcare workers can also identify and refer households under Route 3.

Citizen's Advice, or Citizen's Advice Scotland, can refer households for the ECO4 Flex mechanism. To do this, they must produce and sign a letter to the LA confirming that the household identified is struggling to pay its energy bills, as stated under article 18(2)(f) of the ECO Order⁵.

A referral letter template for Citizen's Advice can be found at the bottom of our [ECO4 Flex Administrative Guidance for Local Authorities webpage](#). The letter must state that the Citizen's Advice referrer has identified a household who are struggling to pay their gas and electricity bills and a digital signature will be required.

Doctors and GPs can refer households by using the NHS referral template, if they identify that someone has a medical condition that follows [NICE guidance: NG6, Recommendation 2](#)⁶, with exception to the 'low-income' proxy. This referral letter can be found on Ofgem's website, alongside our [ECO4 Flex Administrative Guidance for Local Authorities](#)⁷.

⁴ www.ofgem.gov.uk/publications/final-eco4-guidance-local-authority-administration

⁵ www.legislation.gov.uk/ukxi/2022/875/made

⁶ www.nice.org.uk/guidance/ng6/chapter/1-Recommendations#recommendation-2-ensure-there-is-a-singlepointofcontact-health-and-housing-referral-service-for

⁷ www.ofgem.gov.uk/publications/final-eco4-guidance-local-authority-administration

A person registered in the General Practitioner Register, a Scottish Health Board, a Welsh Health Board, an NHS Foundation Trust, or an NHS Trust, can also participate in ECO4 Flex by referring households where the healthcare professional is sure that their patient is suffering from a severe or long-term ill health and that their health is adversely affected by living in a cold home. These health conditions may fall under one of the four umbrella conditions:

- A cardiovascular condition,
- A respiratory disease,
- Limited mobility or,
- Immunosuppression.

The NHS referral letter template for healthcare professionals to use can be found at the bottom of our [ECO4 Flex Administrative Guidance for Local Authorities webpage](#).

The healthcare professional must ensure that the letter includes the name and address of the patient, the name of the LA remit that they live in, as well as the health condition that they suffer from. The healthcare professional must ensure that they digitally sign the letter and send it to the LA, following the patient's request, from their NHS email address.

ECO4 Flex measure installation approval

Third parties should be aware that referral to ECO4 Flex does not guarantee that measures will be installed. By referring a household to ECO4 Flex, the third party is stating, based on the evidence that they have seen, that the household **may** be eligible to receive measures. The decision on which measures, if any, are installed, rests with suppliers.