

## **CAERPHILLY COUNTY BOROUGH COUNCIL (URL W06000018)**

### **ECO – Statement of Intent – Version 1 – October 2020**

#### **Introduction**

Energy Company Obligation (ECO) is a government led energy efficiency initiative to help reduce carbon emissions and tackle fuel poverty. This is part of a new initiative of flexible eligibility and is designed to give direction to the most vulnerable residents of Caerphilly County Borough within the private sector and enable them to gain access to the ECO funding obligation (the current version of ECO funding is ECO3).

Caerphilly County Borough Council (CCBC) intends to work closely with the energy companies in order to maximise its input to flexible eligibility on fuel poor households. CCBC therefore will ensure the energy companies comply with the relevant Data Protection Acts and laws, to follow Ofgem requirements and to act in accordance with best practice in relation to customer care and quality standards of any works that may take place. CCBC may enter into a service level agreement with Energy Suppliers or agents of energy suppliers over the administration of eligibility which will include a Data Processing Agreement.

ECO fits in with the Council's current policy on tackling poverty and inequalities, reducing its carbon footprint, making the Caerphilly County Borough a greener and healthier place to live, work and visit. It also reflects our priorities currently found in our Private sector Housing Renewal Strategy i.e. reducing unhealthy homes, enabling vulnerable persons to remain at home in safety and comfort and improve standards within the private sector. Historically CCBC has been successful in arresting housing and socio economic decline by adopting a strategic approach to private sector housing renewal.

CCBC already has a close working relationship with Welsh Government and has been successful in securing funding via the ARBED scheme. In the last few years, a number of areas within Caerphilly County Borough Council have benefitted from this funding; Fochriw, Hollybush and Phillipstown, and our last ARBED bid at Lansbury Park in Caerphilly and Blackwood. There is also the NEST Wales scheme which CCBC takes full advantage of in referring residents should they qualify for their scheme.

Flexible Eligibility is designed to support owner occupiers and private rented tenants, who are fuel poor and are in receipt of eligible benefits or on a low income and are susceptible and vulnerable to the effects of a cold home.

The following will be targeted by the scheme:-

1. Those properties which are deemed to be fuel inefficient i.e. those with an EPC rating of D,E,F, or G or have a score of twelve or more on the table B below;

And those people living in fuel poverty (10% of household income is spent on fuel costs) or those on an eligible benefit (Income support, Income based job seekers allowance, Income related ESA, Guaranteed Pension Credit, Council Tax Benefit, Universal Credit); or on a low income as determined by table A below.

2. And those people who are vulnerable to the effects of a cold home (see table C below).
3. In addition a proportion of non-fuel poor households will be supported for external wall insulation as “in-fill” when the property forms part of a council approved scheme as outlined below.

### **Defining people on low income and fuel poverty, in particular those not in receipt of eligible benefits.**

The Government calculates fuel poverty by considering both income and costs. Households are in fuel poverty if they have both:

- Higher than average fuel costs; and
- If spending this amount on fuel would push residual income below the official poverty line (10% of household income on fuel costs).

Therefore, to help to identify such households Caerphilly County Borough Council will need to determine that the household faces higher energy costs (see table A below), in relation to income;

Income here is defined as a household’s disposable income after they have paid for their rent or mortgage. This comprises income from all sources, such as net earnings (after tax), income from savings and investments, pensions, all benefits (including housing benefit), and net Council tax payments.

The low income threshold will be used to determine if the household is in fuel poverty:-

Table A

House hold composition	Disposable income (income after rent or mortgage)	Monthly household income Equivalent
1 Adult	£9,582	£798
And 1 Child	£12,569	£1047
And 2 Children	£15,453	£1288
And 3 Children	£18,544	£1545
And 4 + Children	£21,635	£1803
2 Adults	£15,659	£1305
And 1 Child	£18,704	£1559
And 2 Children	£21,738	£1812
And 3 Children	£24,829	£2069
And 4+ Children	£27,610	£2301

Figures from Rent Smart Wales which are based on the government’s fuel poverty strategy and will be reviewed yearly based on the annual rate of inflation

## Identifying high energy cost households

Caerphilly County Borough Council will class those who have high fuel costs if their energy performance certificate equates to D, E, F or G or if the necessary EPC certificate is not available then their property needs to score more than 12 using the table B below:

- Approach 1: Using EPC data, where available, through [www.epcregister.com](http://www.epcregister.com) or should an EPC be not available, use the table below:
- Approach 2: Using the table below and calculate if the property scores more than 12.

Table B

Question	Response	Score
Number of bedrooms	1	0
	2	1
	3	2
	4 or more	3
Number of people living in the property	1	1
	2	2
	3 or more	3
House Type	Terrace or end Terrace	1
	Semi-detached	2
	Detached	3
Construction	RPC/BISF (Non traditional)	3
	Solid wall	2
	Cavity	1
Heating system	Gas	0
	Oil	1
	LPG	2
	Coal	3
	Electric	4
Age & Condition of central heating provision	<10 yrs	0
	>10 yrs	1
	Non-functional c/h	2
	None or partial c/h	3
Payment of heating	Direct debit or quarterly bill	0
	Prepaid	2
Loft insulation	none	3
	<150mm	2
	>150mm	1
	Total score	

## **Identifying criteria for those who are vulnerable to the effects of cold**

Flexible eligibility is intended to target those households who are on low income and are vulnerable to the effects of a cold home and therefore in greatest need.

The National Institute for Health and Clinical Excellence (NICE) guideline states “excess winter deaths and illness and the health risks associated with cold homes state that a wide range of people are vulnerable to the cold.” This is either because of a medical condition or a disability that, for example stops people moving around to keep warm, or makes them

more likely to develop chest infections; or personal circumstances, such as being unable to afford to keep warm enough.

Caerphilly County Borough Council will therefore target those households who exhibit the following characteristics which reflect the NICE guidelines: -

Table C

1. Respiratory disease;
2. Cardiovascular disease;
3. Mental Health illness;
4. Older person households (60 years and older);
5. Households with younger children (5 and under) and pregnant mothers;
6. Autoimmune and immunodeficiency disease;
7. Those who are terminally ill and/or currently undergoing treatment for cancer;

A signed declaration by their GP, doctor or health practitioner will be required to confirm any health related issues itemised above. In relation to pregnancy and age we would require a copy of the necessary birth certificate, or in relation to pregnancy the appropriate Mat B1 form.

### **Identifying “in-fill” Properties**

In order to encourage multi-property solid wall schemes in the private sector, although some households will fall outside the qualifying criteria, Caerphilly County Borough Council will consider them to ensure aesthetic benefits and economies of scale from working in localised areas. This scheme is only available for those in the private sector (no social housing) and only for external wall insulation projects.

Non fuel poor households eligible for such measures of “in-fill” must be: -

1. In the same terrace; or
2. In an immediately adjacent building to, or
3. Are in the same building as a household that does meet the criteria.

### **Requirements for solid wall insulation “in-fill” projects**

For some solid wall insulation projects, certain properties may be classed as eligible based on the in-fill classification. Caerphilly County Borough Council recognises the criteria as follows:

Property Type	Requirements	In-fill available
Project consisting of a pair of semi-detached houses or bungalows, or a building containing no more than two domestic premises.	At least one of the two properties must be declared by the LA as FP or LIVC (i.e. 50% of the properties are FP or LIVC).	The other private property 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 properties) or in the same terrace.	At least two in three properties on the list must be declared by the LA as FP or LIVC (i.e. at least 66% of the properties are FP or LIVC).	The other (i.e. up to one third) of private 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.

(FP- fuel poor, LIVC- Low income and vulnerable to cold)

Eligible residents of Caerphilly County Borough Council can apply through the Private Sector Housing department website or for advice telephone tel: 01443 811377 or via our email address: [privatesectorhousing@caerphilly.gov.uk](mailto:privatesectorhousing@caerphilly.gov.uk).

Details of this scheme will also be shared and provided to other stakeholders who currently work with vulnerable households. Properties may also be identified by contractors through the publicly available EPC register data.

The Council will ask all applicants to provide information on their income status, proof of vulnerability, and household composition and address details. All information provided will be assessed for eligibility and those who are eligible will be provided with a signed declaration which can then be passed to the appropriate energy supplier, who will at that point determine eligibility and which households will benefit from the energy saving improvements. The Council can if required request information on what households have benefitted from under such schemes and their proof of eligibility from the energy supplier.

It will be the energy suppliers discretion as to whether a measure is provided depending on the survey that is carried out and installation costs calculated, the energy savings that can be achieved, and whether suppliers have achieved their ECO targets. The final decision on whether a householder receives a measure or extent of a measure under this provision will be made by the energy suppliers or their agents/contractors. The final decision will depend upon:

The survey carried out by an accredited contractor and the calculated installation costs;

The energy bill savings that can be achieved for the property; and

Whether energy suppliers have achieved their ECO targets or require further measures to meet their ECO targets;

All referrals will be recorded by Caerphilly County Borough Council, and all Suppliers will be required to inform CCBC in writing or via email within 28 days of completion, of where measures have been provided, to whom, what type and costs involved. If necessary the Council will carry out an audit to ensure compliance and check that the appropriate households are being targeted.

This Statement of Intent is the first version and Caerphilly County Borough Council will carry out regular reviews to ensure the correct households are being targeted. If the review shows that this is not the case the Statement of Intent will be changed to reflect this.

Caerphilly County Borough Council is not acting on behalf of any other Local Authority or in association with any other Local Authority.

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The officers below will be responsible for signing Declarations on behalf of the Local Authority: Mrs Claire Davies, Mr Karl Rivers, Ms Tracey Jones, Mr Ian Burgess.

Statement of Intent Authorisation

Signed by:

Date:

Head of Corporate Finance