

# ECO Local Authority Flexibility Eligibility Statement of Intent

**Local Authority – West Dunbartonshire Council**

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## 1. Introduction

The department for Business, Energy and Industrial Strategy (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.

West Dunbartonshire Council ("the Council") welcomes the introduction of Flexible Eligibility ("FE") in the Help to Heat (also known as "ECO") obligation. FE has been created to enable local authorities to make declarations determining that certain households, that are not on Affordable Warmth ("AW") qualifying benefits are still deserving of AW. This is on the basis that they are either in Fuel Poverty ("FP") or are considered low income and vulnerable to the effects of living in a cold home ("LIVC"). This facility can be used for up to 25% of the Affordable Warmth target, nationally. This Statement of Intent sets out the criteria the Council intends to use to target households under FE, in line with the eligibility criteria set out in the ECO legislation. The Council is keen to utilise the FE mechanism to ensure that deserving households that do not otherwise meet the AW criteria can benefit from energy efficiency measures wherever possible throughout the area, where measures are being delivered through programmes initiated by the Council, including in conjunction with the Councils Home Energy Efficiency Programmes Scotland – Area Based Schemes (HEEPS-ABS) and any Energy Saving Scotland (ESS) delivered through the Council.

The Scottish Indexes of Multiple Deprivation 2016 publication showed an increase for West Dunbartonshire in its share of the 20% most deprived datazones in Scotland compared to 2012. West Dunbartonshire consists of 121 datazones, of which 48 (equating to 40% of WD datazones) are within the 20% most deprived in Scotland. Our national share is 3.4% of all datazones in Scotland. The Council is keen to provide support to some of the most vulnerable homes which are located in the bottom 20% of the SIMD.

The Council plans to introduce Flexible Eligibility in conjunction with its Home Energy Efficiency Programme for Scotland: Area Based Schemes (HEEPS: ABS) programme which is co-ordinated by the Council and delivered via a managing agent. Flexible Eligibility will be utilised in a number of ways:

- To assist eligible households who are having works undertaken via the HEEPS: ABS and Energy Efficient Scotland programmes but require additional funding beyond that available from HEEPS: ABS to undertake the works.
- To assist eligible households by providing additional appropriate measures beyond that which is available via the HEEPS: ABS. This may include heating replacement, or further insulation measures in addition to other insulation works that are being carried out.

The Council will seek to identify households that meet Flexible Eligibility criteria through any EES programmes managed by the Council and make ECO Flex declarations for those that do not meet ECO affordable warmth group (AWG) criteria or are not eligible for support through the Scottish Government's Warmer Homes Scotland scheme and that can benefit from ECO funded measures.

The Council anticipates that Flexible Eligibility will provide access for energy efficiency measures to residents who may not have qualified for help in the past. Where the Council sets up arrangements to support householders access ECO funded measures by making ECO Flexible Eligibility declarations, the Council will only work with partners that have been selected by the Council to deliver such schemes.

Please note that when the Council makes a declaration to a supplier on behalf of a household, this does not guarantee that a measure will be installed. The final decision will rest with the supplier, who will take into account a number of factors including the savings that can be achieved for a property, as well as whether the supplier has already reached their targets. This is restricted to partners of the Council appointed to deliver HEEPS-ABS and EES projects.

WDC regards the implementation of Flexibility Eligibility to be in line with current Council policies, namely:

- Local Housing Strategy 2017 -2022
- Strategic Plan 2017- 2022
- Climate Change Strategy 2012

**IMPORTANT NOTE:** Inclusion in a Declaration of Eligibility issued by the Council will not guarantee installation of measures. The final decision on whether any individual household will receive an offer of funded energy efficiency measures rests with obligated energy suppliers or their contractors. The final decision will depend on identification of eligible measures, the supplier or contractor's assessment of the cost-effectiveness of installing measures and whether obligated energy suppliers have achieved their Help to Heat targets.

## 2. **Identification of Eligible Households**

This section sets out the criteria that the Council intends to use to identify and target households that may benefit from the installation of measures under FE. The ECO legislation and the BEIS guidance in relation to FE envisage three categories of eligibility:

- FP: Households with low income and high heating costs
- LIVC: Households with low income who, because of health, disability, age or other reason, are vulnerable to the impact of living in a cold home
- Solid wall insulation “in-fill”: Eligibility criteria to facilitate solid wall insulation schemes including households that are not necessarily in fuel poverty or vulnerable.

Since the first two of these eligibility routes both relate to household income, we first set out here the criteria we intend to use to identify and target low income, as part of the identification of FP and LIVC.

The Council notes that, under the ECO legislation and BEIS guidance, FE is only open to those living in owner-occupied or private rented sector housing (collectively “private housing”) and is not open to those in social housing. Declarations will not be made in relation to social housing.

### a. **Criteria for identifying low income**

The Council intends to utilise the following as indicators of low income:

- (a) household gross income levels as self-certified by the householder or estimated by a frontline Council worker, or partner working on the Council’s behalf, as being below a threshold; or
- (b) a member of the household receiving certain qualifying benefits (see below); or
- (c) significant and persistent debt problems including energy debt;

For private rented sector properties, the income of the resident (occupying tenant) of the household is considered rather than that of the landlord.

The gross income thresholds we intend to apply in the assessment of low income are set out in the table below. These are taken from the income levels utilised in the ECO Affordable Warmth qualification criteria.

The Council also intends to extend eligibility for FE to all private sector households in receipt of **any** means-tested benefits that do not qualify under the broader AW criteria. Means tested benefits that will be used as indicators of low income for FE will include Housing Benefit, Pension Credit Savings Credit and any tax credits (CTC, WTC, UC) where the household is not Home Heat Carbon Reduction Obligation (HHCRO) eligible.

The Council will reserve the right to exercise discretion when determining eligibility around the thresholds and criteria set out above, where the Council has evidence that residents are

struggling financially.

**b. Criteria for identifying FP households**

The legislation and guidance state that those households in private housing, combining low income with high home heating costs should be eligible for FE in this category. The income component of eligibility is set out in (2.a) above. The criteria to be used as indicators of high heating costs are:

- The house has an EPC with an E, F or G energy efficiency rating
- The primary heating source for the home is not mains natural gas
- The home is large – with four or more bedrooms
- The main wall type of the property is uninsulated solid wall or cavity wall
- The home is a park home or static mobile home
- Through disability, health or other condition the home is occupied for long periods or needs to be heated to abnormally high temperatures. Note that most residents in this category will also qualify under the LIVC criteria set out below
- The resident family has small children below school age (under the age of 5).

**Table**

Recommended after housing costs (rent, mortgage, council tax, factoring, home insurance etc.) and tax/national insurance deductions equivalised income thresholds, by household composition and figure applied to East Lothian Council’s scheme after taking climate into account.

Household Composition	After housing costs threshold recommended by BEIS	plus 15% local colder climate adjustment	After housing costs threshold applied for West Dunbartonshire Council ECO Flexible Eligibility scheme.
1 Adult	£ 9,300.00	£1,395.00	£10,695
and 1 child	£ 12,200.00	£1,830.00	£14,030
and 2 child	£ 15,000.00	£2,250.00	£17,250
and 3 child	£ 18,000.00	£2,700.00	£20,700
and 4+ child	£ 21,000.00	£3,150.00	£24,150
2 Adults	£ 15,200.00	£2,280.00	£17,480
and 1 child	£ 18,200.00	£2,730.00	£20,930
and 2 child	£ 21,100.00	£3,165.00	£24,265
and 3 child	£ 24,100.00	£3,615.00	£27,715
and 4+ child	£ 26,800.00	£4,020.00	£30,820

Households where the main householders are in receipt of the maximum guarantee element or savings element of pension credit will also be deemed to have satisfied the income threshold requirement.

**c. Criteria for identifying LIVC households**

The legislation and guidance state that those households in private housing, combining low income with health, disability, age or other conditions that result in a vulnerability to

the effects of living in a cold home should be eligible for FE in this category. The income component of eligibility is set out in (2.a) above. The criteria to be used as indicators of vulnerability to cold are sub-divided into:

- Health-related criteria (long-term health conditions), which reflect the National Institute for Health and Care Excellence (NICE) 2015 guidance on excess winter deaths and illness caused by cold homes
- Benefits-related criteria
- Other vulnerability indicators. These are set out below.

### **Long-Term Health Conditions:**

- Cardiovascular condition (incl. coronary heart disease, stroke, hypertension, transient ischemic attack)
- Respiratory condition (incl. COPD, asthma)
- Neurological or neurobiological condition (incl. dementia, Parkinson's disease, MS, epilepsy, fibromyalgia, ME)
- Musculoskeletal conditions (incl. arthritis, limited mobility, recently attended hospital due to a fall)
- Blood conditions (incl. Sickle cell disease, thalassemia)
- Cancer
- Moderate to severe mental illness (incl. schizophrenia, bipolar disorder and depression, where receiving regular treatment)
- Severe learning disabilities
- Autoimmune or immunodeficiency diseases (incl. lupus, diabetes, HIV)
- Terminal illness
- Other illness exacerbated by cold (confirmed by GP)
- Benefits-related criteria:
  - Pensions Saving Credit
  - Carer's Allowance
  - Housing Benefit or Council Tax Reduction
  - A Disability Benefit (incl. Attendance Allowance, DLA, PIP)
- Other Vulnerability Indicators:
  - On the Priority Services Register of utility company
  - Core Group Warm Home Discount recipient
  - Victim of domestic violence
  - Recent bereavement
  - Moving in and out of homelessness
  - Recent immigrant or asylum seeker
  - Physical or sensory disability

### **Solid Wall in-fill scheme requirements**

The Council intends to support energy efficiency improvement projects for vulnerable Households in the area where solid wall is technically feasible, permitted under planning legislation and can attract funding. The Flexible Eligibility powers allows for homes in these targeted areas that are not in fuel poverty or vulnerable to be funded. This means that the aesthetic benefits of external solid wall and the economies of scale from working in localised areas can be realised.

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;
- 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 50% of properties must be declared by the Council as fuel poor	The other 50%

#### **d. Additional eligibility route for FP/LIVC**

The Council recognises that the intention of flexible eligibility was to enable Councils to be more flexible in approach, to reach those in need. In line with this our additional route for identifying FP/LIVC is area-based.

##### Area-based:

The Council recognises that a widespread area-based application of FE would not meet our intention that FE is targeted specifically on FP and LIVC, as it is expected that most geographical areas will be home to those in FP/LIVC and those in better off households. However, we have identified a small number of geographical areas where the extent of deprivation is extreme, and the Council believes that there will be a very high proportion of FP/LIVC households. By including all residents in these areas as eligible for declarations (where suitable energy efficiency measures are identified), it would be possible for the Council to take action on an area-based, community level to increase the impact of schemes and the benefit to residents. This will also enable FE to work more closely with other area-based activities in Scotland such as HEEPS-ABS.

In order to determine areas that are most suitable for an area-based approach, the Council has utilised data from the Scottish Index of Multiple Deprivation dataset. We will be targeting our 40% datazones which are in the lowest 20% rank nationally for multiple deprivations.

#### **3. Acting on behalf of another local authority**

West Dunbartonshire Council is not acting on behalf of another Local Authority to issue declarations of eligibility.

#### **4. Joint statement of intent**

West Dunbartonshire Council do not intend to issue a joint SOI with another Local Authority.

## **5. Governance**

The officer below will be responsible for signing Declarations on behalf of the Council:

Job title: Housing Asset & Investment Manager

Telephone: 01389 608950

Email: alan.young@west-dunbarton.gov.uk

The key governance consideration is confirming that households meet the eligibility criteria set out in this Statement of Intent prior to a Declaration being issued. In issuing Declarations, the officer above will consider eligibility evidence provided to it when requests for Declarations are made (for non-social housing residents), in particular in relation to the key referral routes set out in the next section.

## **6. Referrals**

The Council is keen to secure the maximum number of energy efficiency measures, including but not limited to those funded through FE. We see FE as an important component of this, and therefore aim to utilise a number of different strategies to generate referrals.

Our plan at the present time is for all initial FE referrals to be channelled through Council frontline staff and trusted third party agencies such as:

- Referrals from an ECO measure provider in the agent/contractor engagement phase of a HEEPS-ABS
- Referrals from NHS Scotland
- Referrals from Home Energy Scotland (HES)

## **7. Evidence, monitoring and reporting**

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.

- Prior to any property being included in a Declaration, the Council will require information on the FE criteria that each household meets along with supporting evidence.
- Any party providing such information and supporting evidence to the Council, the referring party needs to ensure that it has received an informed consent from the household, and that it is complying with the Data Protection Act 1998.
- As households, including those included in FE declarations, proceed through the ECO process, the referring party should update the Council via regular reports on the progress of each household.

The Council's delivery partners 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
- 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. Signature**

Peter Barry, Strategic Lead for Housing