Flexible Eligibility – ECO3

ECO3 - Statement of Intent V2a

Local Authority: Dundee City Council

Date of Publication: December, 2021

1. **INTRODUCTION**  
   1. Fuel Poverty can cause vulnerable and low-income households to live in cold, unhealthy homes that are expensive to keep warm and can push them into debt. Dundee City Council welcomes the local authority Flexible Eligibility powers for Energy Company Obligation (ECO) grant funding as a means of helping address this issue. These powers will allow Dundee City Council to provide affordable warmth assistance to fuel poor and low-income households in the private sector that are vulnerable to the effects of the cold. Further details about Flexible Eligibility are set out in the BEIS publication, ‘Energy Company Obligation – ECO3, 2018 – 2022 Flexible Eligibility Guidance, February, 2019.
   2. ECO3 which was introduced in Autumn 2018 will run until March 2022. Under this version of ECO, energy suppliers will be able to achieve up to 25% of their overall obligation (now entirely based on affordable warmth) by installing energy saving measures in households declared eligible by Local Authorities. This mechanism, also known as Flexible Eligibility or ECO Flex, allows Local Authorities to make declarations determining that certain households which may otherwise fall outside the general ECO scheme criteria can still qualify for a measure under ECO.
   3. In the Dundee City Council area, according to the most recent Scottish House Condition Survey (SHCS) figures released at the beginning of 2021 (covering period 2017 – 2019), 31% of households are estimated to be in fuel poverty. This equates to 23,000 homes: a figure that will only increase as fuel prices rise. The Council is keen to provide support to vulnerable residents by improving the energy-efficiency of their homes.
   4. The SHCS further shows the following:  
        
      **Property age:** 38% of households in pre-1945 housing are in fuel poverty compared to 28% of those in properties built after 1945.  
        
      **Built form:** Residents of flats are more likely to experience fuel poverty as those in houses (40% compared to 23%).  
        
      **Property size:** 32% of households in 1 or 2 bedrooms are in Fuel Poverty compared to 30% with 3 or more bedrooms.  
        
      **Tenure:** 21% of owner-occupiers are estimated to be in Fuel Poverty compared to 41% in the social rented sector and 42% in the private-rented sector.  
        
      **Household age:** 26% of pensioners 24% of families and 38% of adult only households are in fuel poverty.
   5. ECO Flexible eligibility will contribute towards the aims of the Council’s Local Housing Strategy (2019-2024) which commits to ensuring people in Dundee live in well maintained, energy efficient homes. It will help to:

Increase the number of energy efficient, safe, healthy and affordable homes.

Reduce carbon emissions from the domestic sector.

Help to strengthen the local economy.

This Statement of Intent outlines Dundee City Council’s approach to maximising ECO Flex funding across the city for fuel poor, vulnerable, low income private households in harder to heat properties such as those with little or no insulation.  
  
NB This SoI sits alongside and is additional to the one published in February (V2), 2019 which describes an ECO Flex scheme for private householders in ex-Council blocks that are being externally insulated together with Council-owned properties in their areas, so-called HEEPS:ABS projects.

1. **Flexible Eligibility**  
   1. ECO Flexible Eligibility funding is available for private sector properties, including owner occupiers and private tenants, in line with BEIS guidance.
   2. Dundee City Council will utilise Flexible Eligibility, also called ECO Flex, to assist private residents in parts of Dundee that are not included in current or future HEEPS: ABS insulation programmes.
   3. The criteria for determining the eligibility of private residents for this ECO Flex scheme are low income combined with likelihood of fuel poverty and/or having a condition that IS exacerbated by living in a cold home.
   4. Dundee City Council will work with its partner, SCARF, to deliver the ECO Flex programme. SCARF or one of its appointed contractors will collect household data from private householders to determine their eligibility for ECO Flex. Declarations confirming eligibility will be signed off by the Council and returned to SCARF for installation work to be arranged. Declarations submitted to the Council by contractors other than those engaged by SCARF will be returned unsigned. This is in order to maintain a high quality of installation by contractors who have been pre-screened by SCARF.
   5. The collection of household data will be done as part of the preliminary screening process carried out by SCARF in their role of delivering HES. They identify residents who qualify for the national Warmer Homes Scotland scheme which is means-tested, dependent for qualification on receipt of named welfare benefits. Individuals that SCARF identify as not qualifying for Warmer Homes Scotland but are on low-income and in need of energy efficiency upgrades will have their details forwarded to the Council and a declaration signed confirming their eligibility for ECO Flex funding. Checks will be carried out to ensure that the householder is happy for their data to be shared in this way.
2. **Criteria for identifying eligibility  
     
   Qualification under ECO Flex will be determined by one of two means –-**  
     
   **EITHER**  
     
   **on basis of fuel poverty (combination of income and property characteristics)  
     
   OR  
     
   on basis of vulnerability to cold (combination of income and vulnerability to cold)**  
   1. **Criteria for Identifying Fuel Poverty**  
      1. Fuel poor eligible households will be identified as those whose income falls below £23,000 gross. As the aim of this scheme is to assist those who fall just outwith qualification for the Warmer Homes Scotland scheme, this figure has been much debated and is perhaps on the conservative side. However, it has been chosen on the basis of starting off with small numbers of qualifiers to test its efficacy with the intention being to revise it upwards at a later date within a revised SoI.  
           
         AND  
           
         Has one or more elements of its external envelope which is uninsulated or inadequately insulated.
      2. Exceptional cases not meeting the above criteria will be considered on a case by case basis.
      3. Note: Eligibility does not guarantee funding.
   2. **Criteria for Identifying Low Income and Vulnerability to the Cold**  
      1. Low income and vulnerable households will be identified as those whose income falls below £23,000 gross.

AND  
  
Have one or more members:  
  
– With a limiting long term or terminal illness  
– With a mental illness  
– With a respiratory condition  
– With a disability  
– Who are 75 years or over  
– Who are pregnant and/or have dependent children of 5 years or younger

* + 1. Exceptional cases not meeting the above criteria will be considered on a case by case basis.
    2. Note: Eligibility does not guarantee funding.

1. **Declaration**
   1. In order to access Flexible Eligibility funding, Dundee City Council is required to submit via SCARF and their contractor(s) a Local Authority Declaration to the ECO supplier. The final decision on whether a household receives ECO measures is made by the energy suppliers and therefore inclusion in a Declaration will not guarantee installation of measures.
   2. The final decision will depend on:

The survey carried out on the property and the installation costs calculated.

The energy savings that can be achieved for a property.

There is adequate funding to support ECO funding for the installation of the energy efficiency measures.

Whether ECO obligated parties have achieved their targets to require further measures to meet their ECO targets.

1. **Governance**  
   1. SCARF will be responsible for collecting household data on behalf of Dundee City Council to determine that the householder meets the Flexible Eligibility Criteria.  
        
      This data will be collected by SCARF or their appointed contractor by householders who declare an interest in having funded energy efficiency measures carried out at their homes. Where the householder is the tenant of a private landlord, they will require their landlord’s signed permission before any work can proceed. Dundee City Council will complete an LA Declaration for all households that are determined eligible for Flexible Eligibility. The declaration will clearly state whether householders meet the Flexible Eligibility criteria through:

Living in fuel poverty (FP).

Living on a low income and vulnerable to the effects of a cold home (LIVC).

* 1. Files will be created which will contain information about households receiving ECO funding under Flexible Eligibility. This information will be available to the project partners – Dundee City Council, SCARF and their appointed contractors.
  2. The LA Declaration and accompanying forms will then be provided to the installing contractor in order for onward transmission to Ofgem.

1. **Statement of Intent authorisation**

tHIS STATEMENT IS SIGNED BY EXECUTIVE DIRECTOR, NEIGHBOURHOOD SERVICES, DUNDEE CITY cOUNCIL

Elaine Zwirlein's signature file

ELAINE ZWIRLEIN

Date: 14th December 2021