



East Renfrewshire Council

ENERGY COMPANY OBLIGATION - FLEXIBLE ELIGIBILITY SCHEME

ECO3 1st Oct 2018 -31st March 31st 2022

Version 4.1 (Covid-19)

1st June 2020

www.eastrenfrewshire.gov.uk/home-energy

<https://covid.eastrenfrewshire.gov.uk/home>

**People, Homes,
Brighter Futures**



Housing Services
www.eastrenfrewshire.gov.uk/housing

1. Introduction & Context

- 1.1 Vulnerable and low income households can be affected by fuel poverty where they are living in cold, unhealthy homes and where these are expensive to keep warm this can push them further into debt. East Renfrewshire Council welcomes the local authority Flexible Eligibility powers for Energy Company Obligation (ECO) Affordable Warmth grant funding as an opportunity to help address this issue within the local area. Further details about Flexible Eligibility are set out in the Government's Energy Company Obligation (ECO): Help to Heat consultation response document.
- 1.2 These powers will allow East Renfrewshire Council to provide affordable warmth assistance to the fuel poor and lower income households that are vulnerable to the effects of the cold. This is in line with the commitment of our *Local Housing Strategy 2017-2022: "People. Homes. Brighter Futures"* (www.eastrenfrewshire.gov.uk/local-housing-strategy) to maximise available resources to support improvements in energy efficiency and affordable warmth for local residents.
- 1.3 With the ECO 3 Amendment Order, the ECO scheme has been extended to run until 31st March 2022. Under the ECO3 scheme, energy suppliers will be able to achieve up to 25% of their Affordable Warmth obligation by installing energy saving measures in households declared eligible by Local Authorities. This new mechanism, also known as 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.

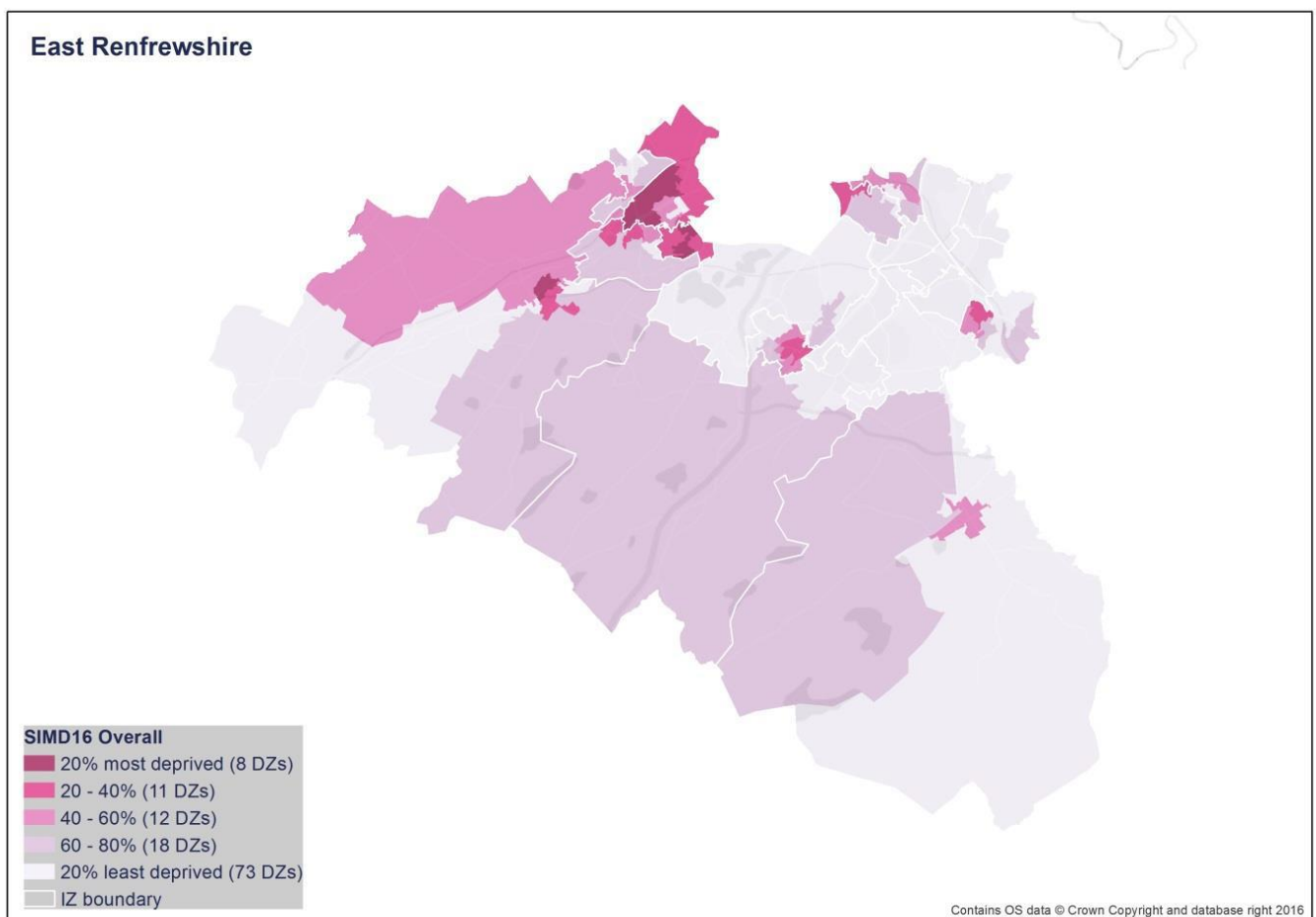
East Renfrewshire Context

- 1.4 The latest figures published as part of the Scottish House Condition Survey (SHCS) (2013-2015) suggest that around 31% of households in East Renfrewshire experience fuel poverty. This sits below the national average of 34%, however, with an ageing population and the expected impact of ongoing welfare reforms, it is important that we continue to take steps to address this for our residents.
- 1.5 In East Renfrewshire those considered as fuel poor equates to just under 12,000 households, with figures expected to continue an upward trend as fuel prices rise. Around 9% (3,500 households) experience 'extreme' fuel poverty, i.e. spending 20% or more of their income on fuel costs, and this is on a par with the Scottish average.
- 1.6 28% of owner occupiers are suffering the effects of fuel poverty. Around 53% of older households were also estimated to be in fuel poverty, and 22% in extreme fuel poverty. In addition, NRS Household Projections (Scottish Government: 2016) also show that East Renfrewshire has the largest average household size in Scotland, with **2.42** people per household. Scotland has an average household size of 2.16 people per household. Therefore we would seek to support families impacted by fuel poverty, as well as the elderly population and other vulnerable households.
- 1.7 East Renfrewshire has 9 data zones which are in the 25% Most Deprived data zones in Scotland, which represents 8% of data zones within the East Renfrewshire area. The 9 data zones (shown in Map 1) in the 25% most deprived of Scottish neighbourhoods are all located in the Levern Valley area. These data zones are located in Barrhead (Dunterlie and Auchenback) and part of

Neilston. There is a single data zone, in the Dunterlie area, which is in the 5% most deprived in Scotland.

1.8 The SIMD data zone rankings are a key source of data for determining a household's risk of fuel poverty. The overall rankings are calculated by assessing seven categories, four of which are linked to fuel poverty: household income, employment levels, health data and geographical access.

1.9 The Council is keen to target support to the most vulnerable households locally which are located in the bottom 25% of SIMD of most deprived areas in Scotland. It should be noted however that not all of those living in the most deprived areas fall into this category, and in turn some of those living in more affluent areas face deprivation. Therefore we wish to adopt a broader approach in identifying vulnerable households across the area.



1.10 Nationally and locally available data on fuel poverty in East Renfrewshire highlights:

Stock Profile:

Similar numbers of households in pre and post -1945 built homes are estimated to be in fuel poverty of 33% and 29% respectively, showing a spread across the area.

Almost half of households in flatted accommodation were much more likely to experience fuel poverty to those in houses (49% compared to **25%**), though houses still account for 1 in 4;

42% of households in 1 or 2 bedrooms were in fuel poverty compared to 25% of households with 3 or more bedrooms.

The majority of those responding to our local survey who are affected by fuel poverty are from the Levern Valley, with around 70% from Barrhead specifically. However, fuel poverty is evident across the area including in areas such as Newton Mearns and Thornliebank.

Household Profile:

28% of owner-occupiers were estimated to be in fuel poverty and notably 82% of all households across East Renfrewshire are owner occupiers. From local experience significant numbers of older people and families living within the owned sector are vulnerable to fuel poverty.

East Renfrewshire has some of the highest house prices in Scotland and the average Council Tax band of F-H in East Renfrewshire (in contrast to the Scottish picture). In many cases older people impacted by fuel poverty are "asset rich", however are on a fixed or low income and fuel poor. A similar picture is developing for some families who face significant housing costs to remain locally, and despite a reasonable gross household income struggle to enjoy affordable warmth.

Firm estimates of fuel poverty for private rented and social rented households are not available nationally due to the size of these sectors locally. However local research estimates half of Council tenants to be in fuel poverty, reflecting low and fixed incomes.

Expectations are that similar issues are faced by a good proportion of private renters, and that there are also a significant number of properties in this sector which will benefit from improvement.

Over half of pensioners (53%) were estimated to be in fuel poverty compared to 11% of families and 35% of adult only households.

The profile of those in fuel poverty tends to be most commonly single income households, or those on a fixed income. Around three quarters of those in fuel poverty are in receipt of benefits, including families.

2. Flexible Eligibility

2.1 ECO Flexible eligibility will contribute towards the aims of the Councils Local Housing Strategy (2017-2022) which commits to ensuring *"People across East Renfrewshire live in well maintained, warm dry homes that are in good condition"*. It will help to:

- Increase the number of energy efficient, healthy and affordable homes to live in;
- Reduce carbon emissions from the domestic sector;
- Help to strengthen the local economy.

2.2 This Statement of Intent outlines East Renfrewshire Council's commitment to maximising ECO funding across the region for fuel poor, vulnerable and low income households.

2.3 ECO Flexible Eligibility funding is available to private sector households, including owner occupiers and private tenants, in line with the Government's guidance (ECO: Help to Heat Flexible Eligibility). Specifically, this targets:

- *Fuel poor households, especially those that are in receipt of ECO eligible benefits, and the estimated 20% of fuel poor households that are not in receipt of any benefits; and*
- *Low or fixed income households that are vulnerable to the effects of living in a cold home*

2.4 East Renfrewshire Council will utilise Flexible Eligibility to assist with and complement current and future HEEPS: ABS programmes which aim to reduce fuel poverty in our communities. ECO funding will be maximised to complement Scottish Government funding to assist the delivery of mixed tenure heating and insulation programmes in fuel poor areas, improving energy efficiency, including in 'hard to treat' domestic dwellings. This will reduce heat demand, lower carbon emissions and regenerate areas of deprivation.

2.5 Targeted households within HEEPS: ABS projects will be eligible, subject to meeting the published Flexible Eligibility Criteria for Flexible Eligibility Funding. One of the criteria that will be considered for determining project areas is that the project is located within the most deprived areas according to the Scottish Index of Multiple Deprivation (SIMD). HEEPS: ABS 2017-18 targets households located within the bottom 25% of SIMD in Scotland. Other broader criteria have also been used to reflect the local stock context and limited solid wall properties.

2.6 East Renfrewshire will continue to focus on targeting households in the lowest SIMD data zones in the region, and also in those areas locally where there are low scores of deprivation relating to housing, household income, employment and health, even though the overall SIMD ranking is not in the lowest 25%.

2.7 An authorised 'Referral Network' and process will be engaged & maintained by Utility Six a local Community Interest Company. They will promote, evaluate, prepare, quality control and consult on all applications prior to being presented for East Renfrewshire Council Declaration Approval. The Network will include local health practices, partner organisations and charities supporting the vulnerable subject to fuel poverty and or living in cold homes. In addition, the Council will maintain its delivery of the HEEPS:ABS programme. The HEEPS:ABS delivery partners will also be responsible for promoting the scheme to vulnerable householders in the region and collecting household data on behalf of East Renfrewshire Council to determine Flexible Eligibility.

2.8 Households will be targeted by the 'Referral Network' during the sign up process to identify the opportunity of funding support to enhance the energy efficiency of their homes. They will also ensure the householder has been provided with the Ofgem Privacy Notice, explaining how their data will be used. Utility Six will confirm current Referral Network Practices are compliant with GDPR Regulation prior to being accepted on to the Referral Network.

2.9 COVID-19. All contractors will have demonstrated via submission of Risk Assessment & Method Statements to East Renfrewshire Council. Their compliant working practices to ensure the safety and protection of both their employees and the Householder during all and any interaction relevant to the provision of services. It is the responsibility of the relevant contractor to ensure these practices are adhered to and maintained in accordance with the Covid-19 Guidance that can be found on the link provided (Insert relevant ERC Covid-19 Link).

2.10 East Renfrewshire Council recognise the impact Covid-19 has had on many households throughout the region and the increased number of people experiencing Fuel Poverty, and/or Living in Vulnerable conditions and the significantly increased energy costs, as a result of the '@Lockdown Environment'. To this end, you will be asked if you have been impacted adversely by the Lockdown. If you feel you have. You will be considered for inclusion within the Flexible Eligibility program. The decision will be made by ERC within the

powers of discretion awarded within the Funding Guidance.

3. Criteria for identifying fuel poverty

3.1 East Renfrewshire Council will identify households that may benefit from flexible eligibility in a number of ways:

- This includes households that are considered to be in the fuel poor category, through spending more than 10% of their net household income on fuel costs, E, F or G EPC rating or matching the scoring criteria in the High Energy Cost Table.
- In addition, households who are on fixed or lower incomes and are also vulnerable to the effects of a cold home.

3.2 Subject to availability of resources within the Flexible Eligibility Project and the legal use of data East Renfrewshire Council will also target those most in need having regard to BEIS guidance (Dept. for Business, Energy & Industrial Strategy) on targeting, including the following:

3.3 A trusted network of parties in Health & Social Care will be informed of the support available to those potentially qualifying under LA Flex. We will also ensure that our Referral Network have access to contact information regarding benefit entitlement and wider social support that can be passed on where appropriate.

Income & Housing Costs

3.4 The average incomes of households living locally have been considered net of housing costs, i.e. considering householder's disposable income after they have paid for their rent or mortgage. This has used a standard calculation of 25% of income spent on housing costs, in line with national guidance on assessing housing need and affordability. However, in practice a household may be spending more than 25% of their income on housing costs, particularly given the local East Renfrewshire housing market and costs of buying/ renting.

3.5 The income data used is the most recent Income data available from Scottish Government for the local area, and takes into account gross income for all households (including from employment, in and out of work benefits, pension etc). This data is unequivalised, e.g. isn't adjusted for different household types. (**Scottish Government: Local Level Household Income Estimates Experimental 2014 based**)

Households who are on median average income or below will be considered for the scheme, alongside the other factors of high energy costs, vulnerability and health. The table below shows that this represents an annual income of no more than £27,404 after housing costs, but the scheme will be targeted in large part at those at the lower income levels outlined (60% or less than median income). Households must also self-certify they have less than £28,000 in savings of any kind.

Area	Gross Household Income— Median average*	Net Income (less 25% housing costs)	Gross Income (maximum) of those with income 60% or less than average	Net Income (less 25% of housing costs)	
East Renfrewshire (per week)	£702	£527	£421	£316	
East Renfrewshire (annualised)	£36,504	£27,404	£21,892	£16,432	

**based on available data from Scottish Government*

3.6 Using the information in the table below East Renfrewshire Council defines that a household will be eligible as having high energy costs if the household also achieves a score of **4 or above** in their responses to the following high energy cost questions. This takes into account that locally a high number of households may be on direct debit or on prepayments meters, but that this does not in itself exclude households from the effects of fuel poverty.

High Energy Costs Table

Question	Response	Score
Does the home use a boiler?	Yes	0
	No	5
Was the home built before 1964?	Yes	25
	No	0
What is the main heating fuel?	Gas	-14
	Electricity	0
	Oil	12
	Other	-10
Are energy payments made by Direct Debit?	Yes	-7
	No	0

"Based on BEIS Guidance on High Energy Costs (Dept. for Business, Energy & Industrial Strategy)

3.7 At the discretion of the Local Authority a property may be deemed Eligible if Fuel Bills exceed 10% of the Householder/s income after mortgage or rent payments have been made.

3.8 Where possible 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 identified in the private rented sector (PRS) will be included within the same eligibility criteria and

will be actively informed utilising our Referral Network and working with our Registered Private Landlords Forum.

Vulnerability to Cold Homes

3.9 If a household meets one of the following criteria and is also on a low household income, they will be considered for eligibility for the scheme.

- People with a limiting long term or terminal illness.
- People with disabilities.
- Older people (60 and older).
- Households with children (up to the age of 16).
- Pregnant women.

3.10 East Renfrewshire Council will also target households containing people with the following characteristics, reflecting the National Institute for Health and Care Excellence (NICE) 2015 guidance on excess winter deaths and illness caused by cold homes.

- i. Aged over 60, and particularly those over 75
- ii. Children under 16 and pregnant mothers
- iii. Respiratory disease (COPD, asthma)
- iv. Cardiovascular disease (e.g. ischemic heart disease, cerebrovascular disease)
- v. Moderate to severe mental illness (e.g. schizophrenia, bipolar disorder)
- vi. Substance misusers
- vii. Dementia
- viii. Neurobiological and related diseases (e.g. fibromyalgia, ME)
- ix. Cancer
- x. Limited mobility
- xi. Haemoglobinopathies (sickle cell disease, thalassaemia)
- xii. Severe learning disabilities
- xiii. Autoimmune and immunodeficiency diseases (e.g. lupus, MS, diabetes, HIV)

3.11 The presence of some of these diseases will not in itself mean that someone is vulnerable but referral's from health and social care services will be given more weight.

3.12 Exceptional cases not meeting the above criteria will be considered on a case by case basis. Monitoring of the impact of the scheme will be undertaken on a quarterly basis, using the outlined combination of income levels and household 'high energy' score, to ensure the target audience is being reached effectively.

3.13 Note: Eligibility does not guarantee funding. Flexible Eligibility will be available to household's subject to this funding still being available locally.

3.14 Criteria for In-Fill Properties for Solid Wall Insulation

ERC Intends to support Solid Wall Insulation Schemes which include households not in Fuel Poverty or Vulnerable to The Cold. ERC will utilise the Flexible Obligation Scheme to declare a household as 'in-fill' where they are.

- In the same terrace as
- Immediately adjacent building to
- Are in the same building as a household that meets the criteria

In-fill is only allowed where a minimum percentage of households have qualified under the Flexible Declaration as set out in the table below.

Summary of the requirements for property types under in-fill

Property Type	LA declaration requirements	In-fill available
<p>Project consisting of a pair of semi-detached houses or bungalows, or a building containing no more than two domestic premises.</p> <p>Project consisting of any premises that are contained in the same building (e.g. flats), immediately adjacent buildings (eg neighbouring properties) or in the same terrace.</p>	<p>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).</p> <p>All properties that are receiving an LA Flex measure must be covered by a declaration. This applies to LIVC, FP and in-fill properties. Up to 50% of total FP or LIVC combined properties within the project can receive a measure.</p>	<p>The other private property to which it is directly adjoined is eligible for solid wall insulation. This is known as the in-fill property.</p> <p>The in-fill 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.</p>

4. Declaration

4.1 In order to access Flexible Eligibility funding, East Renfrewshire Council is require to submit a Local Authority Declaration to the ECO supplier. The final decision on whether a household receives ECO measures is made by the energy suppliers and therefore inclusion in a Declaration will not guarantee installation of measures.

4.2 The final decision will depend on:

- The survey carried out on the property and the installation costs calculated
- The energy savings that can be achieved for a property
- Adequate funding being available to support ECO funding for the installation of the energy efficiency measures
- ECO obliged parties having achieved their targets to require further measures to meet their ECO targets.

5. Governance

- 5.1 The 'Referral Network' will be managed directly by Utility Six CIC who will be responsible for ensuring the collection and security of household data on behalf of East Renfrewshire Council to determine that the householder meets the Flexible Eligibility Criteria. This data will be collected through the completion of a Household Energy Efficiency Survey form which will be used to determine that the householder meets the Flexible Eligibility criteria. This will be undertaken by the installation partner. Records of installation as well as those that do not require measures will be considered by the Council for the purpose of monitoring scheme uptake locally. Utility Six will ensure appropriate consultation, technical monitoring and validation of the promotion and installation process by the installer through a set ratio of visits and customer satisfaction interviews to householders having benefited from the Flexible Eligibility Scheme. This information will be provided to East Renfrewshire Governance Personnel for review on a monthly basis.
- 5.2 The 'Referral Network' will complete the LA Flex Declaration application form for each household and will forward to Utility Six. On confirmation of accurate completion this will be forwarded to the nominated authorised person/s in the Council for approval and signature, subject to meeting the published criteria, i.e.
1. Living in fuel poverty (FP)
 2. Living on a low income and vulnerable to the effects of a cold home (LIVC)
 3. High Fuel Cost Households
 4. Qualifying as 'In Fill'
- 5.3 Referrals for consideration under ECO Help to Heat Flexible Eligibility can be received by East Renfrewshire Council via the web page link, or Telephone enquiry to 0141 577 8579 or e-mail to Flex.Eco@eastrenfrewshire.gov.uk. Referrals will primarily be generated from our partner referral network organisations.
- 5.4 Ongoing briefing, updates and quality assurance checks will be provided to the 'Referral Network' to ensure continuing adherence to the scheme rules, and standards expected by East Renfrewshire Council within the scheme objectives are consistently being applied.

6. Evidence, monitoring and reporting

- 6.1 Records will be held for each household that requests assistance. Measures applied will be monitored and anonymised data on the characteristics of households reached through Flexible Eligibility will also be reviewed.
- 6.2 The data above will include details of households assessed, how many were deemed eligible and ineligible, and how many received heating and insulation improvements
- 6.3 Monitoring of ECO Flexible Eligibility will be carried out by Utility Six CIC contacting qualifying referrals where declarations have been made, through to installation of measures delivered within an agreed 6 week time frame. **(Please note once a Declaration Form has been signed it will be valid for up to 18 months or the duration of this Obligation.)** This is to ensure the referral process works as we anticipate and can be reviewed and amended as required to deliver the expected level of customer service.
- 6.4 On receipt from Utility Six by East Renfrewshire Council of the LA Declaration and accompanying survey form it will then be considered by the Head of Environment for final approval.
- 6.5 Once the LA Declaration has been approved, householder details will be securely transferred to the contractor for technical survey and installation.

7. Statement of Intent Authorisation

Date: **June 2020**

Authorised Signatory (*East Renfrewshire Council - Housing Services*)

Name: Gbemisola Taiwo

A handwritten signature in black ink, appearing to read 'G. Taiwo', enclosed within a circular scribble.

Designation: Housing Services Manager (Property & Strategy)

LA Flex Consultant - Patrick Mooney; *Averon River Ltd.*