

SUNDERLAND CITY COUNCIL – STATEMENT OF INTENT

DATE 29 APRIL 2021

VERSION 1.1

URL <https://www.sunderland.gov.uk/media/24782/SCC-Eco-Flex-Statement-of-Intent-1-1-withdrawn/pdf/Eco-Flex-StatementOfIntent-V1.1.pdf?m=637780287031930000>

BACKGROUND

The Energy Company Obligation (ECO) is an obligation on energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy saving improvement measures. It is available to households who are struggling to pay their energy bills and are defined as being in fuel poverty.

Under the ECO3 energy suppliers can meet up to 25% of their obligations under Local Authority Flex. It is important for ECO3 to achieve its objectives of reaching additional fuel poor and vulnerable households. The intention is to achieve the most benefit to society, which mean reaching low income households which include those who have physical and mental health issues which are made worse by living in a cold home. The approach does rely on local authorities having mechanisms in place for referrals, but there are third parties who can undertake this function.

ECO3 Flex is aimed at privately owned properties and in some cases privately rented properties. Tenants in social rented properties (for example tenants of Gentoo, Home Group, and other Registered Social Landlords or Housing Associations) are not eligible for ECO 3 Flex although may be eligible for ECO. The two main categories of private tenure households that the Government intends to be eligible for ECO3 Flex are: -

- **Low Income – High Cost (LI-HC Fuel Poor)** These are Low Income households that may also face higher heating costs due to living in a cold or energy inefficient home. This could be due to the property's EPC rating (D, E, F, G) for example - or due to other factors
- **Low Income - Vulnerable to Cold (LIVC)** Low income households that are vulnerable to the effects of living in a cold home. This could be due to health conditions exacerbated by cold conditions, old age or where children under 5 live in the property

The measures deliverable through ECO3 Flex are as follows:

- Cavity wall insulation
- Underfloor Insulation (to help with dual measure eligibility)
- Party wall Insulation (to help with dual measure eligibility)
- Loft insulation
- Solid wall insulation
- 1st time central heating to replace for example old broken electric storage heaters
- Replacement gas boilers for broken heating systems

- Heating upgrades (e.g. to replace a broken Back Boiler with a wall hung condensing combi)

Following broad guidance from the Department for Business, Energy and Industrial Strategy (BEIS), Sunderland City Council (SCC) can enable Sunderland Households to access Flexible Eligibility funds via the production and publication of this “Statement of Intent” (SOI)

The SOI allows SCC to set localised qualifying household income levels and local guidelines to specifically target residents at risk of fuel poverty in its local authority area. Residents meeting these criteria, subject to the council issuing a Declaration for their properties, can be assumed as eligible by Energy Companies for ECO3 funded energy efficiency improvements under ECO 3 Flex.

STATEMENT OF INTENT

1.0 INTRODUCTION

The Energy Company Obligation Regulations have allowed local authorities to set their own criteria for eligibility for funding for domestic energy efficiency measures.

SCC welcomes the launch of the Energy Company Flexible Eligibility Criteria (ECO 3 Flex) and intends to utilise it for the purposes of reducing fuel poverty in the city.

The most recently available figures for fuel poverty (Annual Fuel Poverty Statistics Report, 2020 (2018 data) details that 11,533 of Sunderland’s 125,184 properties are classed as being in fuel poverty . This equates to 9.2 % overall although figures range from between 3.7% and 18.1 % at LSOA level

Fuel poverty in England is now measured using the Low-Income High Cost Indicator (LIHC) , which considers a household to be fuel poor if

- They have required fuel costs that are above average (the national median level); and
- were they to spend that amount, they would be left with a residual income below the poverty line?

SCC is committed to supporting those in fuel poverty and working with National Energy Action and a coalition of partner organisations to help address and reduce fuel poverty

In identifying households as eligible under the ECO 3 Flex SCC is enabling residents to benefit from ECO 3 Flex grant funding from the energy companies. The energy company or any appointed contractors must obtain consent in writing from the household before any measures are installed.

The agreement to install any ECO measure is made between the homeowner and the approved installer and not with SCC. However approved ECO installers appointed by SCC must also comply with any other requirements set by the council linked to its ECO Flex Scheme.

2.0 ELIGIBILITY CRITERIA FOR SUNDERLAND’S FLEXIBLE ECO 3

SCC wishes to make it clear that the final decision on whether any individual household can benefit from energy saving improvements rests with the obligated energy suppliers or their contractors.

This decision will be based on the information provided to them by the client household at time of survey. Any Declaration of Eligibility issued by the Council is not to be taken as a guarantee that the eligibility criteria have been met or that funding is available. It is the duty of the Energy Company and/or any appointed contractors to fully ensure that the ECO 3 Flex criteria detailed in **Section 3** below have been met.

The final decision on eligibility will depend on the following:

- Identification of energy efficiency measures eligible for ECO 3 Flex funding from an Energy Company
- Energy Company's assessment of the cost-effectiveness of installing measures in relation to achieving its obligation
- If the Energy Company will fund the energy efficiency measures. The majority of the measures are fully funded by the Energy Companies however households may be required to make a contribution towards replacements for inefficient heating systems

SCC are not providing funding for any ECO 3 Flex measures but where any required contribution prevents eligible households taking the measures up, the council will work with the appointed provider to look at other potential sources of finance or assistance for these households. This is to enable them wherever possible to benefit from these measures.

SCC requires all obligated energy suppliers, approved providers (and contractors working as part of any supply chains to deliver ECO 3 Flex) to:

- Fully comply with the General Data Protection Regulations
- Fully comply with OFGEM requirements and guidance for the Energy Company Obligation Flexible Eligibility Criteria
- Act in accordance with industry best practice in relation to consumer care and quality standards of any works that may take place
- *Fully comply with the SCC Council Code of Conduct for approved contractors*
- Fully comply with all *conditions* set by SCC

3.0 IDENTIFYING /TARGETING ECO 3 FLEX QUALIFYING HOUSEHOLDS

Households will be considered eligible for SCC ECO Flex if they meet one of the following criteria:

- a) live within a Local Authority priority area and live in a cold home; or,
- b) are in receipt of Council Tax Support and live in a cold home; or
- c) employed and /or pensionable low-income household, living in a cold home; or
- d) is diagnosed as suffering from a certain health condition exacerbated by living in a cold home and in receipt of low income.

To receive ECO3 Flex grant assistance a household must be low income – high cost or low income and vulnerable to the cold. The energy company or their nominated contractor must ensure that all eligible households fully comply with at least one of the following 4 criteria:

Customers must match one or more of the 4 criteria		Qualification Category	Qualification Criteria
A	Low income – High Cost	Area-based – implied Fuel Poor (LI -HC)	<p><i>Households located within some Lower Super Output Areas (LSOAs) with an Index of Multiple Deprivation score of less than 25% and within a neighbourhood defined as a priority area by the Local Authority where there is likely to be a high incidence of fuel poverty.</i></p> <p><i>The details of eligible LSOA postcodes, addresses and house numbers will only be made available to those ECO contractors appointed by Sunderland City Council as part of a pre-agreed and internally managed marketing process.</i></p> <p>In addition to being Low Income (Fuel Poor) any ECO flex application will only be considered by SCC, and agreed by SCC, if the following condition can be confirmed by the provider</p> <ul style="list-style-type: none"> • An ECO survey / deemed score recommends an energy efficiency improvement/s. This may be more likely for example where the property's EPC rating is either D, E, F or G (to confirm that the property is cold or energy inefficient) <p>Note: All Option A applications MUST be accompanied by SCC Verification Form A</p>
B	Low Income – Receiving Council Tax Support	LI – High cost	<p>Households in receipt of: Council Tax Support are deemed to be Low income</p> <p>In addition to being Low Income (Fuel Poor) any ECO flex application will only be considered by SCC, and agreed by SCC, if the following condition/s can be confirmed by the provider</p> <ul style="list-style-type: none"> • An ECO survey / deemed score recommends an energy efficiency improvement/s. <p>Note: All Option B applications MUST be accompanied by SCC Verification Form A</p>
C	Low Income – High Cost	Individual Fuel Poor (LI-HC)	<p>Households who are not in receipt of Defined Benefits must have a Total Gross Household Income not exceeding £30,000 p.a. (Employed and/or Pensionable income) and be living in a cold or inefficient home*.</p>

			<p>In addition to being Low Income (Fuel Poor) any ECO flex application will only be considered by SCC, and agreed by SCC, if the following condition can be confirmed by the provider</p> <ul style="list-style-type: none"> • An ECO survey recommends an energy efficiency improvement/s. <p>Note: All Option C applications MUST be accompanied by SCC Verification Form A</p>
D	Health Condition and not in receipt of Disability Benefits	LI- VC	<p>Households not in receipt of any defined benefits or meeting any of the above criteria (A-C) may still be eligible if a member of the household has been diagnosed with one of the following health (or age) related conditions that can be made worse by cold</p> <p>a) people with cardiovascular conditions b) people with respiratory conditions (chronic obstructive pulmonary disease and childhood asthma) c) people with mental health conditions, and d) people with disabilities (made worse by cold) e) people who are terminally ill f) people with suppressed immune systems (e.g. from cancer treatment or HIV) g) Households with children aged 5 or under h) Households with occupants aged 75 or over</p> <p>- AND - where their Total Gross Household Income does not exceed £36,000 p.a.</p> <p>In addition to being Low Income – Vulnerable to cold any ECO flex application will only be considered by SCC, and agreed by SCC, if the following condition is confirmed by the provider</p> <ul style="list-style-type: none"> • An ECO survey recommends an energy efficiency improvement. <p>Note: All Option D applications MUST be accompanied by SCC Verification Form A and Form B or a letter from GP, health professional / practitioner – or birth certificate proof of DOB</p> <p>**These are based on NICE guideline NG6 on “Excess winter deaths and illness and the health risks associated with cold homes” with additional criteria including terminally illness and suppressed immune systems.</p>
<p>Defined Benefits: Receipt of any of the following benefits makes the household eligible for main ECO rather than ECO Flex</p>			

Providers should always establish whether the household is eligible under ECO before making an ECO flex application to SCC – any applications that are found to be ECO eligible will be referred to the provider and declined.

- Income Based Job Seekers Allowance
- Income Related Employment & Support Allowance
- Pension Credit Guarantee Credit
- Working Tax Credit / Child Tax Credit
- Universal Credit
- Disability Living Allowance
- Personal Independence Payment
- Attendance Allowance
- Carers Allowance
- Severe Disablement Allowance
- Industrial Injuries Disablement Benefit
- Child Benefit (providing household income is below £25,500 p.a)
- War Pensions Mobility Supplement
- Constant Attendance Allowance
- Armed Forces Independence Payment

In addition to the overall 4 local eligibility criteria:

- Assistance for privately rented properties in any of the above criteria is limited to the provision of Solid wall insulation and renewables (and for EPC Band F & G properties only)
- The council can also make declarations of eligibility for households that do not meet any of these criteria in order to facilitate solid wall insulation (In Fill). This can only be considered if at least 50% of the properties being provided with the solid wall insulation do meet the local eligibility criteria (A – D above)

4.0 ECO 3 FLEX APPLICATIONS AND DECLARATIONS

SCC has limited internal capacity and so will work with only a limited number of ECO installers. These installers will be appointed by SCC to work under certain conditions set by SCC.

Likewise, SCC has limited capacity to audit high volumes of ECO Flex applications and sign declarations.

Therefore, SCC will only work with installers appointed onto the SCC ECO Flex Framework via the NEPO portal . These installers will be listed on the SCC ECO Flex web page [Energy Company Obligation \(ECO\) and ECO Flex - Sunderland City Council](#)

It is important to note – other non-appointed ECO installers / referral generation companies / managing agents **must not** approach residents to promote ECO Flex in Sunderland.

ECO Flex applications from other, non-appointed installers / referral generation companies / managing agents will be refused.

Non-appointed companies will not be verified by SCC on the council website and residents who contact the Council will be advised accordingly and referred to an SCC-appointed installer.

SCC approved ECO Flex installers must ensure Eco Flex applications are eligible and contain all the required information.

- A fully completed Form A signed by assessor and householder. Total Gross Household Income Calculations must be clearly set out on Form A where required. (Form A template will be provided by SCC)
- Note SCC intend to audit 5% of all ECO Flex applications submitted via the Form A process. SCC will therefore occasionally request sight of the full Eco Flex eligibility evidence provided by the customer as verified and photographed by the assessor during survey.
- Only referrals accompanied with a Referral Declaration Form will be accepted by SCC

In addition, SCC will work with their approved ECO Flex Framework to ensure all ECO Flex marketing operations and customer engagement operations are controlled, targeted and appropriate.

SCC reserves the right to work with its ECO Flex Installer Framework in relation to:

- Criteria A: to manage a controlled process and prevent ineligible households being inappropriately targeted.
- Directing incoming enquiries / applications received by SCC, to the provider, at the time deemed by SCC to be best value to the customer.
- ECO Flex customers contacting the council to enquire / complain about the customer-contribution quoted. In all such instances - without exception - SCC will refer such customers to the Council's ECO Flex Framework webpage where they can at their own discretion obtain a comparison quote from another SCC appointed installer. This condition applies even where the installer has generated the original referral at a cost to themselves.

All ECO 3 Flex applications submitted to SCC by the approved providers, contractors working on their behalf or 3rd parties including direct household applications must include the following documentation:

- Letter from the Energy Supply Company funding the ECO Flex measure/s confirming that the contractor making the ECO 3 Flex application is acting directly on behalf of the Energy Supplier and has authorisation to install ECO 3 Flex measures on behalf of the Energy Company.
- The SCC Referral Declaration Form fully completed and signed by the contractor and household.
- In addition, any applications being made under Option D (health condition without disability benefits) must include a separate Health Verification Form, fully completed by the household and from the accredited referrer. These referrers will include health and social care professionals including GPs, Hospital, SCC Adult Social care, Sunderland Care and Support referrals, TFC early years teams
- All relevant documentation supporting the ECO 3 Flex submission.
- Copy of the Certificate from the Information Commissioner's Office (ICO) showing the organisation making the ECO 3 Flex application has a valid ICO Registration Number in the name of the company and has fully complied with all requirements under the General Data Protection Regulations (GDPR).

SCC reserves the right not to issue declarations where the above criteria have not been fully complied with – although for customer referrals will direct customers to relevant provider for them to resolve matters.

For all ECO flex enquiries email SCCECO.Flex@sunderland.gov.uk

5.0 GOVERNANCE


The officer below will be responsible for receiving and authorising ECO Flex Declarations on behalf of Sunderland City Council.

Name:	Margaret Brunton
Job title	Team Manager
Telephone:	0191 561 4355

6.0 EVIDENCE, MONITORING AND REPORTING

Anonymised data supplied by the Energy Companies will be reviewed on the characteristics of households reached through ECO 3 Flex. The data will include details of households assessed, how many were deemed eligible or ineligible, and how many received heating and insulation improvements.

7.0 SIGNATURE

Signature:	
Name:	Fiona Brown
Position:	Executive Director Neighbourhoods
Date:	16.04.2021

Version 1.1 Updated as follows

- Section 1.0 :Updated Sunderland fuel poverty statistics based on 2020 Annual Fuel Poverty Statistics Report
- Section 1.0 :Updated text to remove Affordable Warmth Network reference and instead reference work with partner organisations
- Section 3.0 Revised low-income criteria for Criteria C and D (Increasing gross income levels from £28,400 to £32,000 and £32,000 to £36,000 respectively)
 - These changes are being made to align ECO Flex Income eligibility criteria with those of the LAD2 (Green Homes Grant (Local Authority Delivery) .
 - These changes will remain in place until the launch of ECO 4 – when it is expected that income based qualifying criteria will be rationalised
- Section 3.0: Correct previous oversight to include Personal Independence Payment in list of ECO qualifying benefits
- Section 4.0 :Updated text linked to ECO flex installers – to reference that they are listed on council webpage and including details of the councils Eco and Eco Flex web page
- Section 5.0 Updating contact details

- Deleted Appendix1 - Referral form example . The current versions of the forms are with, and can be used by the councils approved installers only

The previous live version of the council's ECO Flex SOI (Version 1.0) can be found at:

https://www.sunderland.gov.uk/media/23355/SCC-Eco-Flex-Statement-of-Intent-1-0-withdrawn/pdf/SCC-ECO-Flex-_SOI-1.0-Withdrawn.pdf?m=637552905069530000

SOI 1.1 withdrawn 16 Jan 2022