

REPORT TO	ON
CABINET	6 th September 2017

Jan 2017



TITLE	PORTFOLIO	AUTHOR
Statement of Intent for Energy Company Obligation (ECO) Flexible Eligibility	Strategic Planning and Housing	Pradip Patel Senior Strategic Housing Officer

Is this report a KEY DECISION (i.e. more than £75,000 or impacting on more than 2 Borough wards?)	Yes
Is this report on the Cabinet Forward Plan ?	Yes
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No

1. PURPOSE OF THE REPORT

To inform Members of a scheme to assist some of the most vulnerable households in the Borough in energy efficiency and reducing energy bills.

The Cabinet are asked to approve the Council's Statement of Intent (SOI) and authorise its publication on the Council's website and BEIS (Department for Business, Energy & Industrial Strategy).

2. PORTFOLIO HOLDER RECOMMENDATIONS

- 2.1 - Agree Option Two be endorsed.
- 2.2 - Agree for South Ribble Borough Council to take part in the ECO flexible eligibility scheme;
- 2.3 - Agree the Statement of Intent for South Ribble Borough Council
- 2.4 - Authorise the Director of Development, Communities and Enterprise in consultation with the Portfolio Holder for Strategic Planning and Housing, to put all necessary steps in place to implement the Statement of Intent.

3. CORPORATE PRIORITIES

The report relates to the following corporate priorities

Clean, green and safe	x	Strong and healthy communities	x
Strong South Ribble in the heart of prosperous Lancashire		Efficient, effective and exceptional council	

4. BACKGROUND TO THE REPORT

Over the last 14 years the Council has run winter warmth schemes. These have been targeted at some of our most vulnerable residents. The schemes have had a large take up but fuel poverty remains an issue for several reasons. The ageing demographics, more people on a pension, falling household incomes and fuel price all contribute to fuel poverty levels.

The Strategic Housing Framework 2017 - 2020 has one of its three priorities “Maintaining, and where possible improving, the quality of existing homes. “ This initiative supports this priority.

5. PROPOSALS

The Energy Company Obligation (ECO) is an obligation on energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy saving measures.

As of January 2017, it has delivered energy efficiency measures to over 1.6 million households in Great Britain, of which over 900,000 are low income and vulnerable households, or households in specified areas of low income.

The report brings forward options and makes recommendations on how we will assist some of our most vulnerable people in the Borough to be more energy efficient and reduce energy bills.

The new ‘Flexible Eligibility Criteria’ sets out opportunities for local authorities to engage with energy suppliers on how suppliers meet their obligations to install energy efficiency measures in homes under the Energy Company Obligation. Local Authorities can refer households to suppliers for support, in particular households in fuel poverty or with occupants on low incomes and vulnerable to the effects of cold homes. The final decision on whether residents will receive assistance will be made by the energy suppliers. The aim is to allow this new approach to work in a straightforward way, with a main focus on two documents from Local Authorities: a Statement of Intent that they are going to identify households as eligible, and the criteria they are going to use; and a declaration that the Local Authority has been consulted on the installation of measures in a home.

There are two main categories of private tenure household that Government intends to be eligible through flexible eligibility:

(i) Fuel poor households, especially those that are not in receipt of ECO eligible benefits, and the estimated 20% of fuel poor households that are not in receipt of any benefits; and

(ii) Low income households that are vulnerable to the effects of living in a cold home

Government intends to test this new mechanism for targeting these households during the 18 month extension to ECO, with the possibility of expanding it in future if it is successful.

Statement of Intent

Local Authorities will have to publish on Statement of Intent (SOI) before they can issue declarations of eligibility under flexible eligibility. The Statement of Intent should be signed by the Chief Executive Officer, or other senior officer nominated on their behalf that is at least at Director Level.

The Statement of Intent has one mandatory section which is where the Local Authority will state how it intend to target eligible households.

Local Authority Declaration

This is a statement in writing that a household is eligible for support. Only Local Authorities can issue declarations of eligibility.

As the flexible eligibility criteria requires that Local Authorities must be consulted on the installation of a measure by suppliers the declaration can be made before or after the installation of measures.

6. IMPLICATIONS AND RECOMMENDATIONS

6.1 Procurement

No issues as no procurement is to take place

6.2 Financial

No Financial issues

7. CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

Consultation has been carried out with all 14 Lancashire authorities through the Lancashire Energy officers group.

All have or in the process of accessing funding to deliver measures to their residents through the ECO Flex funding.

8. OTHER OPTIONS CONSIDERED

3 options which have been considered –

Option 1

Join the Cosy Homes in Lancashire (CHIL) scheme and deliver as a Lancashire wide scheme using a managing agent, this has been ruled out due to concerns over how the managing agent had been procured, little or no control over funding streams for measures, any potential income received through measures installed would be to the managing agent which would finance the business

Option 2

The Council to deliver the scheme itself, this will provide greater control of the level of service provided to customers and any potential income received can then be used to install measures for customers where there are contributions required by customers to be made, customers would not be disadvantaged as the criteria proposed is the same as CHIL which is being used across Lancashire.

Option 3

The Council could opt not to publish a SOI. However, this would provide residents of the borough no funding towards any measures under ECO and no investment would be made in the borough through the Energy Company Obligation. Other residents in Lancashire will be benefit from measures which will not be available to residents of South Ribble., The 2017 national fuel poverty figures showed that the borough had a fuel poverty figure of 9.9%, this has increased from the previous figure of 7.9% therefore this option is not recommended.

9. RELEVANT DIRECTORS RECOMMENDATIONS

The recommendations are to
Agree Option Two be endorsed.
Agree for South Ribble Borough Council to take part in the ECO flexible eligibility scheme;
Agree the Statement of Intent for South Ribble Borough Council
Authorise the Director of Development, Communities and Enterprise in consultation with the Portfolio Holder for Strategic Planning and Housing, to put all necessary steps in place to implement the Statement of Intent.

10. IMPLICATIONS OF RECOMMENDATIONS

Financial implications	x	People and Cultural implications	x
ICT implications	x	Property and Asset Management Implications	

Financial implications

There is no financial implications for the Council.

ICT implications

There would be implications for ICT as the existing Firmstep system would be utilised.

People and Cultural Implications

This scheme will provide support to some of the most vulnerable households in the borough which will help reduce their fuel bills and make their homes warmer.

11. RISK MANAGEMENT

The risk would be that the borough will not be able to attract any ECO Flex funding from any source to help households in fuel poverty with the Statement of Intent (SOI) being published.

12. EQUALITY AND DIVERSITY IMPACT

This would have direct and significant contribution to all households in fuel poverty in the borough and will help towards improving health and wellbeing across all communities.

13. COMMENTS OF THE STATUTORY FINANCE OFFICER

There are no budgetary implications arising from accepting the recommendations above as the scheme can be delivered in-house within existing staffing resources.

14. COMMENTS OF THE MONITORING OFFICER

The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 inserted Article 16A to the 2014 Order. This has meant that energy suppliers can install energy saving measures as part of their ECO targets, where a local authority has published a SOI and has been consulted on the installation of a heating qualifying action at the premises; and on or publication of its SOI, the local authority has made a statement in writing that, in the opinion of the local authority the premises are occupied by a household living on a low income and vulnerable to the effects of living in a cold home or that; the premises are occupied by a household living in fuel poverty;

The Council does not have a statutory duty to operate an ECO flexible eligibility scheme. However, the council may choose to use its discretionary power in doing so and if it chooses to use this power, then it must publish a SOI. Once a SOI is published, this provides the eligibility criteria that the council will use, which completes the compulsory requirements to allow it to issue a written declaration to energy suppliers that a household would benefit from an energy saving measure.

As the declaration will be shared with energy suppliers consent of the household must be obtained before any personal information is shared in accordance with the Data Protection Act 1998.

15. BACKGROUND DOCUMENTS (or there are no background papers to this report)

Appendix A - Energy Company Obligation Flexibility Eligibility - Guidance (attached)

Appendix B - South Ribble Borough Council's Statement of Intent (attached)

Appendix C - Lancashire Statement of Intent (attached)

Appendix D - South Ribble Borough Council Declaration (attached)

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