

Boiler Upgrade Scheme (BUS)

Quarterly Report - Issue 13

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This is the Boiler Upgrade Scheme (BUS) quarterly report, updating key scheme statistics to include the period from 1 May 2025 to 31 July 2025.

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Introduction

The Boiler Upgrade Scheme (BUS) quarterly report provides information on applications, vouchers issued, grants paid, the scheme budget, and the installations supported. We provide this report in compliance with our obligations as set out in the Boiler Upgrade Scheme (England and Wales) Regulations 2022 (as amended). This is the 13th BUS quarterly report since the scheme launched on 23 May 2022 and includes the period from 1 May 2025 until 31 July 2025.

As part of our obligations, we also publish a monthly update on our website² that provides cumulative statistics since the launch of the scheme, and a more detailed annual report³ by 31 July each year.

Contacts

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

If you cannot find the information you need on our website, our customer service team will be happy to help on **0330 053 2289**, or by emailing bus.enguiry@ofgem.gov.uk.

Press enquiries

For press enquiries, please contact Ofgem's press office at press@ofgem.gov.uk.

¹ Regulation 30(3) – <u>Boiler Upgrade Scheme (England and Wales) Regulations 2022</u>:

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

The regulations were amended in May 2024 - <u>The Boiler Upgrade Scheme (England and Wales)</u> (Amendment) Regulations 2024: https://www.legislation.gov.uk/uksi/2024/524/contents/made

² BUS Monthly Scheme Update: https://www.ofgem.gov.uk/publications/bus-monthly-scheme-update

³ 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.

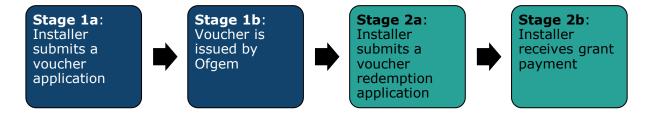
⁴ <u>Boiler Upgrade Scheme (BUS) Ofgem</u> https://www.ofgem.gov.uk/environmental-and-social-schemes/boiler-upgrade-scheme-bus

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 budget allocation relative to the annual budget.

How does the BUS grant application work?

The BUS grant application is a 2-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 installers⁵.



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 budget allocation is derived based on the committed spend through vouchers issued at stage 1, in addition to provisional allocations of budget for stage 1 applications still in progress.

4

⁵ <u>BUS Guidance for Installers</u> 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 ⁶	Vouchers issued ⁷	Value of vouchers issued
May 2022 to Jul 2022	4,367	2,496	£12,530,000
Aug 2022 to Oct 2022	4,552	3,383	£17,017,000
Nov 2022 to Jan 2023	4,062	3,209	£16,133,000
Feb 2023 to Apr 2023	4,020	3,061	£15,401,000
May 2023 to Jul 2023	4,437	2,866	£14,427,000
Aug 2023 to Oct 2023	6,005	2,267	£14,063,000
Nov 2023 to Jan 2024	5,981	5,153	£38,573,500
Feb 2024 to Apr 2024	6,835	4,543	£34,022,500
May 2024 to Jul 2024	8,723	6,221	£46,575,000
Aug 2024 to Oct 2024	9,970	7,275	£54,502,500
Nov 2024 to Jan 2025	9,744	6,837	£51,232,500
Feb 2025 to Apr 2025	11,268	7,724	£57,872,500
May 2025 to Jul 2025	11,268	9,615	£72,067,500
Total	91,232	64,650	£444,417,000

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

⁷ Vouchers for air source heat pumps (ASHP) and biomass boilers are valid for 3 months. These figures do not include vouchers that were issued but have since expired, or those that have been revoked/withdrawn. Therefore, the figures for earlier quarters may have changed from previous reports.

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

Quarterly Period	Voucher redemption applications received8	Grants paid ⁹	Value of grant payments
May 2022 to Jul 2022	1,189	906	£4,544,000
May 2022 to Jul 2022	1,109	900	24,344,000
Aug 2022 to Oct 2022	3,439	3,178	£15,943,000
Nov 2022 to Jan 2023	3,520	3,540	£17,810,000
Feb 2023 to Apr 2023	3,111	3,190	£16,044,000
May 2023 to Jul 2023	2,920	2,891	£14,561,000
Aug 2023 to Oct 2023	2,506	2,324	£11,705,000
Nov 2023 to Jan 2024	4,610	4,395	£32,513,000
Feb 2024 to Apr 2024	4,499	4,610	£34,517,000
May 2024 to Jul 2024	5,572	5,226	£39,117,500
Aug 2024 to Oct 2024	6,849	7,063	£52,907,500
Nov 2024 to Jan 2025	7,001	6,738	£50,480,000
Feb 2025 to Apr 2025	7,217	6,966	£52,205,000
May 2025 to Jul 2025	7,938	8,459	£63,382,500
Total	60,371	59,486	£405,729,500

⁸ Due to the way voucher redemption applications are processed the numbers shown for previous

quarters may have changed from previous reports.

⁹ These figures include grants that have been paid out but have later been revoked or the payment value recouped as part of our audit and compliance process.

Annual budget overview¹⁰

Scheme budget is allocated based on the committed spend through vouchers issued at stage 1, in addition to provisional allocations for voucher applications still in progress. **Figure 3** presents budget data across the 4 scheme years, showing how allocated funds have been spent and what remains.

Figure 3: Budget allocation and spending from each scheme year

Period	Budget allocation	Budget spent	Budget unspent ¹¹ / remaining
Scheme Year 1 (May 2022 – Mar 2023)	£150,000,000	£50,039,000	£99,961,000
Scheme Year 2 (Apr 2023 – Mar 2024)	£150,000,000	£88,455,500	£61,544,500
Scheme Year 3 ¹² (Apr 2024 – Mar 2025)	£205,000,000	£189,737,500	£15,262,500
Scheme Year 4 (Apr 2025 – Mar 2026)	£295,000,000	£78,257,500	£216,742,500

For Year 4 of the scheme the budget has been set at £295 million, with £78,257,500 allocated so far between April and July 2025. This leaves £216,742,500 remaining for the rest of the scheme year.

¹⁰ 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).

¹¹ N.B. Unspent budget is not carried over to the next scheme year.

 $^{^{12}}$ The Department for Energy Security and Net Zero (DESNZ) announced in November 2024 that an additional £30 million was available to ensure sufficient funding for Year 3, and on 30 January 2025, announced a further £25 million – increasing the total BUS Year 3 budget from £150 million to £205 million. Furthermore, to provide certainty that sufficient vouchers would be available during Year 3, the Secretary of State also gave permission for Ofgem to over-allocate vouchers up to a total of £280 million.

Grants paid

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

GSHP (SGL) 29 (0.05%)

Biomass 335 (0.6%)

GSHP 1,256 (2.1%)

Figure 4: Grants paid by technology type

This chart shows that of the 59,486 grants paid to date, 57,866 or 97.3% were for air source heat pumps (ASHP). There were 1,256 (2.1%) grants paid for ground source heat pumps (GSHP), 335 (0.6%) for biomass boilers, and 29 (0.05%) for shared ground loop (SGL) GSHPs.

Figure 5: 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	3,090	53	35	0
Nov 2022 to Jan 2023	3,380	106	50	4
Feb 2023 to Apr 2023	3,063	91	33	3
May 2023 to Jul 2023	2,760	104	25	2
Aug 2023 to Oct 2023	2,219	85	20	0
Nov 2023 to Jan 2024	4,225	138	26	6
Feb 2024 to Apr 2024	4,479	109	20	2
May 2024 to Jul 2024	5,063	131	31	1
Aug 2024 to Oct 2024	6,912	125	25	1
Nov 2024 to Jan 2025	6,615	99	21	3
Feb 2025 to Apr 2025	6,848	99	16	3
May 2025 to Jul 2025	8,329	104	24	2
Total	57,866	1,256	335	29

Figure 6: Regional distribution of grants paid by technology type

Region	ASHP	GSHP	Biomass	GSHP-SGL	Total	Total %
South East	11,627	239	7	2	11,875	20.0%
South West	10,244	359	80	16	10,699	18.0%
East of England	8,059	113	9	0	8,181	13.8%
East Midlands	5,861	90	9	3	5,963	10.0%
Yorkshire and The Humber	5,506	119	6	0	5,631	9.5%
North West	4,700	92	34	0	4,826	8.1%
West Midlands	4,360	96	20	7	4,483	7.5%
Wales	2,707	94	137	1	2,939	4.9%
London	3,131	29	0	0	3,160	5.3%
North East	1,671	25	33	0	1,729	2.9%

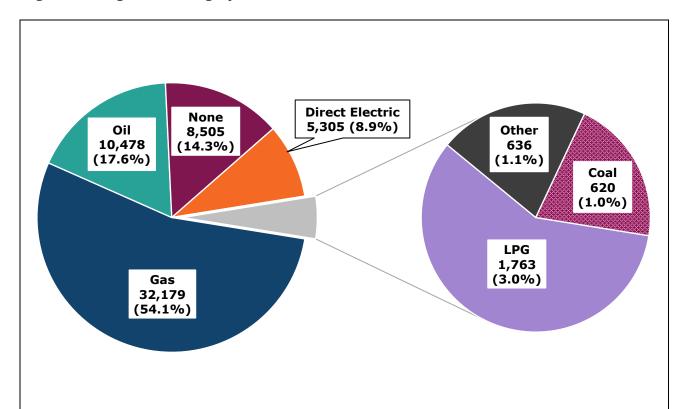


Figure 7: Original heating system

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 54.1% of the total. Oil was the second most common at 17.6%. Overall, replaced fossil fuelled systems account for 75.7% of grants paid. An additional 8,598 of the grants paid were for heating systems in eligible self-build¹³ properties, accounting for 14.5% of total installations.

¹³ New build properties are not eligible for the scheme except for certain 'self-builds'. An eligible self-build must have been built mainly using the labour or resources of the first owner, and the new building must never have been owned by a business or organisation.

Most self-builds are classed as not replacing an existing heating system ('None' category), as the grants are usually paid towards installations in newly constructed buildings or conversions of buildings without previous heating. However, a small proportion of self-builds were conversions where a non-domestic heating system was replaced. Therefore, the number of grants paid where no heating system has been replaced is lower than the number of eligible self-builds.

Figure 8: Original heating systems replaced

Quarterly Period	Gas	Oil	None	Direct Electric	LPG	Other	Coal
May 2022 to Jul 2022	482	239	68	54	42	9	12
Aug 2022 to Oct 2022	1,508	814	417	252	115	34	38
Nov 2022 to Jan 2023	1,587	788	634	321	129	41	40
Feb 2023 to Apr 2023	1,422	605	666	314	96	42	45
May 2023 to Jul 2023	1,348	529	597	254	93	45	25
Aug 2023 to Oct 2023	1,042	437	499	229	58	31	28
Nov 2023 to Jan 2024	2,194	769	749	470	106	55	52
Feb 2024 to Apr 2024	2,259	840	805	478	144	42	42
May 2024 to Jul 2024	2,848	941	746	441	132	54	64
Aug 2024 to Oct 2024	4,069	1,172	883	599	193	75	72
Nov 2024 to Jan 2025	3,938	1,058	848	563	199	70	62
Feb 2025 to Apr 2025	4,313	993	741	585	212	62	60
May 2025 to Jul 2025	5,169	1,293	852	745	244	76	80
Total	32,179	10,478	8,505	5,305	1,763	636	620