

# Lichfield District Council

## Statement of Intent for ECO Flexible Eligibility

Version 5.0 13/02/2020

Current version<sup>1</sup> published at: <https://www.lichfielddc.gov.uk/downloads/file/123/statement-of-intent-for-eco-flexible-eligibility>

This Statement of Intent (Sol) sets out Lichfield District Council's (LDC) Flexible Eligibility criteria and is based on the guidance set out by the Government's Department for Business, Energy and Industrial Strategy (BEIS).

### 1. Introduction - What is Flexible Eligibility?

Through a scheme called the Energy Company Obligation (ECO), the government requires larger energy companies (obligated suppliers) to set aside some of their profits to support the cost of installing energy efficiency measures in poor and vulnerable households in Great Britain. Lichfield District residents meeting certain criteria have benefitted from ECO funding since the scheme began in 2013.

Under ECO3, local authorities are able to set their own qualifying criteria (Flexible Eligibility (FE)) to enable more households in their area to benefit from energy efficiency measures than would be the case under the normal Affordable Warmth criteria<sup>1</sup>.

Our qualifying criteria, based on the current BEIS guidance targets private tenure households deemed to be fuel poor, or which are classified as being low income households and where at least one full time occupant has a qualifying health condition making them vulnerable to the effects of living in cold homes.

FE will help the Council achieve a number of its strategic and policy objectives. For example, the evidence base<sup>2</sup> for the Strategic Plan 2016-2020 has identified that<sup>3</sup>:

- 11.5% of children in the district live in income deprived households;
- 4% of the population (nearly 4,000 people) live in areas of relative deprivation;
- 1 in 10, nearly 4,600, households are in fuel poverty;
- The district has a significant rural population of nearly twice the national average, with limited access to the mains gas network.

FE will help to address these issues and increase the number of people able to live comfortably, safely and independently at home, and also bring additional investment into the district. Additional benefits could also be a reduction in avoidable hospital admissions, improved health outcomes for vulnerable patients and a reduction in greenhouse gas emissions.

Assessment of eligibility will be done through the Warmer Homes Greener District (WHGD) advice line<sup>4</sup>. Advisors will be able to guide residents through the FE referral process and answer any questions about this scheme or other queries relating to domestic energy and fuel poverty. The referral mechanism is set out in more detail in Section 6.

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<sup>1</sup> For more information on how to qualify for ECO under the Affordable Warmth criteria visit: <https://www.gov.uk/energy-company-obligation>

<sup>2</sup> Lichfield District Council, A focus on Lichfield 2015, <https://www.lichfielddc.gov.uk/downloads/file/977/focus-on-lichfield-evidence-base>, October 2015

<sup>3</sup> Lichfield District Council, Strategic Plan 2016-2020, <https://www.lichfielddc.gov.uk/performance-efficiency/strategic-plan-2016-2020/1>

<sup>4</sup> Since 2007 the Council has operated and funded the Warmer Homes Greener District (WHGD) initiative. Residents across the District have been able to access this service for free to receive advice and assistance towards energy efficient measures for their home. WHGD is delivered on the Council's behalf by Beat the Cold. For advice and referrals contact phone **0800 677 1543**

## 2. How we identify eligible households

Our FE eligibility criteria seeks to identify households that may benefit from energy saving measures and are:

- Fuel poor and are either not in receipt of Affordable Warmth eligible benefits<sup>5</sup> or not in receipt of any benefits; and/or
- Low income and are vulnerable to the effects of living in a cold home, referred to as LIVC homes.

Non-fuel poor households may qualify for solid wall insulation if they are part of a project including fuel poor and LIVC homes.

Once a household has been found to meet the criteria below it will be included in a declaration<sup>6</sup> issued by the Council to permit measures to be installed. Inclusion in a declaration does not guarantee that a household will receive a measure subsidised through ECO. The final decision will be made by the obligated supplier and will depend on the results of a home survey, projected carbon savings, and whether the supplier has met their current carbon target obligation.

**Households may also be eligible for FE if they qualify under the Staffordshire Warm Homes project. See Section 4.**

### *How we will identify fuel poor households*

Households living in fuel poverty will be considered eligible for FE if they have both a low income and high costs relating to energy use, as determined below.

#### **Low income**

The Annual Fuel Poverty Statistics Report 2018<sup>7</sup>, published by BEIS states that the median (average) income after housing costs (AHC), identified as the **net** household income after mortgage or rent has been deducted, was £22,786 in 2017.

For the same period, the Local Government Association suggests that average rental costs for a 2 bedroom property in Lichfield District is nearly 12% higher than for our geographical neighbours, and approximately 6% higher than the average for our region<sup>8</sup>.

Therefore the Council will identify eligible households if they have a disposable income of £23,000 or less after housing costs have been accounted for.

#### **High costs**

The Council identify eligible households as those that have an Energy Performance Certificate (EPC) rating of **E**, **F** or **G**. This will be determined either from an existing EPC for the property, or using a modelled result from the recent Building Research Establishment (BRE) Stock Modelling Survey for the District.

If this information is unavailable for a particular household then then a score will be calculated using Table 1, below. Scores of **5** or above will qualify a household as having high energy costs.

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<sup>5</sup> Affordable Warmth benefits are: Guaranteed Pension Credit; Child Tax Credit; Working Tax Credit; Income Support; Income-Related Employment & Support Allowance (ESA); Income-Based Job Seekers Allowance (JSA); Universal Credit.

<sup>6</sup> A declaration is a statement that demonstrates that the Council is satisfied that a household meets the eligibility criteria, and therefore enables the next steps of the process to begin. An example declaration form can be found here: <https://www.lichfielddc.gov.uk/Residents/Housing/Home-improvements-and-repairs/Downloads/Statement-of-intent-for-ECO-flexible-eligibility.pdf>

<sup>7</sup> BEIS, Annual fuel poverty statistics report 2019, <https://www.gov.uk/government/statistics/annual-fuel-poverty-statistics-report-2019>,

<sup>8</sup> LGA, Average monthly private sector rent for a 2 bedroom property (gross) in Lichfield, <https://lginform.local.gov.uk/reports/lgastandard?mod-metric=3477&mod-area=E07000194&mod-group=MyRegion&mod-type=comparisonGroupType>

Question	Response	Score
How many bedrooms are there in the home?	1	0
	2	10
	3	17
	4	27
	5 or more	36
	No response	17
Are energy payments made by Direct Debit?	Yes	-7
	No	0
	No response	-7
What type of house is it?	Semi detached	-4
	Detached	6
	Mid terrace	-10
	End terrace	-4
	Converted flat	-9
	Purpose built flat, high rise	-20
	Purpose built flat, low rise	-34
	Bungalow	0
No response	-4	
Was the home built before 1964?	Yes	17
	No	0
	No response	17
What is the main heating fuel?	Gas	-14
	Electricity	0
	Oil	12
	Other	-10
	No response	-14
Does at least one member of the household spend most of the day in the home?	Yes	1
	No	0
	No response	0

Table 1: Scoring methodology for calculating high energy costs<sup>9</sup>

#### *How we will identify 'low income and vulnerability to cold homes' households*

A large number of health conditions are made worse by living in a cold home and certain illnesses or groups of people are recognised as being particularly vulnerable. This is particularly evident in households which also have a low income and are unable to adequately fund necessary improvements themselves.

A household will qualify for FE if it is on a low income (section 2.5) and if evidence can be provided that one or more occupants has a condition in the list below, as identified in NICE Guidance NG6<sup>10,11</sup>:

- a) Cardiovascular disorders;
- b) Respiratory conditions, such as COPD and childhood asthma;
- c) Mental health condition;
- d) Physical disabilities;
- e) Older people (over 65);
- f) Households with pre-school aged children; and
- g) Pregnant women.

<sup>9</sup> The high-costs methodology has been taken from Table 3 of 'Annex 6: Identifying fuel poor households', ECO Help to Heat FE guidance for local authorities, issued by BEIS. <https://www.gov.uk/government/publications/energy-company-obligation-eco-help-to-heat-scheme-flexible-eligibility>

<sup>10</sup> NICE Guidance, *Excess winter deaths and illnesses associated with cold homes*, <https://www.nice.org.uk/guidance/ng6/resources/excess-winter-deaths-and-illness-and-the-health-risks-associated-with-cold-homes-51043484869>, published March 2015,

<sup>11</sup> NICE Pathways, *Excess winter deaths and illnesses associated with cold homes overview*, <https://pathways.nice.org.uk/pathways/excess-winter-deaths-and-illnesses-associated-with-cold-homes#content=view-info-category%3Aview-about-menu-responsibilities>, updated November 2016

BEIS have listed two further health conditions which will qualify a household as being vulnerable to living in a cold home:

- h) People who are terminally ill; and
- i) People with suppressed immune systems (e.g. from cancer treatment or HIV).

#### *Solid Wall Insulation (SWI) and in-fill properties*

We propose to extend the FE criteria to facilitate the installation of solid wall insulation for hard-to-treat private-tenure homes. This criteria will also support solid wall insulation in-fill measures, whereby households that are not in fuel poverty or categorised as vulnerable are:

- in the same terrace as; or
- in an immediately adjacent building to; or
- are in the same building as a household that does meet the criteria

Where FE assistance is sought for solid wall insulation in-fill projects they will need to meet the conditions detailed in Appendix 8 (page 48) of the BEIS Flexible Eligibility guidance:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/608042/ECO\\_Help\\_to\\_Heat\\_flexible\\_eligibility\\_guidance\\_for\\_LAs.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/608042/ECO_Help_to_Heat_flexible_eligibility_guidance_for_LAs.pdf)

### 3. Acting on behalf of other authorities

Lichfield District Council does not act on behalf of other local authorities for flexible eligibility.

### 4. Joint Statement of Intent

Lichfield District Council is not participating in a joint SOI.

However the council is participating with the Staffordshire Warm Homes project, a scheme led by Staffordshire County Council and delivered by E.ON. A joint SOI has been approved for households included within this scheme – for further information please see Appendix 1.

### 5. Governance

Flexible Eligibility applications for Lichfield District are assessed by Beat the Cold (BtC) through their advisors on WHGD advice line. The performance of the service is monitored by the Housing Strategy Team at Lichfield District Council.

Households meeting the criteria set out above and wishing to progress their FE application further will be included in a declaration, which will authorise the next steps of the application process with an obligated energy supplier active in this area. The declaration will be signed off by the Housing and Wellbeing Strategy Officer, Matthew Boulton-Leese based at Lichfield District Council, District Council House, Frog Lane, Lichfield, Staffordshire, WS13 6ZE.

In the event that Matthew Boulton-Leese is unavailable then the declaration will be signed off by either the Housing and Wellbeing Manager, Lucy Robinson, or Gareth Davies, Head of Regulatory Services, Housing and Wellbeing at the same address.

### 6. Referrals

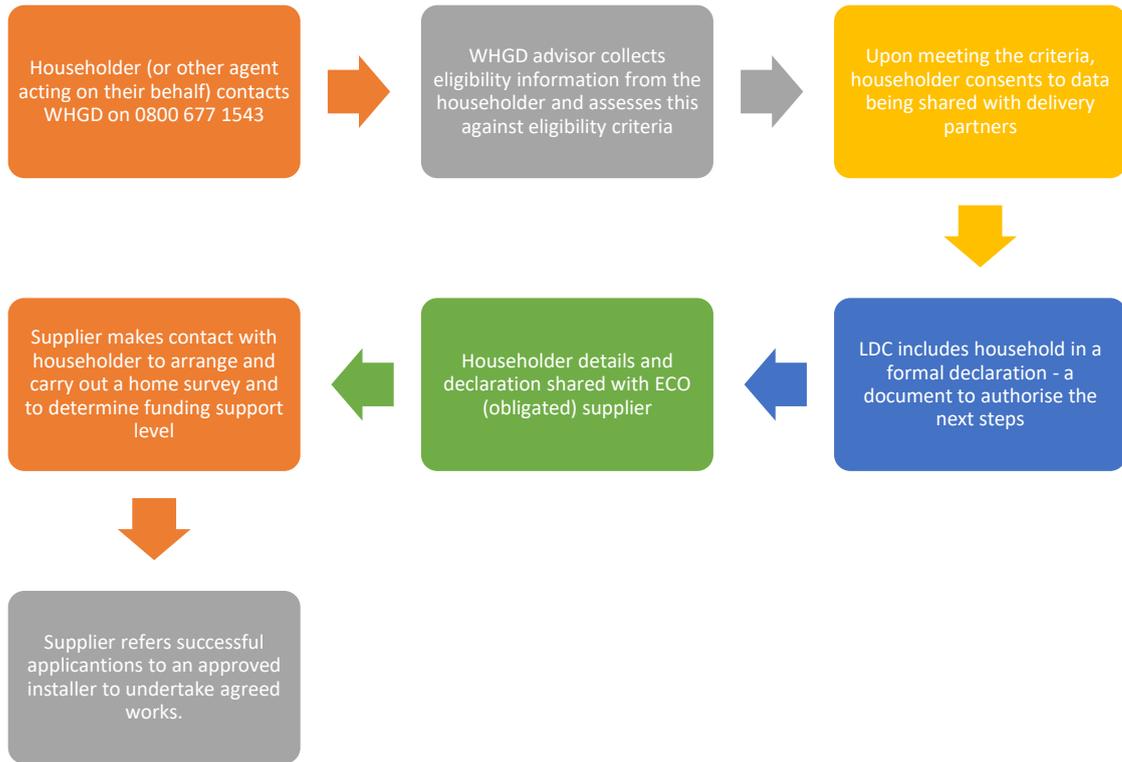
WHGD operates in collaboration with local Councillors, the Council's customer services, housing and benefits teams, as well as external colleagues from Revival Home Improvement Agency, the health sector, energy suppliers, members of Support Staffordshire's 'Let's Work Together' programme and other non-governmental organisations.

Marketing of flexible eligibility for the District will be done by:

- Direct and indirect liaison with colleagues in the network listed above
- Promotion in the Council's newsletter and telephone switchboard

- Targeted promotion to households who have been asked to be kept informed of news and offers through WHGD
- WHGD energy advice line promotion
- Social media
- Promotion to parish councils and District Councillors, and leaflets to community venues
- WHGD attendance at workshops, training sessions and other events

Referrals may be made directly from householders by contacting the WHGD by phone or email, or indirectly through the collaborators listed above. Referrals will follow the steps shown below when applying for flexible eligibility:



## 7 Evidence, monitoring and reporting

Information will be recorded on the number of unique contacts/referrals made to WHGD for FE and will be included in their quarterly performance reports to the Housing Strategy Team. This information will be split into those who are ineligible for assistance, and those who are eligible under the criteria for fuel poverty or for qualifying as low income and vulnerable to living in a cold home.

Information will also be recorded on the type and number of measures funded and installed to eligible households under this scheme, the value of those measures and estimates of the anticipated financial and/or carbon savings they are expected to make.

## 8 Authorisation

Signed by:

Date: 13 February 2020

Christie Tims  
 Head of Corporate Services  
 Lichfield District Council

## APPENDIX A – for Staffordshire Warm Homes applications only

Lichfield District Council ECO Statement of Intent for Flexible Eligibility criteria for homes participating in the **Staffordshire Warm Homes project**.

### Introduction

#### Fuel Poverty in Lichfield District

Fuel poverty is calculated taking into consideration both income and costs. Households are in fuel poverty if they have both:

- Higher than average required fuel costs; and
- If spending this amount on fuel would push residual income below the official poverty line.

This is known as the 'Low Income High Costs' indicator (LIHC). There is an emphasis on heating costs, but the cost of hot water, lights, appliances and cooking are also included. Heating and hot water represent 80% of the cost of energy for most domestic households. The new way of estimating fuel poverty reflects both the extent (how many households are in fuel poverty) and depth of the problem (also known as the 'fuel poverty gap') which is defined as the difference between modelled fuel bills and a reasonable cost threshold for each household.

#### What is the Energy Company Obligation (ECO) scheme?

The Energy Company Obligation (ECO) is a government energy efficiency scheme in Great Britain to help reduce carbon emissions and tackle fuel poverty.

The Affordable Warmth (AW) element of the Government's ECO programme delivers heating and insulation measures to low income and vulnerable households in receipt of certain benefits.

#### What are the qualifying Criteria for the ECO Affordable Warmth Programme?

In order to qualify for assistance under the Government's ECO programme residents must own (with or without a mortgage) their home or rent from a private landlord.

Some measures will also be allowed for tenants in the most inefficient social housing.

Detailed guidance on the financial eligibility for ECO (affordable warmth) can be found at:

<http://www.legislation.gov.uk/ukxi/2018/1183/contents/made>

#### What is Flexible Eligibility?

Suppliers can achieve up to 25% of their Affordable Warmth target in households falling outside of the eligibility criteria described in section 1.3 above who are defined as eligible by local authorities through this Statement of Intent.

There are specific categories of individuals expected to benefit by the scheme extension:

People living in fuel poverty, in particular those not in receipt of eligible benefits

People living on a low income and vulnerable to the effects of living in a cold home

The final decision on whether a household receives an ECO measure is made by the energy suppliers or their agents/contractors. Eligibility will not guarantee installation of measures, as the final decision will depend on:

- a survey carried out by suppliers agents/contractors and installation costs calculated,
- the energy savings that can be achieved for a property, and
- whether suppliers have achieved their targets or require further measures to meet their ECO targets

## Eligibility Criteria

To be eligible under flexible eligibility, a household must have:

- A low income as determined by table 1 below, and high costs, detailed in point 2.2

OR

- A health condition diagnosed with the previous 6 months, as noted at point 2.3, and low income as determined by table 1.

OR

- Be living within 100m of a gas connection, requiring the first time installation of a gas central heating system, with a gross household income as noted in table 1

OR

- Given the nature of the individuals circumstances be deemed by the local authority to be eligible, as to deny eligibility would cause unnecessary hardship, or the potential of poor health.

The local authority does not intend to facilitate SWI “in-fill” projects under flexible eligibility, but reserves the right to review this decision.

### Criteria for identifying households in Fuel Poverty - Low Income

The question of how much money is the minimum needed to just exist varies considerably as it depends on the size of the household, where someone lives, in what type of accommodation and on the individual’s basic needs. Therefore, the only reasonably reliable indicator of poverty that is generally accepted is that of relative poverty.

### Criteria for identifying households in Fuel Poverty - High Costs.

High usage of fuel, and therefore high costs, can directly be attributed to the overall energy efficiency of the home, or the cost of the type of fuel being used. Therefore high costs will be assumed for any property with an EPC rating of E, F or G.

High costs will also be assumed where the main heating source is not gas central heating.

For any other energy efficiency measure High costs will be inferred by the eligibility for a heating or insulation measure<sup>1</sup> as determined by OFGEM, in their list of approved measures.

Table 1: "Income" means annual gross income from all sources, including housing-related benefits, before tax. This should be determined based on the preceding annual tax year which runs from 6 April to 5 April of the following year.

<b>Household Composition</b>	<b>With no household disability. 10% uplift on Child Benefit Allowance</b>	<b>A household with a newly diagnosed health condition listed in 2.3, or without gas central heating. 20% uplift on child benefit allowance</b>
<b>1 Adult</b>	£15,512	£17,063
<b>And 1 Child</b>	£20,350	£22,385
<b>And 2 Child</b>	£25,300	£27,830
<b>And 3 Child</b>	£30,250	£33,275
<b>And 4+ Child</b>	£35,200	£38,720
<b>2 Adults</b>	£23,426	£25,768
<b>And 1 Child</b>	£28,050	£30,855
<b>And 2 Child</b>	£33,000	£36,300
<b>And 3 Child</b>	£37,950	£41,745
<b>And 4+Child</b>	£42,900	£47,190

<sup>1</sup> [https://www.ofgem.gov.uk/system/files/docs/2018/11/eco3\\_measures\\_table\\_v3.pdf](https://www.ofgem.gov.uk/system/files/docs/2018/11/eco3_measures_table_v3.pdf)

## Criteria for Identifying Households on low income with additional vulnerability to the cold

The NICE guideline<sup>2</sup> 'Excess winter deaths and illness and the health risks associated with cold homes' states that: a wide range of people are vulnerable to the cold. This is either because of a medical condition, such as heart disease; a disability that, for instance, stops people moving around to keep warm, or makes them more likely to develop chest infections; or personal circumstances, such as being unable to afford to keep warm enough.

The guideline identifies people with the following health conditions as being particularly vulnerable to cold:

- people with cardiovascular conditions
- people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)
- people with mental health conditions
- people with disabilities
- Households with young children (from new-born to school age)

We also wish to include those diagnosed with terminal illness.

Further groups of people who are vulnerable to the health problems associated with a cold home are also identified in the NICE Quality Standard on 'Preventing excess winter deaths and illness associated with cold homes.' These include:

- people who move in and out of homelessness
- people with addictions
- people who have attended hospital due to a fall
- recent immigrants, asylum seekers and refugees (if living in private tenure)

There are other groups of people who spend most of their time at home because of their health conditions. These include people who are terminally ill and people with suppressed immune systems (for example from cancer treatment or HIV).

Lichfield District Council is aware of the additional strain placed on primary, secondary, and social care of cold related ill health, and wishes to undertake a pragmatic approach to supporting those whose health is at risk from a cold home, and those households most likely to require a health intervention at times of "winter pressures" Therefore it will permit a higher income threshold for those identified in

NICE guidance NG6, as at risk groups, to take account of this risk.

This statement looks to support those with diagnosis of ill health within the previous 6 months, who are susceptible to the cold, but who have not yet been assessed, or received a disability benefit.

Lichfield District Council is aware of limited funding for first time central heating in their locality, which is time limited, and not nationally available. Understanding this, it wishes to follow a more pragmatic approach in allowing individuals to receive support. By installing a more cost effective method of heating these homes, it has the potential to reduce the fuel poverty gap of both current, and future residents, by reducing the high cost element caused by a none mains gas heated property.

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<sup>2</sup> Excess winter deaths and illness and the health risks associated with cold homes  
NICE guideline [NG6] Published date: March 2015  
<https://www.nice.org.uk/guidance/ng6/chapter/What-is-this-guideline-about>

### Use of discretion:

We believe this statement of intent to be inclusive, for those that may need support under ECO Flex. However the council is aware that there may be unusual circumstances that it could not reasonably have been expected to have foreseen. In these cases, the statement may exclude householders with a vulnerability, as an unintended consequence. The council therefore reserves the right to review individual cases, and provide a declaration of meeting the flex criteria, where to do otherwise would create unnecessary hardship.

## Joint Statement of Intent

This section is not applicable to Lichfield District Council

## Gas Mains Infrastructure

The Council has identified several streets in Lichfield that they would like to extend the gas mains into. These streets have never had access to gas mains infrastructure before, and as such, the residents have never had to ability to upgrade their heating to a gas central heating system. As a result, many of these residents still heat their homes with old, inefficient electric storage heaters or electric plug in panel heaters which are expensive to run, and the quality of heat is poor. Therefore, households on these streets are more likely to be living in fuel poverty than elsewhere.

The following streets have been identified for infrastructure expansion.

- Cornfield Drive, Lichfield
- Angorfa Close, Lichfield
- The Sycamores, Lichfield
- Bloomsbury Way, Lichfield
- Peak Close, Armitage

Following infrastructure expansion, the Council will work with partners across Staffordshire Warmer Homes to identify the households on these streets that qualify for ECO support either through Affordable Warmth (HHCRO) or through the Council's Flexible Eligibility criteria which is set out above.

## Referrals

Referrals to schemes will come from a variety of sources including council departments, the health and social care sectors, the voluntary sector and other agencies. Examples of voluntary sector agencies include local charities such as Beat the Cold.

## Signature

Signed by:

Date: 25 February 2020



Christie Tims  
Head of Corporate Services  
Lichfield District Council

## Key Contacts

For comments in relation to this Statement of Intent and its development please contact Matthew Boulton-Leese:

- Telephone: 01543 308231
- Email: [housing@lichfielddc.gov.uk](mailto:housing@lichfielddc.gov.uk)
- Post: Housing and Wellbeing Officer

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<sup>i</sup> Previous versions active between:

12/09/17-15/02/18: <https://www.lichfielddc.gov.uk/Residents/Housing/Home-improvements-and-repairs/Downloads/Statement-of-intent-for-ECO-flexible-eligibility-12-September-2017.pdf>

15/02/18-15/10/18: <https://www.lichfielddc.gov.uk/Residents/Housing/Home-improvements-and-repairs/Downloads/Statement-of-intent-for-ECO-flexible-eligibility-15-February-2018.pdf>

15/10/18-03/12/2018: <https://www.lichfielddc.gov.uk/Residents/Housing/Home-improvements-and-repairs/Downloads/Statement-of-intent-for-ECO-flexible-eligibility-15-October-2018.pdf>

03/12/18-15/05/2019: <https://www.lichfielddc.gov.uk/Residents/Housing/Home-improvements-and-repairs/Downloads/Statement-of-intent-for-ECO-flexible-eligibility-03-December-2018.pdf>

15/05/19-13/02/2020: <https://www.lichfielddc.gov.uk/Residents/Housing/Home-improvements-and-repairs/Downloads/Statement-of-intent-for-ECO-flexible-eligibility-15-May-2019.pdf>