

Peterborough City Council & Rutland County Council Statement of Intent - ECO FLEXIBLE ELIGIBILITY

VERSION 1.4 01/10/2018

1. INTRODUCTION

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 efficiency measures. The majority of ECO is targeted on those in or at risk of fuel poverty, under the Affordable Warmth obligation. Eligibility for Affordable Warmth is tabulated in Appendix 1.

Energy suppliers will be able to achieve up to 10% of their Affordable Warmth obligation by installing energy saving measures in households declared as eligible by Local Authorities. This "Flexible Eligibility" allows Local Authorities to make declarations determining that certain households meet the eligibility criteria for a measure under the Affordable Warmth element of ECO.

The Department of Business, Energy and Industrial Strategy (BEIS) provided guidance on Flexible Eligibility in April 2017

<https://www.gov.uk/government/publications/energy-company-obligation-eco-help-to-heat-scheme-flexible-eligibility>

This guidance sets out two main categories of private tenure household that Government intends to be eligible through Flexible Eligibility:

- **Fuel poor households under the low income high cost (LIHC) definition.** especially those that are not in receipt of ECO eligible benefits (see Appendix 1) and the estimated 20% of fuel poor households that are not in receipt of any benefits; and
- **Low income households that are vulnerable to the effects of living in a cold home (LIVC)**

It also contains guidance on how Flexible Eligibility can be used for Solid Wall Insulation projects, in relation to "in-fill" properties.

This Statement of Intent sets out the criteria Peterborough City Council intends to use to target households under Flexible Eligibility, in line with the BEIS guidance.

2. PETERBOROUGH CITY COUNCIL'S USE OF FLEXIBLE ELIGIBILITY

Peterborough City Council welcomes the introduction of Flexible Eligibility, and believes that it provides an opportunity to leverage the skills, resources and knowledge of local authorities to target households that are most in need, and to set out eligibility criteria that recognise the circumstances and challenges of each individual council area.

Peterborough City Council is a unitary authority serving a growing population of approximately 194,000 residents (ONS mid 2015 estimate). It has a long-standing commitment to both environmental leadership and looking after its fuel poor and vulnerable residents.

In 1992 Peterborough became one of four UK Environment Cities. In 2004 we signed the Nottingham Declaration, which acknowledges our contribution to climate change. The 'Environment Action Plan: City Wide' was adopted in April 2017 and is a document that has been developed with stakeholders from organisations across Peterborough. The plan is broken down into ten areas and comprises achievements to date, interim targets to 2020 and visions to 2050. The ten themes are:

1. Zero Carbon Energy
2. Sustainable Water
3. Land Use & Wildlife
4. Sustainable Materials
5. Local & Sustainable Food
6. Zero Waste
7. Sustainable Transport
8. Culture & Heritage
9. Equity & Local Economy
10. Health & Wellbeing

Per capita emissions in Peterborough have reduced from 8.25 tonnes in 2005 to 5.61 in 2014 (see Appendix 2). The Plan outlines a target to further reduce per capita CO₂ emissions to 4.5 tonnes by 2020. Residents contribute to the City's carbon emissions, with domestic emissions contributing 27% of city wide emissions in 2014 indicating the importance of improving the energy efficiency of homes. We believe that Flexible Eligibility, acting in concert with other important local initiatives (see below), can play an important role in our achieving our targets in several of these areas, particularly (1), (9) and (10).

Two important pieces of work underpin our strategy and these have been used to inform our approach to Flexible Eligibility: the Integrated Stock Model and the Health Impact Assessment.

The Integrated Stock Model: In 2015 Peterborough City Council commissioned the Building Research Establishment (BRE) to undertake a series of modelling exercises on the housing stock which required the BRE to produce an integrated stock model which includes Energy Performance (EPC), Local Land & Property Gazetteer (LLPG) and vacant property data provided by the Council. The BRE produced a Stock Modelling Report of their findings and supplied the Council with a database to enable the Council to obtain specific information whenever required. The key findings of this stock modelling are tabulated in Appendix 3. Some important insights from this modelling are:

- 7.3% (4,821) of all private sector dwellings in Peterborough are estimated to have an Energy Performance Certificate (EPC) rating below band E. 1,454 of these are private rented dwellings
- In Peterborough's private sector stock there is an estimated 13,374 dwellings with un-insulated cavity walls and 9,652 dwellings with less than 100mm of loft insulation
- Using the 10% Fuel Poverty Indicator 6,500 (13%) of owner occupied dwellings and 3,318 (20%) of private rented dwellings are occupied by households in fuel poverty. These figures fall to 4,156 (8%) and 3,062 (19%) respectively when using the Low Income High Cost Fuel Poverty Indicator.

The Health Impact Assessment: As well as commissioning the stock modelling, Peterborough City Council also commissioned a quantitative Health Impact Assessment which utilises the data in the stock modelling to better understand the effect of private sector housing hazards and intervention strategies on the health of residents in Peterborough using the methodology developed by the BRE for the "Real Cost of Poor Housing" publication.

This key findings of the Health Impact Assessment estimated:

- There were 8,025 individual Category 1 hazards in Peterborough's privately owned stock and 3,771 Category 1 hazards in the privately rented stock, bringing the total Category 1 hazards to 11,796
- The most prevalent hazard was Excess Cold
- The estimated total cost of mitigating the Category 1 hazards so that the risk is reduced to an acceptable level is £27 million with £8.4 million in the private rented sector
- It is estimated that poor housing conditions are responsible for over 631 harmful events requiring medical treatment every year
- The estimated cost to the NHS of treating accidents and ill health caused by these hazards is £2.1 million each year. If the wider costs to society are considered, the total costs are estimated to be £5.2 million each year

- If these hazards are mitigated to an acceptable level then the total annual savings to society are estimated to be £4.9 million, including £1.9 million of savings to the NHS.

3. HOW PETERBOROUGH CITY COUNCIL WILL IDENTIFY ELIGIBLE HOUSEHOLDS

Peterborough City Council was one of the first local authorities to launch the Local Energy Advice Programme (LEAP), which is a fuel poverty and vulnerability outreach service, funded through the Warm Home Discount Industry Initiatives fund. The Council's and its partner health and third sector organisations' front line staff refer vulnerable clients into the LEAP service. Eligibility for LEAP aligns very well with the BEIS guidance on Flexible Eligibility. The Council will therefore align its criteria and process for Flexible Eligibility with the LEAP service. LEAP will serve a dual purpose in relation to Flexible Eligibility:

- LEAP will act as the Council's primary means of identifying homes that would benefit from energy efficiency measures funded through ECO Flexible Eligibility
- Information collected from residents through the LEAP process will be our primary means of gaining evidence that households qualify under the eligibility criteria set out below, thus enabling us to produce declarations of eligibility (see Governance below)

As set out in the BEIS guidance, the key criteria that should be used for targeting and identifying eligible households in three categories:

- a. Fuel Poverty (LIHC)
- b. Low Income and Vulnerable to the cold (LIVC)
- c. Solid-Wall In-fill

The criteria we will use in the three categories are set out below.

a. Criteria for identifying households in fuel poverty (LIHC)

In this category, the BEIS guidance suggests that eligible households should be **both**:

- On a low income; **and**
- Facing high energy costs

The criteria for identifying whether a household is on a low income will be either household gross income or benefits. The income thresholds we will use are set out in Table 1 below.

Household	Annual Household Income				
	0 Children	1 child	2 children	3 children	4+ children
One adult	£13,200	£17,400	£21,600	£25,800	£30,000
Two Adults	£19,800	£24,000	£28,200	£32,400	£36,600

Table 1 Income thresholds based on LIHC Fuel Poverty Indicator

Households in receipt of any means-tested benefits will also be categorised as being on a low income for this purpose, in particular Housing Benefit, Pension (Savings) Credit and any tax credits (Child Tax Credit, Working Tax Credit, Universal Credit), which are not included for eligibility under general Affordable Warmth criteria.

The criteria for determining high heating costs will be as follows:

- The house has an E, For G EPC rating
- The primary heating source in the home is not natural gas
- The home is large (4 or more bedrooms)
- The main wall type of the property is uninsulated solid or cavity wall
- The house is a park home or mobile home
- Through disability, health or other condition the home is occupied for long periods or needs to be heated to abnormally high temperatures.
- The resident family has small children below the age of 5
- The LEAP Home Energy Assessor determines the annual household fuel bill is more than £800.

b. Criteria for identifying households on low income and vulnerability to cold (LIVC)

In this category, the BEIS guidance suggests that eligible households should be **both**:

- On a low income; **and**
- Vulnerable to the effects of living in a cold home

The same criteria as above will be used for the low income test. The criteria to be used as indicators of vulnerability to cold are:

PHYSICAL HEALTH CRITERIA

- Cardiovascular condition (incl. coronary heart disease, stroke, hypertension, transient ischemic attack)
- Respiratory condition (COPD, childhood asthma)
- Neurological condition (incl. dementia, Parkinson 's disease, multiple sclerosis, epilepsy)

- Musculoskeletal conditions (incl. osteoarthritis, rheumatoid arthritis etc...)
- Blood conditions (incl. Sickle cell disease, thalassemia)
- Cancer
- Physical or sensory disability
- Other illness exacerbated by the cold (confirmed by GP)

VULNERABILITY CRITERIA

- Carers in receipt of carers allowance
- Housing Benefit
- Council Tax Reduction
- Disability Benefit e.g. Disability Living Allowance , Personal Independence Payment, Attendance Allowance, Industrial Injuries Disablement Benefit
- Contribution-based ESA or JSA
- Victim of domestic violence
- Recent bereavement
- Household with maternity/ child under 5 & large families
- Refugee or Asylum Seeker
- On the Priority Services Register - UKPN or utility company

BRE Stock Modelling data will be utilised to target the marketing of the LEAP Scheme to the areas highlighted as likely to contain households in Fuel Poverty and Low Income and Vulnerable to the Cold. This is illustrated in Appendix 4.

c. Solid Wall Insulation "in-fill" properties

Where Solid Wall Insulation projects are taking place in the Peterborough City Council area, we will be happy to work with the operators of such schemes to issue solid wall in-fill Flexible Eligibility declarations, subject to the criteria laid out in the BEIS guidance.

4. JOINT STATEMENT OF INTENT

Peterborough City Council deliver housing services to Rutland County Council under a shared service agreement. Under that agreement Peterborough City Council will co-ordinate referrals into the LEAP programme and will monitor measures provided and onward referrals into government funding schemes aimed at tackling fuel poverty. Rutland County Council will therefore align its criteria and process for Flexible Eligibility with the LEAP service in the same way as Peterborough City Council as detailed in section 3 above.

5. GOVERNANCE

Responsible Officers

The officers below will be responsible for signing Declarations on behalf of Peterborough City & Rutland County Councils

Sharon Malia, Housing Programmes Manager
Email: sharon.malia@peterborough.gov.uk
Tel: 01733 863764

Mark Loran, Senior Environmental Services Manager
Email: mloran@rutland.gov.uk
Tel: 01572 758430

Ensuring households meet the eligibility criteria set out in this Statement of Intent will be achieved by channelling all referrals into the LEAP scheme. LEAP assessors will be responsible for checking eligibility. LEAP is funded under the Warm Home Discount Industry Initiative and has been approved by OFGEM as meeting the requirement to provide the service to domestic consumers who are in fuel poverty or who are at risk of falling into fuel poverty. Where:

- A non-social housing, domestic customer has been referred into the LEAP scheme and their eligibility for LEAP has been either certified by a Council officer or health/third sector partner to be eligible for LEAP, or their eligibility has been verified through the LEAP scheme; and
- The dwelling in question has been assessed during a visit and a potential ECO measure has been identified, and
- It is not eligible for Affordable Warmth through qualifying benefits; and
- LEAP confirms (following any further necessary verification) that, in addition to being eligible for LEAP, the household also meet the Flexible Eligibility criteria set out above then the Council will be minded to issue a Declaration for that property.

Note: Inclusion in a Declaration of Eligibility issued by Peterborough City Council or Rutland County Council will not guarantee installation of measures. The final decision on whether any individual household will receive an offer of funded energy efficiency measures rests with obligated energy suppliers or their contractors. The assessment of the cost effectiveness of installing measures and whether the obligated energy suppliers have achieved their Help to Heat targets.

6. REFERRALS

570 referrals were put through the LEAP scheme in its first year. The target of 800 referrals has been set for the second phase running until June 2018.

Frontline Council officers from both Peterborough and Rutland are referring into the LEAP scheme including:

- Home Improvement Agency Caseworkers
- Occupational Therapists
- Reablement Support Workers
- Social Care Teams
- Information & Advice Teams
- Housing Officers

External partners also referring into LEAP include:

- Peterborough Council for Voluntary Services
- Citizens Advice Bureau Peterborough
- Age UK Peterborough
- Peterborough Environment City Trust
- Red Cross Home from Hospital
- Cross Keys Homes HA
- Job Centre
- Care Organisations
- Community & Faith Groups
- Community Pharmacies
- Citizens Advice Bureau Rutland
- Age Concern Rutland
- Spire Homes (Care & Repair)
- The Bridge Advice Service
- Voluntary Action Rutland
- Age UK Leicestershire & Rutland
- Uppingham Town Council
- The Uppingham Surgery
- Oakham Library - The Library Service
- Vista Leics & Rutland
- Rutland Memorial Hospital
- Oakham Medical Practice

The Council are keen to reach as many vulnerable residents as possible and sees the benefits of channelling Flexible Eligibility referrals through its LEAP scheme:

- The householder will gain the broader benefits of the LEAP scheme - which includes simple energy efficiency measures, assistance to switch tariffs and suppliers, income maximisation, onward referral onto Council and voluntary sector services.
- ECO funded measures such as cavity wall insulation, loft insulation, boiler replacements, and heating system replacements can be verified during the LEAP Home Assessment to ensure Declarations are only made where there is a reasonable prospect of a funded measure being installed.
- The customer's eligibility for Flexible Eligibility, outlined in this statement of Intent will be an integral part of the LEAP Process (which includes the initial LEAP referral, the LEAP appointment booking phone contact, the LEAP home visit, or a follow up phone call if required). This process will also confirm that the household does not qualify under the normal Affordable Warmth ensuring accurate targeting of the Flexible Eligibility criteria.
- Customer consent and data protection issues are resolved before the Declaration is made.

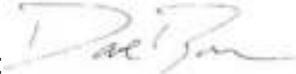
7. EVIDENCE, MONITORING AND REPORTING

- LEAP will provide information and supporting evidence (gathered through the LEAP process) on the Flexible Eligibility criteria that each household meets before the Declaration is made
- A validated Data Sharing Agreement is already in place between Peterborough CC and the LEAP service provider. Required data will be made available to the Council to ensure that a clear audit trail is in place. This will be retained for a minimum of two years, or such longer periods required under the relevant legislation.
- All data is transferred between Peterborough CC and the LEAP provider through the EGRESS secure emailing system
- Peterborough CC will be provided with regular update reports of householders proceeding through the ECO process
- Details of households accessing Flexible Eligibility will be made available to Peterborough CC. This information will include:
 - No. of households assessed
 - No. eligible
 - No. ineligible
 - No. receiving heating and insulation measures under Flexible Eligibility and broader ECO funding

Signature: 

Date: 5 March 2018

Wendi Ogle-Welbourn
Executive Director: People and Communities
Cambridgeshire & Peterborough Councils

Signature: 

Date: 28 March 2018

Dave Brown
Director for Places (Environment, Planning & Transport)
Rutland County Council

APPENDIX 1: ELIGIBILITY CATEGORIES FOR ECO AFFORDABLE WARMTH

Private tenure	Private tenure	Social Housing
<p>Flexible Eligibility (up to 10% of the Affordable Warmth obligation for the extension period):</p>	<p>The following means tested benefit recipients are eligible:</p>	
<ul style="list-style-type: none"> • A LA can declare private tenure households as eligible if they consider them to be: • Living in fuel poverty; or • Living on a low income and vulnerable to cold; or • Not in fuel poverty for solid wall insulation (subject to the limits of "in-fill") 	<ul style="list-style-type: none"> • Income based Jobseeker's Allowance (JSA) • Income-related support Allowance (ESA) • Income Support (IS) • Guaranteed Pension Credit • Working Tax Credit (below certain income thresholds) • Child Tax Credit (below certain income thresholds) • Universal Credit (below certain income thresholds) 	<ul style="list-style-type: none"> • Only the most inefficient social tenure properties are eligible (i.e. EPC Bands E, F or G)

Affordable Warmth Household Enquiry (ECO Eligibility Guidance, BEIS Apr 2017)

APPENDIX 2: PER CAPITA CARBON EMISSIONS IN PETERBOROUGH

Year	Per Capita Industry & Commercial (t)	Per Capita Domestic (t)	Per Capita Road Transport (t)	Per Capita Total (t)
2005	3.10	2.34	2.66	8.10
2006	3.03	2.31	2.60	7.94
2007	2.99	2.22	2.60	7.81
2008	2.96	2.17	2.45	7.59
2009	2.51	1.94	2.35	6.81
2010	2.57	2.07	2.30	6.94
2011	2.32	1.79	2.23	6.35
2012	2.51	1.91	2.14	6.56
2013	2.33	1.8	2.15	6.34
2014	1.91	1.54	2.16	5.61

Per capita CO2 emissions from industrial and commercial, domestic and transport sources

APPENDIX 3: KEY FINDINGS OF THE INTEGRATED STOCK MODEL

Indicator	All Stock				Private Sector Stock			
	P'boro No.	P'bor %	2011 EHS Regional %	2011 EHS England %	P'boro No.	P'boro %	2011 EHS Regional %	2011 EHS England %
No of dwellings	82,695				66,414			
All Cat 1 Hazards	8,937	11%	17%	15%	7,952	12%	19%	17%
Excess Cold	2,522	3%	7%	6%	2,286	3%	8%	7%
Falls	7,414	9%	10%	9%	6,714	10%	11%	10%
Disrepair	2,123	3%	3%	5%	1,978	3%	3%	6%
* Fuel Poverty 10%	12,019	15%	14%	15%	9,818	15%	15%	15%
** Fuel Poverty LIHC	8,742	11%	10%	11%	7,218	11%	11%	11%
Low income households	29,336	35%	28%	33%	17,084	26%	20%	24%
All Cat 2 hazards	12,499	15%	29%	31%	10,849	16%	31%	33%

Estimates of the numbers and percentages of dwellings meeting key indicator criteria for all stock and private sector stock in Peterborough compared to East of England and England (English House Survey 2011)

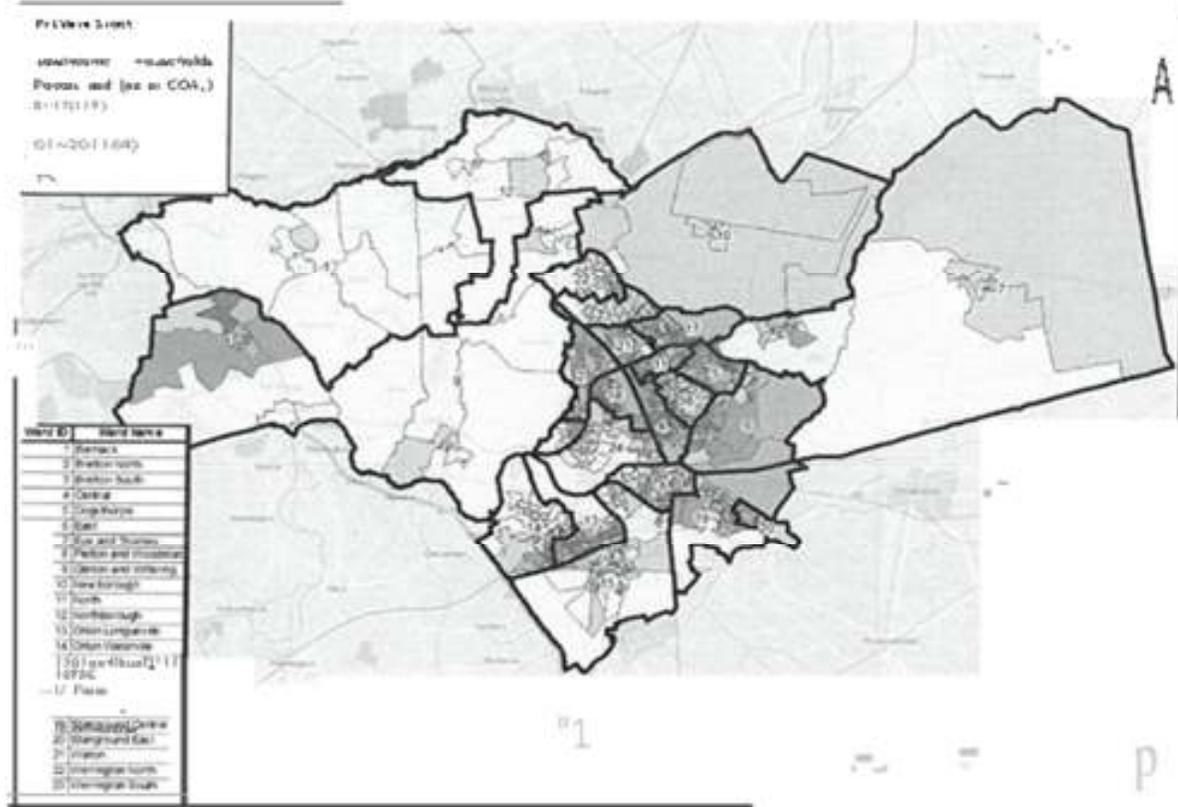
Indicator	Private Sector Stock				Social Stock	
	Owner Occupied		Private Rented		No.	%
	No.	%	No.	%		
No.of dwellings	49,956		16,456		16,281	
All Cat 1 hazards	5,442	11%	2,510	15%	985	6%
Excess Cold	1,639	3%	647	4%	236	1%
Falls	4,536	9%	2,178	13%	700	4%
Disrepair	1,139	2%	839	5%	145	1%
*Fuel Poverty 10%	6,500	13%	3,318	20%	2,201	14%
** Fuel Poverty LIHC	4,156	8%	3,062	19%	15	9%
Low Income Households	10,444	21%	6,640	40%	12,252	75%
All Cat 2 hazards	7,203	14%	3,735	23%	1,050	6%

Estimate of the numbers and percentage of dwellings meeting the key indicator criteria by tenure for Peterborough

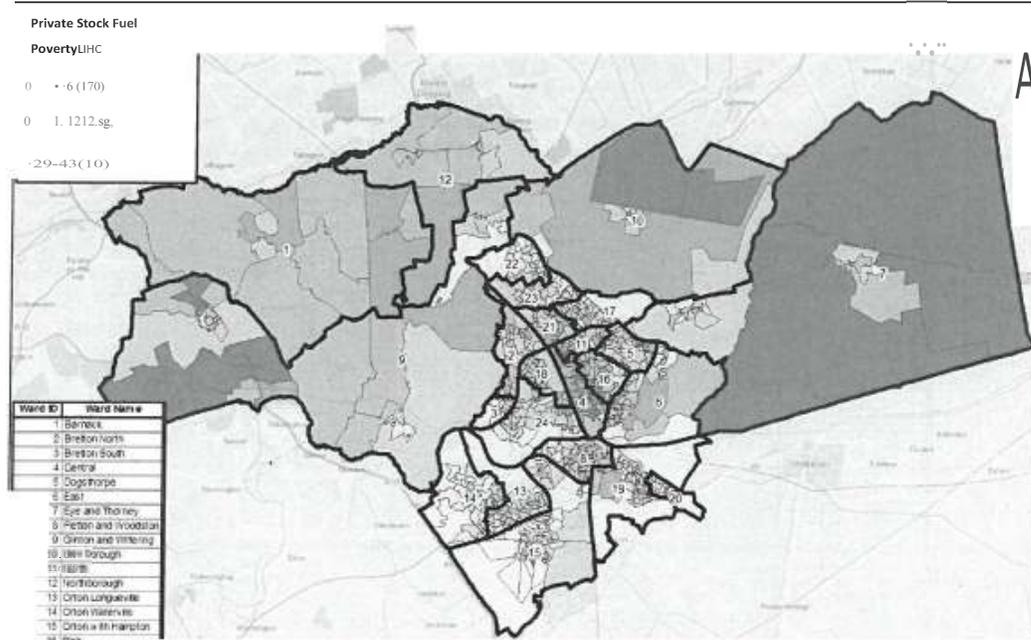
* 10% Fuel Poverty Indicator – More than 10% of households income spent on fuel to maintain an adequate level of warmth, 21 degrees C in living room, 18 degrees C in other occupied rooms.

** Low Income High Cost Fuel Poverty Indicator – required fuel costs are above average (national median level) and were household to spend that amount they would be left with a residual income below the official poverty line.

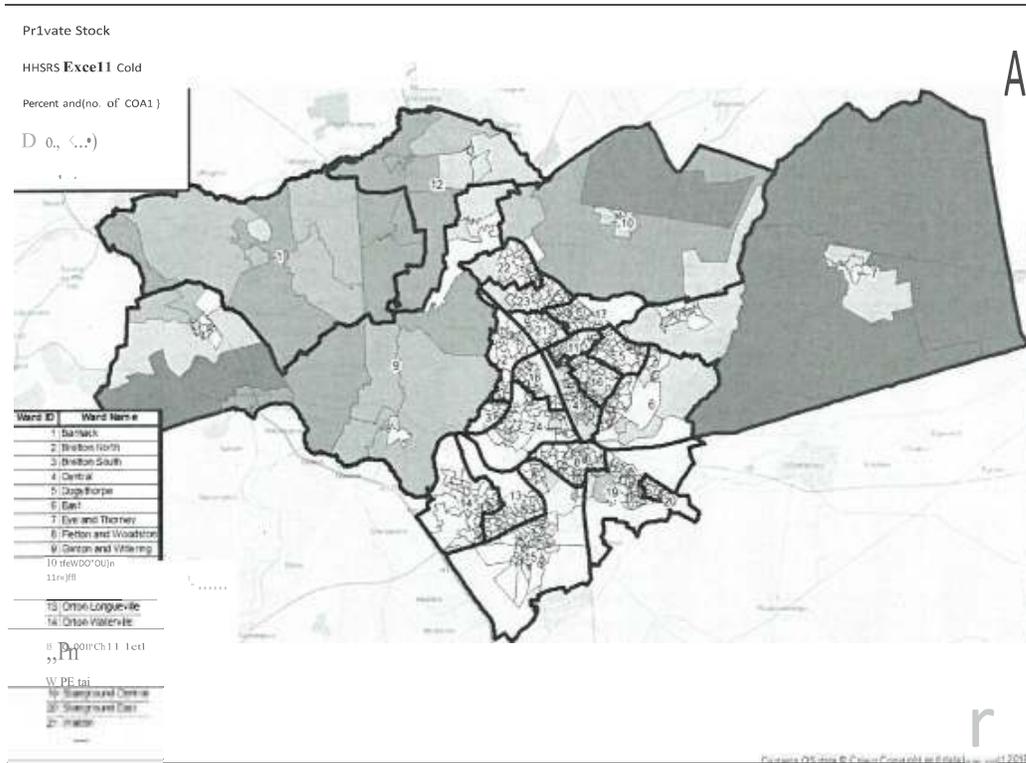
APPENDIX 4: BRE MODELLING OF FUEL POVERTY IN PETERBOROUGH



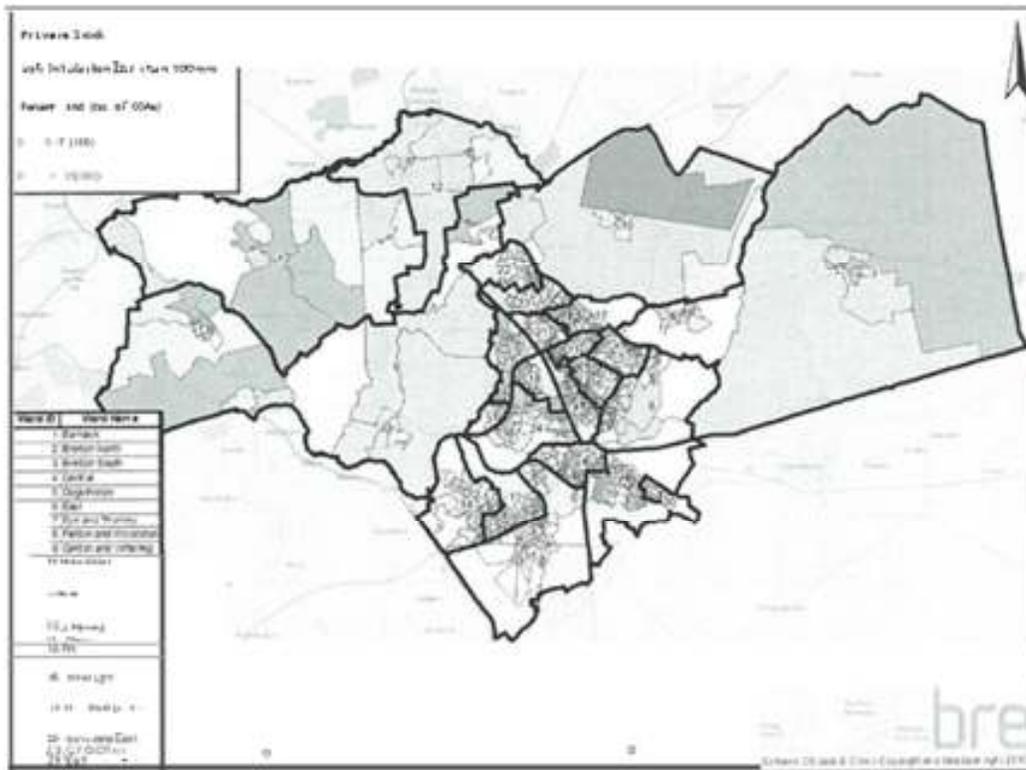
Peterborough low income Households (BRE Stock Modelling 2015)



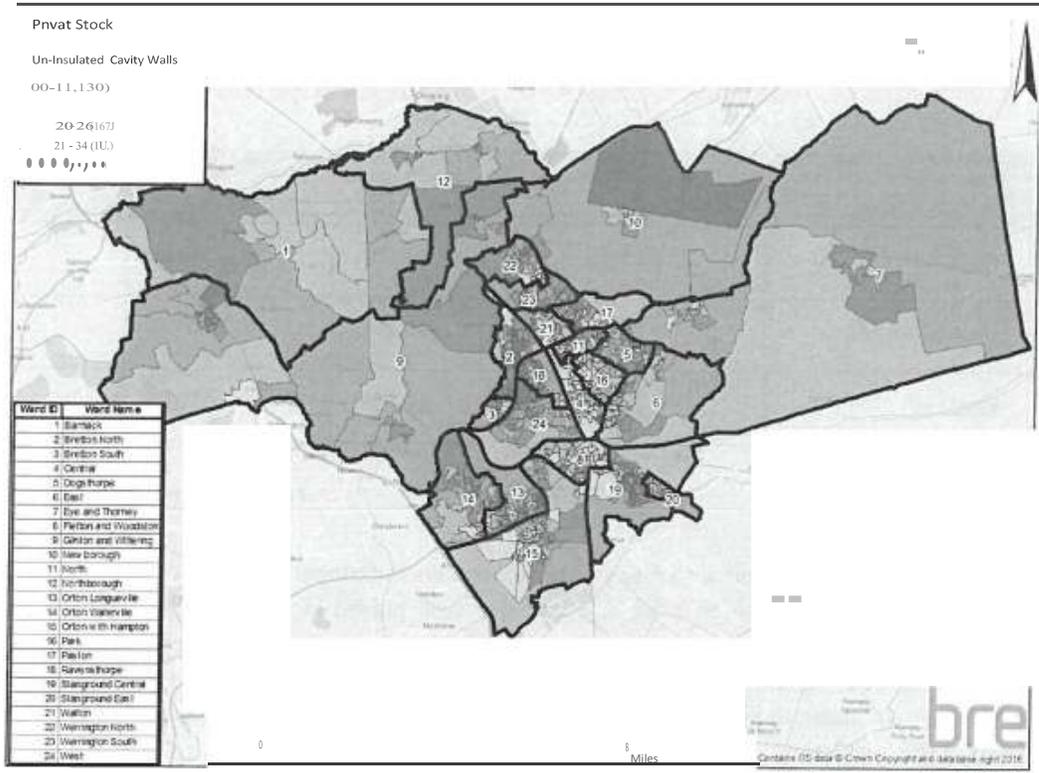
Peterborough Fuel Poor Households (LIHC)(BRE Stock Modelling 2015)



Peterborough HHSRS Excess Cold Category 1 Hazards (BRE Stock Modelling 2015)



Peterborough Lofts with less than 100mm of insulation (BRE Stock Modelling 2015)



Peterborough un-insulated cavity walls (BRE Stock Modelling 2015)

Appendix 5: Rutland County Council Fuel Poverty

The table below shows the performance against the new LIHC Fuel Poverty target used for England.

	2011	2012	2013	2014
Rutland	13.6%	11.9%	9.3%	10.6%
East Midlands	13.3%	13.2%	10.4%	10.1%
England	11.1%	10.8%	10.4%	10.6%

Proportion of households that are fuel poor

There are wards in Rutland with many historic, solid walled properties in rural areas.

These are often off-gas and are expensive to heat, but are also well placed in the property market and typically (although not always) have owners who can afford to heat them. The regional model below is thought to best reflect the situation in Rutland balancing the challenges of these off gas rural properties alongside the poverty encountered by residents on lower incomes in the urban areas. The level of the highest risk area is approximately twice that of the lowest risk.

Uppingham, Oakham North West, Oakham North East, Oakham South West, Martinthorpe, Braunston and Belton, Oakham South East, Ryhall and Casterton, Exton, Normanton, Ketton, Langham, Greetham, Whissendine, Lyddington, Cottesmore

Rutland Wards in order of level of households being in, or at risk of, fuel poverty (highways first, source: HI4EM 2011 model)