

Decision maker:	Director for economy, communities and corporate
Decision date:	17 July 2017
Title of report:	ECO Flexible Eligibility scheme
Report by:	Energy strategy officer

## Classification

Open

## Key decision

This is not a key decision

## Wards affected

All

## Purpose

To seek approval to take part in the Energy Company Obligation (ECO) flexible eligibility scheme

## Recommendation(s)

- (a) Herefordshire Council take part in the ECO flexible eligibility scheme; and
- (b) The council publishes a statement of intent to reflect this (Appendix 1).

## Alternative options

1. The council opts not to take part in the scheme
  - If the council chooses not to take part, the council will not be able to select residents for energy efficiency measures (boilers, insulation etc.) and will instead have to rely on conventional ECO funding, which to date has proved inconsistent.

## Reasons for recommendations

2. This ECO flexible eligibility scheme presents an opportunity for the council, in conjunction with its partners at Keep Herefordshire Warm to select eligible residents to receive support as part of the scheme.
3. A published statement of intent by the council would show its commitment towards the scheme as well as towards wider corporate and strategic objectives.

## Key considerations

### Background

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Further information on the subject of this report is available from  
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4. Fuel Poverty remains a major issue in Herefordshire. According to the latest statistics, 15.1% of households live in Fuel Poverty, equating to around 12,000 homes. Fuel Poverty is prevalent across much of the county, particularly in rural areas such as the Golden Valley and Weobley. The larger cities and towns within the county also have significant numbers of fuel poor households, including Hereford, Leominster and Ross-on-Wye.
5. Herefordshire, as a large rural county, faces exceptional challenges in relation to the age and type of housing, the availability of mains gas, and the population profile. From an estimated 82,521 domestic dwellings in Herefordshire, 20.5% of homes were built before 1919. Mains gas is available to only 69.4% of properties, compared to 87% nationally. Of vulnerable households in Herefordshire, 25.5% inhabit dwellings classified as 'non-decent' under the Decent Homes Standard, 33.0% of whom live in pre-1919 homes and 23.2% of whom live in properties with a SAP rating of below 55 (band E).
6. Keep Herefordshire Warm is a service delivered on behalf of the council by Marches Energy Agency (MEA) under a three year service level agreement (SLA) until 2018. The service offers access to advice and assistance around affordable warmth and home energy efficiency. A part of this is to facilitate resident access to Energy Company Obligation grants.
7. The Department for Business, Energy and Industrial Strategy (BEIS) intends to introduce a new flexible approach through which LAs can refer households to suppliers for grant support to fund energy efficiency measures in the home. 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 a main focus on two documents from LAs: a Statement of Intent 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.
8. 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. As of January 2017, it has delivered energy efficiency measures to over 1.6 million households in Great Britain, of which over 900,000 are low income and vulnerable households, or households in specified areas of low income.
9. The ECO scheme has been extended to run until 30 September 2018.
10. Flexible eligibility is optional, and neither energy suppliers nor LAs are mandated to participate, however early discussions between Keep Herefordshire Warm and suppliers indicate that there is a willingness to work with households in the county and it is thought that, due to Herefordshire's comparatively low level of access to the ECO scheme so far coupled with high levels of fuel poverty, that this would be a worthwhile venture.
11. It is estimated that if the county were to access a more proportional allocation of this funding then it is anticipated that as many as two times the amount of vulnerable households could benefit (circa 500 households per annum) than those currently. Taking part in the FE element of the scheme would help Herefordshire to achieve this.

12. The draft Statement of Intent (Sol), which can be viewed as appendix 1, will state publicly the criteria that the council intends to use to identify households that meet the eligibility criteria under flexible eligibility.
13. The Sol is intended to create transparency and public accountability on the criteria used to target eligibility, and will be a good way of advertising the council's approach to their residents, energy suppliers, charities and community groups, for example, who may be able to work with them.
14. The council must produce a Sol before it can make declarations that households meet the eligibility criteria. These declarations will then allow selected delivery partner(s), as long as householder consent is provided, to provide grant support (either part or fully funded) to them in an attempt to reduce fuel poverty and the effects of cold homes.
15. Herefordshire Council's ambitions for Flexible Eligibility (FE) in order to reduce high energy costs are:
  - To maximise the uptake of cavity wall and loft insulation measures;
  - To maximise the uptake of measures for off-gas properties especially electrically heated, oil and LPG fuelled properties
  - To develop schemes to support off-gas park home residents
  - To develop other schemes as appropriate
  - Provide a route for the use of existing council capital funding contributions as match where, from time to time, these might be eligible.
16. The Council will work with partners will identify potentially eligible households through the Keep Herefordshire Warm Service. Householders may contact the advice line directly or be referred to the service from referral agencies (as currently). Partners and referral agencies include charities, Hereford & Worcester fire and rescue service, local housing associations and other council departments such as the Home Improvement Agency and Environmental Health. It is up to the council and suppliers to agree identification routes.
17. The Council will assess eligibility based upon household income/savings thresholds, house type and likely energy costs and health conditions (particularly those conditions exacerbated by living in a cold home).
18. The Sol will need to be signed by the Chief Executive or a nominated senior officer that is at least at Director level and it is the intention that it will be published on the council website.
19. Assessment of the schemes performance will take place through the monitoring of household energy efficiency levels and the number of vulnerable households supported through the scheme.

## **Community impact**

20. Herefordshire Council and its partners enable effective action to tackle fuel poverty and associated challenges through cooperative approaches. The Herefordshire Affordable Warmth Strategy (<http://bit.ly/2mMsYrr>) includes an affordable warmth action plan and three key aims;
  - To raise awareness of fuel poverty and affordable warmth among all stakeholders
  - To encourage and support households to achieve affordable warmth
  - To develop sustainable strategies and delivery models via co-operation and evaluation

21. Flexible Eligibility, the Energy Company Obligation and current activity to support fuel poor households contributes towards the following Herefordshire Health & Wellbeing strategic priorities:
- Priority Three- For older people – quality of life, social isolation, fuel poverty
  - Priority Four- Impact of housing – fuel poverty and poverty and the impact on health and wellbeing
22. By taking part in the ECO FE scheme the council will;
- Enable residents to live safe, healthy and independent lives as well as keeping children and young people safe and give them a great start in life through increasing affordable warmth and reducing fuel poverty, which reduce negative health outcomes and can help facilitate increased educational attainment
  - Support the growth of our economy through reduced household energy expenditure and increased opportunity for local involvement in the domestic local energy efficiency sector
  - Secure better services, quality of life and value for money through improved Keep Herefordshire Warm outcomes and affordable warmth

The above outcomes fit within the council's Corporate Plan 2016-20

## **Equality duty**

23. This decision/proposal pays due regard to our public sector equality duty as set out below:
- Note: Under Section 149, the "General Duty" on public authorities is set out thus:
    - "A public authority must, in the exercise of its functions, have due regard to the need to -
      - Eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;
      - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
      - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it."
24. The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying "due regard" in our decision making in the design of policies and in the delivery of services.
25. This scheme seeks to support the duty by treating all prospective households equally. The scheme seeks to improve energy security and affordability and to help tackle fuel poverty.

## **Financial implications**

26. There is no capital outlay required for participation in the scheme although it is estimated that an additional £5k per annum may need to be added to the service level agreement currently in place with Marches Energy Agency to deliver Keep

Herefordshire Warm. 'Assessment and selection of installers and funding routes for referral to householders' is already contained within this agreement. The £5k will be used for additional marketing activity and providing extra case-support to eligible residents.

27. This will be funded from the Energy & Environmental Management team revenue budget.

## **Legal implications**

28. There is no legal duty requiring the council to engage in determining which households are eligible for energy saving measures to be installed by private energy suppliers. However, utilising the general power of competence the council can issue the statement of intent and declare which households meet the eligibility criteria.
29. As the declaration will be shared with energy suppliers consent of the household must be obtained before any personal information is shared in accordance with the Data Protection Act 1998.
30. Any comeback on measures installed will be the responsibility of the installer however, where issues arise, KHW and the council will work within their powers to offer a satisfactory resolution to residents.

## **Risk management**

31. Provider performance will be regularly reported and monitored via the Keep Herefordshire Warm SLA to the council's energy strategy officer and affordable warmth strategy steering group.
32. Outcome performance on the impact of the FE scheme will be reported corporately through the 'Percentage reduction in annual domestic energy consumption' performance measure. This could now, if required, be supported by more up to date household energy performance (EPC) data.
33. A secured, online method for accessing data on past and ongoing referrals will be available to the council, MEA and relevant delivery partners.
34. Outcomes of Declarations made to installers will be available to the council using the data sharing procedure outlined above.
35. Subject to a privacy impact assessment for data protection purposes and in order to monitor and audit the process, the council proposes to ask a proportion (at least 25%) of households to share evidence of their eligibility at the time of their application,. A high level of non-compliance in relation to these 'audits' will trigger a review of the FE process. Those householders selected to provide evidence will be asked to share documentation regarding their income and health. Property type and 'high cost factors' will be assessed by installer partners.

## **Consultees**

36. The SOI has been developed by Marches Energy Agency in consultation with relevant council departments

## **Appendices**

- Appendix 1 – Draft Flexible Eligibility SOI for Herefordshire

## **Background papers**

- ECO Help to Heat- Eligibility guidance for Local Authorities