

# Energy Company Obligation (ECO) *Flexible Eligibility*

## Statement of Intent v4: Oxford City Council

**Background** ECO- Energy Company Obligation - is a requirement placed a few years ago on energy companies over a certain size to help improve domestic energy performance of the homes of the vulnerable. In the ECO3 phase there is a new additional facility called Flexible Eligibility. This is where the Council can set criteria to direct assistance towards local private sector homes at risk of fuel poverty, but falling outside of the normal rules of ECO (usually qualifying benefits).

Following broad guidance from BEIS, we can access *Flexible Eligibility* funds on the production of this Statement of Intent. This allows Oxford City Council to set income levels and guidelines to target local residents at risk of from fuel poverty. Residents meeting these agreed criteria, subject to the council issuing a Declaration for their properties, can be assumed eligible by Energy Companies for ECO funded energy efficiency improvements.

**Note on use** Oxford City Council credits the Association of Local Energy Officers (ALEO) for their template, from which Oxford's Sol is adapted.

This Sol seeks to respond to the statutory requirements for ECO *Flexible Eligibility*

<http://www.legislation.gov.uk/ukdsi/2017/9780111154175/contents>

and the guidance to local authorities issued by government department for Business Energy and Industrial Strategy (BEIS).

**Clarification on mandatory and optional elements** The BEIS guidance included a suggested template Statement of Intent, confirming the elements that are mandatory.

The mandatory elements of the Statement of Intent are:

- Section 2 "How the local authority intends to identify eligible households"
- Section 3 "Acting on behalf of another local authority" (if relevant)
- that the Sol is signed by the Chief Executive officer for the local authority or other senior officer nominated on their behalf who is at least Director level.
- that the Sol is signed and published before or at the same time as any declaration to an obligated party identifying eligible households

## **Energy Company Obligation: Help to Heat**

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

**Local authority:** Oxford City Council

**Date of publication:** 16 November 2018

**Web address:** [www.oxford.gov.uk/Statementofintent](http://www.oxford.gov.uk/Statementofintent)

#### **1) Introduction**

Oxford City Council welcomes the introduction of [Flexible Eligibility \(FE\)](#) under the Energy Company Obligation (ECO) and intends to utilise it for the purposes of reducing fuel poverty in the city.

*Flexible Eligibility (FE)* is a means by which a Council can declare that certain households that are not on qualifying benefits are still deserving of Affordable Warmth, on the basis that they are either in Fuel Poverty or are considered low income and susceptible to the effects of living in a cold home. This facility can be used for up to 25% of the Affordable Warmth target, nationally from October 2018.

In addition, a proportion of non-fuel poor homes (in-fill) will be allowed for Solid Wall Insulation projects, if:

66% of blocks of flats, terraces, adjacent properties are fuel poor/low income and vulnerable to cold or:

50% of semi-detached houses or bungalows and two premises' buildings are fuel poor or low income and vulnerable to cold.

The City Council has a long history of reducing carbon emissions and energy in its own estate and operations, as well as a strong commitment to reducing fuel poverty. Key examples include targeting the private rented sector - through aligned programmes of work on enforcement, promotion of the Minimum Energy Efficiency Standards and sourcing vital funding, in addition to energy improvements on our social housing stock.

Working with the National Energy Foundation, all the other Oxfordshire Councils and other local organisations such as AgeUK, Prevention Matters and the Fire Service we have formed an [Affordable Warmth Network \(AWN\)](#) providing the [Better Housing Better Health](#) (BHBH) service delivered by National Energy Foundation. The network provides a cross-referral partnership between this range of organisations working with vulnerable people, and specifically aims to assist those residents at risk of fuel poverty, or impaired health as a result of living in cold and/or damp homes. Through BHBH and independent means, the Council has accessed a number of fuel poverty related projects such the original [Better Housing Better Health project](#), [Keeping Kids Cosy](#) and the [Local Energy Advice Project](#) (run by Agility Eco). The Council hopes to work with partners on funded projects in the private rented sector, and in park homes (Distinction Energy) as these are considered a particular issue for fuel poverty in Oxford.

Under Flexible Eligibility (FE), 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. The final decision will depend on:

- i) identification of measures eligible under Help to Heat
- ii) the supplier's assessment of the cost-effectiveness of installing measures in relation to achieving its obligation, and
- 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*, Oxford City Council is seeking to enable residents to benefit from funding and will seek the consent of households to include them in a Declaration. Oxford City 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 Help to Heat, and to act in accordance with industry best practice in relation to consumer care and quality standards of any works that may take place. These are covered in a separate memorandum of understanding between the National Energy Foundation (and other partners) and the obligated party.

## **2.1 How Oxford City Council intends to identify eligible households**

Oxford City Council will identify households that may benefit from *Flexible Eligibility* in a number of ways. To be eligible households have to meet the primary criteria and at least one of the secondary criteria

### ***2.1a Identifying low income residents: primary criteria***

Targeting fuel poverty using available data in the city has been a priority for a number of years. The approach aligns council held data with Energy Performance Certificates (EPCs) and other key data - an approach that will be, in part, used for *Flexible Eligibility*.

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 BEIS guidance on targeting. This includes those living in private sector dwellings and in receipt of the relevant means-tested or any benefits and/or on a low income as determined by gross income check against figures laid out in Table 1 (excluding private rented D and E rated).

This can include benefits recipients who aren't catered for in the broader Energy Company Obligation funding— i.e. those who are on eligible benefits but miss the income cut-off. Specifically this includes those who are only on Pension Credit Savings Credit.

When referrals come in via BHBH, low income will be assessed against the values in the table below, other than for private rented properties rated D and E and park homes. Please note that these values may change from time to time.

| Household composition     | Gross Annual household income | Monthly household income Equivalent |
|---------------------------|-------------------------------|-------------------------------------|
| <b>1 adult</b>            | £16,500                       | £1,375                              |
| and 1 child               | £21,750                       | £1,813                              |
| and 2 children            | £27,000                       | £2,250                              |
| and three children        | £32,250                       | £2,688                              |
| and four or more children | £37,500                       | £3,125                              |
| <b>2 adults</b>           | £24,750                       | £2,063                              |
| and 1 child               | £30,000                       | £2,500                              |
| and 2 children            | £35,250                       | £2,938                              |
| and three children        | £40,500                       | £3,375                              |
| and four or more children | £45,750                       | £3,813                              |

**Table 1: Oxford City Council's Better Housing Better Health income threshold. These are the HHCRO approved figures with a 25% increase to cater for high housing costs in the city**

The Council will reserve the right to flexibility when determining eligibility around the thresholds set out in Table 1, should examples be found where residents are struggling under unforeseen circumstances not covered in the existing guidance.

### **2.1b Identifying high cost households (Fuel Poor): secondary criteria:**

Energy Performance Certificates (EPCs) can be used to determine private sector residents that are on a low income with high energy costs. The data that will ascertain high energy costs includes the EPC banding (D, E, F and G's will be included), fuel costs, housing type/age/ condition, heating type and households using prepayment meters.

#### **Park homes (BS3632). Special case for funding**

The Fuel Poverty Strategy for England indicates that park homes, particularly those built as BS3632, are "high cost housing" with residents as "badly affected by fuel poverty". This is for a range of reasons including high heating costs and limited insulation. Oxford therefore will make FE available to all BS3632 park homes in Oxford where the resident requires support and their single person gross household income is £21,750 (£1,813 a month) or for 2 people £30,000 (£2,500 per month).

Low income households living in energy inefficient housing may be identified in the private rented sector through enforcement activity under the Housing Act 2004

Referrals will also be made into the Oxfordshire BHBH via key referral partners listed below:

- Internal council sources such as the Welfare Reform Team, Benefits Team, Environmental Health and the Home Improvement Agency
- Citizens Advice Agency and other local advice centres agencies
- Health professionals such as GPs, social workers, occupational therapists, practice care navigators, hospitals

- Local Energy Advice Programme (LEAP). This service provides a range of in-home and follow-up energy efficiency and fuel poverty support services to households that have been referred to it by the Oxfordshire BHBH service.

### **2.1c - Identifying vulnerability to cold: secondary criteria (LIVC)**

Health can be a major factor in how much heat is required in a property. Therefore health criteria will be important in assessing flexible eligibility. Oxford City Council will target households containing people on low incomes with the following characteristics, which reflect the National Institute for Health and Care Excellence ([NICE](#)) 2015 guidance on excess winter deaths and illness caused by cold homes:

1. Aged over 60, and particularly those over 75
2. Children under 5 and pregnant mothers
3. Respiratory disease (COPD, asthma)
4. Cardiovascular disease (e.g. ischaemic heart disease, cerebrovascular disease)
5. Moderate to severe mental illness (e.g. schizophrenia, bipolar disorder)
6. Substance misusers
7. Dementia
8. Neurobiological and related diseases (e.g. fibromyalgia, ME)
9. Cancer
10. Limited mobility
11. Terminally ill
12. Haemoglobinopathies (sickle cell disease, thalassaemia)
13. Severe learning disabilities
14. Autoimmune and immunodeficiency diseases (e.g. lupus, MS, diabetes, HIV)
15. People who move in and out of homelessness
16. People who have attended hospital due to a fall
17. Recent immigrants and asylum seekers
18. Other illness exacerbated by cold (confirmed by GP)
19. Musculoskeletal conditions (incl. arthritis, limited mobility, recently attended hospital due to a fall)
20. Households that have acute or long term debt
21. People with disabilities
22. People who are terminally ill

Where householders are in their home during working hours (therefore in the home more so subject to need for heating for longer periods of time) and/or have declared they under heat their homes as they are worried about energy bills, these will be considered as additional factors for consideration.

Age can also be a factor in how much heat is required to achieve affordable warmth, with older residents being particularly adversely affected. Therefore households with a full time resident who is an adult aged 60 or over are also included.

Oxford City Council is also aware that some homes have characteristics which mean that they inevitably have high energy consumption. Inefficient properties which have not already been upgraded are, therefore, likely to be occupied by people on low incomes who also have

high costs. This includes households where an EPC has been completed and the property has an EPC banding of D, E, F or G.

As part of the BHBH service, Oxford City Council's residents may be eligible for additional grants or support from time to time. A final eligibility criteria is therefore

***Any household, where residents are on a low income and where a full time resident is also confirmed as eligible via the Better Housing Better Health (old Affordable Warmth) number 0800 107 0044 ([BHBH@nef.org.uk](mailto:BHBH@nef.org.uk))***

Additionally, the Council will assume that all residents who are deemed eligible for funding by the Council's Home Improvement Agency will qualify for Flexible Eligibility under the Low Income and vulnerability element. (income checked and assessed for vulnerability in-house). Flexible eligibility also applies to referrals from the Citizens Advice Bureau who will also only refer on those in financial need.

Also included as eligible are those residents referred in from the Welfare Reform Team as customers applying for Discretionary Housing Payments (DHP's) and/or customers migrating or who have recently migrated to Universal Credit. Residents in the Home Choice (Oxford Rent Guarantee) scheme are also eligible.

### **2.1d - Solid wall insulation "in-fill" projects**

Where potential works have been identified, households will be supported to take advantage of ECO funding for solid wall insulation under the "in-fill" category as set out in the guidance issued by BEIS in April 2017, and subject to the rules and restrictions set out therein, in particular in relation to the minimum number of FP/LIVC households being met.

### **2.1e Standalone criteria - this is where the case for inclusion is so strong that the Council doesn't require low income evidence.**

In 2017 Oxford was the least affordable city in the country for housing: house prices were 17.3 times annual salaries against the national average of 9.9. This is also reflected in private rental costs.<sup>1</sup>

### **Low efficiency private rented homes (where allowed)**

- This includes properties rated D and E rated in their Energy Performance Certificates without the need for a set income. (F and Gs have been excluded from ECO)

#### *Evidence base and context*

- Oxford has one of the highest proportions of rental properties in the UK, with around 30% of homes privately rented out.
- The Fuel Poverty target for England sets an ambition that as many fuel poor homes as reasonably practicable achieve a Band C energy efficiency standard by 2030 and became law in December 2014.

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<sup>1</sup> [JSNA summary for Oxford](#)

- The predominance of 6 months - 1 year leases means that turnover is high in this sector. Therefore the Council concludes that income levels are less relevant as the tenant may not be in situ in following years.<sup>2</sup>
- On average, those buying their home with a mortgage spent 18% of their household income on mortgage payments whereas rent payments were 28% of household income for social renters and 34% of household income for private renters.<sup>3</sup>

### 3. Governance

3.1 Oxford City Council will work with the National Energy Foundation, Distinction Energy and Happy Energy and our partners in the Better Housing Better Health (BHBH) service to promote energy efficiency advice and the installation of energy efficiency measures to support those in fuel poverty in the region. BHBH, the Park Homes project and other projects as they come forward will assess eligibility against the appropriate criteria and will complete relevant declarations on our behalf and the National Energy Foundation will manage a network of installers seeking Declarations for ECO Flex from Oxford City Council

As part of Better Housing Better Health, Oxford City Council's residents may be eligible for additional grants or support from time to time.

**A final eligibility criteria is therefore:**

***Any household, where residents are on a low income and where a full time resident is also confirmed as eligible via the Affordable Warmth Network Helpline 0800 107 0044 ([BHBH@nef.org.uk](mailto:BHBH@nef.org.uk)).***

Debbie Haynes - Energy Efficiency Projects Officer - (or Paul Robinson, Team Leader Energy and Natural Resources) will sign off declarations and will audit 3% or more of applications to ensure compliance with these criteria.

### 3.2 Oxford City Council internal governance

Regular reports on ECO uptake, including under *Flexible Eligibility* will be produced for elected members of Oxford City Council forming the Carbon and Natural Resources Member's Board chaired by the relevant Portfolio Holder. This Board will also receive and approve reports on any changes to the approach.

An internal procedure note will be produced, detailing process around operation of the Council's approach to ECO *Flexible Eligibility*.

*Responsible officers*

The officers below will be responsible for signing Declarations on behalf of the local authority.

Debbie Haynes  
Job title: Energy Efficiency Projects Officer

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<sup>2</sup> DCLG 'Fixing our broken housing market' 2017

<sup>3</sup> English Housing Survey 2016-17

Telephone: 01865 252566

Email: [dhaynes@oxford.gov.uk](mailto:dhaynes@oxford.gov.uk)

and

Dr Paul Robinson

Job title: Team Manager Energy and Natural Resources

Telephone: 01865 252541

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#### **4.0 Referrals**

4.1 Any Oxford resident who believes that they may be eligible for help under flexible eligibility can contact the National Energy Foundation through the Better Housing Better Health helpline on 0800 107 0044 (BHBH@nef.org.uk). The National Energy Foundation will be able to check eligibility status and will ask for relevant supporting documentation. They will also be able to refer you to a relevant assessor or installer to take the process further.

However, being eligible is not a guarantee that measures will be installed. A final decision on whether any individual household can benefit from a grant for energy saving improvements under this strand of ECO will be made by the obligated energy suppliers or their agents/contractors.

*Inclusion in a Declaration issued by the Council will not guarantee installation of measures.*

4.2 Another mechanism for accessing the fuel poor will be via referrals into the Better Housing Better Health (BHBH) from partners listed below:

- Internal council sources such as the Welfare Reform Team, Benefits Team, Environmental Health and the Home Improvement Agency
- Citizens Advice Agency and other local advice centres and agencies
- Health professionals such as GPs, social workers, occupational therapists, practice care navigators, hospital staff
- The Local Energy Advice Programme (LEAP) is an outreach service to fuel poor and vulnerable households. This project provides a range of in-home and follow-up energy efficiency and fuel poverty support services such as small repairs and income maximisation

4.3 In the cases of the private rented sector and park homes, there will be individual targeting and direct referrals but these will also be accessible via BHBH.

#### **5. Evidence, monitoring and reporting**

*Better Housing Better Health* will confirm eligibility on our behalf, as will other partners such as Distinction Energy and Happy Energy.

a) Eligible residents will need to confirm both their income (where required) and their secondary eligibility criteria. Written proof – as a minimum a signed declaration of income - of each will be required.



b) NEF and other partners will report on a quarterly basis to Oxford City Council on which measures have been installed and their value. Should a customer contribution be required this will also be reported.

c) Oxford City Council will audit 3% or more of applications on a quarterly basis to help prevent and detect fraud.

Please note that these reporting and monitoring procedures may be updated from time to time as a process of continual improvement.

3) **Signature**

A handwritten signature in black ink, appearing to be 'Tim Sadler', written in a cursive style.

**Tim Sadler**  
**Executive Director for a Sustainable City**  
**Oxford City Council**