

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

Local Authority Name: Southend-on-Sea Borough Council

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Status: Southend-on-Sea Borough 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

Southend-on-Sea Borough 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.

The Council launched its Low Carbon Energy & Sustainability Strategy (“LCESS”) in 2015 which set out very ambitious targets, with the ultimate aim of Southend becoming a “Low Carbon, Smart City” by 2020. Improving energy efficiency and eliminating fuel poverty are at the core of LCESS, which notes that the actions and plans will make a major contribution to *“promoting local economic growth, supporting health and well-being initiatives and protecting vulnerable communities from issues such as fuel poverty.”*

Southend has great contrasts in the wealth and health of its residents. Although on the whole the prevalence of FP is slightly lower than the national average, there are a number of areas within the borough that suffer amongst the highest levels of FP and deprivation in the country. Census data shows that 10 of the 107 Lower Super Output Areas (“LSOAs”) in Southend rank within the bottom decile on both the “index of multiple deprivation”, the “index of health deprivation and disability” and the “employment index”.

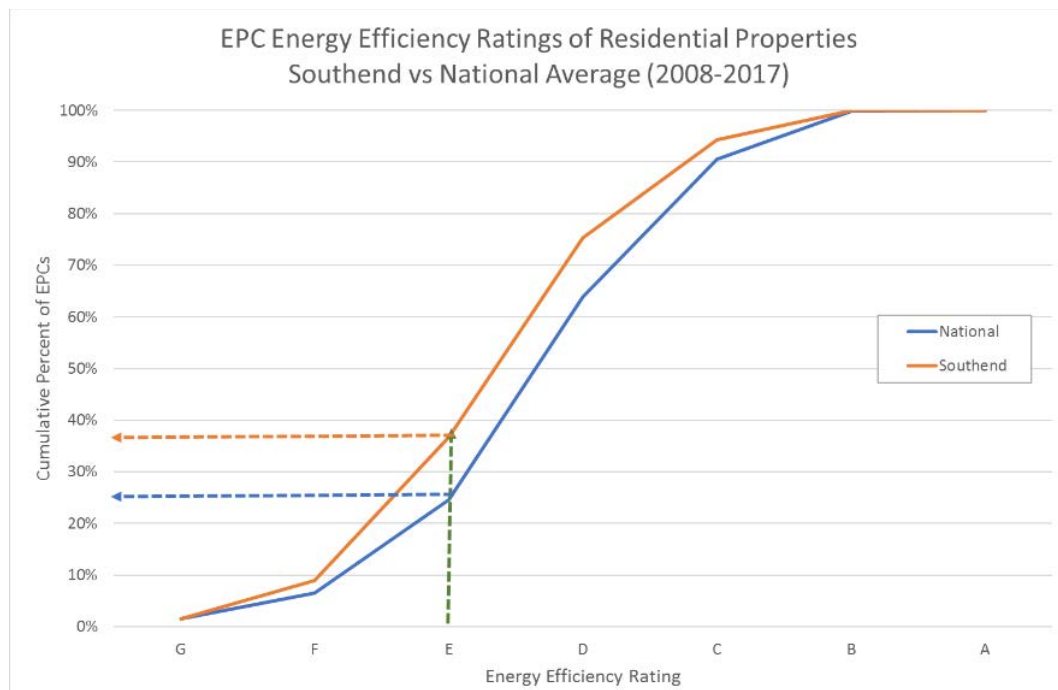
Southend also faces the challenges of an ageing population, with 18.9% aged 65 and over (national average being 17.6%), and a projected increase of 1.6% by 2020 to reach 37,000

people. As a result health services can expect increased pressure from geriatric illnesses and falls. The job density figure for Southend (0.6) is lower than the national average (0.8), which suggests insufficient job provision for residents in the borough. Net commuting out of the borough in 2011 was 9,100, with high numbers of residents commuting to London or elsewhere outside the borough for work.

Southend and Fuel Poverty – Key Facts (source – Council research):

- Since 2009, Southend has an above average rate of “Excess Winter Deaths” (expressed as the number of additional deaths above those that were expected based on the non-winter death rate for a given year) - **an average of 111 deaths**
- Research has shown that Southend has had a Fuel Poverty rate of over **56% amongst Council Tax Benefit claimants** (on the Fuel Poverty definition of households spending more than 10% of income on heating)
- Across Southend, approximately **4,000 private rented properties are F and G rated** for energy efficiency (the two lowest energy efficiency ratings)
- **Approximately 6,000 households** claiming benefits are in fuel poverty
- 10 areas comprising **9,000 homes** classified as being in the **top 10% of “Most Deprived”**

National EPC data shows that Southend also suffers from significantly poorer energy efficiency in its residential stock compared to national averages (source: <https://www.gov.uk/government/statistics/energy-performance-of-buildings-certificates-in-england-and-wales-2008-to-march-2017>). Poorer E, F and G energy efficiency ratings account for 37% of homes in Southend, compared to 25% nationally. This is shown in the chart below.



The Council is launching the Local Energy Advice Programme (“LEAP”) from July 2017. LEAP is an outreach service, funded by energy companies under the Warm Home Discount Industry Initiatives fund. The LEAP service will be signposted by frontline Council staff and

local charity partners. It is our intention that LEAP will serve as both: our primary means of identifying homes that would benefit from a FE energy efficiency measure; and our primary mechanism for verifying that the household meets the eligibility criteria set out herein.

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 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 taken from the income levels utilised in the ECO Affordable

Warmth qualification criteria, increased by 10% to account for the higher cost of housing and cost of living in the South East of England.

Household	Number of children or young persons under 18 in the household				
	0	1	2	3	4 or more
One adult	£14,520	£19,140	£23,760	£28,380	£33,000
Two adults	£21,780	£26,400	£31,020	£35,640	£40,260

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 flexibility 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).

As mentioned above, the LEAP service will shortly be launched in Southend. If, during a LEAP home visit, the LEAP Home Energy Advisor ascertains that the annual household fuel bill is more than £800, the household will also be classified as having high heating costs.

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 (these criteria are also reflected in the LEAP eligibility criteria)
- 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

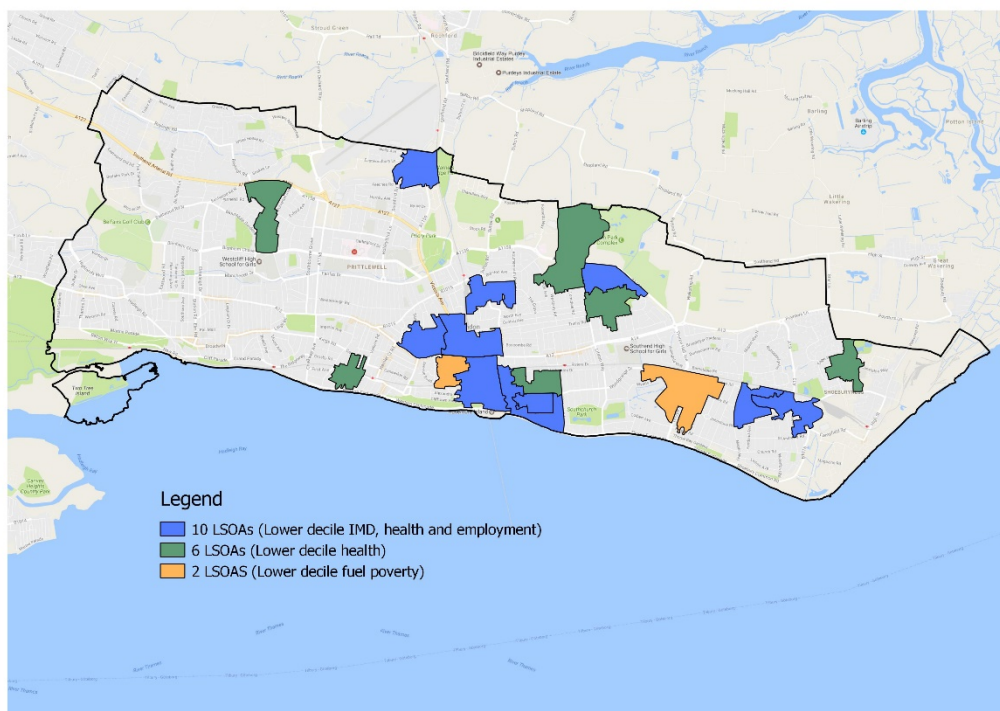
d. Additional eligibility routes for FP/LIVC

The Council recognises that the intention of flexible eligibility was to enable Councils to be flexible in approach, to reach those in need. The Council is therefore adopting two additional eligibility categories for FE Declarations, area-based and individual circumstances.

Area-based:

The Council recognises that widespread area-based eligibility for targeting FE would not be in line with the intent that FE is targeted specifically on FP and LIVC, given that most geographical areas will be home to both FP/LIVC and more well off residents. However, we have identified a small number of geographical areas where the extent of deprivation is extreme, and the Council believes that there will be a very high proportion of FP/LIVC households. It is proposed to include 10 out of Southend's 107 LSOAs as qualifying. These are the areas that have been identified as being in the bottom decile of all three IMD indices which we believe to be key indicators of FP/LIVC: (1) the main index of multiple deprivation or IMD; (2) the IMD - Health Deprivation and Disability index; and (3) the IMD – Employment index. The bottom decile ranking of these 10 LSOAs across all three indices means that households have a very high propensity to be both low income and vulnerable. In addition to being identified using Census data these areas are known to the Council as having very high rates of FP and LIVC. By including all residents in these areas as eligible for Declarations (where suitable energy efficiency measures are identified), it will be possible for the Council to take action on an area-based, community level to increase the impact of schemes and the benefit to residents.

The map below shows in blue the 10 LSOAs that have been identified as being in the bottom decile of all three IMD indices. The green LSOAs are in the bottom decile of the IMD - Health Deprivation and Disability score only and the orange areas have been identified as being in the bottom decile of households in fuel poverty. At present, only the LSOAs marked in blue will be targeted for FE.



Individual Circumstances:

The Council will reserve the right to flexibility 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 local authority.

Job title: Energy and Sustainability Manager

Telephone: 01702-534 741

Email: jeremymartin@southend.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 governance mechanism that will be used to ensure that this is the case, is LEAP. All referrals will initially be channelled into the LEAP service (see section 4 below) and their eligibility will be checked through the LEAP service.

Eligibility for LEAP, which is funded under the Warm Home Discount Industry Initiatives scheme, has been approved by Ofgem as being in line with the requirement that it is provided ‘to domestic consumers who are in fuel poverty or in a fuel poverty risk group’. Therefore, where:

- i) a non-social housing, domestic customer has been referred into the LEAP service and their eligibility for LEAP has been either certified by a Council officer or local health/third sector partner to be eligible for LEAP, or their eligibility has been verified through the LEAP service; and
- ii) the dwelling in question has been assessed during a visit and a potential ECO measure has been identified; and
- iii) it is not eligible for AW funding through qualifying benefits; and

- iv) LEAP confirms (following any further checks necessary) that, in addition to being eligible for LEAP, the household also meets the FE eligibility criteria set out in sections 2.a to 2.e above

then the Council will be minded to issue a Declaration under the FE mechanism for that property. Note that LEAP eligibility has been closely aligned with FE eligibility, therefore the extra effort and customer inconvenience involved in FE eligibility checking is minimised.

The LEAP team will provide reports to the Council on a monthly basis as well as any ad-hoc reports required by the Council, in order that the Council can meet its requirements set out in section 5 below. These reports will include information on all ECO measures (including those under FE) identified, and on actual ECO installations that have taken place.

4. Referrals

The Council is keen to secure the maximum number of energy efficiency measures, including but not limited to those funded through FE, for the borough. 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 the LEAP service rather than directly referring households for a FE declaration. Operating our FE declarations through the LEAP service brings a number of benefits:

- The household will gain the broader benefits of the LEAP 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 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 customer's eligibility under this FE Statement of Intent will be checked as part of the LEAP process (through the initial LEAP referral, the LEAP appointment booking phone call, the home visit or a follow-up phone call where required), before a Declaration is produced, as set out in section 3 above. This will also involve checking that the household does not qualify under the normal Affordable Warmth rules – so that valuable FE funding is retained only for cases where this is not possible
- 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 LEAP 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 into the LEAP service. We are providing training to staff from the following areas early in July:
 - 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 into the LEAP service during July:
 - Citizens Advice
 - Department of Work and Pensions
 - SAVS – Local Voluntary Organisation
 - Donate Food Foodbank
- We are planning a number of targeted mailings to elicit self-referrals from households requesting a free LEAP home visit:
 - Households within the geographical areas identified in section 2.d above
 - Households targeted through benefits data and other data held by the Council, subject always to data protection rules
- The LEAP team has some budget available for other outreach activities such as having a LEAP presence at local events, meetings, faith groups etc in order to generate referrals.

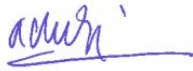
5. Evidence, monitoring and reporting

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

- i) Prior to any property being included in a Declaration, the Council will require information from the LEAP service on the FE criteria that each household meets along with supporting evidence. This will have been gathered by the LEAP team through an initial telephone call with the resident, the home visit and further information collected to check eligibility.
- ii) As a data protection agreement is in place between the LEAP service provider and the Council, required data will be made available to the Council to ensure that a clear audit trail is available. This will be retained for a minimum of two years, or such longer periods required under the relevant legislation.
- iii) As households, including those included in FE 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



Andrew Lewis
Deputy Chief Executive (Place)
Southend-on-Sea Borough Council