

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

**Local Authority Name:** Midlothian Council

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**Status:** Midlothian 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**

Midlothian Council (“the Council”) welcomes the introduction of Flexible Eligibility (“FE”) in the Help to Heat (also known as “ECO”) obligation. FE has been created to enable local authorities to make declarations determining that certain households, that are not on Affordable Warmth (“AW”) qualifying benefits are still deserving of AW. This is on the basis that they are either in Fuel Poverty (“FP”) or are considered low income and vulnerable to the effects of living in a cold home (“LIVC”). This facility can be used for up to 10% of the Affordable Warmth target, nationally. This Statement of Intent sets out the criteria the Council intends to use to target households under FE, in line with the eligibility criteria set out in the ECO legislation. The Council is keen to utilise the FE mechanism to ensure that deserving households that do not otherwise meet the AW criteria can benefit from energy efficiency measures wherever possible.

Midlothian Council is committed to helping residents within its council area that are impacted by fuel poverty or vulnerable to the effects of living in a cold home. Our Housing Need and Demand Assessment (HNDA2), which aimed to analyse key housing market drivers in Midlothian to inform the development of our Midlothian Local Housing Strategy 2013-2017 set out some of the challenges we face in dealing with the housing needs of our most vulnerable and fuel poor households. Some key insights relevant to the need for Flexible Eligibility are set out below.

#### **Midlothian and Fuel Poverty – Key Facts (source – HNDA2 and Midlothian Local Housing Strategy 2013-2017):**

- From 2001 to 2011, the population aged 65 to 79 in Midlothian increased by 12.7%, compared to 8.5% across the South East of Scotland
- There are 34% of households in Midlothian where one or more of the members are long-term sick or disabled, including 1570 children between age 3 and 18 attending Midlothian schools who have been assessed as being affected by a disability
- 8,454 dwellings (23% of dwellings) have some form of disability adaptation

- 21,856 private dwellings (81.4%) are non-compliant with the SHQS, the majority of homes failed due to not having a high enough standard of energy efficiency. Very few of these homes failed due to poor property condition.
- 9.5% of properties had some kind of dampness or condensation present, generally found in older properties, and 9.6% required major repairs.
- Workers in Midlothian consistently earn less than the Scottish median earnings per week. Midlothian residents in 2015 earned £497.40 per week. This compares to the Scottish equivalent of £527.00.

Higher levels of elderly, sick and disabled residents, lower earnings and poor quality housing all suggest a strong role for Flexible Eligibility in the Midlothian Council area.

**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. Identification of Eligible Households

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 FE. The ECO legislation and the BEIS guidance in relation to FE envisage three categories of eligibility:

- FP: Households with low income and high heating costs
- LVC: 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.

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 LVC.

The Council notes that, under the ECO legislation and BEIS guidance, FE 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 should not be sought, and will not be made, in relation to social housing.

### a. Criteria for identifying low income

The Council intends to utilise:

- (a) household gross 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;

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.

The gross income thresholds we intend to apply in the assessment of low income are set out in the table below. These are identical to the income levels utilised in the ECO Affordable Warmth qualification criteria.

([https://www.ofgem.gov.uk/system/files/docs/2017/04/170412\\_eco2t\\_guidance\\_delivery\\_final\\_.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/04/170412_eco2t_guidance_delivery_final_.pdf), page 41, table 2).

Household	Number of children or young persons under 18 in the household				
	0	1	2	3	4 or more
<b>One adult</b>	£13,200	£17,400	£21,600	£25,800	£30,000
<b>Two adults</b>	£19,800	£24,000	£28,200	£32,400	£36,600

The Council also intends to extend eligibility for FE to all private sector households in receipt of **any** means-tested benefits that do not qualify under the broader AW criteria. Means tested benefits that will be used as indicators as low income for FE will include Housing Benefit, Pension Credit Savings Credit and any tax credits (CTC, WTC, UC) where the households is not HHCRO eligible.

The Council will reserve the right to use its discretion when determining eligibility around the thresholds and criteria set out above, where the Council has evidence that residents are struggling financially.

#### **b. Criteria for identifying FP households**

The legislation and guidance state that those households in private housing, combining low income with high home heating costs should be eligible for FE in this category. The income component of eligibility is set out in (a) above. The criteria to be used as indicators of high heating costs are:

- The house has an EPC with an E, F or G energy efficiency rating
- The primary heating source for the home is not mains natural gas
- The home is large – with four or more bedrooms
- The main wall type of the property is uninsulated solid wall or cavity wall
- The home is a park home or mobile home
- Through disability, health or other condition the home is occupied for long periods or needs to be heated to abnormally high temperatures. Note that most residents in this category will also qualify under the LIVC criteria set out below
- The resident family has small children below school age (under the age of 5).

#### **c. Criteria for identifying LIVC households**

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 FE in this category. The income

component of eligibility is set out in (a) 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
- Benefits-related criteria
- Other vulnerability indicators.

These are set out below.

#### Long-Term Health Conditions:

- 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)

#### Benefits-related criteria:

- Pensions Saving Credit
- Carer's Allowance
- Housing Benefit or Council Tax Reduction
- A Disability Benefit (incl. Attendance Allowance, DLA, PIP)

#### Other Vulnerability Indicators:

- 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

#### **d. Additional eligibility route for FP/LIVC**

The Council will reserve the right to use its discretion when determining eligibility FE in both FP and LIVC categories, to take account of other income, fuel cost or vulnerability circumstances not listed above. In the event that the Council intends to include a household in a Declaration based on individual circumstances, it will produce a report to the signatory set out in section 3 below prior to a Declaration being produced.

#### **e. Solid wall insulation “in-fill” projects**

Where potential solid wall insulation works have been identified, 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 April 2017, and subject to the rules and restrictions set out therein, particularly in relation to the minimum number of FP/LIVC households being met.

### **3. Governance**

#### *Responsible officer*

The officer below will be responsible for signing Declarations on behalf of the Council.

Name: Alan Ramage

Job title: Planned Maintenance Manager

Email: alan.ramage@midlothian.gov.uk

The key governance consideration is confirming that households meet the eligibility criteria set out in this Statement of Intent prior to a Declaration being issued. The Council will therefore require satisfactory evidence being provided by the referring agency (see below) prior to any Declaration being produced.

Subject to the above consideration being satisfied, then the Council will be minded to issue a Declaration under the FE mechanism for that property.

### **4. Referrals**

The Council is keen to secure the maximum number of energy efficiency measures, including but not limited to those funded through FE. We see FE as an important component of this, and therefore aim to utilise a number of different strategies to generate referrals – some key current strategies are set out at the end of this section.

Our plan at the present time is for all initial FE referrals to be channelled through: HES , Council frontline staff and trusted third party agencies

- The household will gain the broader benefits of the HES service (simple energy efficiency measures, help in switching energy tariffs, income maximisation support, follow-up local support, etc.)
- The need for an ECO-funded measure such as SWI, cavity wall insulation, loft insulation, room-in-roof insulation or a heating system replacement can be verified during the home visit, to ensure that Declarations are only produced where there is a reasonable prospect of a funded measure being installed
- The household's desire for an ECO/FE referral is determined prior to a Declaration being issued – this is important for customer consent and data protection purposes.

The key strategies for generating referrals identified to date are:

- The Council believes that our frontline staff, who deal on a daily basis with our most vulnerable residents, are best placed to make referrals. We are providing training to staff from the following areas:
  - Housing Officers
  - Customer Services Department
  - Public Health Department
  - Council Tax Arrears
  - Occupational Therapy
  - Social Care Team
- We have also identified key staff members from local housing associations, charity and third sector partners, who will also be trained in making referrals :
  - Citizens Advice
  - Changeworks
  - Department of Work and Pensions
  - Midlothian Food Foodbank (Gorebridge)

## **5. Evidence, monitoring and reporting**

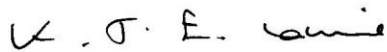
The key elements of our evidence, monitoring and reporting process are set out below:

- i) The Council will only accept requests for a Declaration from an agency with which it has a prior relationship, including a Confidentiality Agreement or Data Sharing Agreement, to ensure data protection requirements are respected. These parties include our delivery partners on HEEPS Area Based Schemes operating in the Council area, Home Energy Scotland, and Changeworks.
- ii) Prior to any property being included in a Declaration, the Council will require information from the referring agency on the FE criteria that each household meets

along with supporting evidence that the Council, at its sole discretion, deems as adequate.

- iii) As households, including those included in Declarations, proceed through the ECO process, the Council will be updated in regular reports on the progress of each household.
- iv) Details of households reached through FE will be made available to the Council in order for us to record the number of households assessed, how many were deemed eligible and ineligible, and how many received heating and insulation improvements under both Flexible Eligibility and broader ECO funding.

## 6. Signature

A handwritten signature in black ink that reads "K. J. E. Lawrie". The signature is written in a cursive style with some capital letters.

Kenneth Lawrie  
Chief Executive, Midlothian Council