City of Bradford Metropolitan District Council

STATEMENT OF INTENT

Energy Company Obligation (ECO) Help to Heat Flexible Eligibility

June 2019
1) **Introduction**

The new Energy Company Obligation Regulations 2018–2022 (ECO3) allow local authorities to set their own criteria for eligibility for funding for domestic energy efficiency measures. Energy companies can spend up to a maximum of 25% of their full obligation within this local authority defined criteria. This funding is aimed at supporting those within a local authority area who are most likely to be at risk of fuel poverty. The City of Bradford Metropolitan District Council welcomes this initiative.

The Leeds City Region (LCR) intends to adopt a city region wide approach to implementing the forthcoming Flexible Eligibility policy initiative within the 2018/22 Energy Company Obligation (ECO) regulations, through the Better Homes Yorkshire programme. The City of Bradford Metropolitan District Council Statement of Intent fits within this regional framework. It is intended that the focus will be on funding those most vulnerable and use available funding to increase the uptake of energy efficiency improvements to support the following Council policies:

1. Bradford Council Plan 2016-2020 (the relevant priorities are ‘Decent homes that people can afford to live in’ and ‘Better health, better lives’)

In addition Priority 3 of the Leeds City Region Strategic Economic Plan (Clean Energy and Environmental Resilience) sets out a long term ambition to become a resilient zero carbon energy economy underpinned by high quality infrastructure. Priority 3 particularly emphasises the ambition to:

- Deliver improvements that make homes across the Leeds City Region warmer and reduce fuel poverty
- Develop partnership and funding models with the health sector to deliver collaborative interventions that reduce extreme cold and damp and improve health

The policy approach is based on the following principles: eligibility criteria are to be as streamlined, and simple, as possible; a focus on attracting ECO funding to support Local Growth Fund schemes; early engagement with energy suppliers and; early engagement with local Members and partners.

Eligibility will be via two routes: (1) Geographical areas based on deprived communities; and (2) Eligibility for funding due to individual circumstances (based on criteria developed and refined already for the Central Heating Fund programme delivered in 2016).

This approach has been taken to maximise the potential for funding from the national Energy Company Obligation scheme. However fitting the criteria within this Statement of Intent does not guarantee that any individual household will benefit from energy saving improvements, as the final decision on funding will rest with energy suppliers and will depend on:

1. The survey carried out and installation costs calculated
2. The energy savings that can be achieved for a property
3. Whether suppliers have achieved their targets or require further measures to meet their ECO targets

The Better Homes Yorkshire programme was procured at the end of December 2014, and was launched in March 2015, to respond to the challenge of cold homes and fuel poverty. WYCA, and all 10 Leeds City Region Local Authorities, contracted with Engie Regeneration Limited to deliver domestic energy efficiency measures, secure ECO and Green Deal funding (and their successors). The Better Homes Yorkshire programme is intended to be in place until 2022.

All Flexible Eligibility ECO in the Bradford District will be delivered by Better Homes Yorkshire, except:

- Qualifying ‘off gas’ households will be able to access the Bradford Flexible Eligibility scheme in order to receive a voucher from the Northern Gas Networks Fuel Poor Network Extension Scheme to enable them to be connected to the gas network
- The LEAP framework will also be able to access the Bradford Flexible Eligibility scheme so that they can act on referrals from Groundwork UK to the ECHO scheme, which provides fully funded emergency boiler repairs or replacements to vulnerable households without heating
- Flexible Eligibility ECO can be made available to contractors delivering ECO funded measures that are not currently being delivered by the Better Homes framework – this will only be available to households that meet the ‘Low Income High Cost’ (Route 2 – individual circumstances) qualification criteria below

Delivery of Flexible Eligibility ECO in the Bradford District will be focussed at target areas where there is likely to be a high incidence of fuel poverty.

2) How the LA intends to identify eligible households

Households are considered eligible for flexible eligibility ECO if they are at risk of living in fuel poverty (FP) or a low income household, with at least one household member vulnerable to the effects of living in a cold home (LIVC).

2a) Fuel Poverty

Households will be considered at risk of fuel poverty if they are determined to be a low income household, living in a high cost home in relation to energy use. There are two routes to qualifying for flexible eligibility in the Bradford district.

Route 1 – area based

Households located within Lower Super Output Areas with an Index of Multiple Deprivation score of less than 15% and within an neighbourhood defined by the Local Authority as a priority area where there is likely to be a high incidence of fuel poverty.

Route 2 – individual circumstances (Low Income High Cost test)

Households will be considered at risk of fuel poverty if they are determined to be a
Low Income household, living in a High Cost home in relation to energy use. Households need to meet Stage 1 (Low Income) criteria and one of the Stage 2 (High Cost) criteria, based on March 2015 Government Fuel Poverty Strategy.

<table>
<thead>
<tr>
<th>Stage 1 (Low Income)</th>
<th>Criteria</th>
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<tbody>
<tr>
<td>Low Income</td>
<td>Gross household income of &lt; £21,000</td>
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<th>Stage 2 (High Cost)</th>
<th>Criteria</th>
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<tr>
<td>a) High Cost</td>
<td>Property with an Energy Performance Certificate (EPC) rating of E, F or G</td>
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<tr>
<td>b) High Cost</td>
<td>Property EPC rating of D; and 1 characteristic of Fuel Poverty*</td>
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</tbody>
</table>
| c) High Cost and Health Condition made worse by cold | Property EPC rating of D; and  
- Health condition made worse by cold:  
  a) people with cardiovascular conditions  
  b) people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)  
  c) people with mental health conditions, and  
  d) people with disabilities (made worse by cold)  
  e) people who are terminally ill  
  f) people with suppressed immune systems (e.g. from cancer treatment or HIV) |

*Characteristics of Fuel Poverty (Based on the Government Fuel Poverty Strategy March 2015) | Criteria |
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<td>Mainly families</td>
<td>Child under 16 resident in the household</td>
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<tr>
<td>Vulnerable elderly</td>
<td>Over age 70</td>
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<tr>
<td>Living in a ‘hard to treat’ home</td>
<td>Property has solid walls, non-standard cavity walls, system built walls, is off the gas network, or has no loft</td>
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2b) Low Income and Vulnerability to Cold
Households will be considered a low Income household, and vulnerable to the effects of living in a cold home, if they meet Stage 1 (Low Income) criteria and someone in the household meets one of the Stage 2 (High Cost) criteria. These are based on NICE guideline NG6 on “Excess winter deaths and illness and the health risks associated with cold homes” with additional criteria including terminally illness and suppressed immune systems.

3) Governance
The West Yorkshire Combined Authority approved the joint city region wide ECO Flexible Eligibility approach by LCR local authorities on the 6th of April 2017. The West Yorkshire Combined Authority consists of councillors from the West Yorkshire Authorities, City of York Council and a representative of the Leeds City Region Local
Enterprise Partnership. The Bradford Metropolitan District Council Statement of Intent has been approved by the Strategic Director of Corporate Services. Local authority declarations in the Bradford district will be valid if signed by officers within the Bradford Council Energy Team or the Manager of the Built Environment Service.

4) Referrals

The scheme will receive referrals from front line staff within the health and social care sectors, the Bradford Council Private Sector Housing Service and trusted partner agencies via the Better Homes Yorkshire framework and the Bradford Healthy Heat Programme.

5) Evidence, monitoring and reporting

Data will be reported on a project basis.

Declarations that form part of the Tackling Fuel Poverty Programme are subject to monthly and quarterly monitoring to track progress against forecast delivery and achieving outputs. Monitoring reports are regularly completed by the district Project Manager and sent to the WYCA Tackling Fuel Poverty Programme Manager. A monitoring report for the Programme is completed by the Programme Manager and submitted to the WYCA Growth Deal monitoring team. The Growth Deal monitoring team meet regularly with colleagues at the Department for Business, Energy and Industrial Strategy (BEIS) to discuss progress, risks and issues.

The WYCA Programme Manager also reports regularly to the Better Homes Yorkshire Programme Board, which is made up of senior representatives from each participating local authority and chaired by Bradford Council.

6) Signature

Ben Middleton
Assistant Director Estates & Property
City of Bradford Metropolitan District Council
Dated: 07 June 2019