

Energy Company Obligation 3: Flexible Eligibility

Statement of Intent

Local Authority: Aberdeenshire Council
Date of Publication: 11 September 2018
Version: Version 5
Published: www.aberdeenshire.gov.uk

1. Introduction

- 1.1 Approximately 39,000 households across Aberdeenshire are living in fuel poverty, 33,000 of these are in private sector housing. Fuel poverty remains a harsh reality for these households with many facing difficult choices of spending money on heating or on other essential items. The links between fuel poverty, social exclusion, debt issues and physical / mental health problems, are well known.
- 1.2 Aberdeenshire Council welcomes the new Flexible Eligibility powers for Energy Company Obligation 3 (ECO3) Affordable Warmth grant funding as a means to help address this issue. Aberdeenshire Council are committed to ensuring that householders across Aberdeenshire, of all tenures, have access to the information and advice services on how to maximise their income to tackle fuel poverty and to achieve affordable thermal comfort. The Flexible Eligibility powers will allow Aberdeenshire Council to work in partnership with our energy efficiency contractor, Everwarm and delivery partner, SCARF, to provide affordable warmth assistance to householders in the private sector who are living in fuel poverty (FP), have low incomes and are vulnerable to the effects of the cold (LIVC) The work achieved through the Flexible Eligibility Scheme will help provide long term energy efficiency solutions for these householders.

Further details about Flexible Eligibility are set out in the Government's Energy Company Obligation 3 (ECO3): Help to Heat consultation response document.

<https://www.gov.uk/government/consultations/energy-company-obligation-eco-help-to-heat>

- 1.3 The overarching aim of the Aberdeenshire Fuel Poverty Strategic Outcome Statement and Action Plan is to meet the Scottish Government's target to resolve fuel poverty. Aberdeenshire Council recognises the strategic role it has in reducing fuel poverty and improving energy efficiency. The most recent Local Housing Strategy (LHS) 2018-2023 <https://www.aberdeenshire.gov.uk/media/21913/aberdeenshirelocalhousingstrategy2018-2023.pdf> was approved by Aberdeenshire Council's Communities Committee on 21 December 2017. A formal review of the strategic outcome/priority of 'Fuel Poverty', Sustainability and Energy Efficiency was

carried out when drafting the new LHS, performance indicators were agreed and these will be reviewed and reported on an annual basis.

1.4 Aberdeenshire Council Area



Aberdeenshire is split into six political areas. In 2016 Aberdeenshire had a population of 262,190. This has increased significantly by 16% since 2001 and is projected to increase again by 19% to 311,887 in 2039. In 2016, there were 116,421 dwellings in Aberdeenshire which has increased by 20% over the last 15 years. As expected in a rural area, the majority of dwellings are either detached (47%) or semi-detached (29%) with fewer terraced dwellings (12%) and flats (12%). Most properties are privately owner occupied (71%), with an additional 10% of all dwellings in the private rented sector. The social rented sector accounts for 15% of the overall housing stock.

The majority of Aberdeenshire is defined as rural in terms of the 6-fold Urban Rural category (<https://www.gov.scot/Publications/2018/03/6040/5>), with population of 30.4% living in 'other urban'; 14.4% in 'accessible small town'; 6.8% in 'remote small town'; 35% in 'accessible rural' and 13.4% in 'remote rural'. The table below shows how this compares to Scotland as a whole. As such, Aberdeenshire has a high proportion of households living in off-gas areas, with limited fuel choices and also in older 'hard to treat' properties.

Percent of population in each 6-fold Urban Rural category: Aberdeenshire & Scotland

Local Authority	Large Urban Areas	Other Urban Areas	Accessible Small Towns	Remote Small Towns	Accessible Rural	Remote
Aberdeenshire		30.4	14.4	6.8	35.0	13.4
Scotland	34.6	36.2	8.5	3.5	11.2	5.9

While Aberdeenshire remains a relatively wealthy area, there are nevertheless pockets of deprivation and rural isolation. The Scottish Index of Multiple Deprivation identifies different elements of poverty in small areas across Scotland, with five datazones within Aberdeenshire (small areas) in the most deprived 15% in Scotland.

- 1.5 The Scottish House Condition Survey figures released for 2014/16 ([SHCS Local Authority Analysis 2014-2016](#)) show that 35% of households in Aberdeenshire are living in fuel poverty, with 15% of these households living in extreme fuel poverty. This compares to the Scottish average of 31% and 8% respectively. There has been a 3% improvement for Aberdeenshire compared to previous fuel poverty statistics published for 2013/15, which demonstrates that the work carried out to install energy efficiency measures in private sector housing, by utilising Scottish Government funding initiatives and the improvements to meet the Energy Efficiency Standard for Social Housing requirements in the social sector, is clearly having a positive effect. However, 19 of the 32 local authorities have a lower fuel poverty percentage than that of Aberdeenshire, therefore the new Flexible Eligibility powers for Energy Company Obligation 3 (ECO3) Affordable Warmth grant funding is welcomed as a means to help address this issue.
- 1.6 The Home Energy Efficiency Programme for Scotland:Area Based Schemes (HEEPS:ABS) is the key mechanism for delivering energy efficiency improvements to the homes of fuel poor households in Aberdeenshire. The scheme delivers measures such as external wall insulation and hard to treat cavity wall insulation to various tenures throughout Aberdeenshire. The measures are funded by Scottish Government Grant, ECO3 and the contributions from participating owners. Aberdeenshire Council has a contract in place with Everwarm to install all energy efficiency measures in the HEEPS:ABS programme. All additional ECO3 funding provided by “LA Flexible eligibility” would be used to support the delivery of HEEPS:ABS programme only.

2. Identifying Eligible Households

- 2.1 ECO3 Flexible Eligibility funding is available for all private sector households, in line with the Government’s guidance (ECO3: Help to Heat Flexible Eligibility). Aberdeenshire Council’s current and future HEEPS: ABS programmes, delivered through our framework energy efficiency contractor, Everwarm and our delivery partner, SCARF, will greatly benefit from the Flexible Eligibility schemes. Funding from the Scottish Government will be enhanced by the ECO3 funding and will assist in the delivery of energy

efficiency insulation programmes to the homes of households in and at risk of fuel poverty.

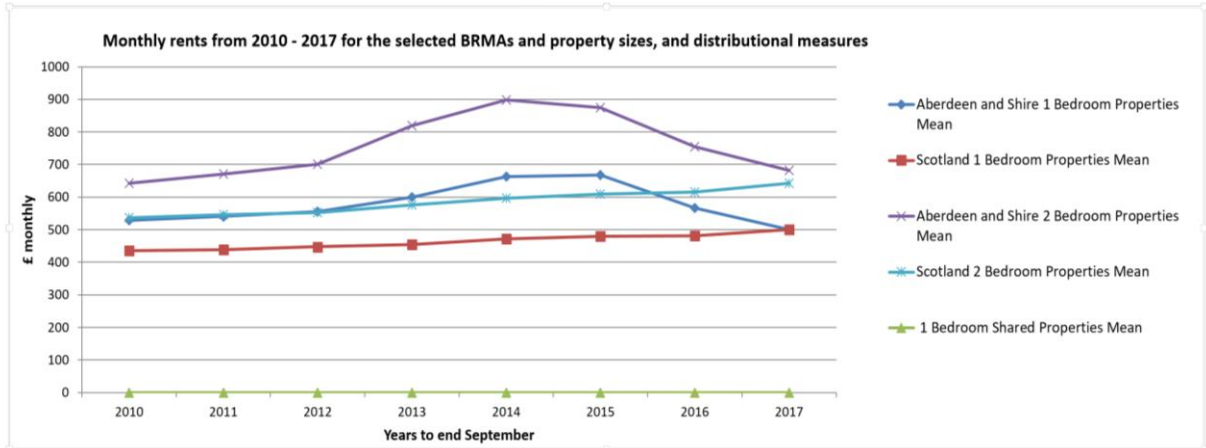
- 2.2 Targeted households within Aberdeenshire Council's HEEPS:ABS areas may qualify for Flexible Eligibility and will be identified by our framework contractor, Everwarm and / or our delivery partner, SCARF, during the sign-up process. Appropriate permission will be sought from the householder for their personal data to be shared with relevant partners in the scheme, in line with the following guidance:-
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/636147/ECO_LA_Flex_Data_Sharing_Guidance_Addendum-version-for-intranet.pdf
- 2.3 The Scottish Assessors Association website will be utilised to ensure properties identified for insulation measures are within council tax bands A-C.
- 2.4 The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's official tool for identifying areas of deprivation across Scotland. There are 340 data zones in Aberdeenshire. Within the Scotland context (32 Council areas), Aberdeenshire has no data zones within the 5% most deprived in Scotland. Data shows that 6 of Aberdeenshire's 340 data zones are in the 20% overall most deprived zones in Scotland, and tends to be concentrated in Banff & Buchan and Buchan, primarily in parts of Fraserburgh and Peterhead. However, as a rural local authority, social deprivation in Aberdeenshire is dispersed across a wide geographical area and is evident at household level both in the main towns as well in remote rural locations.
- 2.5 EST's Home Analytics service will be used to help identify the settlements across Aberdeenshire where householders are more likely to be at risk of, or are living in, fuel poverty.

3. Criteria for Eligible Households

- 3.1 Aberdeenshire Council will consider eligibility in line with the Government's policy and guidance published by the Department for Business, Energy and Industrial Strategy (BEIS) – Energy Company Obligation 3 – Flexible Eligibility, which was published in April 2017.
- 3.2 Criteria for identifying Aberdeenshire households in fuel poverty.
 - 3.2.1 The median household income in Scotland is £28,342 (before housing costs). However, many Aberdeenshire towns have incomes higher than the Scottish and UK average. The average income for Aberdeenshire is £36,983 (*Source: CACI Paycheck Median and Lower Quartile Income 2017*) and details can be found online at <https://www.aberdeenshire.gov.uk/media/21415/aberdeenshire-household-income-bulletin-2017.pdf>. The cost of living in Aberdeenshire in general has historically been higher than that of Scotland as a whole. This is demonstrated by the chart below which shows the cost of private rental

housing in Aberdeenshire compared to Scotland as a whole between 2010-2017. (Source: <https://www.gov.scot/Publications/2017/11/7528>)

Select BRMAs:	Select Sizes:	Select Distributional Measure (£ monthly):	Years to end September							
			2010	2011	2012	2013	2014	2015	2016	2017
Aberdeen and Shire	1 Bedroom Properties	Mean	529	540	555	600	664	667	566	501
Scotland	1 Bedroom Properties	Mean	436	439	447	454	472	480	482	501
Aberdeen and Shire	2 Bedroom Properties	Mean	643	671	701	819	898	874	754	682
Scotland	2 Bedroom Properties	Mean	536	546	553	576	596	610	616	643
	1 Bedroom Shared Properties	Mean								



As defined by ECO3 Flex, householders should have one or more of the following criteria:

- Have an income of £34,500 or less AND:-
- score **8** or above in their responses to the following high cost questions:

Question	Response	Score
Was the home built before 1983?	Yes	10
	No	-5
Is the home of a non-traditional construction?	Yes	8
	No	-4
What type of home is it?	Detached	4
	Semi-detached	2
	End terrace	2
	Mid terrace	0
What is the main heating fuel?	Gas	-10
	Electricity	5
	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	Yes	4
	No	0

spend most of the day in the home?		
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3.3 Criteria for identifying low income and vulnerability to cold conditions

3.3.1 The BEIS guidance states households which combine low income with health, disability, age or other conditions that result in vulnerability to the effects of living in a cold home should qualify for ECO3 Flexible Eligibility.

Aberdeenshire Council will identify eligible households on low income and vulnerable to the effects of the cold as those that:

- Have an income of £34,500 or less AND:-
- A member of that household with:-
 - A limiting long term or terminal illness
 - A mental illness
 - A disability
 - A respiratory condition
 - Are 60 years or over
 - Have dependent children of 18 years or younger

3.4 Inclusion in a Declaration of Eligibility for both FP and LIVC issued by the Council will not guarantee installation of measures.

3.5 Exceptional cases not meeting the above criteria will be considered on a case by case basis. Aberdeenshire Council will reserve the right to its discretion when determining eligibility criteria in both FP and LIVC categories, to take account of other income, fuel cost or vulnerability circumstances not listed above.

4. Solid Wall in-fill scheme requirements

4.1 In delivering energy efficiency programmes, Aberdeenshire Council will target support to vulnerable households in these areas who are living in solid wall or “hard-to-treat” properties, where external wall insulation is technically feasible, can attract funding and is permitted under planning regulation. Many homes in Aberdeenshire, particularly in rural areas, are of a non-traditional construction and are unsuitable for conventional forms of insulation, such as cavity wall insulation.

The Flexible Eligibility powers allows for homes in these targeted areas that are not in FP / LIVC to be funded. This means that:

- (a) External solid wall insulation will have as attractive an appearance as possible; and
- (b) The economies of scale from working in localised areas can be realised.

4.2 Non-fuel poor households eligible for solid wall insulation in-fill must be:

- In the same terrace as; OR
- In an immediately adjacent building to; OR

- In the same building as the household that does meet the criteria

4.3 In-fill eligibility must meet the minimum percentages set out below:

Property Type	LA declaration requirements	In-fill available
Property consisting of a pair of semi-detached houses or bungalows, or a building containing no more than 2 domestic premises	At least one of the two properties must be declared by the Council as FP / LIVC i.e. 50% of the properties must be FP / LIVC	The other properties 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 detached properties) or in the same terrace	At least two in three properties on the list must be declared by the Council as FP / LIVC i.e. at least 66% of the properties are FP / LIVC and if BEIS proposals on solid wall infill through flexible eligibility for ECO3 are adopted after September 2018, then 50% of properties must be declared by the Council as fuel poor after September 30 th 2018.	The other (i.e. up to one third) of 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 / LIVC or up to 50% after September 30 th 2018, if BEIS proposals on solid wall infill through flexible eligibility are adopted after September 2018.

5. Acting on behalf of another local authority

This is not relevant as the application applies only to residents of Aberdeenshire's Council's local authority area.

6. Declaration

6.1 In order to access Flexible Eligibility funding, Aberdeenshire Council is required to submit a Local Authority Declaration to the framework contractor, Everwarm, for submission to the ECO3 supplier. The final decision on whether a household receives ECO3 measures is made by the energy suppliers and therefore inclusion in a Declaration will not guarantee installation of measures.

6.2 The final decision will depend on the following factors:

1. The survey carried out on the property and the installation costs calculated;
2. The energy savings that can be achieved for a property;
3. Whether or not there is adequate ECO3 funding available to support installation of the energy efficiency measures; and

4. Whether or not ECO3 obligated parties have achieved their targets and require further measures to meet their ECO3 targets.

7. Governance

- 7.1 Aberdeenshire's framework contractor, Everwarm, will be responsible for collecting household data on behalf of Aberdeenshire Council to determine that the householder meets the Flexible Eligibility Criteria. This data will be collected through the completion of a Technical Survey and Household information form which will be used to determine that the householder meets the Flexible Eligibility criteria. This information on this form will be self-certified by the householder.
- 7.2 Existing data sharing agreements are already in place between Aberdeenshire Council, the framework contractor, Everwarm and delivery partner, SCARF.
- 7.3 Everwarm will complete an LA Declaration for each household that they have determined eligible for Flexible Eligibility. The declaration clearly states whether the householder meets the Flexible Eligibility criteria through:
 - (a) living in fuel poverty (FP); or
 - (b) living on a low income and vulnerable to the effects of a cold home (LIVC)
- 7.4 For Solid Wall 'in-fill' a LA Declaration for in-fill will be completed which will include details of why the home meets the eligibility criteria for in-fill.
- 7.5 The completed Technical Survey and Household information form and LA declaration form will be passed to SCARF for collation, monitoring and incorporating in to the referral process.
- 7.6 The LA Declaration and accompanying survey form will then be presented for approval to Aberdeenshire Council, Kathleen Allan, Fuel Poverty Officer.
- 7.7 Once the LA Declaration has been approved, householder details will be securely transferred to the framework contractor, Everwarm, for retention and submission of the relevant information to the energy supplier.

8. Referrals

- 8.1 Aberdeenshire Council works in partnership with SCARF, which manages the North East Scotland HES advice service, to deliver the HEEPS:ABS programme and to provide energy efficiency advice, support and information to the residents (of all tenures) across Aberdeenshire. Aberdeenshire Council will endeavour to maximise the number of energy efficiency measures, including those funded through flexible eligibility, by ensuring eligible household details are captured and entered in to a referral process. Households meeting the criteria for flexible eligibility will be referred through Aberdeenshire Council's framework contractor, Everwarm, delivery partner, SCARF, HES, Council frontline staff including, Care and Repair Services and trusted third party agencies.

9 Evidence, Monitoring and Reporting

- 9.1 Aberdeenshire Council will retain a copy of each declaration and household survey form for a minimum of 3 years.
- 9.2 Aberdeenshire Council will ensure compliance with the Data Protection Act 1998 ('DPA') for any personal information they pass on to the framework contractor, Everwarm or their delivery partner, SCARF, by obtaining consent from the householder prior to this information being shared.
- 9.3 Aberdeenshire Council will submit an annual report to assist BEIS to determine outcomes and evaluate the success of LA flex. The report will include details such as the number of households included in the declaration; number of households receiving LA flex measures (including breakdown by FP, LINC & infill); eligibility criteria applied; referral processes; relationship with contractor and delivery partner; impact of the scheme; what worked and what didn't.

10 Signature

Signed:

Print Name: STEPHEN ARCHER

Position: DIRECTOR OF INFRASTRUCTURE SERVICES

Date: