

Energy Company Obligation (ECO) *Flexible Eligibility* Statement of Intent v2: 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 ECO2T phase that we are entering now 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.

In the run up to ECO2T, the Council has been preparing data via the Energy Data Integration System (EDIS) database to effectively target fuel poverty. Officers have also been in discussion with energy companies and the Local Energy Advice Project (LEAP) run by Agility Eco as routes to access the *Flexible Eligibility* funding.

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* set out in the ECO2 Amendment Order:

<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. These are also set out in article 16A of the ECO2 Amendment Order.

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: 30 September 2017

Web address: 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 10% of the Affordable Warmth target, nationally.

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).

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 Council 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:

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, culminating in the Innovate UK funded EDIS (Energy Data Integration System) data platform. This 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.

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.

Claim type	Number of children or qualifying young persons the claimant is responsible for				
	0	1	2	3	4 or more
Single	£14,520	£19,140	£23,760	£28,380	£33,000
Joint	£21,780	£26,400	£31,020	£35,640	£40,260

Table 1: Oxford City Council’s LEAP income threshold. These are the HHCRO approved figures with a 10% 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:

To produce a short list, data on income will be cross referenced against Energy Performance Certificates (EPCs) to determine private sector residents that are low income with high energy costs. The data that will ascertain high energy costs includes the EPC banding (D, E, F and Gs will be included), fuel costs, housing type/age/ condition, heating type and households using prepayment meters. Data provided by the EPCs can be double checked when the LEAP project carries out a survey during a home visit.

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 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
- The Oxfordshire Better Housing Better Health project
- An outreach service to fuel poor and vulnerable households, the Local Energy Advice Programme (LEAP) which the above refer into. This service provides a range of in-home and follow-up energy efficiency and fuel poverty support services to these households that are referred into the LEAP service.

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

Oxford City Council will target households containing people on low incomes with the following characteristics, which reflects 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.

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.

2.2 Identifying vulnerable residents via the Better Housing Better Health service in conjunction with National Energy Foundation)

2.2a When referrals come in via this service and are not referred to the LEAP project, low income will be assessed against the values in the table below. Please note that these values may change from time to time.

Household composition	Gross Annual household income	Monthly household income Equivalent
1 adult	£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
2 adults	£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 2: 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

2.2b Second eligibility criteria

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.

A household with a full-time resident who has one of the following long term and chronic health conditions

- Cardiovascular disease
- Respiratory disease
- Cancer (any)
- Diabetes
- A substantial and permanent disability and is in receipt of Disability Living Allowance, Attendance Allowance or Personal Independence Payment

Age can also be a factor in how much heat is required to achieve affordable warmth, with older residents being particularly adversely affected.

A household with a full time resident who is

- an adult aged 60 or over

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

A household where an EPC has been completed and

- the property has an EPC banding of F or G.

As part of the Better Housing Better Health 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

3) Governance

3.1 a. Utilising Flexible Eligibility via the LEAP project

Eligibility for LEAP, which is funded under the Warm Home Discount Industry Initiatives scheme, has been approved by Ofgem as being in line with the requirement that it is provided 'to domestic consumers who are in fuel poverty or in a fuel poverty risk group'.

Therefore, where:

- i. a non-social housing, domestic customer has been referred into the LEAP service and their eligibility for LEAP has been either certified by a Council officer or local health/third sector partner to be eligible for LEAP, or their eligibility has been verified through the LEAP service; and

- ii. the dwelling in question has been assessed during a visit and a potential ECO measure has been identified; and
- iii. it is not eligible for Affordable Warmth funding through qualifying benefits; and
- iv. LEAP confirms it meets both the income criteria stated in Section 2.1a of this document and one of the secondary criteria laid out in Section 2.1b or 2.1c above, or subject the the criteria under 2.1d.

then the Council will be minded to issue a Declaration under the Flexible Eligibility mechanism for that property.

3.1b. Data gathering and protection for monitoring and auditing for LEAP project

- a. In accordance with the data protection agreement between the LEAP project and Oxford City Council, details of households reached through *Flexible Eligibility* will be sent to the Council.
- b. All households for whom Declarations were made will be contacted by the LEAP project to progress to ECO installation checks.
- c. The data above will include details of households assessed, how many were deemed eligible and ineligible, and how many received heating and insulation improvements under *Flexible Eligibility*.

3.2 Utilising Flexible Eligibility via the Better Housing Better Health (BHBH) Service

Oxford City Council will work with the National Energy Foundation and our partners in the Better Housing Better Health service to promote energy efficiency advice and the installation of energy efficiency measures to support those in fuel poverty in the region. BHBH will be used to assess eligibility against the above low income high cost criteria and will complete relevant declarations on our behalf.

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

3.3. 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
Telephone: 01865 252566
Email: dhaynes@oxford.gov.uk

and

Dr Paul Robinson
Job title: Team Manager Energy and Natural Resources
Telephone: 01865 252541
E-mail; probinson@oxford.gov.uk

4) Referrals

4.1 Referrals via the LEAP project

There are two referral pathways for *Flexible Eligibility (FE)* via the LEAP project which efficiently target the fuel poor but do not guarantee that they meet *Flexible Eligibility* criteria. The first uses the EDIS data platform to target households in the following ways:

1. The Council will target residents who meet both *low income, high cost* criteria and the *low income and vulnerable to a cold home* criteria, a shortlist will be provided from the EDIS data platform which combines Council data such as benefits, and building control with Energy Performance Certificates, in order to target the fuel poor. This will include the following data:
 - Energy Performance Certificate (EPC) bands D, E, F, G
 - Properties within 10 metres of EPC D, E, F and G banded dwellings will be shortlisted on the same principles of the EPC certificates above and included. These are modelled and will be noted as such.
 - Non gas heated properties will be prioritised – i.e. those heated by oil, smokeless fuel, wood logs, and electric heaters
- b. **Low income fuel poor (FE criteria 2.1a and 2.1b combined)**
Residents claiming pension credit, and unpassported benefits will be included under these criteria.
- c. **Low income, high cost and vulnerable to cold homes (LIVC - FE criteria 2.1a and 2.1c combined)**
Residents will be shortlisted who are receiving 'Standard' benefits type and pension credit and are also receiving:
 - Either Disability/carers benefitand/or
 - Under 5 years old or over 65

Under strict data protection, the shortlisted residents will be sent a letter referring them into the LEAP project. Further detail is covered in the Governance section.

2. The other mechanism for accessing the fuel poor will be via referrals into the LEAP project 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 Oxfordshire Better Housing Better Health programme
- 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

Again, referrals via this route will be assessed for compliance under Flexible Eligibility by the LEAP project as detailed in the Governance section.

4.2 Referrals via the Better Housing Better Health contact number

Any Oxford resident who believe that they may be eligible for help under flexible eligibility should contact Better Housing Better Health on 0800 107 0044. They will be able to check eligibility status and will ask for relevant supporting documentation. They will also be able to refer the resident 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 energy saving improvements under this strand of ECO will be made by the obligated suppliers or their agents/contractors.

5) Evidence, monitoring and reporting

5.1 Via the LEAP project

- a. Prior to the issuing of a Declaration for a property, the Council will require information on the Flexible Eligibility (FE) criteria that each household meets along with supporting evidence. This will have been gathered by the LEAP project through an initial telephone call with the resident, the home visit which will enable building checks (high cost criteria) and further information collected as required to ensure eligibility.
- b. As a data protection agreement is in place between the LEAP project and Oxford City Council, required data will be made available to the Council to ensure that a clear audit trail is available. This will be kept for two years.
- c. All households for whom Declarations were made will be contacted by the LEAP project in order to assess eligibility for FE measures. As home visits will have been carried out in advance, they will have been pre-assessed for applicability of ECO measures.
- d. Details of households reached through FE will be made available to the Council in order for them to record the number of households assessed, how many were

deemed eligible and ineligible, and how many received heating and insulation improvements under both *Flexible Eligibility* and the broader ECO funding.

5.2 Via the “**Better Housing Better Health**” process

Better Housing Better Health will confirm eligibility on our behalf.

- a) Eligible residents will need to confirm both their income and their secondary eligibility criteria. Written proof of each will be required.
- b) NEF 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% 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.

6) **Signature**

Tim Sadler
Executive Director for a Sustainable City
Oxford City Council