

## **Energy Company Obligation: Help to Heat Local Authority Flexible Eligibility Statement of Intent**

**Local Authority Name:** Fife Council

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**Status:** Fife Council is not acting on behalf of any other local authorities or delegating to any other local authority in relation to Help to Heat Flexible Eligibility.

### **1. Introduction**

- 1.1 Addressing fuel poverty is a key strategic objective of Fife Council's Local Housing Strategy (LHS). The Council's approach is to reduce fuel poverty by improving the energy efficiency of the homes of households at risk of fuel poverty.
- 1.2 The Scottish House Condition Survey Analysis 2011-13 estimates that 34% (55,080) Fife households are in fuel poverty with 11% (17,820) of these households in extreme fuel poverty. This is slightly below and slightly above the Scottish average respectively. There are several factors specific to Fife that place households at a higher risk of fuel poverty, but high fuel costs and low household incomes combined with the rural character of parts of Fife are particularly relevant.
- 1.3 Fife Council welcomes the opportunity of securing additional resources through the Local Authority Flexible Eligibility (LA Flex) powers under the Energy Company Obligation (ECO) for this purpose. These powers enable the Council to provide affordable warmth assistance to fuel poor and low income households across Fife.
- 1.4 The Scottish Government's Energy Efficient Scotland (EES) Programme is the key mechanism for delivering energy efficiency improvements to the homes of fuel poor households in Fife. Improvements delivery by the programme are funded by Scottish Government grant (EES), ECO and contributions from participating owners. The additional ECO funding provided by LA Flex will be used to support the delivery of this programme.
- 1.5 The purpose of the Statement of Intent, as required under the ECO legislation, is to set out the criteria that the Council will use to make declarations determining that certain households meet the eligibility criteria for a measure under ECO.
- 1.6 Fife Council will work with partner organisations to identify and record eligibility for ECO Flex. Organisations involved in the delivery of EES include Home Energy

Scotland and those appointed to manage the programmes or to carry out the installation of energy efficiency measures.

- 1.7 All contractors delivering measures via the Council's ECO Flex scheme must make sure that tenants and householders, subcontractors and workers, together with their families, are protected against the risk of transmission of COVID-19 and that the published Scottish Government health protection guidance is followed

**IMPORTANT NOTE:** Inclusion in a Declaration of Eligibility issued by the Council will not guarantee installation of measures. The final decision on whether any individual household will receive an offer of funded energy efficiency measures rests with obligated energy suppliers or their contractors. The final decision will depend on identification of eligible measures, the supplier or contractor's assessment of the cost-effectiveness of installing measures and whether the obligated energy suppliers have achieved their Help to Heat targets.

## 2. Identifying Eligible Households

- 2.1 LA Flex is only open to those living in owner-occupied or private rented sector housing (collectively "private housing") and is not open to those in social housing. Declarations will not be made in relation to social housing.
- 2.2 LA Flex declarations will be made to assist with current and future EES programmes delivered through the Council's appointed managing agents and contractors. These programmes aim to reduce fuel poverty by improving the energy efficiency of our housing stock, with the focus for measures being solid wall and hard-to-treat homes, although additional ECO funded measures may be added to this. ECO funding will be maximised to complement Scottish Government funding and assist the delivery of mixed tenure external and internal wall insulation programmes to the homes of households at risk of fuel poverty.
- 2.3 Fife Council has a number of data zones in the bottom 25% of the SIMD for household income, employment levels and health, the categories most associated with fuel poverty density. Fife Council has a number of data zones that are also in the bottom 10% of the SIMD. Deprivation in Fife is dispersed across a wide geographical area and is evident at household level both in the main towns as well as more rural locations. This spatial pattern of deprivation in Fife presents a major challenge in terms of identifying fuel poor households and delivering energy improvements to their homes. Therefore, a systematic approach utilising fuel poverty data, SIMD rankings, average fuel costs, average SAP scores, property type and tenure mix will be utilised to prioritise the households most in need.

### 3. Criteria for Eligible Households

- 3.1 This section sets out the criteria that the Council intends to use to identify and target households that may benefit from the installation of measures under LA Flex, in line with the Guidance published by the Department for Business, Enterprise and Industrial Strategy: “Energy Company Obligation: ECO3, 2018-2022 Flexible Eligibility Guidance” in February 2019. In addition, we use the Scottish Government’s current definition of fuel poverty as households which, to maintain acceptable temperatures in their homes, spend at least 10% of their income on all fuel use.
- 3.2 The ECO legislation and the BEIS guidance in relation to LA Flex envisage three categories of eligibility:
- Fuel Poor (FP): Households with low income and high heating costs
  - Low Income and Vulnerable to the Cold (LIVC): Households with low income who, because of health, disability, age or other reason, are vulnerable to the impact of living in a cold home
  - Solid wall insulation “in-fill”: Eligibility criteria to facilitate solid wall insulation schemes including households that are not necessarily in fuel poverty or vulnerable.

#### Criteria for determining Low Income

- 3.3 Since the first two of these eligibility routes both relate to household income, we first set out here the criteria we intend to use to identify and target low income, as part of the identification of FP and LIVC.
- 3.4 The Council intends to utilise the following as indicators of low income. For private rented sector properties, the income of the resident (tenant) household is considered rather than that of the landlord.
- (a) Adjusted household income levels as self-certified by the householder or estimated by a frontline Council worker being below a threshold; or
  - (b) a member of the household receiving certain qualifying benefits; or
  - (c) significant and persistent debt problems including energy debt;
- 3.5 Income thresholds to access the scheme are based on net equivalised income thresholds recommended by the Department for Business, Energy, and Industrial Strategy (BEIS) and will be taken as incomes after housing costs (incl. council tax payments), childcare costs and tax/national insurance deductions by household composition. This figure will be adjusted upwards by 20% to take account of colder than average climate in the Scotland compared to the average across the UK.

<b>Household Composition</b>	<b>Household adjusted income thresholds (all income minus</b>
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	rent/mortgage, council tax, childcare costs)
1 Adult	£11,160
and 1 child	£14,640
and 2 child	£18,000
and 3 child	£21,600
and 4+ child	£25,200
2 Adults	£18,240
and 1 child	£21,840
and 2 child	£25,320
and 3 child	£28,920
and 4+ child	£32,160

3.6 The Council will use receipt of the following benefits as an indicator of low income, this list has been compiled using BEIS guidance which includes a list of 'means tested' benefits, and also the list of benefits which Scottish Government highlight as suitable indicators of the risk extreme fuel poverty within their EES guidance (linked to eligibility for the cold weather payments or their Warmer Homes Scotland fuel poverty programme)

- Income based Jobseekers allowance (JSA)
- Income based Employment & Support Allowance (ESA)
- Income based Income Support (IS)
- Pension Guarantee Credit
- Working Tax Credit (WTC)
- Child Tax Credits (CTC)
- Universal Credit (UC)
- Disability Living Allowance (DLA)
- Personal Independence Payment (PIP)
- Attendance Allowance
- Carer's Allowance
- Severe Disablement Allowance
- Industrial Injuries Disablement Benefit
- Child Benefit below certain income thresholds
- War Pensions Mobility Supplement
- Constant Attendance Allowance
- Armed Forces Independence Payment
- Support for Mortgage Interest
- Housing Benefit
- Council Tax Reduction (excluding 25% discount for single occupancy)

3.7 The Council will reserve the right to flexibility when determining eligibility around the thresholds and criteria set out above, where the Council has evidence that residents are struggling financially. This is especially the case for householders who have been impacted by the COVID19 pandemic.

**a. Criteria for identifying Fuel Poor households**

3.8 The legislation and guidance state that those households in private housing, combining low income with high home heating costs should be eligible for LA Flex in this category. The income component of eligibility is set out above. The table below is used to determine the risk of high heating costs where the property scores 8 or above.

Question	Response	Score Points	Score
Income less than household composition threshold			
Savings less than £25,000			
Was the home built before 1983?	Yes	10	
	No	-5	
Is the home of a non-traditional construction e.g. solid wall?	Yes	8	
	No	-4	
What type of home is it?	Detached	4	
	Semi-detached	0	
	End terrace	0	
	Mid terrace	2	
	Flat	2	
What is the main heating fuel?	Gas	-10	
	Electricity	0	
	Oil or other fuel	8	
Does the property have three or more bedrooms?	Yes	6	
	No	-2	
Is the property in Council Tax bands A-C	Yes	4	
	No	0	
Does at least one member of the household spend most of the day in the home?	Yes	4	
	No	0	
Total			

The Council will reserve the right to flexibility when determining eligibility around criteria set out above, where the Council has evidence that residents are struggling financially. This is especially the case for householders who have been impacted by the COVID19 pandemic.

**b. Criteria for identifying LIVC households**

3.9 The legislation and guidance state that those households in private housing, combining low income with health, disability, age or other conditions that result in a vulnerability to the effects of living in a cold home should be eligible for LA Flex in this category. The income component of eligibility is set out above. The criteria to be used as indicators of vulnerability to cold are sub-divided into:

- Health-related criteria (long-term health conditions), which reflect the National Institute for Health and Care Excellence (NICE) 2015 guidance on excess winter deaths and illness caused by cold homes
- Other vulnerability indicators.

These are set out below.

3.10 The following long-term health conditions will be considered as indicators of vulnerability to the cold:

- Cardiovascular condition (incl. coronary heart disease, stroke, hypertension, transient ischemic attack)
- Respiratory condition (incl. COPD, asthma)
- Neurological or neurobiological condition (incl. dementia, Parkinson's disease, MS, epilepsy, fibromyalgia, ME)
- Musculoskeletal conditions (incl. arthritis, limited mobility, recently attended hospital due to a fall)
- Blood conditions (incl. Sickle cell disease, thalassemia)
- Cancer
- Moderate to severe mental illness (incl. schizophrenia, bipolar disorder and depression, where receiving regular treatment)
- Severe learning disabilities
- Autoimmune or immunodeficiency diseases (incl. lupus, diabetes, HIV)
- Terminal illness
- Other illness exacerbated by cold (confirmed by GP)

3.11 Additionally, the following factors will be considered as evidence of vulnerability to the cold:

- On the Priority Services register of utility company
- Core Group Warm Home Discount recipient
- Victim of domestic violence
- Recent bereavement
- Moving in and out of homelessness
- Recent immigrant or asylum seeker
- Physical or sensory disability
- Pregnancy
- Child under 5 years old
- Adult over 65 years old
- addiction

**c. Solid wall insulation “in-fill” projects**

3.12 Where solid wall insulation projects are being undertaken, households will be supported to take advantage of ECO funding for solid wall insulation under the “in-fill” category as set out in the guidance issued by BEIS in February 2019, and subject to the rules and restrictions set out therein, particularly in relation to the minimum number of FP/LIVC households being met as shown in the table below.

Property Type	LA declaration requirements	In-fill available
Project consisting of a pair of <b>semi-detached houses or bungalows</b> , or a <b>building containing no more than two domestic premises</b> .	At least one of the two-properties must be declared by the LA as FP or LIVC (i.e. <b>50% of the properties are FP or LIVC</b> ).	The other private property to which it is directly adjoined is eligible for solid wall insulation. This is known as the in-fill property.
Project consisting of any premises that are contained in the <b>same building</b> (e.g. flats), immediately <b>adjacent buildings</b> (eg neighbouring properties) or in the <b>same terrace</b> .	All properties that are receiving a 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.	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.

#### **d. Effects of Coronavirus/Covid-19**

- 3.13 Fife Council recognises that the measures taken by the Westminster and Scottish Governments to limit the spread of covid-19 have had a devastating financial impact on many households and will continue to do so for some time into the future. Whilst some of these households will apply for and be granted means-tested benefits and therefore qualify for ECO, others may not. Furthermore, the process for households to successfully apply for and receive evidence of benefits will take some time. Fife Council will therefore take into account the individual circumstances of households that have been financially affected by Covid-19, where it or its external partner organisations have evidence that such households should be considered eligible for an LA Flex Declaration under this Statement of Intent.

#### **4. Governance**

- 4.1 The external partner organisations such as those set out in section paragraph 5 will be responsible for collecting household data to evidence eligibility as set out above and presenting it to Fife Council. This data will be collected through the completion of a Household Energy Efficiency Survey form which the Council will then use to determine that the householder meets the LA Flex criteria.
- 4.2 The external partner organisation will complete an LA Declaration for each household that they have determined eligible for LA Flex. The declaration will clearly state whether the householder qualifies through the FR of LVC route.
- 4.3 For solid wall properties, the external partner organisation will be responsible for carrying out technical surveys of each property to determine their construction type for the purposes of LA Flex. For solid wall “in-fill”, the external partner organisation will complete an LA Flex Declaration which must include details of why the home meets the in-fill criteria.
- 4.4 An individual file will be created for each household that is requesting assistance. Measures applied will be fed into a monitoring toolkit which will then be available for any party requiring information on progress.
- 4.5 The LA Flex Declaration and accompanying survey form will then be presented to the Responsible Officer for approval.
- 4.6 Where households are contacted by the external partners of the Council, such as during the sign-up process for programmes, they will be asked whether they are happy for their data to be shared with partners in the scheme in line with General Data Protection Regulation (GDPR) requirements.

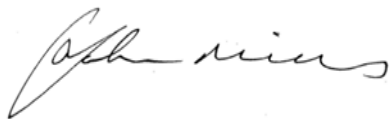


- 4.7 The Responsible Officer is: Ian Dawson, Lead Officer (Sustainability)  
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## 5. Referrals

- 5.1 Fife Council works in partnership with Changeworks, which manages the South East Scotland HES advice service, to deliver the HEEPS programme and to provide fuel poverty advice services for residents of Fife. Changeworks manages an energy advice hotline which provides information and advice to households in fuel poverty, including referrals to programmes and funding routes that will help improve the energy efficiency of their homes. Changeworks help the Council assess the eligibility of properties for inclusion in the HEEPS programme and makes referrals to the Council and its delivery partners.
- 5.2 As well as Changeworks, the Council works in partnership with other agencies involved in fuel poverty work in Fife. These agencies include Greener Kirkcaldy, St Andrews Energy Network and Citizens Advice Rights Fife under the umbrella of Cosy Kingdom. These agencies refer eligible household to Fife HEEPS. Fife Council also works with a number of partners as part of our Local Housing Strategy including the housing associations active in Fife, together with the NHS.

## 6. Signature



John Mills  
Head of Housing Services, Fife Council