

ECO - Statement of Intent

Local Authority: North Ayrshire Council
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1.0 Introduction

Under the Energy Company Obligation (ECO) Help to Heat Flexible Eligibility, obligated energy suppliers will be able to use the 'Flexible Eligibility' mechanism for up to 25% of their ECO3: 2018-2022 Affordable Warmth obligation, by installing energy saving measures in properties that have been declared eligible by local authorities. Assistance will be available to private tenure households living either in fuel poverty or living on a low income and who are particularly vulnerable to the effects of living in the cold. In addition some non-fuel poor homes will also be considered for solid wall insulation projects, as long as a proportion of the households in the project are in fuel poverty or considered to be vulnerable.

This Statement of Intent outlines North Ayrshire Council's approach to maximising ECO funding across the region for those in fuel poverty, on low incomes and vulnerable households that may otherwise not qualify for domestic energy improvements.

2.0 North Ayrshire Context

North Ayrshire Council is committed to continually working to reduce instances of fuel poverty and therefore welcomes the introduction of ECO Flexible Eligibility. Within North Ayrshire approx. 30% of households are estimated to be in fuel poverty, equating to approx. 19,000 homes, with approx. 5000, 7% of these identified as being in extreme fuel poverty¹. The Council's challenge is to identify and assist these households wherever possible.

The Scottish Housing Condition Survey data provides local authorities with estimated fuel poverty patterns, within North Ayrshire:

- **Older properties:** 39% of households in pre-1945 housing are thought to be in fuel poverty compared to 28% of those in properties built after 1945;
- **Flats:** flats are more likely to experience fuel poverty to those in houses (33% compared to 29%);
- **Smaller properties:** those with 1 or 2 bedrooms are more likely to be in fuel poverty; 31% of households compared to 29% with 3 or more bedrooms;
- **More pensioners** were estimated to be in fuel poverty than families, 36% of pensioners (6,000 households) compared to 18% of families and 33% of adult only households;
- **Tenure:** the majority of households within North Ayrshire are owner occupied, with 24% of these homes estimated to be in fuel poverty.

The Scottish Index of Multiple Deprivation (SIMD) provides us with additional information which helps us improve our understanding of people living in the most deprived areas in Scotland. The overall rankings are calculated by assessing seven categories, four of which are linked to fuel

¹ <http://www.gov.scot/Topics/Statistics/SHCS/keyanalyses/LAtables2016>

poverty: household income, employment levels, health data and geographic access. Current SIMD figures state that 84 of North Ayrshires 186 datazones are currently within the lowest 25% most deprived areas in Scotland. With 12 of these falling within the lowest 5% deprived areas. The Council is keen to direct support towards households within the lowest 25% SIMD areas.

ECO Flexible eligibility will support the Council Plan 2015-2020, Priority 5: Protecting and enhancing the environment for future generations, and Local Housing Strategy (2018-2022) which commits to ensuring people across North Ayrshire “live in good quality homes that they can afford to heat”. It will help to:

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

3.0 Criteria for identifying fuel poverty (FP)

Eligible households will be identified as those that:

- Have an income of £25,000² or less AND less than £28,000 in savings of any kind
- Score 4 or above in their responses to the following questions:

Question	Response	Score
Does the home use a boiler?	Yes	0
	No	5
Was the home built before 1964?	Yes	25
	No	0
Was the home built before 1975 and of non-traditional construction ie solid wall?	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)

4.0 Criteria for identifying low income and vulnerability to the cold (LIVC)

The Council will identify eligible households on low income and vulnerable to the effects of the cold as those that:

- Have an income of £25,000 or less AND less than £28,000 in savings of any kind
- Have one or more members:
 - with a limiting long term or terminal illness;
 - with a mental illness;
 - with a respiratory condition;
 - with a disability;
 - who are 60 years or over;
 - who are dependent children of 18 years or younger.

² Scottish median household income 2014-17 - <https://www.gov.scot/Publications/2018/03/3017/3>

The Council will reserve the right to use its discretion when determining eligibility criteria in both FP and LIVC categories, to take account of other income, fuel cost or vulnerability circumstances not listed.

5.0 Solid Wall in-fill scheme requirements

The Council intends to support energy efficiency improvement projects for vulnerable households in the area where solid wall is technically feasible, permitted under planning legislation and can attract funding. The Flexible Eligibility powers allows for homes in these targeted areas that are not in fuel poverty or vulnerable to be funded. This means that the aesthetic benefits of external solid wall and the economies of scale from working in localised areas can be realised.

Non-fuel poor households eligible for solid wall insulation in-fill must be:

- In the same terrace as;
- In an immediately adjacent building to, or;
- In the same building as the household that does meet the criteria.

In-fill eligibility must meet the minimum percentages set out below:

Property Type	LA declaration requirements	In-fill available
Property consisting of a pair of semi-detached houses or bungalows, or a building containing no more than 2 domestic premises	At least one of the two properties must be declared by the Council as fuel poor i.e. 50% of the properties must be fuel poor	The other properties to which it is directly adjoined is eligible for solid wall insulation
Project consisting of any premises that are contained in the same building (e.g. flats), immediately adjacent buildings (e.g. neighbouring detached properties) or in the same terrace	At least two in three properties on the list must be declared by the Council as fuel poor i.e. at least 66% of the properties are fuel poor	The other (i.e. up to one third) of 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 fuel poor

6.0 Eligibility Routes for FP LIVC and infill

North Ayrshire Council will utilise Flexible Eligibility to assist with current and future Scottish Government Home Energy Efficiency Programmes Scotland: Area Based Schemes (HEEPS: ABS) and Energy Efficient Scotland programmes which aim to reduce fuel poverty throughout Scotland.

Targeted privately owned and rented properties eligible for assistance through HEEPS: ABS projects will be also be deemed eligible for Flexible Eligibility. Criteria for determining project areas for HEEPS: ABS are that they fall within the lowest 25% SIMD or they have low individual SIMD scores relating to household, income, employment and health or are within council tax bandings A-C.

North Ayrshire Council's Corporate Sustainability Team have responsibility to deliver the HEEPS:ABS programme. Current 2018/19 HEEPS:ABS projects will be undertaken by local Social Registered Landlords (RSL), Irvine Housing Association and ANCHO. As Managing Agents for HEEPS:ABS projects they and their contractor will be responsible for promoting the scheme to applicable householders within the designated HEEPS:ABS areas. During the sign-up process the Managing Agents contractor will collect household data on behalf of the Council to determine Flexible Eligibility.

Please note that the Council will only accept referrals for Flexible Eligibility via the routes outlined above.

7.0 Declaration

In order to access Flexible Eligibility funding, North Ayrshire Council is required to complete a Local Authority Declaration for eligible households. The final decision on whether a household receives ECO measures is made by the energy suppliers and therefore inclusion within a declaration will not guarantee installation of measures.

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;
- There is adequate funding to support ECO funding for the installation of the energy efficiency measures;
- Whether ECO obligated parties have achieved their targets to require further measures to meet their ECO targets

8.0 Evidence, monitoring and reporting

The Managing Agents contractor will be responsible for collecting eligibility data on behalf of North Ayrshire Council to determine if the householder meets Flexible Eligibility criteria. This data will be collected through the completion of a Household Energy Efficiency Survey.

An individual file for each household requesting assistance will be securely transferred to the Council for evaluation. On agreement, declarations will be provided to the contractor to allow funding to be sought via obligated suppliers.

North Ayrshire Council's Corporate Sustainability Department holds the responsibility for ECO Flexible Eligibility funding. Signatories for declaration:

- Senior Sustainability Officer,
Cunninghame House, Irvine, KA12 8EE
energyandsustainability@north-ayrshire.gov.uk

In order to monitor the evidence provided the referring party will provide regular reports that update the Council on the progress of each household. The Council will also undertake sample visits to see how evidence is being collected and solid wall infill decisions are being made.

9.0 Privacy Notice

All information supplied to North Ayrshire Council will be transferred and held securely in line with Council policies and procedures.

Each household will be provided with the contractor's OFGEM approved, fair privacy notice, detailing how the contractor will process information.

The Council are joint controllers of the information that will be collected, for information on how your information will be processed and stored. Please refer to the Council's [ECO3 privacy notice](#).

Further information about how the Council manages personal information can be found within our privacy policy, <https://www.north-ayrshire.gov.uk/privacy-policy.aspx>.

9.0 **Statement of Intent authorisation**



Signed: _____

Authorised signatory: Craig Hatton, Executive Director (Place)

Date: 13.09.2018