

**Energy Company Obligation – Flexible Eligibility**

**Statement of Intent**

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| Local Authority  | Inverclyde Council  |
| Delivery Partner | The Wise Group |
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<https://www.inverclyde.gov.uk/housing>

1. **Introduction**

1.1 The department for Business, Energy and Industrial Strategy (BEIS) BEIS have set out an opportunity for Local Authorities (LA’s) to engage with energy suppliers on how suppliers can meet their obligations to install energy efficiency measures in homes under the Energy Company Obligation 3 (ECO 3). ECO 3 is an obligation on energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy saving measures

1.2 Inverclyde Council is committed through the Local Housing Strategy (LHS) to tackling fuel poverty and is adopting the Flexible ECO Eligibility Policy, this will allow Flexible ECO Affordable Warmth funding for energy efficiency works to be made available to those residents living in private sector housing with the highest level of need, targeting households living in fuel poverty or who are living on a low income and are vulnerable to the effects of a cold home. Flexible ECO is only available to support residents living in private sector housing.

A household is described as living in fuel poverty if they are required to spend more than 10% of the household income on fuel, more than 20% of disposable income equates to extreme fuel poverty.

There are approximately 15,800 (43%) households in fuel poverty across Inverclyde and of those 2,100 (6%) are in extreme fuel poverty. Families are the second most affected group with 35% of households in fuel poverty. Overall around 30% of adult only households experience fuel poverty[[1]](#footnote-1). Inverclyde have the 2nd greatest proportion of deprived households in Scotland with 44% of the data zones being within the lowest 20% of Scottish Index of Multiple Deprivation (SIMD)[[2]](#footnote-2).

1.3 All energy efficiency works qualifying for Flexible ECO Eligibility Affordable Warmth funding will be delivered through our referral network and existing energy efficiency schemes.

The Council will declare households as eligible for funding based on the criteria outlined in section two. The final decision on whether any individual household can benefit from energy saving improvements under Flexible ECO Eligibility Affordable Warmth funding will be made by the obligated suppliers or their agents/contractors. Although a household may be declared to be eligible the final decision will be depend upon:

* The survey carried out by suppliers agents/contractors and installation costs calculated,
* The energy savings that can be achieved for a property, and
* Whether suppliers have achieved their targets or require further measures to meet their Affordable Warmth targets.

**2. Identification of Eligible Households**

2.1 Private sector households are considered eligible for Flexible ECO Affordable Warmth funding if they are:

**1. at risk of living in fuel poverty or (Route 1)**

**2. a low income household with at least one household member vulnerable to the effects of living in a cold home (LIVC). (Route 2)**

The Council will consider eligibility in line with the Government’s policy and guidance published by BEIS, “Energy Company Obligation (ECO 3) Guidance: Delivery Version 1.1 published December 2018. It should be noted that Eligibility does not guarantee funding.

2.2 **Route 1**

**At Risk of Living in Fuel Poverty**

Fuel poor eligible households will be identified as those that have an income less than the Scottish median gross weekly full time earnings of ££31,977 3

 or is in receipt of pension credit savings/guarantee element and one of the following:

* The property is occupied for long periods due to the presence of householders who are unemployed, disabled, instructing to shield due to COVID or suffering long term illness.
* Households living in a property with an Energy Performance Certificate (EPC) rating of E, F or G.
* If the home built before 1975 and of non- traditional construction e.g. solid wall/Hard to Treat Cavity (HTTC).
* If the main heating fuel is oil or solid fuel.
* The property has no central heating or has electric storage heating which has a responsiveness rating of 0.2 or less, as defined under the Standard Assessment Procedure (SAP) for calculating and comparing the energy and environmental performance of a domestic dwelling.
* The main wall type of the property is inadequately insulated.
* The roof of the property in inadequately insulated.

**Route 2**

**A low income household with at least one household member vulnerable to the effects of living in a cold home**.

Have an income of less than the Scottish mean of £31,605 3 or is in receipt of pension credit savings/guarantee element and have one or more members:

* with a limiting long term or terminal illness
* with a mental illness
* with a respiratory condition including effects of COVID 19
* with a disability
* experienced moving in and out of homelessness
* is a recent immigrant or asylum seeker
* experienced a recent bereavement within the household
* is on the priority register of an utility company
* is a recipient of a Warm Home Discount
* who are 60 years or over
* who are dependent children of 18 years or younger
* in receipt of an DWP benefit; attendance allowance, HRMC child benefit; or any Ministry of Defence benefit

2.3 Exceptional cases not meeting the above criteria in route 1 or 2 will be considered on a case by case basis.

2.4 The council can also facilitate solid wall, non-traditional and HTTC insulation schemes under flexible eligibility including households that are not in fuel poverty or vulnerable (‘in fill’).

In terms of Infill criteria the Council intends to support energy efficiency improvement projects for vulnerable households in areas where external wall insulation is technically feasible, permitted under Planning legislation and can attract funding. This will be primarily, but not exclusively, areas identified by the Council as forming part of their Energy Efficient Scotland Area Based Scheme (ABS) Programmes. Targeted areas for ABS programmes are in the lowest SIMD data zone areas which are a key source of data for determining a household’s risk of fuel poverty.

 The following eligibility criteria are those from the Governments Guidance and will be applied:

3 Scottish Parliament - Annual Survey Household Earnings

Non-fuel poor households eligible for in-fill must be:

* in the same terrace as
* in an immediately adjacent building to, or
* are in the same building as the household that does meet the criteria

In-fill eligibility must meet the minimum percentages set out below:

|  |  |  |
| --- | --- | --- |
| **Property Type** | **LA declaration requirements** | **In-fill available** |
| Semi detached houses or bungalows, or a building containing no more than two domestic premises | At least one of the two properties must be classified by the LA as FP or LIVC (50% eligibility). | The other property to which it is directly adjoined is eligible for solid wall insulation. |
| Any other properties that are contained together on a list provided by the LA that are in the same or immediately adjacent buildings 51 or in the same terrace (e.g. flats and terraced houses) | At least 50% of the properties listed in the declaration must be classified by the LA as FP or LIVC. | The Other 50% of properties on the list are eligible for solid wall insulation, provided they are either in the same building, an immediately adjacent building or in the same terrace. |

**3. Acting on behalf of another Local Authority**

 3.1 Inverclyde Council is not acting on behalf on another Local Authority to issue declarations of eligibility.

**4. Joint Statement of Intent**

4.1 Inverclyde Council do not intend to issue a joint SoI with another Local Authority.

**5. Governance**

5.1 The ECO3 order states that LA’s must be consulted in the installation of a measure under flexible eligibility by suppliers.

5.2 In order to access Flexible ECO Eligibility Affordable Warmth funding, the Council is required to submit a LA Declaration to the ECO supplier, in a form determined by BEIS. The final decision on whether a household receives ECO measures is made by the energy suppliers and therefore inclusion in a declaration will not guarantee installation of measures.

The final decision will depend on:

* the survey carried out on the property and the installation costs calculated
* the energy savings that can be achieved for a property
* there is adequate funding to support ECO funding for the installation of the energy efficiency measures
* whether ECO obligated parties have achieved their targets to require further measures to meet their ECO targets

5.3 The Council’s Delivery Partner will be responsible for collating household data to determine if the householder meets the Flexible ECO Eligibility Affordable Warmth funding criteria. The Delivery Partner will complete an LA Declaration for each householder and will state if eligibility has been met through:

* living in fuel poverty
* living on a low income and vulnerable to effects of a cold home
* solid wall, non-traditional and HTTC ‘in fill’

5.4 All declarations must be submitted by the Council and signed by an approved officer. The officers responsible for signing and issuing declarations on behalf of the Council are the based within:

**Public Protection**

**The James Watt Building**

**105 Dalrymple Street**

**Greenock**

**PA15 1HU**

**6. Referrals**

6.1 Referrals for flexible ECO Affordable Warmth funding will be accepted from Home Energy Scotland (HES). HES is funded by the Scottish Government and delivered by Energy Saving Trust and currently managed by the Wise group. Telephone advisors can answer questions about heating and insulating your home, saving energy and cutting costs, and refer on to delivery partners where appropriate. In the first instance, the council will refer all energy efficiency enquiries direct to HES.

The delivery of ABS programme is managed on behalf of the Council by their Delivery Partner, also currently the Wise Group, providing a direct link with HES.

Referrals for Flexible ECO Affordable Warmth funding will be also be accepted from HEEPS Works Contractors.

HES Telephone 0800 808 2282

<http://www.energysavingtrust.org.uk/scotland/home-energy-scotland>

All referral information will be handled in accordance with the Data Protection Act and retained for the purposes of evidence, monitoring and reporting.

**7. Evaluation, Evidence and Reporting**

7.1 To facilitate internal monitoring and reports the Council and their Delivery Partner will be required to evidence records to support household eligibility and information received from suppliers or installers on measures installed.

7.2 The Council’s Delivery Partner will be responsible for collating information on behalf of the Council for monitoring, evaluation, evidence and reporting on a quarterly basis. An annual report will be submitted to BEIS detailing the success of the programme including:

* targeted household
* number of referrals
* referral routes
* eligibility criteria
* number of successful outcomes
* barriers
* energy efficiency measures supported.

The information detailed in the report will assist BEIS to review the success of flexible eligibility, if it is achieving its objectives of targeting households living in fuel poverty or who are living on a low income and are vulnerable to the effects of living in a cold home.

**8. Review**

8.1 The scheme will be reviewed annually or at any point there is a significant change to the scheme or the funding available.

8.2 On the review of the scheme the Council has the option to withdraw this statement where the scheme is no longer valid or provides no advantage to the communities of Inverclyde.

**9. Statement of Intent Authorisation**

9.1 The SoI should be signed by the Chief Executive for LA or other senior nominated officer at Director Level, on their behalf

**Signed:** 

**Name: Stuart Jamieson**

**Position: Interim Service Director Environment & Economic Recovery**

1. Scottish House Condition Survey 2016 [↑](#footnote-ref-1)
2. Scottish Index of Multiple Deprivation 2015 [↑](#footnote-ref-2)