

**Energy Company Obligation: ECO 3 2018-2022**



**Local Authority Flexible Eligibility Statement of Intent**

Local authority: Exeter City Council

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**1. Introduction**

Exeter City Council's Corporate Plan 2018 – 2021 focuses on three strategic programmes that address the current, major challenges facing the city. These are tackling congestion and accessibility, promoting active and healthy lifestyles and building great neighbourhoods.

Whilst Exeter is overall a healthy place to live some areas in the city have poorer health outcomes than others and whilst prosperity overall in the city has grown in recent years, health inequalities between the most and least well-off areas have increased. Exeter has populations that face social and financial exclusion, particularly in the six wards lying in the top 20% most deprived in the country.

National data indicates that 11.5% of the city's total stock is in fuel poverty. This compares to 13.2% in Devon, 12.2% in the South West and 10.6% nationally. 6% of dwellings are likely to have an excess cold hazard with a further 11% having a risk of a cold hazard. Fuel Poverty can cause vulnerable and low income households to live in cold, unhealthy homes that are expensive to keep warm.

Energy Company Obligation (ECO) funding provides support to low income & vulnerable households to install energy efficiency measures. Anyone living in Britain, meeting the Help to Heat Group (HTHG) eligibility criteria, can claim ECO funding. For households that do not meet the HTHG criteria, the Flexible Eligibility (FE) scheme enables the local authority to set their own funding eligibility criteria to install key energy saving measures and reduce fuel poverty. The council's existing grant and loan schemes, as detailed in the [Financial Assistance Policy](#), can also be accessed by FE customers who have a shortfall in grant funding.

In identifying households as eligible under FE, Exeter City Council is seeking to enable as many residents as possible to benefit from funding. Exeter City Council expects the following of any obligated energy supplier or contractor:

- To comply with the General Data Protection Regulations
- 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.

It should be noted that the final decision on whether any individual household will benefit from energy saving improvements or heating 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.

This Statement of Intent (SOI) sets out how households in the city of Exeter will be identified and declared to be eligible for energy efficiency measures under the current ECO 3 FE scheme.

## **2. Exeter City Council's Eligibility Criteria**

Exeter City Council can only assist those living in the private sector (home owners and private tenants) who are:

- i. Living in fuel poverty e.g. low income and high costs  
OR
- ii. Living on a low income and vulnerable to the effects of living in a cold home

Private renters who meet the above criteria and live in a property with an EPC Band F and G are only eligible for solid wall insulation and renewable heating measures. This is due a landlord's requirements to meet the Minimum Energy Efficiency Standards (MEES) in the private rented sector. Furthermore, replacement or repair of a broken heating system is a landlord responsibility. Social housing is excluded from FE.

A household must combine low income and high costs (i.e. fuel poverty) OR low income and vulnerable to the cold (LIVC) to be eligible. Therefore, a combination of high heating bills, low EPC ratings or vulnerability to the cold would not meet the requirements for a valid declaration if the low income threshold isn't met.

## **3. Low income households**

Income is defined as a household's net income after National Insurance and Income Tax deductions. Income should include income from all sources, such as savings and investments, pensions, all benefits (including housing benefit) as well as earnings from employment.

Exeter City Council determines the threshold for 'low income households' as ONE of the below:

- a. A household with 2 or more people must have an overall annual household net income below £35,000
- b. A single person household must have an overall annual net income below £30,000.

## **4. High cost households**

Energy Performance Certificate (EPC) bands can be used to identify how costly a household is to heat. Research indicates that D, E, F, or G rated homes have a high probability of being defined as 'High Cost' under the Fuel Poverty definition. Therefore, any household with an EPC Band rating D, E, F or G will be considered as High Cost households.

## **5. Low income and vulnerable to the effects of living in a cold home**

Exeter City Council will target households who meet the low income household (LI) threshold AND with one or more individuals that are vulnerable to living in a cold home (VC). Based on the National Institute for Health and Care Excellence (NICE) guidelines conditions which increase vulnerability to cold include:

- i. Aged over 60 (55 in the case of mobile homes), and particularly those over 85
- ii. Children under 5 and pregnant mothers
- iii. Respiratory disease (COPD, asthma)
- iv. Cardiovascular disease (e.g. ischaemic heart disease, cerebrovascular disease)
- v. Moderate to severe mental illness (e.g. schizophrenia, bipolar disorder)
- vi. Dementia
- vii. Neurobiological and related diseases (e.g. fibromyalgia, ME)
- viii. Cancer
- ix. Limited mobility
- x. Haemoglobinopathies (sickle cell disease, thalassaemia)
- xi. Severe learning disabilities
- xii. Autoimmune and immunodeficiency diseases (e.g. lupus, MS, diabetes, HIV)

It is noted here that if a household meets the criteria for FP, there is no need to also meet LIVC, and vice versa. Households are not required to meet both FP and LIVC.

## **6. Solid Wall Insulation**

To encourage and enable multi-property solid wall insulation, Exeter City Council can provide Eligibility Declarations for households that are not living in fuel poverty (FP) or living on a low income and are vulnerable to the effects of living in a cold home (LIVC). Known as 'in-fill' properties, if at least 50% of eligible households receive these measures, an adjacent property can also receive the same measure, as long as the number of these 'in-fill' properties does not exceed 50%. If a household doesn't meet the FP or LIVC criteria, Exeter City Council can declare a household as "in-fill" where they are:

- a) immediately adjacent building to; or
- b) in the same building as a household that does meet those criteria; or
- c) in the same terrace as; or
- d) back to back entire terraces, but only if the back of the actual properties are touching (not back to back garden/ alleyway separates the terrace).

## **7. Referrals**

Exeter City Council expects referrals for Flexible Eligibility may come from:

- Self-referrals from residents
- Other Council departments
- Social care or health organisations
- ECO providers, installers or agents
- Use of Home Analytics' database
- Analysing EPC data
- Citizens Advice
- Exeter Community Energy

- Social prescribing organisations (who determine those that may be vulnerable or those with health conditions)
- Eligible households will also be identified through routine inspections
- Private tenants and private homeowners will be identified and referred to the scheme.
- Low income households living in energy inefficient housing will be identified in the private rented sector through enforcement activity under the Housing Act 2004 and landlord associations/forums.

## **8. How will Exeter City Council identify households?**

Exeter City Council will utilise the Energy Savings Trust Home Analytics Database to target fuel poor. The Database will also be used to target those in poor health once Health Data has been added, a project that is ongoing.

We will cross-reference data on income with data that we hold or can access on Energy Performance Certificates, prepayment meters, expenditure on fuel, housing type/age/condition and heating type.

Low income households living in energy inefficient housing will be identified in the private rented sector through intervention and enforcement activity under the Housing Act 2004.

## **9. Governance**

The Neighbourhoods Team at Exeter City Council will liaise with residents and ECO providers to produce the required declaration forms. The Environmental Health and Community Safety Manager (or any person to whom they have delegated the task), will be responsible for signing local authority declarations on behalf of Exeter City Council.

## **10. Evidence, monitoring and reporting**

Anonymised data on the characteristics of households reached through FE will be reviewed.

The data above will include details of households assessed, how many were deemed eligible and ineligible, and how many received heating and insulation improvements.

## **11. Signature**



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