



## **ENERGY COMPANY OBLIGATION (ECO) 3 HELP TO HEAT FLEXIBLE ELIGIBILITY**

### **LOCAL AUTHORITY FLEXIBLE ELIGIBILITY JOINT STATEMENT OF INTENT**

Date of Publication: 28<sup>th</sup> August 2020

Version Number: 1

The Local Authorities listed below have all adopted this Joint Statement of Intent: and have a signed version on their respective websites -

- Darlington Borough Council
- Hartlepool Borough Council
- Middlesbrough Council
- Redcar & Cleveland Borough Council
- Stockton-on-Tees Borough Council

#### **Introduction**

1. The Energy Company Obligation Regulations 2018 - 22 (ECO3) allows local authorities to set their own criteria for eligibility for funding for domestic energy efficiency measures. Energy companies can spend up to a maximum of 25% of their full obligation within this local authority defined criteria.
2. The inability to keep warm at home is more than just a comfort issue; it has real impacts on peoples' health and well-being and on community spirit. Additionally, trying to adequately heat an energy-inefficient home results in considerable unnecessary emissions and can drain a family of money. The Tees Valley Authorities signing this Statement of Intent (SOI) welcome the Flexible Eligibility powers for Energy Company Obligation (ECO) Affordable Warmth grant as a means to help address fuel poverty and to promote affordable warmth.
3. These powers will allow these Councils to provide affordable warmth assistance to fuel poor households, that are not eligible under the existing criteria, and to low income households that are vulnerable to the effects of cold. Across the Tees Valley 12.7% of households are estimated to be experiencing fuel poverty according to the most recent Government estimate.

4. It must be explicit that the final decision on whether an individual household receives an ECO measure is made by the energy suppliers or their agents/contractors. Inclusion in a Declaration issued by Darlington Borough Council or a partner neighbouring local authority will not guarantee installation of measures. The final decision will depend upon:
  - The survey carries out by the supplier's contractors and the installation costs calculated
  - The energy savings that can be achieved for a property
  - Whether suppliers have achieved their targets or require further measures to meet their Energy Company Obligation targets.

#### **Eligibility Criteria for Tees Valley Authorities under this SOI for Flexible Eligibility ECO**

5. Households across the Tees Valley Authorities will be considered as eligible for flexible eligibility ECO if they meet one of the following criteria: (Checking eligibility is set out in Sections A – D)
  - Live in a priority area as defined in paragraph 6 below
  - at risk of living in fuel poverty as defined by the Low Income High Cost criteria
  - a low income household with at least one member of the household being vulnerable to the effects of living in a cold home (LIVC)



#### **Section A: Identifying Households in Fuel Poverty**

6. The Tees Valley Authorities that are signatories to this SOI particularly welcome approaches to deliver ECO Flex measures to households in owner occupation or privately rented located within the Lower Super Output Areas (LSOAs) classified as amongst the 25% most deprived according to the Government's Index of Multiple Deprivation.
7. The specific LSOAs are listed in the database linked to this document and include parts of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees Borough Council's.



## **Section B: Identifying Households in Fuel Poverty (by household circumstances)**

8. Households will be considered to be at risk of fuel poverty if they are determined to be a Low Income Household living in a High Cost home in relation to energy use.

### **B1: Defining a Low Income Household**

9. Households will be considered as being at risk of fuel poverty if they are determined to be a low income household using the income levels set out in **Table 1 attached as Annex 1 to this document**. Households not in receipt of benefit that qualify for Affordable Warmth measures must meet the income criteria for Low Income as defined in Table 1, Annex1 of this document.
10. Income here is defined as total household income after tax (including council tax) and housing costs (if they pay rent or mortgage) have been deducted. This includes income from pensions and all benefits.
11. A different income threshold is provided for different types of household composition, reflecting that larger households require larger incomes in order to achieve the same standard of living as smaller ones.

### **B2: Defining a High Cost Home**

12. A high cost home is a property with an Energy Performance Certificate (EPC) rating of E, F or G.  
Or  
If there is no EPC available, the property is 'High Cost' if it scores at least 35 (points in answer to the questions set out as **Table 2 at Annex 2**

## **Section C: Identifying Low Income & Vulnerable to Cold Households**

13. A household will be classed as a low income household if the residents meet the Low Income Criteria (as set out in Table 1 attached at Annex 1) and a least one member of the household meets one of the Health & Vulnerability criteria defined at point 17 below.
14. Low income thresholds here are taken from the guidance for fuel poverty but each one has been uplifted by £1,000 to take account of additional costs experienced by vulnerable households (e.g. medical treatments / equipment, higher energy use, transport to appointments etc.)

### **C1: Defining a Low Income Household**

15. As before income is defined as total household income after tax (including council tax) and housing costs (if they pay rent or mortgage) have been deducted. This includes income from pensions and all benefits.....**see Table 1 at Annex 1**

### **C2: Defining Health & Vulnerability Criteria**

16. The relationship between living in a cold home and the potentially detrimental effects on an individual's health are extensively documented including the NICE Guidelines NG6 concerning 'excess winter deaths and illnesses and the health risks associated with cold homes'. The conditions listed below are cited as being exacerbated by living in a cold home and therefore a qualifying condition for the vulnerability criteria:-
  - people with cardiovascular conditions (for example people who have suffered a heart attack, stroke or TIA)
  - people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)
  - people with mental health conditions
  - people with disabilities
  - people with long term health conditions (examples may include fibromyalgia, MS, diabetes, certain types of ulcers and musculoskeletal pains)
  - arthritis (osteoarthritis or rheumatoid arthritis)
  - older people (65 and older)
  - households with children (under 5)

- pregnant women
- people who are terminally ill
- people with suppressed immune systems (e.g. from cancer treatment or HIV)

### **C3: Special Circumstances**

17. Households may also be considered eligible due to special circumstances for example, where a member of the household is awaiting discharge from hospital or where there are issues associated with debts. We will assess such households on a case by case basis and will record all such decisions.



### **Section D: Scheme Requirements for Solid Wall Insulation (SWI) 'in-fill' projects**

18. The five Tees Valley Authorities intend to use ECO Flexible Eligibility to facilitate solid wall insulation schemes including households that are not in fuel poverty or qualifying under vulnerable to cold criteria i.e. 'in-fill' properties. Flexible eligibility only applies to private tenure, therefore all the properties on a declaration, including in-fill, must be private tenure, and in-fill only applies for the purposes of solid wall insulation.
19. Where a household does not meet the criteria for fuel poverty (outlined at 12 above) or living on a low income and vulnerable to the cold (outlined at 15 above), the local authority can declare a household as 'in-fill' where they are:
- in the same terrace as
  - in an immediately adjacent building to, or
  - are in the same building as a household that does meet those criteria
20. In-fill is only allowed where a minimum percentage of households for which the LA is providing declarations are fuel poor (FP) or on a low income and vulnerable to the cold (LIVC), as set out in Table 1 below.
21. Not all the properties in one terrace need to be included in the SWI project in order for the project to be eligible under flexible eligibility.

**Table 3 - Summary of the requirements for property types under in-fill**

Property Type	LA declaration requirements	In-fill available
Project consisting of a pair of semi-detached houses or bungalows, or a building containing no more than two domestic premises	At least one of the two-properties must be declared by the LA as FP or LIVC ( <b>i.e. 50% of the properties are FP or LIVC</b> ).	The other property to which it is directly adjoined is eligible for solid wall insulation. This is known as the infill property
Project consisting of any premises that are contained in the same building (e.g. flats), immediately adjacent buildings (e.g. neighbouring detached properties) or in the same terrace	All properties that are receiving a LA Flex measure must be covered by a declaration. This applies to LIVC, FP and in-fill properties. Up to 50% of total FP or LIVC combined properties within the project can receive a measure	The in-fill 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.



## Governance

22. Staff within Stockton-on-Tees Borough Council's Environment Policy Team will be responsible for issuing ECO Flex declarations on behalf of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees Borough Councils for the purposes of delivering affordable warmth measures funded by The Warm Homes Fund and Eco 3 Flex.

Environment Policy  
 Strategic Development  
 Municipal Buildings  
 Church Road  
 Stockton-on-Tees  
 TS18 1LD  
 Telephone: 01642 393939

## **Referrals**

23. Referrals are welcome from the broader Tees Valley Partnership for potential households to benefit from the Warm Homes Fund and requiring Eco 3 Flex. These referrals will ultimately be referred to the appointed installer (Marshall & McCourt) delivering the Warm Homes/ECO 3 Flex measures for final eligibility check. Organisations passing on referrals via this route will include:
- Stockton & District Advice & Information Service
  - Middlesbrough Environment City
  - Darlington CAB
  - Hartlepool CAB
  - Redcar & Cleveland CAB
  - Cleveland Fire Brigade
24. The Tees Valley Council's that are signatories to this SOI are working to enhance the referrals process and joint working with partner agencies to maximise the number of vulnerable fuel poor households that can be assisted by the Warm Homes Fund and Eco3 Flexible Eligibility. On receipt of a referral, Marshall & McCourt will contact the household and begin the process of establishing eligibility and which measures are available that the household would like to have undertaken. When a proposal has been developed for a specific case, Marshall & McCourt will submit the case to the Environment Policy Team within Stockton-on-Tees Borough Council who will make the decision on whether the case is eligible to be included in the next declaration. Marshall & McCourt will liaise with Stockton-on-Tees Borough Council and ECO funder around the eligibility and measures that are proposed to be installed.

## **Evidence, Monitoring & Reporting**

25. Any installer requesting a declaration from Stockton-on-Tees Borough Council ECO-FLEX will be required to provide monitoring on all measures installed including:
- The value of ECO FLEX invested in a measure or measures provided at a specific address provided using a Stockton-on-Tees Borough Declaration
  - The energy efficiency upgrade produced at a specific address from the installation of an ECO FLEX funded measure or measures.
  - The estimated value of financial savings produced at a specific address from the installation of ECO Flex funded measures.

**Signature**

Signed on behalf of Darlington Borough Council by -

Name: Ian Williams  
Director of Economic Growth

Signature: 

Date: 28<sup>th</sup> August 2020



**Table 1 – Low Income Households & Low Income Vulnerable to the Cold**

<b>Household composition</b>	<b>Annual household income below which qualifies as Low Income</b>	<b>Annual household income below which qualifies as Low Income and living in a cold home</b>
<b>1 adult (18 years and over)</b>	£9,300	£10,300
and 1 child	£12,200	£13,200
and 2 children	£15,000	£16,000
and three children	£18,000	£19,000
and four or more children	£21,000	£22,000
<b>2 adults (18 years and over)</b>	£15,200	£16,200
and 1 child	£18,200	£19,200
and 2 children	£21,100	£22,100
and three children	£24,100	£25,100
and four or more children	£26,800	£27,800

Table 2 BEIS High Cost Questionnaire

At least one household member at home for most of the day	Score
Yes	1
No	0
Number of Bedrooms	
1	0
2	6
3	12
4	21
5 or more	27
Property type	
Purpose-built flat	0
Converted flat	4
Non-residential building	4
Mid-terrace house	4
End-terrace house	10
Semi-detached house	10
Detached house	20
Year of construction	
Post 2002	0
1991 - 2002	3
1981 – 1990	4
1975 – 1980	7
1965 – 1974	12
1945 – 1964	13
1919 – 1944	18
1850 – 1918	24
Pre 1850	27
Main Heating Fuel	

Gas	0
Electricity	20
Other	5
<b>Central Heating</b>	
Yes Central Heating Working	0
Other	11
<b>Electricity Bill Method of Payment</b>	
Direct Debit	0
Pre-Payment	6
Standard Credit	7