



Energy Company Obligation: Flexible Eligibility

Statement of Intent (ECO3)

Local Authority: Clackmannanshire Council

Managing Agent: The Wise Group

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<https://www.clacks.gov.uk/site/documents/energyefficiency/energycompanyobligationflexibleeligibilitystatementofintent/>

Introduction

- 1.1 Fuel poverty remains a harsh reality for many households in Clackmannanshire. Such families and individuals face invidious choices in spending money on heating or on other necessities. The links between fuel poverty and physical health problems, stress, mental health problems, debt and condensation dampness are well known.

Clackmannanshire Council welcomes the new Flexible Eligibility powers for Energy Company Obligation (ECO) Affordable Warmth grant funding as a means to help address this issue. (This scheme is sometimes informally referred to as LA flex and will be referred to as such in the remainder of this document.) We are committed to tackling fuel poverty and ensuring that low income households (across all housing tenures) achieve affordable warmth. The Flexible Eligibility powers will allow us, as a local authority, to work in partnership with an energy supplier to provide affordable warmth assistance to fuel poor and low income owner occupiers who are vulnerable to the effects of the cold. The work done under this scheme should provide long term solutions to the difficulties such households face in heating their homes and paying for energy.

Further details about Flexible Eligibility are set out in the Government's Energy Company Obligation (ECO) 3 consultation response:

(<https://www.gov.uk/government/consultations/energy-company-obligation-eco3-2018-to-2022>)

- 1.2 Under the flexible eligibility route energy suppliers could deliver up to 25% of their affordable warmth obligation to households declared by local authorities as meeting affordable warmth and vulnerability criteria set by local authorities
- 1.3 The most recent figures for fuel poverty in individual Scottish local authorities are rolling averages between 2014 to 2016, and were published in the annual Scottish House Condition Survey (SHCS) on 27 February 2018.

Fuel poverty is currently defined as where a household spends more than 10% of its net income on all household fuel use. Where a household spends more than 20%, this is referred to as extreme fuel poverty. The Scottish Government is currently consulting with stakeholders on a new definition and for its fuel poverty strategy for the coming decade.

The most recent figures show that 32% of households in Clackmannanshire were in fuel poverty, with 10% being in extreme fuel poverty. Over the medium to long term, as fuel prices increase, these figures are very likely to rise.

Clackmannanshire Council is keen to provide support to some of the most vulnerable homes which are located in the bottom 25% of SIMD, and in most cases the bottom 15% of most deprived areas in Scotland. ECO Flexible Eligibility will help us achieve this.

Clackmannanshire Council's core values include 'equity, fairness and inclusion'. In line with this, as a priority, the Council seeks to build 'communities (which) are more cohesive and inclusive', support 'vulnerable people and families' and ensure that 'health is improving and health inequalities are reducing'. Our services must continuously improve, they must be sustainable and the must actively engage with local communities and meet their needs. Tackling fuel poverty lies at the heart of these values and aims.

<http://www.clacks.gov.uk/council/aimsvaluesoutcomes/>

- 1.4 The SIMD data zone rankings are a key source of data for determining a household's risk of fuel poverty. The overall rankings are calculated by assessing seven categories, four of which are linked to fuel poverty: household income, employment levels, health data and geographical access. Median household income in 2016 in Clackmannanshire has been reported as 6.25% lower than for Scotland as a whole. Clackmannanshire is a pilot area for the UK Government's welfare reforms. There is evidence that the introduction of Universal Credit makes budgeting for fuel even harder for these recipients.

<https://www.cse.org.uk/news/view/1709>

A study in 2011 noted that fuel poverty in Clackmannanshire was especially prevalent:

- **in older properties.** Around a third of households living in homes built before 1919 were in fuel poverty in 2011 compared with only 17% of those in properties built after 1982;
- **in detached properties.** 34% of households living in detached houses were in fuel poverty, compared with 25% in terraced and 25% in tenement dwellings; and
- **for pensioners, especially single pensioners.** 49% of single pensioner households were in poverty.

In addition, research across the UK has shown that houses **of a non-traditional design** are often significantly harder to heat than are other houses which were built around the same time.

Clackmannanshire Council is especially keen to use Flexible Eligibility powers to assist households which fall into these categories.

ECO Flexible Eligibility will contribute towards the aims of the Council's Local Housing Strategy (2017-2022) which states that 'the Council is taking proactive steps towards reducing fuel poverty' and cites the steps being taken under the Affordable Warmth & Home Energy Action Plan (2009, as updated).

<https://www.clacks.gov.uk/document/meeting/224/496/3926.pdf>

Indeed, eradicating fuel poverty (as far as is practicable) has been a specific Council remit since the Housing (Scotland) Act 2001 placed that requirement on every local authority. The Foreword to the 2006 Plan for Clackmannanshire commented that the Fuel Poverty Strategy drawn up at that time would 'consolidate existing strategies and ensure that fuel poverty is at the forefront. It has been developed in partnership and consultation with a wide range of agencies, as Clackmannanshire Council recognises that many areas of work impact on fuel poverty and that ideas for tackling fuel poverty are not exclusive to any one sector or organisation.'

The Clackmannanshire Community Welbeing and Safety Partnership (CWSP), with partners including the local authority, NHS Forth Valley and the Clackmannanshire Third Sector Interface has been an effective way of bringing together partners and to ensure a strategic approach to tackling fuel poverty. A Clackmannanshire Fuel Forum now meets every three months and is attended by energy advisors and other front line workers to share best practice in assisting fuel poor households.

- 1.6 This Statement of Intent outlines Clackmannanshire Council's approach to maximising ECO funding across the region for fuel poor, vulnerable, low income households.

2 Flexible Eligibility

- 2.1 ECO Flexible Eligibility funding is available to private sector households, including owner occupiers and private tenants, in line with the Government's guidance (ECO: Help to Heat Flexible Eligibility).
- 2.2 Clackmannanshire Council will utilise Flexible Eligibility to assist with current and future HEEPS: ABS programmes delivered through its appointed HEEPS:ABS contractor. These programmes aim to reduce fuel poverty in our communities. ECO funding will be maximised to compliment Scottish Government funding and assist the delivery of mixed tenure Solid Wall Insulation programmes in fuel poor areas, improving the energy efficiency of 'hard to treat' domestic dwellings. Such insulation reduces heat demand, lower carbon emissions and regenerate areas of deprivation.
- 2.3 Targeted households within Home Energy Efficiency Programme Area Based Schemes (HEEPS: ABS) will be eligible for Flexible Eligibility. One of the criteria for determining project areas for HEEPS: ABS is that the project is located within the most deprived areas according to the Scottish Index of Multiple Deprivation (SIMD). HEEPS: ABS 2017-18 targets households located within the bottom 25% of SIMD, and in most cases the bottom 15% of most deprived areas in Scotland. **<https://beta.gov.scot/policies/home-energy-and-fuel-poverty/energy-saving-home-improvements/>**
- 2.4 Clackmannanshire Council will continue its focus on targeting households in the lowest SIMD data zones in the region. The SIMD data zone rankings are a key source of data for determining a household's risk of fuel poverty. The overall rankings are calculated by assessing seven categories, four of which are linked to fuel poverty: household income, employment levels, health data and geographic access.
- 2.5 An external partner organisation will be engaged as managing agent to assist with the LA flex programme. The organisation selected for 2018/19 is the Wise Group, a social enterprise with over thirty years of experience in domestic energy efficiency programmes.

Listed in the Home Energy Efficiency Programme for Scotland: Area-Based Schemes (HEEPS:ABS) guidance as a suggested partner organisation, the Wise Group already works under contract to Clackmannanshire Council to help deliver our local HEEPS:ABS programme. They also operate the Energy Saving Trust Scotland's contact centres – known as Home Energy Scotland – across the former Strathclyde and Central regions, including Clackmannanshire.

LA flex guidance makes clear that, as managing agent, the Wise Group will be responsible for promoting the scheme to vulnerable householders in Clackmannanshire and collecting household data on behalf of the Council to determine Flexible Eligibility.

- 2.6 Households will be targeted by the external organisation during the sign-up process for programmes. They will also check that the householder is happy for their data to be shared with partners in the scheme.
- 2.7 The Council will appoint contractors to deliver measures through the HEEPS:abs, in line with Scottish Government recommendations for that scheme, which will involve either procurement by:
- The Council (directly or through a framework available to the Council) or
 - A Registered Social Landlord or agent that is partnering with the Council to deliver a HEEPS:ABS scheme.
- 2.8 The Council may in the future extend the flexible eligibility scheme to cover other programmes/initiatives organised through the Council, including other Energy Efficient Scotland programmes supported by the Scottish Government. The Council will sign declarations, where appropriate for measures delivered by contractors in Energy Efficient Scotland programmes.

3 Criteria for identifying fuel poverty

- 3.1 Clackmannanshire Council will consider eligibility in line with the Government's policy and guidance published by the Department for Business, Energy and Industrial Strategy – Energy Company Obligation – Flexible Eligibility, published in April 2017. In addition we use the Scottish Government's current definition of fuel poverty as households which, to maintain acceptable temperatures in their homes, spend at least 10% of their income on all fuel use.

Fuel poor eligible households will be identified as those that:

- have an income of £28,000 or less AND
- score **5** or above in their responses to the following questions, which are indicative of high energy costs:

Question	Response	Score
Was the home built before 1983?	Yes	10
	No	-5
Is the home of a non-traditional construction (e.g. solid wall) or considered to have a Hard To Treat (HTT) cavity?	Yes	8
	No	-4
What type of home is it?	Detached	4
	Semi-detached	2
	End terrace	2
	Mid terrace	0
What is the main heating fuel?	Gas	-5
	Electricity	0
	Oil or other fuel	8
Does the property have three or more bedrooms?	Yes	6
	No	0
Does at least one member of the household spend most of the day in the home?	Yes	4
	No	0
Are the residents in receipt of pension credit guarantee or savings element?	Yes	5
	No	0

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

3.3 It is important to note that eligibility does not guarantee funding.

4 Criteria for identifying low income and vulnerability to the cold

4.1 The Council will identify eligible households on low income and vulnerable to the effects of the cold as those that:

- I. have an income of £28,000 or less; and
- II. 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 70 years or over
 - who are dependent children of 18 years or younger

4.2 Exceptional cases not meeting the above criteria will be considered on a case by case basis. In the event that the Council intends to include a household in a Declaration based on individual circumstances, it will produce a report to the signatory as indicated in section 7 below prior to a Declaration being produced.

4.3 Note: Eligibility does not guarantee funding.

5 Solid Wall in-fill scheme requirements

5.1 The Council intends to support energy efficiency improvement projects for vulnerable households in the area where external solid wall insulation is technically feasible, permitted under planning legislation and can attract funding. Many of these houses are of a non-traditional construction and are unsuitable for conventional forms of insulation, such as cavity wall insulation. 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:
(a) external solid wall insulation will have as attractive an appearance as possible; and
(b) the economies of scale from working in localised areas can be realised.

5.2 Non-fuel poor households eligible for solid wall insulation in-fill must be:

- in the same terrace as; OR
- in an immediately adjacent building to; OR
- in the same building as the household that does meet the criteria

5.3 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%

6 Declaration

6.1 In order to access Flexible Eligibility funding, Clackmannanshire Council is required to submit a Local Authority Declaration to the ECO supplier. 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.

6.2 The final decision will depend on the following factors:

1. the survey carried out on the property and the installation costs calculated;
2. the energy savings that can be achieved for a property;
3. whether or not there is adequate funding to support ECO funding for the installation of the energy efficiency measures; and
4. whether or not ECO obligated parties have achieved their targets to require further measures to meet their ECO targets

7 Governance

- 7.1 As managing agent, the Wise Group will be responsible for collecting household data on behalf of Clackmannanshire Council to determine that the householder meets the Flexible Eligibility Criteria. This data will be collected through the completion of a Household Energy Efficiency Survey form which will be used to determine that the householder meets the Flexible Eligibility criteria.
- 7.2 As managing agent, the Wise Group will complete an LA Declaration for each household that they have determined eligible for Flexible Eligibility. The declaration clearly states whether the householder meets the Flexible Eligibility criteria through:
- (a) living in fuel poverty; or
 - (b) living on a low income and vulnerable to the effects of a cold home
- 7.3 For Solid Wall 'in-fill' a LA Declaration for in-fill will be completed which will include details of why the home meets the eligibility criteria for in-fill.
- 7.4 An individual file will be created for each household that is requesting assistance. Measures applied will be fed into a monitoring toolkit which would then be available for any party requiring information on progress.
- 7.5 The LA Declaration and accompanying survey form will then be presented to the Home Energy Advice Team, Clackmannanshire Council, Kilncraigs, Alloa FK10 1EB for approval. The contact details for team are Tel: 01259 452697 or 452698 and their e-mail address is fuelpoverty@clacks.gov.uk
- 7.6 Once the LA Declaration has been approved, householder details will be securely transferred to the contractor for technical survey and installation.

8 Statement of Intent authorisation

Garry Dallas, Strategic Director, Clackmannanshire Council

Date: