

**NORTH SOMERSET COUNCIL  
DECISION**

**DECISION OF: DIRECTOR OF PEOPLE AND COMMUNITIES  
WITH ADVICE FROM: HEAD OF HOUSING AND STRATEGY  
DIRECTORATE: PEOPLE AND COMMUNITIES**



**DECISION NO: PC85 (2019/20 Scheme) - updated decision sheet and appendix; previous drafts withdrawn**

**SUBJECT: ENERGY COMPANY OBLIGATION (ECO) FLEXIBLE STATEMENT OF INTENT (REVISED VERSION)**

**KEY DECISION: YES**

**REASON:**

**Effects on communities comprising two or more wards.**

**BACKGROUND:**

This is the second eligibility statement of intent made by North Somerset Council; the main changes introduced are:

- Removal of the eligibility link with Energy Performance Certificate (EPC) rating
- Introduce simple eligibility criteria to identify poorly performing dwellings where occupants do not otherwise qualify
- The health criteria have been updated in light of the other changes to the statement and incorporated within the eligibility criteria
- Incorporated the Ofgem Energy Company Obligation requirements for installers (PAS 2035 - Retrofitting dwellings for improved energy efficiency or Trustmark accredited)
- Aligned the eligibility criteria to take account of the indices of multiple deprivation (2019) which complement the Warm Homes Fund criteria, enabling households living within the 25% most deprived areas to benefit, where a member of the household is vulnerable to the effects of living in a cold home.
- Updated and revised the low income/energy performance eligibility criteria to better target people who are at risk of living in fuel poverty and those who are in receipt of a low income and are vulnerable to the effects of a cold home
- In-fill eligibility criteria specified for solid wall insulation
- Addition of exceptional circumstances eligibility provision

A Stock Condition Survey completed last year revealed that in North Somerset 12% of the 97,393 households in the area, are defined as being Fuel Poor, equating 11,244 households. Fuel Poverty is highest in the private rented sector.

This statement supports the draft priorities in the consultation version of the Corporate Plan 2020-2024 grouped under three broad aims:

- A healthy, sustainable and thriving place
- A Council which empowers and cares for people
- Be an open and smart organisation

The Private Sector Housing Service works to improve conditions across all housing tenures and uses a variety of tools, including enforcement of minimum standards, housing assistance (loans and grants) and delivery of affordable warmth programme to reduce fuel poverty, and carbon emissions.

This scheme, also known as “flexible eligibility”, allows local authorities to make declarations determining that certain households meet the eligibility criteria for a measure under the Affordable Warmth element of ECO.

The Council recognise this opportunity through the flexible eligibility under Energy Company Obligation (ECO) and will use it to improve the thermal comfort of homes and reduce the number of fuel poor households.

The scheme does not apply to social housing sector tenures.

#### **DECISION:**

To adopt and publish a revised Flexible Eligibility Statement of Intent at Appendix 1.

#### **REASONS:**

To maximise the availability of funding for home energy efficiency improvements for households who are likely to be in fuel poverty. Unless a local authority has published a statement of intent; residents are limited to the eligibility criteria set by the Office of Gas and Electricity Markets (Ofgem) which can indirectly exclude some groups because of the link to receipt of benefit.

The revised statement aligns the criteria to the Warmer Homes, Advice and Money initiative which is a joint project with Bristol City Council and other partners aimed at lowering household energy bills, making homes safe, secure and warm.

#### **OPTIONS CONSIDERED:**

The only alternative option is to not publish a revised statement which would restrict the availability of funding for fuel poor households.

## **FINANCIAL IMPLICATIONS:**

The main financial contribution for the local authority is the officer time involved in the governance i.e. declaration sign off.

### **Costs**

The officer costs and any associated publicity will be met from existing budgets. There is potentially significant benefit for fuel poor households and the cost benefit to the council from this action far outweighs the time commitment.

### **Funding**

Funding for installation of measures, eligibility checks, ECO compliance, competency of contractors, drafting declarations are all covered by the ECO funding and contribution from contractors. In the unlikely event any top-up funding is required residents would be referred for a low-cost loan through our partners Wessex CIC.

The successful joint bid with Bristol City Council to the Warm Homes Fund provides £12,000 pa to North Somerset Council to support delivery of the project.

## **LEGAL POWERS AND IMPLICATIONS**

The statement of intent will be published as provided by the Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 and associated guidance.

## **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

The Council have declared a Climate Emergency and have approved an Action Plan to help achieve carbon neutrality by 2030. The Climate Change Act 2008 set a statutory requirement to reduce greenhouse gas emissions by 80% by 2050 from 1990 levels. The Action Plan sets out a series of initiatives and projects that will involve direct action by the council, new policies and strategies followed by on-going engagement and communications to influence behavioural change of people living and working in North Somerset. There are seven "themes of activity" in the plan and "*Adapting to climate change*" focuses on how the existing communities will need to adapt to achieve carbon neutrality. This will include promotion of home energy efficiency and tackling fuel poverty across North Somerset.

## **CONSULTATION**

There has been internal consultation with the Sustainability Team in respect of this revised statement; on how it contributes to reducing carbon emissions.

The Centre for Sustainable Energy have provided guidance on drafting this revised statement and alignment with the delivery of the Warmer Homes, Advice and Money (WHAM) programme funded by the Warm Homes Fund.

The lead Executive Member for climate emergency and environment has been consulted and supports publishing this revised statement which will help achieve carbon neutrality by 2030.

**RISK MANAGEMENT**

No risks have been identified from publishing the revised statement of intent which can be withdrawn, amended or suspended at any time; subject to notification to partners.

**EQUALITY IMPLICATIONS**

Have you undertaken an Equality Impact Assessment? Yes

Only positive implications have been identified from taking this decision.

**CORPORATE IMPLICATIONS**

The outcomes from the statement of intent will contribute to the aims within the draft corporate plan.

**APPENDICES**

Appendix 1 - Local Authority Flexible Eligibility Statement of Intent

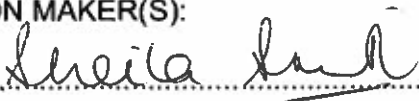
**BACKGROUND PAPERS**

Local Authority Flexible Eligibility Statement of Intent – Version 1 published 3<sup>rd</sup> August 2018

<https://www.n-somerset.gov.uk/wp-content/uploads/2018/08/Energy-company-obligation-NSC-statement-of-intent.pdf>

**SIGNATORIES:**

**DECISION MAKER(S):**

Signed: 

Title: Director of People and Communities

Date: 29.1.20

**WITH ADVICE FROM:**

Signed: 

Title: Head of Housing and Strategy

Date: 29/1/20

**Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:**

## **Appendix 1**

### **Energy Company Obligation**

#### **Local Authority Flexible Eligibility Statement of Intent**

**Local authority: North Somerset Council**

**Date of publication:**

Version 1: 3 August 2018

Version 2: X January 2020

**URL: TBC**

#### **1) Introduction**

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. Under the scheme energy suppliers can achieve up to 25% of their Affordable Warmth obligation by installing energy saving measures in households declared eligible by local authorities. This mechanism, also known as "flexible eligibility", allows local authorities to make declarations determining that certain households meet the eligibility criteria for a measure under the Affordable Warmth element of ECO.

The Council welcomes the opportunity through the flexible eligibility arrangement and has published this statement to support the projects and ambitions below to improve the thermal efficiency of homes and reduce the number of fuel poor households. Taking advantage of the flexible eligibility arrangement extends the availability of funding to those who wouldn't normally qualify for existing Energy Company Obligation Schemes, who are in fuel poverty or struggle with household fuel costs, to obtain support to install the heating and insulation measures needed to make their homes warmer and more energy efficient.

A Stock Condition Survey completed in 2017 revealed that in North Somerset 12% of the 97,393 households in the District, were defined as being Fuel Poor, equating 11,244 households. In addition, a review of housing conditions in the private rented sector has resulted in a targeted action approach for improving housing conditions and to inform Landlords of their obligations, including the Minimum Energy Efficiency standards.

The draft priorities in the consultation version of the Corporate Plan 2020-2024 are grouped under three broad aims:

- a healthy, sustainable and thriving place
- a Council which empowers and cares for people
- Be an open and smart organisation

This statement of intent will support the delivery of the draft corporate plan by contributing to the achievement of carbon neutrality by 2030 in North Somerset and reducing Fuel Poverty.

The Private Sector Housing Service works to improve conditions across all housing tenures and uses a variety of tools, including enforcement of minimum standards, housing assistance (loans and grants) and supporting Energy Company Obligation programmes to reduce expenditure on fuel and reduce carbon emissions.

The Council have declared a Climate Emergency and have approved an Action Plan to help achieve carbon neutrality by 2030. The Climate Change Act 2008 set a statutory requirement to reduce greenhouse gas emissions by 80% by 2050 from 1990 levels. The Action Plan sets out a series of initiatives and projects that will involve direct action by the council, new policies and strategies followed by on-going engagement and communications to influence behavioural change of people living and working in North Somerset. There are seven "themes of activity" in the plan and "*Adapting to climate change*" focuses on how the existing communities will need to adapt to achieve carbon neutrality. This will include promotion of home energy efficiency and tackling fuel poverty across North Somerset.

Fuel Poverty in the private rented sector is the highest of all housing tenures under both definitions i.e. 10% of household income or low-income high cost. A significant number of fuel poor households (76%) live in dwellings with a low EPC rating and 82% of households occupy houses as opposed to flats; a greater proportion of owner-occupiers live in houses.

There are a significant number of residential park homes in North Somerset with a high proportion occupied by elderly and/or disabled people. A survey of residents revealed that a major concern is the high cost of heating their homes and the limited availability of funding through national schemes for home energy efficiency improvements.

It should be noted that the final decision on whether any individual household will benefit from energy saving improvements rests with obligated energy suppliers or their contractors. Inclusion in a Declaration of Eligibility issued by the Council to a supplier will not guarantee installation of measures.

This is the second eligibility statement of intent made by North Somerset Council; the main changes introduced are:

- Removal of the eligibility link with Energy Performance Certificate (EPC) rating
- Introduce simple eligibility criteria to identify poorly performing dwellings where occupants do not otherwise qualify
- The health criteria have been updated in light of the other changes to the statement and incorporated within the eligibility criteria
- Incorporated the Ofgem Energy Company Obligation requirements for installers (PAS 2035 - Retrofitting dwellings for improved energy efficiency or Trustmark accredited)
- Aligned the eligibility criteria to take account of the indices of multiple deprivation (2019) which complement the Warm Homes Fund criteria, enabling households living within the 25% most deprived areas to benefit, where a member of the household is vulnerable to the effects of living in a cold home.
- Updated and revised the low income/energy performance eligibility criteria to better target people who are at risk of living in fuel poverty and those who are in receipt of a low income and are vulnerable to the effects of a cold home
- In-fill eligibility criteria specified for solid wall insulation
- Addition of exceptional circumstances eligibility provision

**The final decision on installation of measures will depend on:**

- i) identification of measures eligible under the scheme
- ii) the supplier's assessment of the cost-effectiveness of installing measures in relation to achieving its obligation,
- iii) whether the supplier has achieved their targets or require further measures to meet their Energy Company Obligation targets.

In identifying households as eligible under flexible eligibility North Somerset Council is enabling residents to benefit from funding and will seek a written declaration from households (via partners) that they are eligible under the criteria. North Somerset Council expects any obligated energy supplier, or contractor working on their behalf, to comply with the Data Protection Act, to fully follow Ofgem requirements for the Energy Company Obligation, be PAS 2035 (Retrofitting dwellings for improved energy efficiency) or Trustmark accredited and to act in accordance with industry best practice in relation to consumer care and quality standards of any works that may take place.

**2) How North Somerset Council intends to identify eligible households**

North Somerset Council will identify eligible households using area mapping from data obtained from the stock condition survey, inspections and the indices of multiple deprivation (2019).

Subject to availability of resources within the Council and the legal use of data the Council will target those most in need having regard to the Department of Business, Energy and Industrial Strategy (BEIS) guidance on targeting, including:

- i. Households at risk of/or living in fuel poverty: Energy Performance Certificate (EPC) rating, fuel bill payment methods, i.e. pre-payment meters, expenditure on fuel, housing type, age, condition and heating type.
- ii. Low-income households living in energy-inefficient, high fuel cost housing will be identified in the private rented sector through enforcement activity under the Housing Act 2004.
- iii. Awareness raising through NSC staff, partners e.g. Private Sector Housing Forum, Rent with Confidence partners, Park Home Residents Association(s)

**Eligibility Criteria**

The following sets out the criteria for eligibility under North Somerset Council's Statement of Intent. The Council is responsible for issuing the Local Authority Declaration as evidence of eligibility for ECO Flex Funding. It is the responsibility of the funding provider, Installation Company and/or OFGEM to apply for and manage funding levels for the households.

Privately rented and owner occupier households are considered eligible for flexible eligibility ECO if they meet the eligibility criteria set out below; social housing landlords/tenants are not eligible for this funding.

Outlined below are the eligibility criteria for ECO Flex funding in North Somerset. Applicants will need to meet all the criteria in at least one of the following sections to be eligible for funding under ECO Flex.

- ✓ Index of Multiple Deprivation (IMD)
- ✓ Fuel Poverty Calculator (FP)
- ✓ Low income and vulnerable to living in a cold home
- ✓ Property Table
- ✓ In-fill criteria
- ✓ Park homes

Please note exceptional cases that do not meet the criteria set out below may be considered on a case by case basis.

North Somerset Council maintains the right to audit customer declarations throughout the application process and on/after completion of measures.

### **1. Index of Multiple Deprivation (IMD)**

The Index of Multiple Deprivation 2019 is the official measure of relative deprivation for small areas (or neighbourhoods) in England. Properties within the 25% most deprived areas in the United Kingdom, measured by the Government's Index of Multiple Deprivation (IMD), are eligible under North Somerset Council's Statement of Intent. There must be at least one household member vulnerable to the effects of living in a cold home (as defined in paragraph 3B below)

North Somerset Council's webpage includes further information about Index of Multiple Deprivation areas, although the information has not yet been updated to reflect the latest indices. The Council will identify properties falling within the most deprived areas and a targeted mailshot will be sent to all households.

### **2. Fuel Poverty (FP)**

Primary assessment of eligibility will be made using the Centre for Sustainable Energy's (CSE's) Community Fuel Poverty Assessment Tool. <https://www.cse.org.uk/news/view/2280>  
Applicants must first complete the assessment prior to contacting CSE.

CSE can provide assistance to complete the assessment tool.

### **3. Low income and vulnerable to living in a cold home (LIVC)**

*Applicants must meet both the following criteria in sections A & B.*

A. The annual maximum household income must be equal to or lower than £30,000.



This income is comprised of:

- Income from savings and investments
- Pension
- Benefits income (including. housing benefit)
- Net income (after tax)
- Other income

B. There must be someone living in the property that meets one of the conditions below:

- Is over the age of 60
- Is under the age of 18
- Is an expectant mother
- Living with a limiting long-term illness (see vulnerable group below)
- Living with a disability

#### 4. Property Table

Where the applicant failed to qualify under the above eligibility criteria the table below can be used as a final means of assessment and a household must achieve a minimum score of 35.

Question	Response	Score
Does the home use a boiler?	Yes	0
	No	5
Was the home built before 1964?	Yes	25
	No	0
What is the main fuel type?	Gas	0
	Electric	30
	Other	20

#### 5. In-fill criteria

To help encourage multi-property solid wall insulation projects in the private sector, declarations will be provided for households in certain circumstances who would not meet other eligibility criteria (refer to table below).

This extra flexibility is only for the purposes of solid wall insulation to private domestic properties and is therefore not available to social housing.

North Somerset Council reserves the right to decide which schemes and how many households it engages with for this eligibility option. North Somerset Council will only consider declarations for projects where the following requirements are met:

Property Type	LA declaration requirements	In-fill available
Project consisting of a pair of <b>semi-detached</b>	At least one of the two-properties must be	The other private property to which it is directly

<b>houses or bungalows, or a building containing no more than two domestic premises.</b>	declared by the LA as FP or LIVC (i.e. <b>50% of the properties are FP or LIVC</b> ).	adjoined is eligible for solid wall insulation.
Project consisting of any premises that are contained in the <b>same building</b> (e.g. flats), immediately adjacent buildings (e.g. neighbouring properties) or in the same terrace.	At least two in three properties on the list must be declared by the LA as FP or LIVC (i.e. <b>at least 66% of the properties are FP or LIVC</b> ).	The other (i.e. up to one third) of private 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 FP or LIVC.

**Vulnerable Group** – where at least one person living in the property meets one of the conditions below which reflects the National Institute for Health and Care Excellence (NICE) 2015 guidance on excess winter deaths and illness caused by cold homes:

- i. Respiratory disease (COPD, asthma)
- ii. Cardiovascular disease (e.g. ischaemic heart disease, cerebrovascular disease)
- iii. Moderate to severe mental illness (e.g. schizophrenia, bipolar disorder)
- iv. Substance misusers
- v. Dementia
- vi. Neurobiological and related diseases (e.g. fibromyalgia, ME)
- vii. Cancer
- viii. Limited mobility
- ix. Haemoglobinopathies (sickle cell disease, thalassaemia)
- x. Severe learning disabilities
- xi. Autoimmune and immunodeficiency diseases (e.g. lupus, MS, diabetes, HIV)
- xii. Anyone else who's health condition deteriorates, is aggravated, or triggered by living in a cold home.

## 6. Park Homes

Park home owners located on a licensed residential park home site will be eligible regardless of income or receipt of benefit, subject to a cost effectiveness assessment.

## 3) Governance

The officer below will be responsible for signing Declarations on behalf of the local authority.  
Responsible officer – **Kim Herivel, Energy & Health Officer**

Telephone: 01934 426686

E mail: [kim.herivel@n-somerset.gov.uk](mailto:kim.herivel@n-somerset.gov.uk)

#### **4) Referrals**

All potentially eligible households can apply for ECO Flex through the Home Energy Team at the Centre for Sustainable Energy. There is an administration fee of £50 per property payable to CSE for all ECO Flex declarations (to be paid by the installer or energy supplier installing the measure) i.e. no cost to the householder. The fee will be £100 for a dual measure i.e. heating and insulation. Credits for ECO work must be purchased in advance.

The Council may from time to time and through invitation only, work with other partners on ECO Flex, subject to satisfying terms and conditions including PAS 2035 etc.

If you are an installer or managing agent and you wish to process ECO Flex declarations then you will need to contact the Centre for Sustainable Energy and sign their code of conduct ([ecoflex@cse.org.uk](mailto:ecoflex@cse.org.uk)). They will then process the applications in line with the BEIS guidance including contacting the household to check their eligibility and then preparing the declarations for sign-off. The information will be passed to their ECO supplier according to the ECO application process. Installers must have a direct ECO contract with an energy supplier which must be demonstrated to the satisfaction of CSE.

Householders who believe they may be eligible for ECO Flex should contact the Home Energy Team directly (0800 082 2234 or <https://www.cse.org.uk/advice/contact-us>). The Home Energy Team will check eligibility in their initial conversation with the resident; they will also check that the resident is happy for their data to be stored and shared with a third party for the purposes of the scheme. The eligibility information will be recorded on a secure customer record management system (CRM).

#### **5) Evidence, monitoring, reporting and termination**

- a. Anonymised data on the characteristics of households reached will be reviewed, in line with current data protection legislation
- b. The data above will include details of households assessed, how many were deemed eligible and ineligible, and how many received heating and insulation improvements
- c. All households for whom Declarations were made will be invited to provide feedback on the process and outcomes following any improvements completed.
- d. North Somerset Council reserve the right to amend, suspend or cancel this statement of intent at any time; subject to reasonable notice.

#### **6) Signature**

Sheila Smith, Director of People and Communities

