

## **STATEMENT OF INTENT**

### **STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL (SMDC) , FLEXIBLE ELIGIBILITY CRITERIA FOR THE ECO**

**VERSION TWO:** 25/01/2019 [HTTPS://WWW.STAFFSMOORLANDS.GOV.UK/](https://www.staffsmoorlands.gov.uk/)

This statement sets out the district council's flexible eligibility criteria for (ECO):

#### **1. Introduction**

##### **1.1 Fuel Poverty in Staffordshire Moorlands**

Fuel poverty is calculated taking into consideration both income and costs.

Households are in fuel poverty if they have both:

- Higher than average required fuel costs; and
- If spending this amount on fuel would push residual income below the official poverty line.

This is known as the 'Low Income High Costs' indicator (LIHC). There is an emphasis on heating costs, but the cost of hot water, lights, appliances and cooking are also included. Heating and hot water represent 80% of the cost of energy for most domestic households. The new way of estimating fuel poverty reflects both the extent (how many households are in fuel poverty) and depth of the problem (also known as the 'fuel poverty gap') which is defined as the difference between modelled fuel bills and a reasonable cost threshold for each household.

Under the Low Income High Cost fuel poverty indicator, the number of households living in fuel poverty in the district is currently 12.9%. This means that 5506 households out of a total of 45,552 are living in fuel poverty. Across England 11% or 2.5 million households live in fuel poverty.<sup>1</sup>

The district council is aware that fuel poverty, and poor health related to a cold home does not only effect those on a means tested benefit. Those on a low income, or those who have to use more heating due to being at home through illness, can also be at risk, and would not normally be supported by ECO.

In publishing the statement of intent, the council wishes to support a wider cohort of residents, for whom the availability to access ECO funding, will ensure that they can afford to live, in warm, energy efficient homes, which are not detrimental to their health.

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<sup>1</sup> <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2017>

## **1.2 What is the Energy Company Obligation (ECO) scheme?**

The Energy Company Obligation (ECO) is a government energy efficiency scheme in Great Britain to help reduce carbon emissions and tackle fuel poverty.

The Affordable Warmth (AW) element of the Government's ECO programme also described as Home Heating Cost Reduction Obligation (HHCRO) delivers heating measures to low income and vulnerable households in receipt of certain benefits.

## **1.3 What are the qualifying Criteria for the ECO Affordable Warmth Programme?**

In order to qualify for assistance under the Government's ECO programme residents must own (with or without a mortgage) their home or rent from a private landlord. Households must also be in receipt of benefits or a combination of benefits. Householders not in receipt of the prescribed benefits should be assessed under flexible eligibility.

## **1.4 What is Flexible Eligibility?**

Energy suppliers will be able to achieve a percentage of their Affordable Warmth target in households falling outside of the eligibility criteria described in section 1.3 above who are defined as eligible by local authorities through their Statement of Intent.

There are two main categories of private tenure targeted by the scheme:

- People living in fuel poverty, in particular those not in receipt of eligible benefits
- People living on a low income and vulnerable to the effects of living in a cold home

In addition, a proportion of non-fuel poor homes (in-fill) will be allowed for Solid Wall Insulation projects, if:

- 66% of blocks of flats, terraces, adjacent properties in the overall scheme are fuel poor/low income and vulnerable to cold or:
- 50% of semi-detached houses or bungalows and two premises' buildings in the overall scheme are fuel poor or low income and vulnerable to cold.

## 2. Flexible Eligibility Criteria.

To meet the eligibility threshold for flexible eligibility, a household must:

- Have a household income lower than those in table 1 below, and savings lower than the savings threshold noted below. There must also be the need for an eligible measure to be installed.

**OR**

- Have an illness as detailed in section 2.2 below, and Have a household income lower than those in table 2 below, and saving lower than the savings threshold. There must also be the need for an eligible measure to be installed

### 2.1 Criteria for identifying households in Fuel Poverty - Low Income

The question of how much money is the minimum needed to just exist varies considerably as it depends on the size of the household, where someone lives, in what type of accommodation and on the individual's basic needs. Therefore, the only reasonably reliable indicator of poverty that is generally accepted is that of relative poverty.

**Table 1**

<b>Household composition</b>	<b>Annual household income after housing costs* without poor health</b>
<b>1 adult (18 years and over)</b>	£13,350
and 1 child	£15,350
and 2 children	£17,350
and three children	£19,350
and four or more children	£21,350
<b>2 adults (18 years and over)</b>	£17,800
and 1 child	£19,800
and 2 children	£21,800
and three children	£23,800
and four or more children	£25,800

\*Housing Costs which is mortgage payments or rent will be deducted from the Gross Household Income.

If household savings are £8000 or more (single person household) or £12,000 or more (multiple person household) applicants will not be eligible for support under the flexible eligibility criteria.

## **2.2 Criteria for Identifying Households on low income with additional vulnerability to the cold**

The NICE guideline<sup>2</sup> 'Excess winter deaths and illness and the health risks associated with cold homes' states that: a wide range of people are vulnerable to the cold. This is either because of a medical condition, such as heart disease; a disability that, for instance, stops people moving around to keep warm, or makes them more likely to develop chest infections; or personal circumstances, such as being unable to afford to keep warm enough.

The guideline identifies people with the following health conditions as being particularly vulnerable to cold:

- people with cardiovascular conditions
- people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)
- people with mental health conditions
- people with disabilities

Further groups of people who are vulnerable to the health problems associated with a cold home are also identified in the NICE Quality Standard on 'Preventing excess winter deaths and illness associated with cold homes.' These include:

- people who move in and out of homelessness
- people with addictions
- people who have attended hospital due to a fall
- recent immigrants, asylum seekers and refugees (if living in private tenure)

There are other groups of people who spend most of their time at home because of their health conditions. These include people who are terminally ill and people with suppressed immune systems (for example from cancer treatment or HIV).

Staffordshire Moorlands District Council is aware of the additional strain placed on the local health economy of cold related ill health, and wishes to undertake a pragmatic approach to supporting those whose health is at risk from a cold home. Therefore it will permit a 25% higher income threshold for those identified by NICE, as at risk groups.

### **Vulnerable to Cold Flexible Eligibility Criteria**

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<sup>2</sup> Excess winter deaths and illness and the health risks associated with cold homes  
NICE guideline [NG6] Published date: March 2015  
<https://www.nice.org.uk/guidance/ng6/chapter/What-is-this-guideline-about>

**Table 2**

<b>Household composition</b>	<b>Annual household income after housing costs* with poor health</b>
<b>1 adult (18 years and over)</b>	£16,688.
and 1 child	£19,188
and 2 children	£21,688
and three children	£24,188
and four or more children	£26,688
<b>2 adults (18 years and over)</b>	£22,250
and 1 child	£24,750
and 2 children	£27,250
and three children	£29,750
and four or more children	£32,250

If household savings are £8000 or more (single person household) or £12,000 or more (multiple person household) applicants will not be eligible for support under the flexible eligibility criteria.

### **2.3 Exceptions**

Staffordshire Moorlands District Council will review exceptions to this criteria on a case by case basis. It will approve applicants requests, only where it can be evidenced that extreme financial hardship, or a clear immediate risk to health has been identified.

### **2.4 Criteria for defining high costs.**

High costs will be inferred, by the need for an eligible measure<sup>3</sup> to be installed as listed by OFGEM

### **2.5 Criteria for Solid Wall Insulation Projects including ‘in fill’**

The Council intends to support regeneration projects across the district where solid wall insulation is technically feasible, permitted under Planning legislation and can attract funding. The Flexible Eligibility powers also allow for homes, in these types of projects, that are not in fuel poverty or vulnerable to the cold to be funded. This means that the aesthetic benefits of external solid wall insulation and the economies of scale from working in localised areas can be realised.

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<sup>3</sup> [https://www.ofgem.gov.uk/system/files/docs/2017/05/eco2t\\_measures\\_table\\_-\\_may\\_2017\\_-\\_v5.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/05/eco2t_measures_table_-_may_2017_-_v5.pdf)

2.5.1 For each project, infill eligibility must meet the minimum percentages set out below:

Property type	LA Declaration requirements	In-fill available
Project consisting of a pair of semi-detached houses or bungalows, or a building containing no more than two domestic premises.	At least one of the two-properties must be declared by the Council as fuel poor i.e. 50% of the properties must be fuel poor.	The other property 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 fuel poor i.e. at least 66% of the properties are fuel poor.	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 fuel poor.

### 3. Acting on Behalf of another Local Authority

Staffordshire Moorlands District Council is not acting on behalf of any other council

### 4. Governance - The Roles and Responsibilities of the Local Authority

4.1 The council is required to:

- Produce and publish a Statement of Intent
- Produce, authorise and issue the declaration determining a household to be eligible
- Retain information to sufficiently evidence that a household meets the criteria outlined in the Statement of Intent for future reporting or audit
- The number of households who received measures under the flexible eligibility criteria broken down by category where possible
- Referral route
- Suppliers and installers the LA worked with
- Tools, maps or data used to identify households
- Any evaluation of the scheme
- Identification of any particular issues or barriers including issues with data sharing

### 5. Referrals

Referrals to schemes will come from a variety of sources including council departments, the health and social care sectors, the voluntary sector and other agencies. Examples of voluntary sector agencies include local charities such as Beat the Cold.

## **6. Evidence, Monitoring and Reporting**

6.1 All evidence, monitoring and reporting will be undertaken through contract management procedures which will be put in place with individual installers. These procedures will include:

- Data collection and the mechanisms for monitoring the effective targeting of relevant households
- Monitoring which households of those targeted have subsequently received a measure
- The method and frequency with which information is reported to those with governance and decision making responsibilities
- The auditing of data collection and the monitoring mechanism
- The use of controls to deter, prevent and detect fraud

## **7. Signature**

*TBC*

## **8. Key Contacts**

For comments in relation to this Statement of Intent and its development please contact *TBC*