
Report To: Education and Communities Committee **Date:** 13 March 2018

Report By: Corporate Director Education,
Communities & Organisational
Development **Report No:**
EDUCOM/27/18/DH

Contact Officer: Drew Hall **Contact No:** 01475 714272

Subject: ECO Flexible Eligibility

1.0 PURPOSE

- 1.1 The purpose of this paper is to seek Committee approval for Inverclyde Council to adopt the Flexible Energy Company Obligation (ECO) Eligibility Policy. This policy allows Local Authorities to access Flexible ECO Affordable Warmth funding for energy efficiency works to be made available to Inverclyde residents, with the highest level of need, living in private sector housing.

2.0 SUMMARY

- 2.1 The department for Business, Energy and Industrial Strategy (BEIS) is providing an opportunity for Local Authorities (LAs) to engage with energy suppliers to assist the suppliers to meet their obligations to install energy efficiency measures in homes under Energy Companies Obligation (ECO). ECO is the obligation put on energy suppliers to help households cut their energy bills and reduce carbon emissions by installing energy saving measures.

This is the introduction of a new flexible approach through which LAs can refer households to suppliers for support, in particular targeting households living in fuel poverty or who are living on a low income and are vulnerable to the effects of a cold home.

There is a mandatory requirement that LAs participating in flexible eligibility will publish a Statement of Intent (Sol). It is recommended that it be advertised on the Council website. Within the Sol the authority should set out the criteria they intend to use to identify households meeting the eligibility for Flexible ECO Affordable Warmth funding.

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Flexible ECO is only available to support residents living in private sector housing.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the ECO Flexible Eligibility Statement of Intent is approved by the Committee, authorised by the Chief Executive or Corporate Director, and the document is advertised on the Council's website.

Wilma Bain
Corporate Director Education, Communities & Organisational Development

4.0 BACKGROUND

4.1 Outcome 5 of the Local Housing Strategy (2016-2021) aims to tackle fuel poverty and contribute to meeting climate change targets.

4.2 The Scottish Government is committed to tackling fuel poverty and to improving the energy efficiency of housing in the private sector by providing funding to home owners via Local Authorities for Home Energy Efficiency Programmes Area Based Schemes (HEEPS:ABS).

The aim of the HEEPS ABS funding stream is to target specific areas where fuel poverty is known to exist and where homes are uninsulated or require additional insulation to bring them up to current standard.

Local Authorities must ensure that they maximise the use of their HEEPS ABS funding allocation and secure the ECO funding leverage where possible.

5.0 FLEXIBLE ECO AFFORDABLE WARMTH FUNDING

5.1 BEIS are providing an opportunity for LA's to engage with energy suppliers on how suppliers meet their obligations to install energy efficiency measures in homes under ECO. It is intended to introduce a new flexible approach through which LAs can refer households to suppliers for support, in particular households in fuel poverty or with occupants on low incomes and vulnerable to the effects of cold homes. The aim is to allow this new approach to work in a straightforward way, with the main focus on two documents from LAs: a Sol from an LA (or group of LAs) that they are going to identify households as eligible, and the criteria they are going to use; and a declaration that the LA has been consulted on the installation of measures in a home.

Appendix
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5.2 As set out in the ECO Order (Art 16A(7)), a Sol must include a description of how a LA intends to identify households in its area who may benefit from the installation of energy efficiency measures and who are living (a) in fuel poverty; or (b) on a low income and are vulnerable to the effects of living in a cold home.

5.3 The Sol should be signed by the CEO, or other senior officer nominated on their behalf, that is at least at Director level.

5.4 The LA should include details on their referral routes and partners and any additional support or service provided, which may be valuable information to their residents. LAs should state their governing department and their monitoring and reporting arrangements as a way of demonstrating that internal assurance processes are in place to monitor how flexible eligibility is being used.

All referral information will be handled in accordance with the Data Protection Act and retained for the purposes of evidence, monitoring and reporting as outlined in section 6.

A declaration for each measure installed requires to be signed by an authorised Council officer to confirm that the eligibility criteria have been met.

5.5 Referrals for Affordable Warmth funding will be accepted from HEEPS Works Contractors and referrals through Home Energy Scotland (HES).

6.0 IMPLICATIONS

6.1 Financial: There no financial implication related to this proposal

One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

6.2 Human Resources: There are no HR implications related to this proposal

6.3 Legal: There are no Legal implications related to this proposal

6.4 Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Services to our customers, full cognisance is taken of equality and diversity processes and procedures, including

- The provision of free and easily accessible advice and information.
- Ensuring awareness of the availability of services.
- Regularly reviewing delivery methods to ensure inclusion.

6.5 Repopulation: The opportunity to access this funding will assist with achieving a key outcome of the Local Housing Strategy to tackle fuel poverty.

7.0 CONSULTATIONS

7.1 None

8.0 LIST OF BACKGROUND PAPERS

8.1 None

Energy Company Obligation – Flexible Eligibility Statement of Intent

Local Authority	Inverclyde Council
Delivery Partner	The Wise Group
Date of publication	January 2018
Publication on website	March 2018
Version	S120000018/001

<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. The Energy Company Obligation (ECO) 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 poverty¹.

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.

¹ Scottish House Condition Survey 2016

² Scottish Index of Multiple Deprivation 2015

- 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. (Route 2)**

The Council will consider eligibility in line with the Government’s policy and guidance published by BEIS, “Energy Company Obligation – Flexible Eligibility” published April 2017. 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 mean of £22,918³ and one of the following:

- Households living in a property with an Energy Performance Certificate (EPC) rating of E, F or G, or
- Score 5 or above in their responses to the following high cost questions:

³ Annual Survey Household Earnings 2016

Question	Response	Score
Does the home use a boiler?	Yes	0
	No	5
Was the home built before 1964?	Yes	20
	No	0
Was the home built before 1975 and of non- traditional construction e.g. solid wall?	Yes	20
	No	0
What is the main heating fuel?	Gas	-15
	Electricity	0
	Oil	10
	Solid Fuel	10

Exceptional cases not meeting the above criteria will be considered on a case by case basis.

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 £22,918
- Have one or more members:
 - with a limiting long term or terminal illness
 - with a mental illness
 - with a respiratory condition
 - with a disability
 - who are 60 years or over
 - who are dependent children of 18 years or younger

2.3 The council can also facilitate solid wall insulation schemes under flexible eligibility including households that are not in fuel poverty or vulnerable ('in fill').

In terms of Solid Wall Infill criteria, the Council intends to support energy efficiency improvement projects for vulnerable households in areas where solid 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 Home Energy Efficiency Programmes Area Based Schemes (HEEPS ABS). Targeted areas for HEEPS 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:

Non-fuel poor households eligible for solid wall insulation 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
Property consisting of a pair of semi-detached houses or bungalows, or a building containing no more than 2 domestic premises	At least one of the two properties must be declared by the Council as fuel poor i.e. 50% of the properties must be fuel poor	The other properties to which it is directly adjoined is eligible for solid wall insulation
Project consisting of any premises that are contained in the same building (e.g. flats), immediately adjacent buildings (e.g. neighbouring detached properties) or in the same terrace	At least two in three properties on the list must be declared by the Council as fuel poor i.e. at least 66% of the properties are fuel poor	The other (i.e. up to one third) of properties in the project are eligible for solid wall insulation, provided they are either in the same building, an immediately adjacent building or in the same terrace as the ones identified as fuel poor

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 Sol with another Local Authority.

5. Governance

- 5.1 The ECO 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 '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:

Safer and Inclusive Communities,

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 HEEPS: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 Sol should be signed by the Chief Executive for LA or other senior nominated officer at Director level, on their behalf

Signed:

Name:

Position: