

Report to Portfolio Holder for Public Protection

Subject: Energy Company Obligation: Flexible Eligibility Statement of Intent

Date: 1st March 2019

Author: Food Health and Housing Manager

Wards Affected

All wards

Purpose

To seek approval to a draft Statement of Intent (SOI) that will outline where the Council will target Energy Company Obligation (ECO) Local Authority Flexible Eligibility funding to support the thermal improvement of the least energy efficient private sector dwellings within the district

Key Decision

Recommendation(s)

THAT THE PORTFOLIO HOLDER FOR PUBLIC PROTECTION:

- 1) Approves the draft SOI to enable targeted households in the borough to access the Energy Company Obligation (ECO) Local Authority Flexibility funding for works to their homes.
- 2) Delegates responsibility to the Director for Health and Community Wellbeing for the necessary administration to enable qualifying households to access the scheme.

1 Background

- 1.1 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. Since the ECO scheme launched in January 2013, 2.3 million energy efficiency measures have been installed in approximately 1.8 million homes.

- 1.2 The government recently consulted on the operation of the scheme and has now extended it to operate through to March 2022. This extended scheme (ECO3) will focus entirely on low income and vulnerable households, helping to meet the Government's fuel poverty commitments. Local authorities will also have an expanded role, through Local Authority Flexible Eligibility, encouraging the use of their expertise to identify the most vulnerable households in their areas.
- 1.3 Under the ECO3 scheme, energy suppliers will be able to achieve a proportion of their Affordable Warmth obligation by installing energy saving measures in households declared eligible by local authorities. This "Flexible Eligibility" allows authorities to make declarations determining that certain households meet the eligibility criteria for a measure under the Affordable Warmth element of ECO3'
- 1.4 There are two main categories of private tenure households that Government intends to be eligible through flexible eligibility:
- I. Fuel poor households, especially those that are not in receipt of ECO eligible benefits, and the estimated 20% of fuel poor households that are not in receipt of any benefits; and
 - II. Low income households that are vulnerable to the effects of living in a cold home
- 1.5 In order to be able to issue declarations of eligibility, participating local authorities have to publish a Statement of Intent (Sol) in which they set out the criteria they intend to use to identify households meeting the eligibility criteria for flexible eligibility. The Department for Business Energy & Industrial Strategy have issued guidance setting out the requirements for authorities to support the identification of eligible households and preparation of Sols.
- 1.6 Under flexible eligibility, local authorities have to target private tenure households that are:
- Living in fuel poverty,
 - Living on a low income and vulnerable to the effects of living in a cold home, or
 - Are "in-fill" properties for the purposes of solid wall insulation
- 1.7 The Sol subject to this report is in draft form because it needs to be approved before the publication date and URL weblink can be added to the final version.

2 Proposal

THAT THE PORTFOLIO HOLDER FOR PUBLIC PROTECTION:

- 2.1 1) Approves the draft SOI to enable targeted households in the borough to access the Energy Company Obligation (ECO) Local Authority Flexibility funding for works to their homes
- 2.2 2) Delegates responsibility to the Director for Health and Community Wellbeing for the necessary administration to enable qualifying households to access the scheme.

3 Alternative Options

- 3.1 The Council does not publish a Statement of Intent, however this would not enable households in the borough to access the scheme which meets a number of council priorities.

4 Financial Implications

- 4.1 The Council will have responsibility for determining a household to be ECO flex eligible, and suppliers are not required to undertake a supplementary assessment to determine eligibility. However, it is the responsibility of suppliers and contractors to retain evidence supporting a notification (i.e. a signed LA declaration and copy of the Statement of Intent) to Ofgem on request. If information is missing or incomplete, Ofgem will approach the supplier to obtain this, not the LA.
- 4.2 These proposals aim to utilise the existing human resources employed within the Public Protection Service to improve housing conditions. It is estimated that the equivalent of up to 0.5 to 1 day per week will be required to check and sign-off declarations submitted for approval under the scheme, however this will be kept under review.
- 4.3 The Council is not entering into any contractual relationship with energy suppliers/their agents or the householders who ultimately benefit from these energies saving improvement measures.
- 4.4 Promotion of the scheme will be undertaken primarily through the energy suppliers and their agents/contractors and through existing partnership mechanisms; any joint promotional activity will be at nil cost to the authority.

5 Appendices

- 5.1 Appendix A – Gedling Borough Council Energy Company Obligation Statement of Intent

6 Background Papers

- 6.1 Energy Company Obligation 3 : Flexible eligibility – guidance for local authorities

7 Reasons for Recommendations

- 7.1
 - To improve health and wellbeing
 - To reduce hardship and provide support to the most vulnerable
 - Provide an attractive and sustainable local environment that local people can enjoy and appreciate