



REPORT of DIRECTOR OF SERVICE DELIVERY

**to
COMMUNITY SERVICES COMMITTEE
9th July 2019**

ECOFLEX HOME ENERGY SCHEME

1. PURPOSE OF THE REPORT

- 1.1 To provide an overview of the updated Ecoflex “Help to Heat” scheme; to seek Member approval of an updated statement of intent for the Maldon District and the ability to work with a third party delivery partner.

2. RECOMMENDATIONS

- (i) That details of the scheme and the potential benefits to those in fuel poverty in the District are noted;
- (ii) That the proposed statement of intent is agreed;
- (iii) That a third party is engaged as a business partner to deliver the scheme.

3. SUMMARY OF KEY ISSUES

- 3.1 In January 2013, as part of a raft of measures supporting the Green Deal, the Government introduced the “Energy Companies Obligation” (ECO), with an aim to reduce the UK’s energy consumption, lower energy bills and support people living in fuel poverty. The scheme places an obligation on energy suppliers to fund a quota of home energy efficiency improvements each year.
- 3.2 Following a period of consultation the ECO scheme was updated in 2017 providing energy efficiency funding for the most vulnerable households. That scheme ran from April 2017 to 30 September 2018.
- 3.3 In April 2017 new Government guidance was issued, recognising the important role local authorities have in relation to fuel poverty and setting out opportunities for engagement with energy suppliers to help meet their obligations. The Guidance introduced a new flexible approach through which local authorities could refer households to suppliers. The “Help to Heat” scheme included a “Flexible Eligibility” component which allowed local authorities to set their own criteria in targeting fuel poverty in their areas. This new component sat alongside the main ECO scheme and was able to support those who had hitherto fallen outside of the previous stringent criteria.

- 3.4 Local authorities who wished to participate in flexible eligibility were required to publish a Statement of Intent (SoI), defining the criteria they intend to use to identify households that might benefit from the scheme. Maldon District Council (MDC) did so and this commenced in January 2018. A copy of that SoI is set out in **APPENDIX A**.
- 3.5 In March 2018 a further period of Government consultation was held and the ECO scheme was updated to commence from October 2018. The main impact for Local Authorities of the updated scheme was that the Flexible Eligibility element of the ECO scheme was increased from a maximum of 10% of ECO installations undertaken by energy providers to a maximum of 25%. This means that more properties and therefore more residents are capable of assistance through the scheme.
- 3.6 Whilst the new scheme came in to force officially on 3rd December 2018 new Government guidance was not issued until February (2019) setting out arrangements for the new scheme, including SoIs. The guidance states that new ECO Flex works can only be approved under the ECO3 scheme once an SoI has been published. For this reason, because of the departure of a signatory to the previous SoI, in order to reflect the latest guidance published by BEIS, and to align the SoI with the new Officer structure of the Authority, it is both necessary and appropriate to publish a new SoI at this time. A copy of the proposed new SoI is provided at **APPENDIX B** and Energy Company Obligation: ECO3, 2018-22 Flexible Eligibility Guidance at **APPENDIX C**.
- 3.7 As required by the guidance the proposed Statement of Intent includes:
- The criteria for identifying those properties in private tenure and households in fuel poverty including low income, poor energy performance, inefficient heating types and resultant high energy bills.
 - The criteria for identifying low income households with vulnerability to cold, including those over 65 or with children under 5, those with cardiovascular disease and / or one of the numerous health issues potentially caused or aggravated by cold homes.
 - Details of scheme requirement for Solid Wall Insulation “in-fill” projects and whether it is intended to facilitate solid wall insulation, including households that are not in fuel poverty or vulnerable.
- 3.8 To be clear, as previously, MDC does not have to contribute any funding towards delivery of these schemes. The finance comes from the energy companies (hence the “Energy Company Obligation” (ECO)). Our role in the “Flexible Eligibility” element of the scheme is to act as an arbiter for those applicants who may fall outside of the standard ECO criteria but who are still on a low income AND either in a hard to heat property (i.e. fuel poverty) or vulnerable to cold. These people may be on low incomes, but not necessarily in receipt of benefits and it is persons in those situations that the flexible element seeks to assist.
- 3.9 The Council does not have a dedicated resource for promoting and delivering energy efficiency opportunities and has previously worked with an accredited Green Deal Provider.

4. CONCLUSION

- 4.1 The flexible eligibility element of the Energy Company Obligation allows local authorities to tailor funding opportunities for energy efficiency measures to meet the needs of our most vulnerable households. Many of these will not have benefitted from earlier ECO offers due to the 10% capping of the flexible eligibility funding rules. The proposed Statement of Intent appended to this report provides a clear mechanism for identifying the most vulnerable residents, making an important contribution to their health and wellbeing, and ensuring that we can take advantage of the latest scheme. Working with a Green Deal Provider will provide access to a broad funding pool and enable delivery of much needed energy efficiency measures with only minimal input from Council officers.

5. IMPACT ON STRATEGIC THEMES

- 5.1 Helping to deliver affordable warmth schemes to those most in need contributes to the corporate strategic theme of “working with communities and partners to support our health and wellbeing priorities”, specifically older people’s health.

6. IMPLICATIONS

- (iv) **Impact on Customers** – The proposed scheme will deliver more affordable warmth and greater disposable income with accompanying benefits to health and wellbeing.
- (v) **Impact on Equalities** – Access to the scheme’s funding pot has broadened in this new round of ECO funding and is now available to more people through flexible eligibility.
- (vi) **Impact on Risk** – Based upon the limited uptake of the previous scheme it is unlikely that there will be insufficient funds from energy companies to complete the project. However, the provider will monitor demand and manage customer expectations and the SoI makes it clear that acceptance under EcoFlex is not a guarantee of works. This is well documented in the promotional detail and the importance of managing expectations is understood.
- (vii) **Impact on Resources (financial)** – None, the scheme is fully funded with no contribution required from Maldon District Council.
- (viii) **Impact on Resources (human)** – None, the installer has agreed to fund any mail out as part of the promotion of the scheme as well as handle all enquiries and contact with the customer. Any calls that do reach the Council can be dealt with using existing resources.
- (ix) **Impact on the Environment** – The scheme provides a positive environmental impact on the environment by reducing energy consumption and reducing CO₂ emissions.

Background Papers: None

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