

## **East Dunbartonshire Energy Company Obligation (ECO): Flexible Eligibility Statement of Intent (ECO3)**

### **1.0 Introduction**

**1.1** East Dunbartonshire Council (EDC) welcomes the introduction of Flexible Eligibility (FE) as part of the Energy Company Obligation and notes that energy suppliers that are obligated under the Energy Company Obligation (ECO), can deliver up to 25% of their ECO3 obligation nationally through (2018-22) by installing energy saving measures in properties that have been declared eligible by local authorities.

**1.2** Flexible Eligibility (FE) has been created to enable local authorities to make declarations determining that certain households that are not on Affordable Warmth ('AW') qualifying benefits can qualify under FE. Accordingly, assistance can be available to private tenure households living either in fuel poverty (FP) or living on a low income and who are particularly vulnerable to the effects of living in cold homes (LIVC). In addition some non-fuel poor homes can access solid wall insulation measures, where they live in properties adjacent to properties that have been declared eligible on grounds of being declared FP or LIVC.

**1.3** This Statement of Intent outlines East Dunbartonshire Council's approach to maximizing access to ECO funding across its council wide boundary for those in fuel poverty or on low incomes and vulnerable, that may otherwise not qualify for ECO support for domestic energy improvements wherever possible. This statement also sets out the criteria EDC intends to use to target households under FE, in line with the eligibility criteria set out in the ECO legislation.

**1.4** The Council's ECO flexible eligibility scheme will be delivered in accordance with existing and forthcoming guidance, including from Public Health Scotland, on preventing the spread of COVID 19. This guidance will be relevant to how households are engaged through this scheme and what arrangements are put in place to ensure that measures are installed safely. Arrangements for the assessment of eligibility for the scheme will adhere to social distancing guidelines. The Council will only make declarations of eligibility, where it believes that appropriate procedures are in place to ensure the safety of the public and those involved in installing measures. Where a member of the household is or is in regular contact with someone who is shielding due to being at high risk of experiencing severe illness if contracting COVID 19, the Council will not support installation of measures for that household until it is safe to do so. Measures will also not be installed where a household is isolating due to possible infection.

**1.5** Risk Assessments and Method Statements (RAMS) have been provided by the contractor involved in delivering the measures, these have been reviewed and accepted by East Dunbartonshire Council. ECO flexible scheme declarations will only be accepted where delivery of measures are covered by the accepted RAMS.

### **2.0 The East Dunbartonshire Context**

**2.1** East Dunbartonshire Council is committed to the introduction of Flexible Eligibility to allow the council to provide affordable warmth assistance to fuel poor and low-income households that are vulnerable to the effect of the cold.

**2.2** Fuel poverty (when fuel costs are more than 10% of income) is estimated to affect around 28%

of households in East Dunbartonshire. Notably, rates of fuel poverty are estimated to be much higher for pensioner households, with the Scottish House Condition Survey (SHCS) reporting that **40% of pensioner households in East Dunbartonshire are fuel poor**. Extreme fuel poverty – where more than 20% of household income is spent on fuel affects 6% of East Dunbartonshire households. This rises to 12% of pensioner households.

**2.3** There are three main drivers behind fuel poverty:

- income profiles
- cost of fuel
- energy efficiency

**2.3.1** Based on the CACI Paycheck data for 2015, the average income for East Dunbartonshire households is £41,904; 20% higher than the national average (£34,619). This is the third highest average among all Scottish local authorities. The SHCS also reports on income levels, within which it does estimate that the average income for family and pensioner households is also higher than their national counterparts.

**2.3.2** In terms of fuel prices, however, statistics published by the Department of Energy and Climate Change (DECC) highlights, show that the cost of fuel has increased considerably over the last decade. It is estimated that, between 2004 and 2014, the price of the fuel mix required by the average Scottish household almost trebled.

**2.3.3** Although the average energy efficiency rating for dwellings in East Dunbartonshire is comparable to the national average (SAP ratings of 63), the proportion of dwellings with poor levels of insulation is significantly greater. Some 17% of dwellings East Dunbartonshire have less than 100mm of loft insulation (compared with just 7% for Scotland). In fact, this is the worst among all 32 Scottish local authorities. According to the SHCS, this lack of loft insulation affects approximately 1 in 5 houses in the area and 1 in 10 flats.

Through the Flexible Eligibility Scheme, EDC would like to target as many households as possible to help tackle fuel poverty across the wider Authority Area and would also look to target and support households in the current and future HEEPS ABS Projects.

### **3.0 Identification of Eligible Households**

#### **Income threshold**

**3.1** In order to be declared eligible through the Councils flexible eligibility scheme, the household must first meet certain income threshold criteria. This is disposable income after income, housing costs, child care etc.

<b>Household composition</b>	<b>Annual income after tax and housing costs are deducted</b>	<b>Per month equivalent</b>
<b>1 Adult</b>	£12,000	£1,000
and 1 child	£14,640	£1,120
and 2 child	£18,000	£1,500
and 3 child	£21,600	£1,800
and 4+ child	£25,200	£2,100
<b>2 Adults</b>	£18,240	£1,520

and 1 child	£21,840	£1,820
and 2 child	£25,320	£2,110
and 3 child	£28,920	£2,410
and 4+ child	£32,160	£2,680

Income thresholds to access the scheme are based on net equivalised income thresholds, recommended by the department for Business Energy and Industrial Strategy (BEIS) and will be taken as incomes after housing costs (incl. council tax payments), childcare costs and tax/national insurance deductions by household composition. These figures are adjusted upwards by 20% from the BEIS recommendations. to take account of colder than average climate in the East Dunbartonshire Council area, compared to the rest of GB and with the single person threshold taken to be £12,000, as single person households, spend less than the average £1,300 Scottish average fuel bill, but may have to spend close to that.

The Council also intends to extend eligibility for FE to all private sector households that are in receipt of a Council Tax rebate (not single person rebate only), or guarantee or savings elements of pension credit and these will also pass the income threshold.

### **Criteria for identifying fuel poverty (FP)**

**3.2** The ECO legislation and the BEIS guidance in relation to Flexible Eligibility has three specific categories of eligibility which are as follows:

- **FP** - households with low income and high heating costs are deemed to be in Fuel Poverty
- **LIVC** - households with low income who, because of health, disability, age or other reasons, are vulnerable to the impact of living in a cold home.
- **Solid wall insulation** – expensive to treat solid walls (including system built and stone or solid brick construction) or a cavity wall that is regarded as hard to treat and standard cavity wall insulation practice or products are not applicable. Eligibility for this measure includes households that are not necessarily in fuel poverty or vulnerable.

All eligible households will be identified as those that meet the income threshold criteria above and have less than £28,000 in savings of any kind and meet one of the above criteria.

### **Criteria for identifying low income and vulnerability to the cold (LIVC)**

**3.3** The Council will identify eligible households on low income and vulnerable to the effects of living in cold homes, as those that:

- Meet the income threshold criteria above and have one or more members:
  - With a limiting long term or terminal illness;
  - With a registered disability; or are
  - Over the age of 70.

The Council will reserve the right to use its discretion when determining eligibility criteria in both FP and LIVC categories, to take account of other income, fuel cost or vulnerability circumstances not listed above.

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

**4.1** The Council intends to support energy efficiency improvement projects for vulnerable

households in areas where solid wall insulation is technically feasible, permitted under planning legislation and can attract ECO funding and Scottish Government funding. The Flexible Eligibility powers allows for homes in these targeted areas that are not in fuel poverty or vulnerable to be funded through solid wall infill arrangements. This means that the aesthetic benefits of external solid wall and the economies of scale from working in localised areas can be realised.

4.2 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

4.3 In-fill eligibility must meet the minimum percentages proposed under ECO3 and set out below:

Property Type	LA Declaration Requirements	Infill Available
<b>Project Consisting of:</b> <ul style="list-style-type: none"> <li>• <b>Semi Detached House</b></li> <li>• <b>Bungalows</b></li> <li>• <b>Containing no more than 2 domestic properties</b></li> </ul>	At least one of the two properties must be declared by the LA as FP / LVIC <ul style="list-style-type: none"> <li>• 50% of the properties are FP/LVIC</li> </ul>	The other private property to which it is directly adjoined is eligible for solid wall insulation.
Project consisting of any premises that are contained in the same building <ul style="list-style-type: none"> <li>• Flats</li> <li>• Immediate adjacent buildings</li> <li>• Same terrace</li> </ul>	At least two in three properties on the list must be declared by the LA as FP/LVIC <ul style="list-style-type: none"> <li>• At least 50% must be FP/LVIC</li> </ul>	<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</b> <ul style="list-style-type: none"> <li>• <b>In the same building</b></li> <li>• <b>Same terrace as those identified as FP/ LVIC</b></li> </ul>

## 5.0. Eligibility Routes to accessing FP, LVIC and infill

5.1 East Dunbartonshire Council will utilise Flexible Eligibility to assist with current and future Scottish Government, Home Energy Efficiency Programmes Scotland: Area Based Schemes (HEEPS:ABS) and Energy Efficient Scotland programmes which aim to reduce fuel poverty throughout Scotland. East Dunbartonshire Council has already justified to the Scottish Government its choice of target areas for HEEPS: ABS on grounds of fuel poverty risk in the targeted properties.

5.2 This work will be delivered in partnership with installers appointed to deliver measures through any of these programmes, initiated by East Dunbartonshire Council, and with organisations appointed to help the Council with customer engagement. East Dunbartonshire Council will not be making declarations of eligibility out with Scottish Government supported schemes at this point and the Council will only accept referrals for Flexible Eligibility through these schemes.

## **6.0 Maximizing Energy Efficiency Measures via Referral**

**6.1** East Dunbartonshire Council is, however, keen to secure the maximum number of energy efficiency measures, including but not limited to those funded through Flexible Eligibility. The council see Flexible Eligibility as an important component of this and, therefore, aim to utilise a number of different strategies to generate referrals as listed below:

- Referrals from Home Energy Scotland (HES)
- Referrals from an ECO measure provider in the agent/contractor engagement phase.
- EDC frontline staff
- Citizens Advice
- Department of Work and Pension

## **7.0 The Referral Process**

**7.1** All referrals will be passed to PROCAST Builders Ltd, our HEEPS: ABS installation partner for the councils 2018/19 HEEPS: ABS contract, at the following e-mail address; edcFlex@procast.co.uk with. Any referrals made directly to EDC will be forwarded to PROCAST. Referral agencies will be informed of the outcome of the referral should they wish to be informed.

**7.2** On receipt of a referral, PROCAST will contact the household and begin the process of establishing that the householder meets the Flexible Eligibility criteria by using the councils FP & LVC scoring matrix (see 2.2 & 2.3)

**7.3** Procast will be responsible for collecting the household data on behalf of the council. Records of installation, as well as those that do not require measures, will be considered by the council for the purpose of the monitoring scheme uptake locally.

**7.4** Procast will complete the LA Flex Declaration application form for each household. This will be forwarded to the nominated authorised persons in the council for approval, subject to meeting the criteria set in this Statement of Intent.

**7.5** The nominated authorised person will make the decision on whether the case is eligible to be included in the next declaration.

**7.6** Procast will liaise with the council and energy suppliers around the eligibility and measures that are proposed to be installed.

**7.7** The Council also intends to extend eligibility for Flexible Eligibility to all private sector households within the council area boundary that are in receipt of Council Tax rebate (not single person rebate only) or guarantee or savings elements of pension credit as these will also pass the income threshold.

## 8.0 Criteria for identifying fuel poverty (FP) – you must first of all comply with low income.

### 8.1

#### Section 1

Description	Yes / No
Is your weekly disposable income £200 or less per week?	

#### Section 2

In order to qualify you must score 9 or above to qualify.

Description	Points	Points
Property is system build or non-traditional construction	6	
Property is hard to treat cavity	6	
Property has specific construction details that would create a Health & Safety Issue i.e. cold bridging	3	
Property is traditional construction and is not suitable for cavity construction	5	
Built before 1985	2	
Council Tax Band A-C	1	
No Access to Gas Heating	3	
Detached	3	
Mid Terrace	1	
Semi Detached / End Terrace	2	
FLAT 2 external Walls	1	
FLAT 3 External Walls	2	
More than 3 bedrooms	2	
One member of the household spends 12 hours or more each day in the house	3	
House has EPC Rating of E, F, or G	3	

## 8.2 Criteria for identifying low income and vulnerability to the cold (LIVC)

### 8.3

#### Section 1

Description	Yes / No
Is your weekly disposable income £200 or less per week?	

#### Section 2

Description	Yes / No
Cardiovascular condition	
Respiratory conditions	
Mental health conditions	
Disability	
People over 65	
Young children - (children under 16 or in full time education)	
Any long-term illness	
Pregnant women	
Pension credit guarantee or savings element	
Housing Benefit	
Council Tax Reduction	

## 9.0 Governance and Declaration

9.1 In order to access Flexible Eligibility funding, East Dunbartonshire Council is required to complete a Local Authority Declaration for eligible households. The final decision on whether the household receives ECO measures is made by the energy suppliers and, therefore, inclusion within a declaration will not guarantee installation of measures.

9.2 The final decision will depend on:

- The survey carried out on the property and the installation costs calculated;
- The energy savings that can be achieved for a property;
- Whether there is adequate funding to support ECO funding for the installation of the energy efficiency measures;
- Whether ECO obligated parties have achieved their targets to require further measures to meet their ECO targets.

9.3 The officers named below will be responsible for signing the declaration on behalf of the Council

Name	Job Title	Email Address	Contact Telephone Number
Derek Lyon	Development Officer	<a href="mailto:Derek.lyon@eastdunbaton.gov.uk">Derek.lyon@eastdunbaton.gov.uk</a>	07785 657 277

9.4 The key governance consideration is confirming that household meet the eligibility criteria set out in this Statement of Intent prior to Declaration being issued. The council will, therefore, require satisfactory evidence being provided by the referring agency (see below) prior to any Declaration being produced.

- Referrals from Home Energy Scotland (HES)
- Referrals from an ECO measure provider in the agent/contractor engagement phase.
- EDC frontline staff
- Citizens Advice
- Department of Work and Pensions

9.5 Subject to the above consideration being satisfied, then EDC will be minded to issue a Declaration under the Flexible Eligibility mechanism for that property.

## 10.0 Evidence, Monitoring and Reporting

The key elements of evidence, monitoring and the reporting process are set out below:

- a) Prior to any property being included in a declaration, the council will require information on the Flexible Eligibility criteria that each household meets along with supporting evidence.
- b) A 10% audit will be carried out on the information of the Flexible Eligibility criteria that each household meets by a council representative carrying out a home visit to the household.

- c) Any party providing such information and supporting evidence to the council will need to ensure that it has received an informed consent form from the household, and that it is complying with the Data Protection Act 1998.
- d) As households, including those included in the Flexible Eligibility declarations are proceeded through the ECO process, the referring party should update the council through regular reports on the progress of each household. This data will include the number and type of measures installed.
- e) EDC will monitor installations by sending a follow-up questionnaire to all households 12 months after the installations asking what effect the installation has had on their health and level of fuel poverty. A follow up home visit will take place with any household that express dissatisfaction through the questionnaire.

### **11.0 Privacy Notice**

All information supplied to East Dunbartonshire Council will be transferred and held securely in line with Council policies and procedures.

Each household will be provided with the contractor's OFGEM approved privacy notice, detailing how the contractor will process information and appropriate data protection statements will be given to households participating in programmes that provide "self-declared" information that will allow them to be declared eligible for ECO support by East Dunbartonshire Council.

The Council are joint controllers of the information that will be collected.

East Dunbartonshire Council will process and store eligibility information for the three years required after an ECO Flexible eligibility declaration has been made.

Further information about how the Council manages personal information can be found within our privacy policy, <https://>

### **12.0 Statement of Intent authorisation**



**Signed:**

**Authorised signatory:** Grant Mackintosh - Executive Officer – Housing

**Date:** 2<sup>nd</sup> September 2020