



# **Energy Company Obligation Flexible Eligibility**

## **Statement of Intent**

## 1. Introduction

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. As of January 2017, it has delivered energy efficiency measures to 10,064 households in Cheshire East, of which 4,147 are low income and vulnerable households, or households in specified areas of low income.

1.2 The Government's Spending Review 2015 announced plans for a supplier obligation to run for five years from April 2017 at an estimated level of £640 million per year, rising with inflation. Energy suppliers are expected to provide support to households who meet mandated eligibility criteria, but will also be able to achieve up to 10% of their obligation for low income and vulnerable households by installing energy saving measures in households declared eligible by local authorities using their ECO Flexible Eligibility powers.

1.3 ECO Flexible Eligibility is an opportunity for local authorities to set local criteria to be able to refer households to suppliers for support, in recognition of the fact that not all households that need support with improving their homes necessarily receive income related benefits. The purpose of ECO Flexible Eligibility is to identify private households that may benefit from energy saving measures and are:

- i. Fuel poor households, especially those that are not in receipt of Affordable Warmth eligible benefits, and the estimated 20% of fuel poor households that are not in receipt of any benefits; and
- ii. Low income household that are vulnerable to the effects of living in a cold home.

1.4 We want Cheshire East to remain a green, sustainable place and our people to live well and for longer. Our 'energy vision' is a bold but achievable statement and is split into three strands:

- Affordable energy – putting residents first
- Growing energy businesses – developing a local energy economy
- Independent energy – secure, decentralised and locally managed energy

1.5 As part of our commitment to securing affordable energy for our residents, the Council delivers and supports a number of local initiatives:

- **Fairer energy pricing** – the Council's Fairerpower scheme offers residents a more affordable deal on their energy and helps combat fuel poverty

- **Improving homes, improving lives** – the Council supports low income households to access grants and loans to improve comfort in the home through boiler repairs and replacements and installing first time central heating systems
- **Promoting better energy use** – partner organisations promote better energy use through a telephone advice line, targeted support for vulnerable households, and energy efficiency advice in our communities
- **Keeping people safe in winter** – The multi-agency Extreme Weather partnership works together to ensure residents can access emergency measures during the winter and identifies households most at risk of cold.

1.6 Cheshire East Council is committed to putting residents first, and has elected to publish a Statement of Intent detailing the ECO Flexible Eligibility criteria against which residents will be assessed for energy saving measures, helping them to live in safe, warm homes that they can afford to heat.

1.7 The final decision on whether a household receives an ECO measure will be made by the energy suppliers or their agents / contractors. By providing a Flexible Eligibility Declaration for a household, the Council cannot provide a guarantee that measures will be installed, as the final decision will depend on the following factors:

- i. A survey carried out by the supplier's agent / contractor and the cost of installation, and
- ii. The energy savings that can be achieved for a property, and
- iii. Whether suppliers have achieved their targets or require further measures to meet their ECO targets

1.8 Whilst the Council is unable to guarantee that a measure will be installed, by publishing a Statement of Intent it is increasing opportunities for residents to benefit from energy saving measures being provided by energy suppliers and their agents / contractors.

## 2. Identifying eligible households

2.1 ECO Flexible Eligibility is available to private sector households, including owner occupiers and private tenants.

2.2 Households must meet either the 'Fuel Poverty (Low Income High Energy Costs)' criteria, OR the 'Low Income Vulnerable to Cold' criteria.

### 2.3 Fuel Poverty (Low Income High Energy Costs) Criteria

2.3.1 Households must be assessed as being on a low income **AND** have high energy costs.

#### 2.3.2 Low income (TABLE 1):

Household composition	Annual household income	Household savings threshold
Household with no children under the age of 16	£19,000 <sup>1</sup>	£8,000
Households with 1 or more child under the age of 16	£26,000 <sup>2</sup>	

2.3.2.1 Income is defined as income from all sources such as net earnings (after tax), income from savings and investments, pensions, and all benefits excluding housing benefit and council tax support.

#### 2.3.3 High energy costs

2.3.3.1 Households who live in properties with an energy performance rating of Band, E, F or G will be eligible.

2.3.3.2 Where the energy performance rating is not known, households who score 35 or more on the following scoring matrix:

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<sup>1</sup> £19,000 is derived from the lowest median household income at ward level in Cheshire East (£18,800)

<sup>2</sup> £26,000 is derived from the Government's highest recommended income threshold for families with children in the ECO Flexible Eligibility guidance (£25,700)

**High Energy Costs (TABLE 2):**

Question	Response	Score
Is a boiler used to heat the home?	Yes	0
	No	5
Was the home built before 1964?	Yes	25
	No	0
What is the main heating fuel?	Gas	0
	Electricity	30
	Oil / LPG / Other	30
Does at least one member of the household spend most of the day in the home?	Yes	5
	No	0

**2.4 Low Income Vulnerable to Cold Criteria**

2.4.1 To be eligible under the Low Income Vulnerable to Cold criteria, households must be assessed as being on a low income in accordance with Table 1 **AND** have one of the following health conditions, or be in a vulnerable group:

**Vulnerable to Cold (TABLE 3):**

Health conditions	Vulnerable group
<ul style="list-style-type: none"> <li>• Cardiovascular condition</li> <li>• Respiratory condition</li> <li>• Neurological condition</li> <li>• Mental health condition</li> <li>• Physical disability that has a substantial or long term effect on your ability to do normal daily activities</li> <li>• Terminal illness</li> <li>• Suppressed immune system</li> </ul>	<ul style="list-style-type: none"> <li>• People aged 85 or over</li> <li>• Children aged under 5</li> <li>• Pregnant women</li> </ul>

**3. Governance and Transparency**

3.1 Applications for ECO Flexible Eligibility will be administered by the Strategic Housing service on behalf of the Council.

3.2 Reasonable and proportionate enquiries will be undertaken by the Council to deter, prevent and detect fraud as part of the assessment to determine whether a household meets the eligibility criteria within this Statement of Intent, and records of all enquiries will be retained in accordance with the Council's data retention policy.

3.3 An annual statement detailing the numbers, distribution and qualification of households where eligibility has been declared will be prepared and published on the Council's website.

**Signed on behalf of Cheshire East Council**

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_\_

## Appendix 1: Local Authority Flexible Eligibility Declaration

[illegible]

### Local authority declaration

**I declare that:**

- |                          |  |
|--------------------------|--|
| <input type="checkbox"/> | the Statement of Intent (Sol) for Cheshire East Council was published before the date this declaration was made and is currently available to view at the above location.  |
| <input type="checkbox"/> | Cheshire East Council has been consulted on the installation of a measure ("heating qualifying action") at the premises listed above.  |
| <input type="checkbox"/> | in the opinion of Cheshire East Council, the premises listed above are occupied by a household(s) either:<br>a) living in fuel poverty, OR<br>b) on a low income and vulnerable to the effects of living in a cold home. |

Signed

Date

Authorised  
signatory

Job title

Address

Contact details