

# ENERGY COMPANY OBLIGATION - FLEXIBILITY ELIGIBILITY

## STATEMENT OF INTENT

Local Authority	West Lothian
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This statement sets out West Lothian Council's flexible eligibility criteria for the Energy Company Obligation (ECO4) scheme from April 2023 - March 2026.

The ECO4 scheme will focus on supporting low income and vulnerable households. The scheme will improve the least energy efficient homes helping to meet the Government's fuel poverty and net zero commitments.

The flexible approach for Local Authorities (LAs) to identifying fuel poor and vulnerable households who may benefit from heating and energy saving measures is referred to as "ECO4 Flex".

### 1. Introduction

**1.1.** West Lothian Council is committed to tackling Fuel Poverty across the region through various means, as detailed in the Local Housing Strategy (LHS), Strategic Housing Investment Plan (SHIP) and Anti-Poverty Strategy. Adopting the Flexible ECO Eligibility Policy will allow ECO support for energy efficiency improvement measures to be made available to more residents living in private sector housing. This Statement of Intent will help to target those households in the highest level of need by targeting households living in fuel poverty or who are living on a low income and are vulnerable to the effects of living in a cold home. Flexible ECO is only available to support residents living in private sector housing.

**1.2.** A household is described as living in fuel poverty, in Scotland, if in order to maintain a satisfactory heating regime; it would be required to spend more than 10% of its income on all household fuel use. If over 20% of income is required, then this is termed as being in extreme fuel poverty.

Fuel poverty for ECO4 will however be measured using the Low Income Low Energy Efficiency (LILEE) indicator. Under this indicator a household is considered to be fuel poor if:

- They are living in a property with a fuel poverty energy efficiency rating of band D or below **and**;
- When they spend the required amount to heat their home, they are left with a residual income below the official poverty line.

There are therefore three important elements in determining whether a household is fuel poor under this indicator:

- Household income
- Household energy requirements
- Fuel prices

**1.3.** This statement is not a guarantee that households will access ECO-Flex since this decision rests with the ECO provider(s). In addition to the discretion of the ECO providers all installations will be subject to appropriate surveys by the ECO providers or their agents to confirm that;

- Properties are suitable for specified measures
- Proposed measures fit within the ECO4 scheme regulations
- ECO providers have funding available

**1.4.** The level of funding made available by the ECO providers varies and there is no guaranteed minimum funding level. Ultimately West Lothian Council may only facilitate and support households. The final agreement and contract is between the house owner and the ECO provider or their agents.

## **2. West Lothian Council Area**

**2.1.** West Lothian Council was established in 1996 and as of June 2021, serves a community of approximately 185,580 citizens in central Scotland\*, which is 3.2% of the Scottish population. There are 82,591 homes\* in West Lothian of which about 14,000 are owned by West Lothian Council; of these 82,591 homes there are approximately 19% of households in fuel poverty across West Lothian and of those 9% are in extreme fuel poverty.

(\*National Records of Scotland figures [West Lothian Council Area Profile \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk))

The Council welcomes the introduction of the ECO4 Flex eligibility routes as it helps the Council achieve its plans to improve the homes of those in fuel poverty or vulnerable to the cold.

## **3. ECO4 Flex Referral Routes**

**3.1.** The Council is publishing this Statement of Intent (Sol), on the **23/04/2023** to confirm that each of the households declared will adhere to at least one of the four available routes outlined below:

### **Route 1:**

Households living in private tenure SAP band D, E, F or G homes and with a gross annual income less than £31,000. This cap applies irrespective of the property size, composition or region and is from all sources of income, including both non-means tested and means tested benefits.

**Route 2:** SAP bands E-G households that meet a combination of two of the following proxies:

<b>Proxy 1)</b> Homes in Scotland in "data zone" 1-3 on the Scottish Index of Multiple Deprivation 2020 <sup>2</sup>
<b>Proxy 2)</b> Householders receiving a Council Tax rebate (rebates based on low income only, excludes single person rebates).
<b>Proxy 3)</b> Householders vulnerable to living in a cold home as identified in the National Institute for Health and Care Excellence (NICE) Guidance. Only one from the list can be used, excludes the proxy 'low income'.
<b>Proxy 4)</b> A householder receiving free school meals due to low-income.
<b>Proxy 5)</b> A householder supported by a LA run scheme, that has been named and described by the LA as supporting low income and vulnerable households for the purposes of NICE Guideline.
<b>Proxy 6)</b> A household referred to the LA for support by their energy supplier or Citizen's Advice or Citizen's Advice Scotland, because they have been identified as struggling to pay their electricity and gas bills.
<b>Proxy 7)</b> Households identified through supplier debt data. This route enables obligated suppliers to use their own debt data to identify either Non Pre-Payment meter households (non-PPM), or Pre-Payment meter households (PPM)
a) Non-PPM customers: These are customers who have been in debt for more than 13 weeks ending with the day on which the declaration is made, and are in a debt repayment plan with their energy supplier or repaying their fuel debt through 3rd party deductions.
b) PPM customers: Suppliers may also identify PPM households who: • have either self-disconnected or received supplier Discretionary/Friendly credit within the last 13 weeks ending with the day on which the declaration is made; or • are in a debt repayment plan with their energy supplier; or • repaying their fuel debt through 3rd party deductions.

\* Note: proxies 1 & 3 and proxies 6 & 7 cannot be used in combination with each other.

**Route 3:** SAP bands D-G households that have been identified by their doctor or GP as low-income and vulnerable, with an occupant whose health conditions may be impacted further by living in a cold home. These health conditions may be cardiovascular, respiratory, immunosuppressed, or limited mobility related.

This is because the Council has identified a positive correlation between households who suffer from long-term health conditions and living off a low-income, with living in poorly insulated homes.

**Route 4:** SAP band D-G owner-occupied households and private rented sector E-G households that are referred under Route 4: Bespoke Targeting. Suppliers and LAs can submit an application to BEIS where they have identified a low income and vulnerable household, who are not already eligible under the exiting routes.

West Lothian Council will decide which routes it will apply and with which partners.

All four routes to ECO4 flex will require the necessary evidence to be provided to prove any claims. This evidence will be held by the Local authority to provide for any future audits.

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<sup>2</sup> [Scottish Index of Multiple Deprivation 2020 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

#### **4. Home Energy Efficiency Programme Scotland: Area Based Schemes (HEEPS: ABS) and ECO funding**

ECO 4 funding may not be blended with Scottish Government and other funding. ECO financing however may be leveraged in three main ways:

1. ECO funding alongside HEEPS: ABS for separate measures in the same properties
2. ECO finance replaces HEEPS: ABS or other public funding (whole property).
3. ECO finance as part of a separate local ECO Flex scheme running in parallel with HEEPS: ABS. ECO4 funding could therefore be used within the HEEPS: ABS scheme to fund the works on eligible houses allowing for more houses to receive the energy efficiency upgrades.

ECO finance is now primarily aimed at domestic owner occupiers and at properties with a SAP banding of D and below. There is a requirement to improve these properties to minimum requirement EPC ratings, with an EPC F and G properties expected to reach a band D, and band D and E properties to reach a minimum of a band C.

#### **4. Referrals**

**4.1.** Referrals for Flexible ECO funding will be accepted from both Home Energy Scotland (HES) and via the council's own advocacy service The West Lothian Advice Shop, Citizens Advice Bureau and a Healthcare provided such as General Practitioner or Health Board/ NHS Trust.

All Referrals for Flexible ECO funding must be evidenced with the documents outlined in the regulations.

West Lothian Council will sign declarations in relation to council-initiated area-based schemes such as the HEEPS: ABS programme which are carried out by recognised trademark contractors. In addition, declarations for ECO-Flex will be signed using route 2 proxy 7 to try to target the funding to those most in need.

**4.2.** The delivery of the HEEPS: ABS programme is managed by the council and all HEEPS: ABS enquiries are directed initially to the West Lothian Advice Shop, who maintain an active referral relationship with HES. Referrals for Flexible ECO funding will also be accepted from contractors appointed to deliver energy efficiency measures as part of the EES: ABS programme.

West Lothian Advice Shop Telephone: 01506 283000

West Lothian Advice Shop Website: <https://www.westlothian.gov.uk/adviceshop>

Home Energy Scotland Telephone: 0800 808 2282

Home Energy Scotland Website: <https://www.energysavingtrust.org.uk/scotland/home-energy-scotland>

The definition of who can make health referrals is contained within the ECO4 regulations.

**4.3.** All referral information will be handled in accordance with the Data Protection Act and General Data Protection Regulations (GDPR) and retained for the purposes of evidence, monitoring and reporting.

## 5. Evaluation, Evidence and Reporting

5.1. To facilitate internal monitoring and reporting the council will be required to evidence records to support household eligibility and information received from suppliers or installers on measures installed.

The council will be required to forward information on to Ofgem providing the regulator with:

- The Local Authorities UPRN (Unique Reference Number).
- Whether the referral was made on behalf of another Local Authority.
- The ECOflex referral routes used.
- The ECOflex referral proxy's used.
- The date the household became eligible.
- The date of the Sol publication, and
- A link to the Sol.

5.2. The eligibility of the application must be evidenced by one of the following:

- **Route 1 Low Income:** Tax return from the last 3 months payslips from the last 3 months, bank statements from the last 3 months proving income payments.
- **Route 2 Proxy Targeting:** Screen shot confirming that the property is in a SMID area A signed letter from a Doctor / GP identifying that someone has 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, following NICE guidance.

Signed letter from local coordinator / local authority that proves the household was eligible for a LA-run scheme.

Eligibility Checking Service (ECS), documentation showing eligibility for free school meals due to low-income provided by the Department for Education or from the school. A signed letter accompanied by proof of gas and electricity debt from the energy supplier or Citizen's Advice, showing that the household has been referred to the LA for utility bill support or supplier provided Pre-payment meter data.

- **Route 3 NHS Referral:** Official letter signed by either an NHS Trust, NHS Trust Board or NHS Primary Care provider. This letter will need to state that the official signing the letter considers someone in the household to be suffering from one of the four health conditions listed
  - A cardiovascular condition,
  - A respiratory disease,
  - Limited mobility or,
  - Immunosuppression

## 6. Review

6.1. The scheme will be reviewed annually or at any point there is a significant change to the scheme or the funding available.

6.2. On the review of the scheme the council has the option to withdraw this statement where the scheme is no longer valid or provides no advantages to the communities of West Lothian.

## DECLARATION AND EVIDENCE CHECK CONFIRMATION

All potentially eligible households should apply through West Lothian Council or one of their approved ECO installers to ensure that they can either benefit from the scheme or be assessed for eligibility under any other relevant programme.

The officer below will be responsible for checking and verifying declarations and associated evidence submitted on behalf of the local authority:

**Name:** David Young

**Job Title:** Housing Investment Officer

**Telephone:** 01506280000

**Email:** [ecoflex@westlothian.gov.uk](mailto:ecoflex@westlothian.gov.uk)

## CEO OR DEDICATED RESPONSIBLE PERSON MANDATORY SIGNATURE

The West Lothian Council will administer the scheme according to BEIS' ECO4 Order and will identify eligible households via Ofgem's application process. The CEO (or designated Chief Officer) of the Council will oversee the process of identifying eligible households under ECO4 Flex.

The eligibility information will be stored securely in line with the Council's data protection policy, Information Commissioner's Office Data Sharing Code, and BEIS guidance.

**Signature:** 

**Name:** Julie Whitelaw

**Job Title:** Head of Housing, Customer and Building Services

**Date of signature:** 23/04/2023

For any general enquires relating to this Statement of Intent, please contact:

[EcoFlex@westlothian.gov.uk](mailto:EcoFlex@westlothian.gov.uk)