

Cheshire East Council

Cabinet Member for Housing and Planning

Date of Meeting: 1st August 2017

Report of: Executive Director, Place

Subject/Title: ECO Flexible Eligibility Statement of Intent

Portfolio Holder: Councillor Ainsley Arnold, Housing and Planning

1. Report Summary

- 1.1. This report sets out how Cheshire East Council will increase opportunities for vulnerable residents to live in safe, warm homes that they can afford to heat and safeguard their physical and mental wellbeing. 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 for residents
 - Growing energy businesses – developing a local energy economy
 - Independent energy – secure, decentralised and locally managed energy
- 1.2. As part of our commitment to securing affordable energy for our residents, the Council delivers and supports a number of local initiatives, including fairer energy pricing through Fairerpower, home repairs grants and loans, promoting better energy use and multi agency working to keep people safe in winter. The Government's recent change to the obligation placed on energy suppliers to invest in energy saving measures has presented an opportunity to extend the help that is offered to vulnerable people in Cheshire East.
- 1.3. By publishing an ECO Flexible Eligibility Statement of Intent setting out how residents can qualify for discretionary help with keeping warm at home, energy suppliers and their agents and contractors will be able to extend the help they offer with insulation and heating to a wider group of residents who are in fuel poverty or are vulnerable to the effects of cold. All residents across the Borough who meet the criteria are eligible to apply for help. The final decision on whether residents will receive assistance will be made by the energy suppliers.

2. Recommendation

2.1. It is recommended that the Portfolio Holder:

- Approves the ECO Flexible Eligibility Statement of Intent, and
- Authorises the Executive Director, Place to put all necessary steps in place to implement the Statement of Intent.

3. Other Options Considered

- 3.1. The Council could opt to not publish a Statement of Intent using the flexible powers granted by central Government, however Cheshire East is committed to providing opportunities for vulnerable residents to access funding for energy saving measures that they would otherwise be unable to access.

4. Reasons for Recommendation

- 4.1. Cheshire East has a new opportunity to engage with energy suppliers to increase the number of energy saving measures that are delivered to people in fuel poverty or are vulnerable to the effects of cold in our area, who may not be in receipt of income related benefits. To implement this flexible approach, we must publish a Statement of Intent in which we set out the criteria we will use to identify eligible households.
- 4.2. Health and Wellbeing Boards have a duty to produce a Joint Strategic Needs Assessment (JSNA) for their area, which identifies health and social care needs, how well these are being met and opportunities for improvement to inform decision making. The JSNA for Cheshire East identifies excess winter deaths as an issue for our area, with an estimated 370 excess winter deaths during 2014-15, above the national average. Fuel poverty is a significant issue affecting our communities, with an estimated 10.1% of households in Cheshire East needing to spend a disproportionate amount of their income on heating their home, rising to 26.2% in St Johns in Crewe, the worst affected ward.
- 4.3. Publication of a Statement of Intent is consistent with recommended actions within the JSNA to target flu vaccinations and winter warmth initiatives to older people, particularly those who are aged 85 and over, and to people with dementia or Alzheimer's disease, and respiratory conditions.

5. Background/Chronology

- 5.1. The Energy Company Obligation is a government energy efficiency scheme to help reduce carbon emissions and tackle fuel poverty. It was introduced in April 2013 and has undergone a number of amendments, the most recent being implemented in April 2017.

- 5.2. The scheme provides for a range of energy efficiency measures to be funded by the largest energy suppliers, including insulation and replacement boilers. The primary focus of the scheme is to improve the ability of low income and vulnerable households to heat their home, but also extends to reducing carbon emissions for other households through lower cost measures.
- 5.3. As of January 2017, the ECO scheme 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.
- 5.4. 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. The ECO scheme is due to run until 30 September 2018, and the Government expects to consult on the future of the scheme post-October 2018 later in 2017.
- 5.5. 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.
- 5.6. 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
- 5.7. 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.

- 5.8. The Statement of Intent sets out our local criteria for qualifying households, and is compliant with the aims of the original intention of ECO Flexible Eligibility.
- 5.9. To meet the eligibility criteria, households must have savings less than £8,000 and a household without children must have a net household income of less than £19,000, or for households with children the income must be less than £26,000, and meet one or more of the following criteria:
- The property is likely to have high energy costs, and/or
 - Someone in the household is in a vulnerable group or has a health condition which makes them more susceptible to the effects of cold.
- 5.10. The income criteria for households with no children has been selected based on the lowest median household income at ward level in Cheshire East. Residents in the Crewe St Barnabas ward have the lowest median average income in our area at £18,800, compared to £33,000 for the whole of Cheshire East. A different threshold is provided for households with children, reflecting that larger households require larger incomes in order to achieve the same standard of living as smaller ones.
- 5.11. The criteria for high energy costs has been established based on the factors that are likely to make the cost of heating the home more expensive, including the fuel type, the existing heating system, the age of the property, and whether anyone spends long periods at home.
- 5.12. Vulnerability to cold criteria has been established from the recommendations within the Cheshire East JSNA, National Institute of Clinical Excellence (NICE) guidance on reducing excess winter deaths, and the Government's ECO Flexible Eligibility Guidance.
- 5.13. Appendix A sets out the process that will be followed to ensure that residents receive a fair and equitable service to access energy saving measures.

6. Wards Affected and Local Ward Members

- 6.1. All wards.

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1. The Statement of Intent is aligned to the fuel poverty strategy for England, and focuses on the link between health and fuel poverty.

- 7.1.2. The Statement of Intent sets out ways to meet Outcome 5 'People live well and for longer'. We are committed to supporting the most vulnerable residents, whilst enabling others to support themselves and lead a prosperous and healthy life.

7.2. Legal Implications

- 7.2.1. The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 amended the 2014 Order by inserting Article 16A, which permits energy suppliers to install energy saving measures as part of their ECO targets where a local authority has published a statement of intent and been consulted on the installation of a heating qualifying action at the premises; and on or after publication of its statement of intent, the local authority has made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living in fuel poverty; or that the premises are occupied by a household living on a low income and vulnerable to the effects of living in a cold home.
- 7.2.2. Cheshire East does not have a statutory duty to operate an ECO flexible eligibility scheme. The Council may however consider using its discretionary power to do so, and if it chooses to utilise this discretionary power, then it must publish a Statement of Intent.
- 7.2.3. By publishing a Statement of Intent which details the eligibility criteria that it will use, the Council has fulfilled the mandatory requirements to enable it to issue a written declaration to energy suppliers that a household would benefit from an energy saving measure under flexible eligibility.

7.3. Financial Implications

- 7.3.1. There are no financial implications. Publication of a Statement of Intent enables energy suppliers and their agents or contractors to deliver energy saving measures to eligible households in Cheshire East at no cost to the local authority. 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.

7.4. Equality Implications

- 7.4.1. The Statement of Intent will enable Cheshire East to deliver efficient and effective services to groups with protected characteristics who are vulnerable, in particular but not limited to older people and people with a disability.

7.5. Rural Community Implications

7.5.1. The Energy Company Obligation was amended in April 2017 to place a stronger focus on tackling off gas properties, so that energy suppliers have to commit more expenditure in rural areas.

7.6. Human Resources Implications

7.6.1. There are no human resources implications. Eligibility of residents will be checked by Strategic Housing staff using existing systems employed for grants and loans.

7.7. Public Health Implications

7.7.1. The Statement of Intent will facilitate services which directly impact on public health. Housing improvements will benefit vulnerable residents' mental and physical wellbeing and reduce demand on health and social care services. Cold and damp homes increase the risk and effects of cardiovascular, respiratory and rheumatoid diseases, as well as hypothermia and mental ill health. Young children, older people and people with an illness or disability are more likely to suffer the effects of cold and damp housing.

7.8. Implications for Children and Young People

7.8.1. The Statement of Intent will provide opportunities for children and young people in low income vulnerable families to live in warm and comfortable homes.

8. Risk Management

8.1. Publication of a Statement of Intent which sets out clear criteria provides a robust framework to ensure that decisions about eligibility are made in a fair, consistent and equitable manner.

9. Access to Information/Bibliography

9.1. Energy Company Obligation – Flexible Eligibility. Guidance for local authorities on engaging with energy suppliers to identify households that would benefit from energy efficiency improvements:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/608042/ECO_Help_to_Heat_flexible_eligibility_guidance_for_LAs.pdf

10. Contact Information

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