

Boiler Upgrade Scheme (BUS)

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## Quarterly Report – Issue 8

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This is the Boiler Upgrade Scheme (BUS) quarterly report, updating key scheme statistics to include the period from 1 February 2024 to 30 April 2024.

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## Introduction

The Boiler Upgrade Scheme (BUS) quarterly report provides information on issued vouchers, grants paid, and the installations that have been supported over the previous quarter and since the start of the scheme. This report is provided in compliance with our obligations as set out in the Boiler Upgrade Scheme (England and Wales) Regulations 2022<sup>1</sup>. This is the eighth BUS quarterly report since the scheme launched on 23 May 2022 and covers the period from 1 February 2024 until 30 April 2024.

In addition to this quarterly report, we publish a monthly update on our website<sup>2</sup> that provides summary information on the number of voucher applications received, vouchers issued, redemption applications received, the value of grants paid and the remaining scheme budget. We also publish a more detailed annual report by 31 July each year.<sup>3</sup>

## Contacts

For more information [visit the Ofgem website](#)<sup>4</sup>. You will find details about how the scheme works, including guidance for property owners and installers.

If you can't find the information you need on our website, our customer service team will be happy to help on **0330 053 2289** or email [bus.enquiry@ofgem.gov.uk](mailto:bus.enquiry@ofgem.gov.uk).

## Press enquiries

For press enquiries please contact Ofgem's press office at [press@ofgem.gov.uk](mailto:press@ofgem.gov.uk)

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<sup>1</sup> Regulation 30(3) – [Boiler Upgrade Scheme \(England and Wales\) Regulations 2022](#):

<<https://www.legislation.gov.uk/uksi/2022/565/contents/made>>

<sup>2</sup> [BUS Monthly Scheme Update](#): <<https://www.ofgem.gov.uk/publications/bus-monthly-scheme-update>>

<sup>3</sup> Due to the requirements set in the scheme regulations, the scheme years and quarterly periods do not align. Each scheme year runs from 1 April to 31 March, whereas the quarters are: 1 February to 30 April, 1 May to 31 July, 1 August to 31 October, and 1 November to 31 January.

<sup>4</sup> [Boiler Upgrade Scheme \(BUS\) Ofgem](#) <<https://www.ofgem.gov.uk/environmental-and-social-schemes/boiler-upgrade-scheme-bus>>

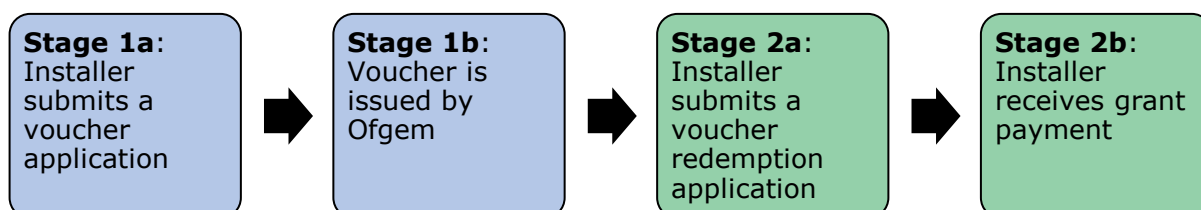
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## BUS voucher summary

This section provides information and statistics on the BUS voucher application and redemption processes. This also includes an overview of the scheme’s spending relative to annual budget.

### How does the BUS grant application work?

The BUS grant application is a two-stage process as illustrated in the flow chart below. Firstly, installers are required to submit a voucher application (stage 1a) where we check if the pre-installation eligibility criteria are met. If the application is successful, we issue the voucher (stage 1b). Following commissioning of an installation the installer can submit a voucher redemption application (stage 2a). Once we have established that the remaining eligibility requirements have been met, the grant payment is made (stage 2b). For further information on the BUS application process please refer to our BUS guidance for installers<sup>5</sup>.



A summary of applications at stage 1 of the process can be found in **Figure 1**, and a summary of applications at stage 2 can be found in **Figure 2**. The overall spending of the scheme is derived based on the value of vouchers issued at stage 1.

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<sup>5</sup> [BUS Guidance for Installers](https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers) <https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers>

**Figure 1: Voucher applications and vouchers issued (stage 1)**

Quarterly Period	Voucher applications received <sup>6</sup>	Vouchers issued <sup>7</sup>	Value of vouchers issued
May 2022 to Jul 2022	4,367	2,499	£12,545,000
Aug 2022 to Oct 2022	4,552	3,388	£17,042,000
Nov 2022 to Jan 2023	4,062	3,214	£16,159,000
Feb 2023 to Apr 2023	4,020	3,070	£15,447,000
May 2023 to Jul 2023	4,437	2,876	£14,477,000
Aug 2023 to Oct 2023	6,005	2,278	£14,195,500 <sup>8</sup>
Nov 2023 to Jan 2024	5,981	5,200 <sup>9</sup>	£38,931,000
Feb 2024 to Apr 2024	6,835	5,529	£41,390,000
<b>Total</b>	<b>40,259</b>	<b>28,054</b>	<b>£170,186,500</b>

<sup>6</sup> Due to the way voucher applications are processed the numbers shown for previous quarters may have changed from earlier reports.

<sup>7</sup> These figures do not include vouchers that were issued but have since expired or have been revoked/withdrawn so the historical figures may have changed from previous reports. Also note that we have corrected some data errors affecting the date of voucher issue on a number of historical applications, this issue has not impacted the number of vouchers issued.

<sup>8</sup> On the 23 October 2023, the value of the BUS grant for heat pumps increased from £5,000 to £7,500. Some vouchers were given the incorrect value in previous reporting and have since been corrected. As such, this figure has increased from the £14,114,500 previously reported.

<sup>9</sup> Following the grant uplift, we saw significantly increased application volumes between Nov 2023 and Jan 2024. As vouchers for air source heat pumps (ASHP) and biomass boilers are valid for three months, unredeemed vouchers from this period are now expiring. The number of vouchers issued and the associated value have fallen from what was previously reported. This correlates to around 10% of ASHP and biomass boiler vouchers expiring, in line with previous quarters.

**Figure 2: Voucher redemption applications and grants paid (stage 2)**

Quarterly Period	Voucher redemption applications received <sup>10</sup>	Grants paid <sup>11</sup>	Value of grant payments
May 2022 to Jul 2022	1,189	906	£4,544,000
Aug 2022 to Oct 2022	3,439	3,181	£15,958,000
Nov 2022 to Jan 2023	3,520	3,543	£17,825,000
Feb 2023 to Apr 2023	3,111	3,195	£16,069,000
May 2023 to Jul 2023	2,920	2,902	£14,617,000
Aug 2023 to Oct 2023	2,506	2,338	£11,775,000
Nov 2023 to Jan 2024	4,610	4,409	£32,695,500 <sup>12</sup>
Feb 2024 to Apr 2024	4,500	4,634	£34,697,000
<b>Total</b>	<b>25,795</b>	<b>25,108</b>	<b>£148,180,500</b>

### Annual budget overview<sup>13</sup>

Scheme budget is allocated based on the number of vouchers issued at stage 1. Between scheme launch on 23 May 2022 and the end of Year 1 on 31 March 2023, £50,074,000 was allocated from the original £150 million Year 1 budget.<sup>14</sup>

From the £150 million budget for Year 2 (1 April 2023 to 31 March 2024), £88,781,500 was allocated up until the end of the scheme year.

For Year 3 (1 April 2024 to 31 March 2025), the budget is again £150 million. As of 30 April 2024, £38,263,500 has been allocated, leaving £111,736,500 still available.

<sup>10</sup> Due to the way voucher redemption applications are processed the numbers shown for previous quarters may have changed from previous reports.

<sup>11</sup> These figures include grants that have been paid out but have later been revoked or the payment value recouped during the audit and compliance process. Also note that we have corrected some data errors affecting the date of grant payment on a number of historical applications, this has not impacted the number of grants paid.

<sup>12</sup> On the 23 October 2023, the value of the BUS grant for heat pumps increased from £5,000 to £7,500. Some grant payments were given the incorrect value in previous reporting and have since been corrected. As such, this figure has increased from the £32,510,500 previously reported.

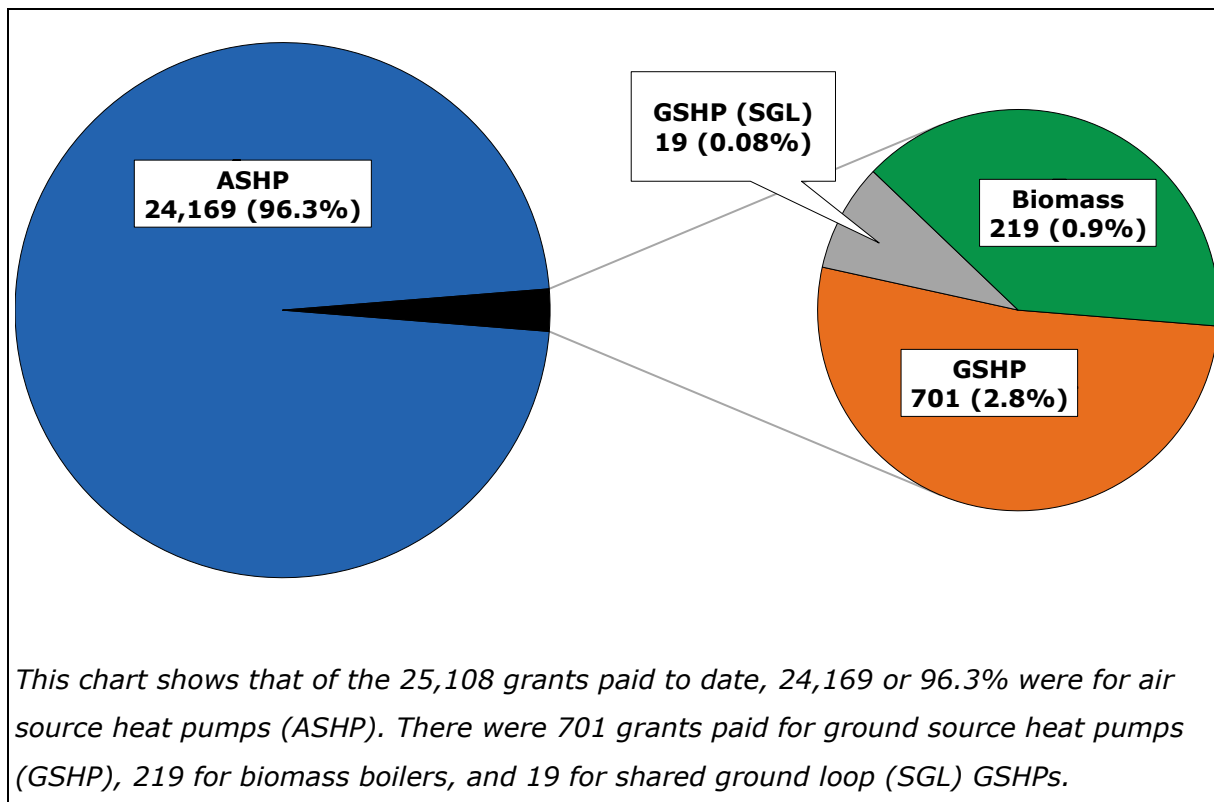
<sup>13</sup> Scheme years run from 1 April – 31 March and are not aligned with reporting quarters (1 February to 30 April, 1 May to 31 July, 1 August to 31 October, and 1 November to 31 January).

<sup>14</sup> N.B. Unspent budget is not carried over to the next scheme year.

## Grants paid

This section provides information on installations for which grants have been paid at the completion of stage 2. This includes a breakdown of grants paid by technology type, by region, and in terms of what heating system was replaced.

**Figure 3: Grants paid by technology type**



**Figure 4: Grants paid by technology type**

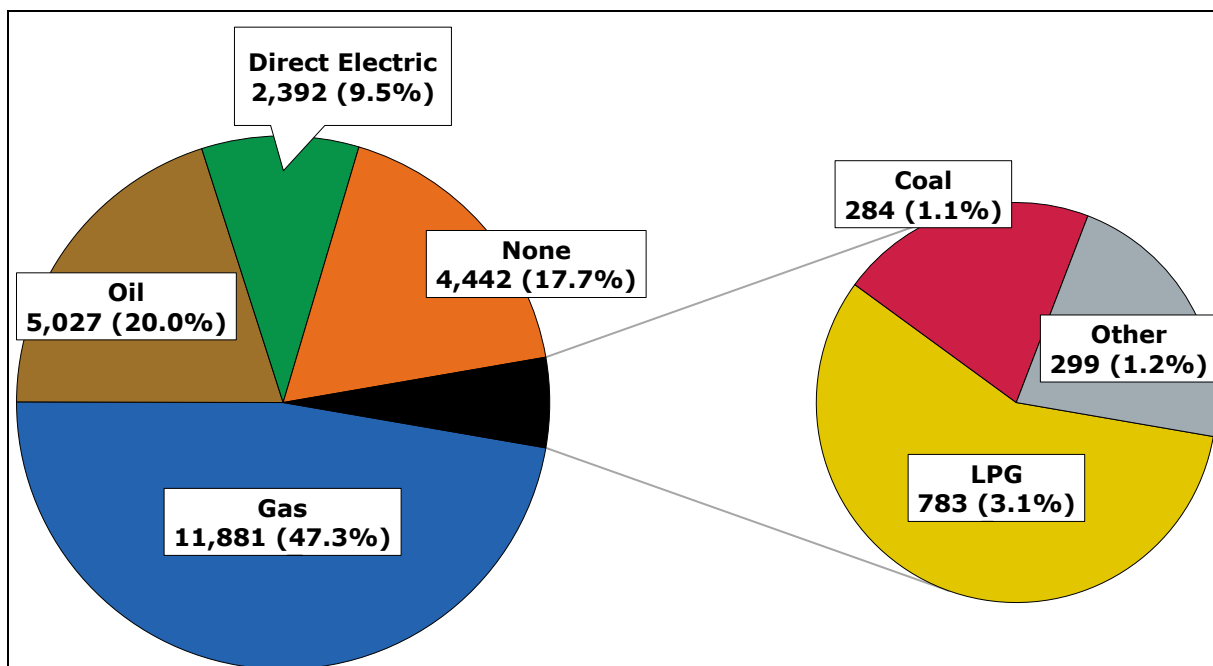
Quarterly Period	ASHP	GSHP	Biomass	GSHP-SGL
May 2022 to Jul 2022	883	12	9	2
Aug 2022 to Oct 2022	3,092	53	36	0
Nov 2022 to Jan 2023	3,383	106	50	4
Feb 2023 to Apr 2023	3,068	91	33	3
May 2023 to Jul 2023	2,770	105	25	2
Aug 2023 to Oct 2023	2,233	85	20	0
Nov 2023 to Jan 2024	4,237	140	26	6
Feb 2024 to Apr 2024	4,503	109	20	2
<b>Total</b>	<b>24,169</b>	<b>701</b>	<b>219</b>	<b>19</b>

**Figure 5: Regional distribution of grants paid by technology type**

Region	ASHP	GSHP	Biomass	GSHP-SGL	Total	Total %
South West	4,468	189	59	9	4,725	18.8%
South East	4,741	137	5	0	4,885	19.5%
East of England	3,272	61	9	0	3,342	13.3%
East Midlands	2,477	43	7	3	2,530	10.1%
Yorkshire and The Humber	2,401	79	5	0	2,485	9.9%
West Midlands	1,868	57	13	4	1,942	7.7%
North West	1,821	49	20	0	1,890	7.5%
Wales	1,272	54	77	1	1,404	5.6%
London	1,212	17	0	0	1,229	4.9%
North East	637	15	24	0	676	2.7%



**Figure 6: Original heating system**



*This chart shows the number and types of heating systems that have been replaced by new installations. The most common were gas systems which made up 47.3% of the total. Oil was the second most common at 20.0%. Overall, replaced fossil fuelled systems account for 71.5% of grants paid. An additional 4,485 of the grants paid were for heating systems in eligible self-build<sup>15</sup> properties, accounting for 17.9% of total installations.*

<sup>15</sup> New properties are not eligible for the scheme with the exception of certain 'self-builds'. A self-build must have been built mainly using the labour or resources of the first owner, and must never have been owned by a business or organisation.

The number of grants paid where no heating system has been replaced ('None' category) is lower than the number of eligible self-builds. Although most of the support was received by newly constructed buildings or conversions of buildings without previous heating ('None'), a proportion of eligible self-builds were conversions where a non-domestic heating system was replaced.

**Figure 7: Original heating systems replaced**

Quarterly Period	Gas	Oil	Direct Electric	LPG	Other	Coal	None
May 2022 to Jul 2022	481	240	55	42	9	12	67
Aug 2022 to Oct 2022	1,509	812	258	115	35	38	414
Nov 2022 to Jan 2023	1,586	787	328	129	39	40	634
Feb 2023 to Apr 2023	1,422	608	315	95	41	46	668
May 2023 to Jul 2023	1,357	529	255	93	45	25	598
Aug 2023 to Oct 2023	1,051	437	229	58	32	28	503
Nov 2023 to Jan 2024	2,202	770	472	106	56	52	751
Feb 2024 to Apr 2024	2,273	844	480	145	42	43	807
<b>Total</b>	<b>11,881</b>	<b>5,027</b>	<b>2,392</b>	<b>783</b>	<b>299</b>	<b>284</b>	<b>4,442</b>