

# Statement of Intent – ECO Flexibility

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Local Authority: Cheshire West and Chester Borough Council

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Website: [www.cheshirewestandchester.gov.uk](http://www.cheshirewestandchester.gov.uk)

## Background information

The Energy Company Obligation (ECO) is an obligation placed upon larger energy companies by the Government to help households reduce their energy bills and associated carbon emissions. Recent changes to ECO have enabled obligated energy companies to achieve up to 10% of their Affordable Warmth targets in conjunction with local authorities via a new mechanism called ECO Flexible Eligibility.

ECO Flexible Eligibility allows local authorities to work with energy companies to identify eligible households for the installation of measures. There are two main categories of household that Government intends ECO Flexible Eligibility will benefit;

1. Fuel poor households, especially those that are not in receipt of ECO eligible benefits, and the estimated 20% of fuel poor households that are not in receipt of any benefits
2. Low income households that are vulnerable to the effects of living in a cold home

A prerequisite of the Flexible Eligibility mechanism is that local authorities produce and publish a Statement of Intent. Cheshire West and Chester Council (the Council) intends to take part in ECO Flexible Eligibility and this Statement of Intent (SOI) details how the Council will identify households as eligible, and the criteria which will be adopted; allowing for transparency and public accountability of any schemes.

In addition to publishing a SOI, a Declaration is required from participating local authorities for each project they undertake. The production of Declarations will ensure that the Council has been consulted on the proposed installation of measures in eligible homes. The inclusion of a household in a Declaration will not guarantee that a household receives any measures. A final decision will depend upon; i) a survey carried out by the energy suppliers agents or contractors and installation costs calculated, ii) energy savings that can be achieved and iii) whether suppliers have achieved their targets or require further measures to meet their ECO targets.

The final decision on whether a household is successful in receiving an ECO measure(s) is made by the energy company, their agents and or contractors. The Council is not responsible for making any final decisions on which households receive measures.

## Local priorities and strategic overview

The potential opportunities arising from ECO Flexibility complements the work currently taking place within the Borough to address the issues surrounding fuel poverty and excess winter deaths.

The Council's Home Energy Conservation Act report (HECA report) and the Affordable Warmth Action Plan 2016-20 both make reference to the Council's priority areas, in terms of reducing fuel poverty levels and excess winter death rates. These priority areas will be the focus for the promotion of ECO Flexible Eligibility and include;

- off-gas areas
- Hard-to-Treat homes (i.e. mobile homes)
- areas of high fuel poverty
- private rented households
- areas with high levels of long-term health conditions

## Qualifying Criteria

Eco Flexible Eligibility is available to private households; owner occupier and private tenants. To qualify for energy saving measures through ECO Flexibility a household must meet either the 'Fuel Poverty' criteria, or the 'Low Income Vulnerable to Cold' criteria.

### a) Fuel Poverty Criteria.

To establish if a household is living in fuel poverty CWAC will need to determine if a household has both a low income and high fuel costs.

- To determine if a household is living on a low income Table 1 will be used. If a household has an income equivalent to or less than that noted in the table they will be deemed to be on a low income.
- Income is defined as all income after tax, including benefits, pensions and investments etc... (Certain benefits such as disability benefits are disregarded as income)

Table 1 – determining if a household is on a low income.

Household composition	Annual household income after tax	Household saving threshold
Household without children	Equivalent to or less than £20,000	£8,000
Household with children	Equivalent to or less than £26,000	

- To determine if a household has high fuel costs one of two methods will be used;
  - Where data is available for the Energy Performance Certificate (EPC) of the property, this will be used in the first instance. Properties with an EPC rating of E, F or G will be classed as having high energy costs.
  - Where there is no EPC data available homes will be individually assessed using Table 2 as a guide. If a household scores 25 or above it will be deemed as having high fuel costs.

Table 2 – Scoring system to determine if a household has high energy costs.

Question	Response	Score
How many bedrooms are there in the home?	1	0
	2	5
	3	10
	4+	15
Are energy bills paid by direct debit	Yes	0
	No	5
What type of house is it?	Detached	10
	Semi-detached	5
	Flat	5
	Mid terrace	0
	End terrace	5
	Park home	10
	Bungalow	10
Was the home built before 1964	Yes	10
	No	0
What is the main heating fuel?	Gas	0
	Electricity	15
	Oil	15
	LPG	15
	Other	15
Does at least one member of the household spend most of the day at home	Yes	5
	No	0

### **b) Low Income Vulnerable to Cold Criteria**

To determine if a household is living on a low income and vulnerable to the effects of living in a cold home the Council must determine both the household income and any health implications which are made worse by living in a cold home.

Low income;

To determine if a household is living on a low income Table 1 will be used.

Vulnerability to cold;

The following health conditions will be used to identify a household as being vulnerable to living in a cold home;

- Cardiovascular conditions
- Respiratory conditions (COPD and childhood asthma)
- Terminally ill
- Suppressed immune systems (cancer treatment, HIV)
- Mental health
- Disabilities / mobility issues

Other eligible households include;

- Children aged 5 and under
- Residents aged 65 and over
- Pregnant women

## **Targeting of schemes**

To enable more accurate targeting of possible eligible households, the following data sets will be used from the Department of Business, Energy and Industrial Strategy (BEIS), the Consumer Data Research Centre and the national Census 2011;

- Off-gas areas
- Fuel poverty statistics
- Health data
- Energy Performance Certificate (EPC) ratings
- Indicators of high energy use
- Indices of Multiple Deprivation

## **Referrals**

The Council will work with trusted intermediaries who will provide eligibility screening. The trusted intermediaries have been long-standing members of Cheshire West's Affordable Warmth Steering Group. Households meeting the eligibility criteria will then be referred on (by the intermediaries) to the participating obligated energy company via Local Authority signed Declarations, for the installation of measures.

## **Data Protection**

Cheshire West and Chester Council will comply with the Data Protection Act 1998 and will expect any intermediaries, obligated supplier, or contractor working on their behalf, to adhere to the legislation.

## **Monitoring and evaluation**

To ensure the aims and objectives of Flexible Eligibility are achieved, and for the purpose of reporting, The Council will continually monitor;

- number of households receiving eligibility checks
- number of households referred on for measures
- number and types of measures installed
- reasons for non-installations
- justification for households meeting criteria set out in SOI

## **Reporting**

An annual report will be submitted to the Department of Business, Energy and Industrial Strategy (BEIS) to enable them to review the ECO Flexible Eligibility mechanism; to gain a better understanding of the scheme and to amend future guidance where necessary.

## **Signature**

A handwritten signature in blue ink, appearing to be 'CS', enclosed in a light gray rectangular border.

Charlie Seward  
Deputy Chief Executive - Place

Date: 1 September 2017