

ENERGY COMPANY OBLIGATION (ECO) HELP TO HEAT FLEXIBLE ELIGIBILITY

LOCAL AUTHORITY FLEXIBLE ELIGIBILITY STATEMENT OF INTENT

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<https://www.stockton.gov.uk/environment-and-housing/climate-carbon-and-energy/fuel-poverty-and-affordable-warmth/>

Introduction

1. The Energy Company Obligation Regulations 2017-18 (ECO2t) 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 10% 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. Stockton-on-Tees Borough Council therefore welcomes the local authority 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 the Council 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 borough of Stockton-on-Tees 12.3% of households are estimated to be experiencing fuel poverty according to the most recent Government estimate.
4. ECO Flexible Eligibility will contribute towards the aims of Stockton's 'Affordable Warmth Strategy' by:
 - increasing the numbers of energy efficient, safe, healthy and affordable homes to live in
 - targeting financial assistance to vulnerable and low income residents in the private rented and owner occupier sectors
5. Stockton's 'Affordable Warmth Strategy and Action Plan' also sets the links to other key strategies for example the local Joint Strategic Needs Assessment, outlines the partnership working and range of help and support available to tackle fuel poverty and promote affordable warmth.
6. 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 Stockton-on-Tees Borough Council 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 Stockton-on-Tees Borough Council's Flexible Eligibility ECO

7. Households across Stockton-on-Tees 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)
 - at risk of living in fuel poverty
 - 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 (by location)

8. Households across the Borough of Stockton-on-Tees in owner occupation or privately rented located within the Lower Super Output Areas (LSOAs) classifies as amongst the 25% most deprived according to the Government's Index of Multiple Deprivation will be deemed at risk of living in fuel poverty.
9. The specific LSOAs are listed in Annex1 to this document and include parts of the following wards:-
 - Billingham Central
 - Billingham East
 - Billingham South
 - Hardwick
 - Mandale & Victoria
 - Newtown
 - Norton North
 - Norton South
 - Parkfield & Oxbridge
 - Roseworth
 - Stainsby Hill
 - Stockton Town Centre
 - Village



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

10. Households outside the areas listed above 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.

11. The NEA's Fuel Poverty Assessment Tool can assist in determining a Low Income Household in High Cost accommodation or the assessment can use the Low Income/High Cost criteria set out below.

B1: Defining a Low Income Household

12. Households outside the area defined by the 25% LSOA criteria will be considered as being at risk of fuel poverty if they are determined to be a low income household. 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.
13. 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.

Table 1 – Low Income Households

Household composition	Annual household income	Monthly household income Equivalent
1 adult (18 years and over)	£8,900	£740
and 1 child	£11,700	£980
and 2 children	£14,400	£1,200
and three children	£17,300	£1,440
and four or more children	£20,100	£1,680
2 adults (18 years and over)	£14,600	£1,220
and 1 child	£17,400	£1,450
and 2 children	£20,200	£1,680
and three children	£23,100	£1,930
and four or more children	£25,700	£2,140

B2: Defining a High Cost Home

14. A high cost home is a property with an Energy Performance Certificate (EPC) rating of E, F or G.

Or

A property with an Energy Performance Certificate (EPC) of D that is classed as hard to heat including:-

- Those with solid walls
- Those with no loft space
- Those in a state of disrepair
- Those of non-traditional construction e.g. those with non-standard cavity walls or system built walls.



Section C: Identifying Low Income & Vulnerable to Cold Households

15. A household will be classed as a low income household if the residents meet the Low Income Criteria (as set out in Table 2 below) and a least one member of the household meets one of the Health & Vulnerability criteria defined at point 18 below.
16. 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

17. 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.

Table 2 – Low Income Households & Vulnerable to Cold

Household composition	Annual household income	Monthly household income Equivalent
1 adult (18 years and over)	£9,900	£830
and 1 child	£12,700	£1,060
and 2 children	£15,400	£1,280
and three children	£18,300	£1,530
and four or more children	£21,100	£1,760
2 adults (18 years and over)	£15,600	£1,300
and 1 child	£18,400	£1,530
and 2 children	£21,200	£1,770
and three children	£24,100	£2,010

and four or more children	£26,700	£2,230
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C 2: Defining Health & Vulnerability Criteria

18. 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 16)
- pregnant women
- people who are terminally ill
- people with suppressed immune systems (e.g. from cancer treatment or HIV)

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

19. Stockton-on-Tees Borough Council intends 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.

20. 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

21. 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.

22. 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 (i.e. 50% of the properties are FP or LIVC).	The other property to which it is directly adjoined is eligible for solid wall insulation.
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	At least two in three properties on the list must be declared by the LA as Fuel Poor or LIVC (i.e. at least 66% of the properties are FP or LIVC)	The other (i.e. up to one third) of 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

- 23. Staff within Stockton-on-Tees Borough Council's Environment Policy Team namely the Principal Environment Officer and The Environment Officer will be responsible for checking and signing declarations on behalf of Stockton-on-Tees Borough Council.

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

Signature

Name: Richard McGuckin

Director of Economic Growth and Development

Stockton-on-Tees Borough Council

Signature:  _____

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