

Green Deal

A slow-moving, over-supplied market

16th May 2014

Introduction

- DECC published the latest monthly statistics for domestic Green Deal and Energy Company Obligation in April, for the period up to end of March 2014
- This pack provides a summary analysis of the data by The Venturing Firm, attempting to dig a little deeper into the figures
- For discussion of this analysis in more detail please contact David Whiteley at The Venturing Firm at david.whiteley@theventuringfirm.com

Source:

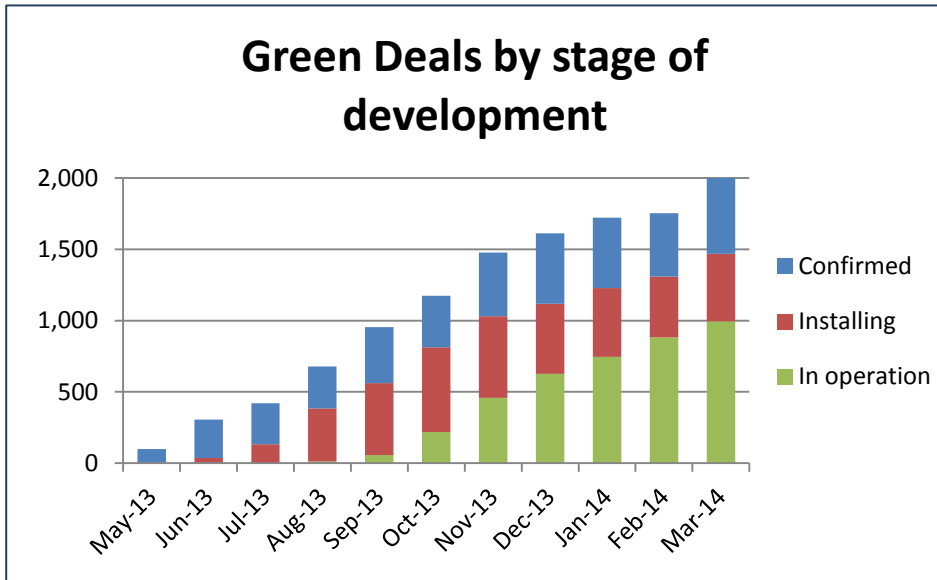
- “Domestic Green Deal and Energy Company Obligation in Great Britain, Monthly report”, DECC, 24th April 2014 available [here](#)
- Contains public sector information licensed under the [Open Government Licence v2.0](#).
- The next monthly report for data through to end of April 2014 is planned for publication on 20th May 2014

Analysis:

- By The Venturing Firm – see our [website](#) and our [blog](#)
- We will update our analysis with new data soon after their publication on 20th May 2014

Summary of Green Deals by stage of development

Growth over the last 10 months in Green Deals looks linear – for new markets we want exponential

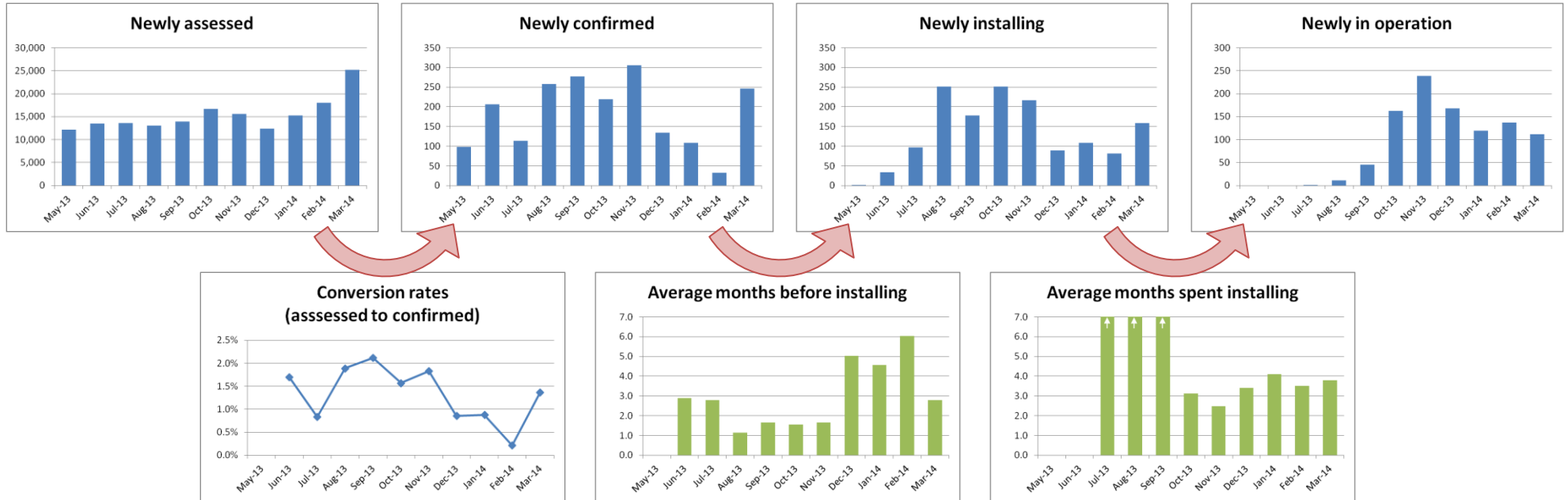


Source: DECC, TVF analysis

At the end of March 2014, 2,000 Green Deals had been confirmed, with 995 live and another 473 having started but yet to complete installation of energy efficiency measures

Summary of flows in assessments and Green Deal plans

The latest statistics describe a market still at the very earliest stages of development

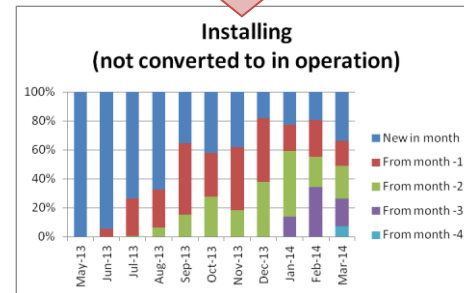
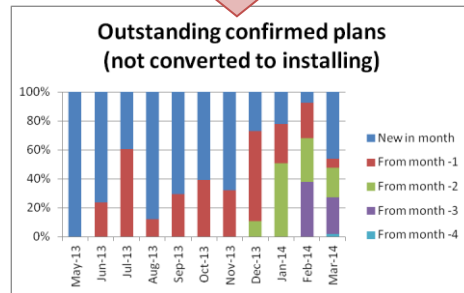
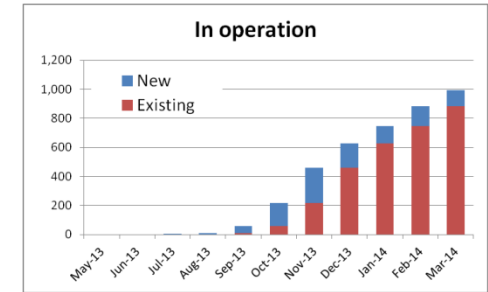
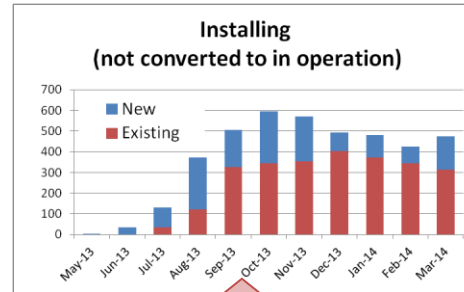
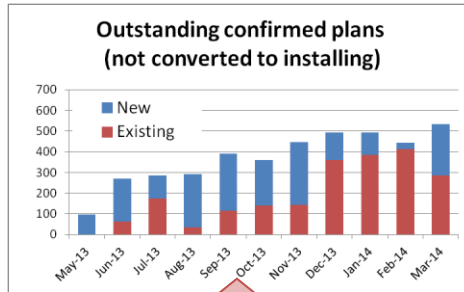
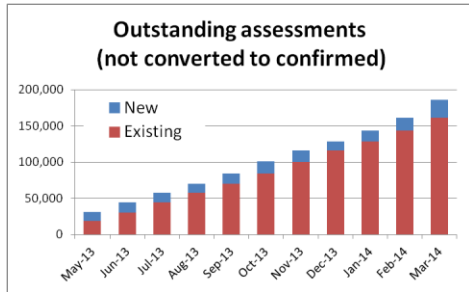


Is the uptick in March the start of a growth trend or just part of the volatile statistics seen in early stage markets?

Source: DECC, TVF analysis

Summary of stocks of assessments and Green Deal plans

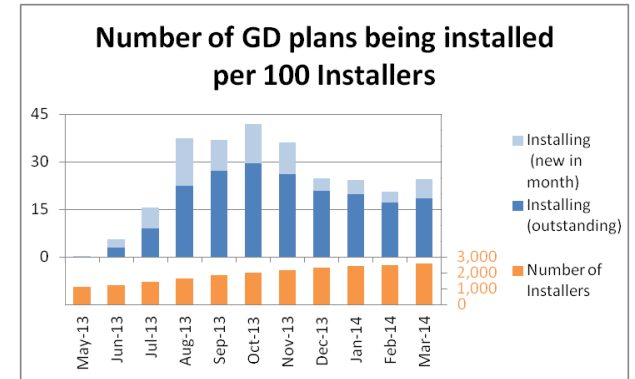
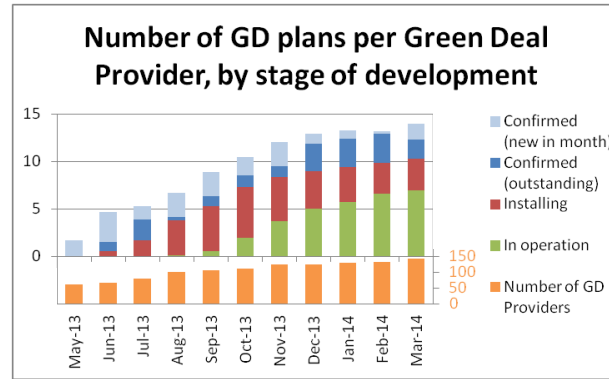
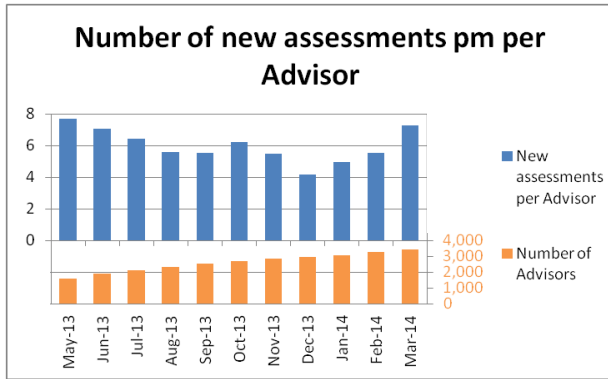
A static market, with around 500 outstanding confirmed plans and 500 plans installing at any time



Why is the time taken to move plans between stages of development deteriorating – is this a natural limit given supply, or poor performance?

Summary of average utilisation of different Green Deal players

Supply of Advisors, Providers and Installers has grown in line with expectations of demand



Any reasonable view of current average workloads suggests underutilisation – how many Providers and Installers are needed to service this market?

Source: DECC, TVF analysis

Conclusion

- The Green Deal has been operating for around a year now and is exhibiting the volatile performance expected of an early stage market
- Whilst there has been steady growth in confirmed plans over the last year, this has been linear growth with a static market of 500 outstanding confirmed plans and 500 plans installing at any time – for early stage markets working effectively we expect to see exponential growth
- Conversion rates from assessments are falling and the time taken to move plans between stages of development is deteriorating – why is this when there are high numbers of players with low average utilisation?
- Supply of Assessors, Providers and Installers has run ahead of demand, leaving players underutilised on average – of course, workload is likely to be concentrated in a very few players, with most having no or near to no work from the Green Deal each month
- Whilst Green Deal attracts more and more players, overall marketing and execution effectiveness needs to improve substantially to create and sustain an attractive market

For discussion of this analysis in more detail please contact David Whiteley at The Venturing Firm at david.whiteley@theventuringfirm.com or via www.theventuringfirm.com

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