



Department for
Business, Energy
& Industrial Strategy

ENERGY COMPANY OBLIGATION - FLEXIBLE ELIGIBILITY

Guidance for local authorities on engaging with energy suppliers to identify households that would benefit from energy efficiency improvements



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1. Introduction

- 1.1. This guidance note sets out opportunities for local authorities (hereinafter “LAs”) to engage with energy suppliers on how suppliers meet their obligations to install energy efficiency measures in homes under the Energy Company Obligation. It is intended to introduce a new flexible approach through which LAs 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 aim is to allow this new approach to work in a straightforward way, with a main focus on two documents from LAs: a Statement of Intent from an LA (or group of LAs) that they are going to identify households as eligible, and the criteria they are going to use; and a declaration that the LA has been consulted on the installation of measures in a home.
- 1.2. 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.
- 1.3. The Government’s Spending Review 2015 announced plans for a supplier obligation to run for five years from April 2017 at an estimated level of £640m per year, rising with inflation.
- 1.4. With the ECO 2 Amendment Order (“ECO Order”)¹, the ECO scheme was extended to run until 30 September 2018² and the Government expects to consult on the future of the scheme post-October 2018 later in 2017. The scheme will be the primary vehicle through which the Government meets its manifesto commitment to insulate a million more homes over this Parliament, supporting its commitment to tackle fuel poverty.
- 1.5. Under the ECO scheme extension, energy suppliers will be able to achieve up to 10% of their Affordable Warmth³ obligation for the extension period (estimated to have a value of nearly £70m over the 18 months of the scheme) by installing energy saving measures in households declared eligible by LAs. This new mechanism, also known as “flexible eligibility”, allows LAs to make declarations determining that certain households meet the eligibility criteria for a measure under the Affordable Warmth element of ECO. The eligibility requirements under

¹ Any further references to the ECO Order are references to the ECO2 Amendment Order, available at: <http://www.legislation.gov.uk/uksi/2017/490/made>

² See the Government response to the consultation on ECO: Help to Heat scheme - from April 2017 to September 2018: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586260/ECO_Help_to_Heat_Government_response_FINAL_26_Jan_17.pdf

³ Affordable Warmth is also known as the Home Heating Cost Reduction Obligation (HHCRO).

Affordable Warmth are illustrated in Annex 1. Flexible eligibility is optional, and neither energy suppliers nor LAs are mandated to participate.

- 1.6. 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
- 1.7. 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. Government will review the criteria that LAs will be using for identifying eligible households and the extent to which the criteria set out in this document have been followed by LAs. Please do study this guidance carefully and if you have queries relating to it then they can be raised with the ECO Team in BEIS at: beisecoteam@beis.gov.uk.
- 1.8. This guidance is aimed at supporting LAs who wish to participate in the scheme.

2. Key requirements

- 2.1. The key requirements on flexible eligibility are set out in the ECO Order (Art. 16(A)). The table below summarises the key requirements for LAs under flexible eligibility.
- 2.2. To aid LAs in the use of flexible eligibility, Government has developed a ‘process map’ providing an overview of the key steps involved in the new flexible eligibility policy (see Annex 2).
- 2.3. Ofgem, the administrator of the ECO scheme, has published separate [guidance](#)⁴ for energy suppliers on the evidence they will need to provide when notifying flexible eligibility measures.

	Flexible eligibility - key requirements
Statement of intent	<ul style="list-style-type: none"> • LAs participating in flexible eligibility have to publish a Statement of Intent (Sol) in which they set out the criteria they intend to use to identify households meeting the eligibility criteria for flexible eligibility. This is a mandatory requirement. • LAs will have to publish an Sol before they can issue declarations of eligibility under flexible eligibility (Art 16(A)3(b)). • The Sol has one mandatory section which is where the LA states how they intend to target eligible households (Art.16(A)(7)).
LA declaration	<ul style="list-style-type: none"> • This is a statement in writing (‘declaration’) that a household is eligible for support. • The ECO Order states that LAs must be consulted on the installation of a measure under flexible eligibility by suppliers, or their intermediaries. Ofgem’s guidance states that LAs must be consulted prior to the installation however LA declarations can be made before or after the installation of measures. • LAs can evidence that they have been consulted through a declaration. We strongly recommend that LAs use the template provided in Annex 4 and 5.
Local authority definition	<ul style="list-style-type: none"> • Only LAs can issue declarations of eligibility, identifying households as meeting the eligibility criteria under flexible eligibility. • The definition of LAs for the purposes of flexible eligibility can be found in art. 16A(7) of the ECO Order. • LAs can delegate their functions to other LAs under flexible eligibility.

⁴ Ofgem guidance is available here: <https://www.ofgem.gov.uk/environmental-programmes/eco/contacts-guidance-and-resources/eco-guidance>

Household eligibility criteria	<ul style="list-style-type: none"> ● LAs must specify how they intend to identify households (ie what criteria they will use) that may benefit from an energy saving measure under flexible eligibility in a Statement of Intent, as set out in (Art.16(A)(7)). ● As set out in Art 16A(3) to (5) of the Order, under flexible eligibility, LAs have to target private tenure households that are either: <ul style="list-style-type: none"> ○ Living in fuel poverty, ○ Living on a low income and vulnerable to the effects of living in a cold home, or ○ Are in-fill properties for the purposes of solid wall insulation (see chapter 6 for definition of “in-fill”) ● LAs have flexibility on the criteria they use to identify these households.
Fuel poverty	<ul style="list-style-type: none"> ● LAs have flexibility on the criteria they use to identify households living in fuel poverty. ● Government intends for flexible eligibility to identify those in fuel poverty who are harder to reach, who are not in receipt of benefits eligible under Affordable Warmth, or not on the benefit system. ● Non-statutory guidance on how to identify households in fuel poverty is included in chapter 6.
Low income and vulnerable	<ul style="list-style-type: none"> ● LAs have flexibility on the criteria they use to identify households living on a low income and who are vulnerable to the effects of living in a cold home. ● Government intends for flexible eligibility to identify those living on a low income and who are vulnerable to cold, for example those with a health condition, or the very old or the very young. ● Non-statutory guidance on how to identify households on a low income and vulnerable to cold is included in chapter 6.
In-fill	<ul style="list-style-type: none"> ● LAs can make declarations of eligibility for non-fuel poor households to facilitate solid wall insulation within the limits and proportions set out in Art 16A(4) and (5) of the Order and as explained in chapter 6.
Private tenure	<ul style="list-style-type: none"> ● As set out in Art 16(A)3(a), flexible eligibility only covers private tenure households (ie private rented sector and owner occupier sector). Social housing is excluded from flexible eligibility.
Annual reports	<ul style="list-style-type: none"> ● BEIS would also find it helpful if LAs participating in the scheme could provide BEIS with annual reports. LAs may also be asked to become part of a Flexible Eligibility User Group to help BEIS to learn lessons from the delivery of the scheme during the 18 months of the scheme help shape the design of future policy.

3. Key roles and responsibilities

3.1. The role and responsibilities of different organisations involved in flexible eligibility are as follows:

Organisation	Summary of roles & responsibilities
BEIS	<ul style="list-style-type: none"> Production and maintenance of flexible eligibility guidance for LAs & associated templates.
Local Authority	<ul style="list-style-type: none"> Production and publication of Statement of Intent (Sol), including a section on the methodology for identifying households meeting the eligibility criteria under flexible eligibility. Determining that a household meets the eligibility criteria through either being fuel poor, low income and vulnerable to the effects of living in a cold home, or as in-fill. Production, authorisation and making the declaration, declaring a household as meeting the eligibility criteria under flexible eligibility. Retaining evidence that a household meets the criteria outlined in the Sol for future reporting or evaluation.
Supplier	<ul style="list-style-type: none"> Providing copies of LA declarations to Ofgem on request. Checking that the LA has published an Sol, dated on the same day or prior to the date of the declaration, including a section on the methodology for identifying households meeting the eligibility criteria. Note that the supplier is not responsible for assessing the content of the Sol– only that it exists and contains the required information. Ensuring that measures installed under flexible eligibility meet all the other criteria and requirements of the ECO Order.
Ofgem	<ul style="list-style-type: none"> Request that suppliers provide copies of LA declarations, during audit, to ensure that all required information is present and accurate, and that it corresponds with the data notified to Ofgem by suppliers. Request that suppliers provide evidence, during audit, that a Statement of Intent was published before the declaration was made, including a section on the methodology for identifying households meeting the eligibility criteria. Note that Ofgem is not responsible for assessing the content of the Sol, except for checking that it includes the above methodology. Reviewing notification data submitted by suppliers relating to measures installed under the flexible eligibility provision (ie including the eligibility criteria used by the LA in the declaration and the URN).

3.2. The LA is responsible for issuing declarations of eligibility, identifying households as meeting the eligibility criteria through either being fuel poor, low income and vulnerable to the effects of living in a cold home, or eligible as in-fill. Suppliers are

not required to undertake a supplementary assessment to determine whether a household is in fuel poverty or on a low income and vulnerable to the effects of living in a cold home.

- 3.3. However, it is the responsibility of suppliers to provide evidence supporting the notification to Ofgem, on request (ie the LA declarations and the Statement of Intent). If information is missing or incomplete Ofgem will approach the supplier to obtain this, not the LA. It is important that LAs are aware of the requirements on suppliers, which are included in [Ofgem's guidance](#).

4. Statement of Intent

Purpose

- 4.1. A Statement of Intent (Sol), as set out in the ECO Order, is intended to state publicly the criteria that an LA, or a group of LAs, intends to use to identify households that meet the eligibility criteria under flexible eligibility.
- 4.2. The Sol is intended to create transparency and public accountability on the criteria used to target eligibility, and will be a good way of advertising the LA's approach to their residents, energy suppliers, charities and community groups, for example, who may be able to work with them.
- 4.3. An LA must produce an Sol before it can make declarations that households meet the eligibility criteria.

What should it cover?

- 4.4. As set out in the ECO Order (Art 16A(7)), an Sol must include a description of how an LA intends to identify households in its area that may benefit from the installation of energy efficiency measures and that are living (a) in fuel poverty; or (b) on a low income and are vulnerable to the effects of living in a cold home. It can also include any details of how the LA intends to identify "in-fill" (see chapter 6) properties in Solid Wall Insulation (SWI) projects.
- 4.5. The Sol should be signed by the CEO, or other senior officer nominated on their behalf that is at least at Director level.
- 4.6. The LA may wish to include details on their referral routes and partners, any additional support or service provided, which may be valuable information to their residents. We also encourage LAs to outline their governance, monitoring and reporting arrangements, as a way of demonstrating that internal assurance processes are in place to monitor how flexible eligibility is being used.

When and where to publish it?

- 4.7. The Sol must be published before an LA can make declarations (declarations may be made on the same date as Sol publication). LAs should be aware that suppliers have a duty to provide evidence to Ofgem on request that an Sol was published prior to any LA declaration being made.
- 4.8. We recommend that the Sol is published on the LA's website, and that LAs share a link with suppliers, and other intermediaries, for ease of access. The Sol should be easily accessible by interested stakeholders (eg BEIS, Ofgem, consumers, energy suppliers, installers, residents, community groups and charities). For ease of access by BEIS, for monitoring purposes, we would also request that a copy is

sent to: beisecoteam@beis.gov.uk. In addition, an Sol can be included in the LA's Home Energy Conservation Act report.

- 4.9. Where an LA has delegated another LA to deliver declarations on their behalf, we suggest the delegating LA publishes the relevant Sol on their website as well, so residents are aware.

Delegation between LAs and joint Sol

- 4.10. An LA can delegate another LA to provide declarations for households in its administrative area. This needs to be stated in the Sol of the delegated LA.
- 4.11. In some cases, LAs may wish to issue a joint Sol, if they intend to use common criteria across their areas. In this case all the LAs must be signatories to the Sol.

Version control

- 4.12. An LA can make changes to an Sol at any time. However, LAs that wish to make amendments, or withdraw an Sol, should ensure that relevant parties, including suppliers or installers the LA is working with, are informed of any changes and when they take effect. LAs must include a date of publication and a link to the Sol on each declaration, and they should ensure that energy suppliers can access this version of the document at future dates for auditing purposes. This includes previous or withdrawn versions (a declaration will be valid as long as there was an active Sol published at the time of the declaration). To avoid version control issues, any previous or withdrawn Sols should remain publicly available but clearly marked "superseded"/"withdrawn" and include the date in which the document was withdrawn. The LA should also advise on their website the date the Sol was withdrawn.
- 4.13. LAs are responsible for ensuring the Sol is accurately numbered, dated and publicly available at all times. Any subsequent versions of the Sol should be clearly numbered and dated to allow for clear distinction from previous versions. The dates between which the Sol was active should also be clearly recorded.
- 4.14. An LA may choose to have different Sols to cover where they are working with different suppliers and installers. In such circumstances LAs are required to pay particularly close attention to version control.
- 4.15. With reference to the above, "amending" an Sol means to continue to participate in LA flex but on changed terms (e.g. altered eligibility criteria). To "withdraw" an Sol means the LA no longer wishes to participate in LA flex. When withdrawing an Sol the LA should endeavour to inform suppliers & installers they have been working with, to ensure they understand the LA will no longer be participating. Declarations made by that LA dated up to and including the date the Sol is withdrawn will remain valid.

Templates

- 4.16. Templates for the Sol and LA declarations are attached as annexes to this document to ensure consistency across LAs. Annex 3 (Sol) may be adapted into another style as long as it contains the minimum mandatory information.

5. LA declaration

Purpose

- 5.1. A declaration is a statement in writing by an LA which is required to demonstrate that the LA has been consulted on the installation of a measure at the domestic premises, and it considers the households to meet the eligibility criteria for the measure. In line with the ECO Order the consultation with the LA must take place prior to the installation of measures.
- 5.2. In the declaration, the LA declares that, in its opinion, the premises are occupied by a household living in fuel poverty (FP), or living on a low income and vulnerable to the effects of living in a cold home (LIVC). Where solid wall insulation projects include “in-fill”, the LA must declare the proportion of the FP or LIVC households in the project.
- 5.3. Whilst we acknowledge there may be changes in occupancy after a declaration was made, a household declared as eligible on a declaration, will remain eligible for the entire ECO2 extension scheme. As such LAs will not be required to reassess properties if there was a change of tenancy between the date of declaration and the commencement of a project.
- 5.4. Energy suppliers are required to maintain records of all the declarations received from LAs to demonstrate the eligibility of premises notified to Ofgem under the flexible eligibility provision of Affordable Warmth.

What should it cover?

- 5.5. A property will not be considered eligible under the flexible eligibility provision until the LA has fully completed and signed a declaration. The declaration should be signed by an official designated by the CEO, or its equivalent, as indicated in the LA’s Sol.
- 5.6. The LA must declare that in the opinion of the LA, the premises listed in the declaration are occupied by a household(s) living in fuel poverty (FP) or by a household(s) living on a low income and vulnerable to the effects of living in a cold home (LIVC).
- 5.7. An LA can also declare households as eligible for Solid Wall Insulation that do not meet the criteria for FP or LIVC where they are private households i) in the same terrace as, ii) in an immediately adjacent building to or, iii) are in the same building as a household that meets the FP/LIVC criteria. These properties are known as “in-fill”.
- 5.8. Depending on the property type, a minimum percentage of households in a SWI project must be declared as FP or LIVC by an LA to allow delivery to “in-fill”

households. Ofgem will check a sample of declarations to ensure that the required percentages are met for any associated in-fill measures to be eligible.

- 5.9. A declaration can specify the name of the installer or supplier, and the duration the declaration is valid, if previously agreed with the supplier or its intermediaries.

When a declaration should be made and how?

- 5.10. An LA can only make a declaration on the same date or after an Sol detailing the methodology for targeting households under flexible eligibility is published. An LA should not make a declaration until it has made a determination that every property included in a declaration is considered to meet the eligibility criteria.
- 5.11. It is up to LAs and suppliers to agree how they wish to interact with one another and when declarations will need to be produced. However, as described above, the requirement in the ECO Order to consult an LA on the installation of measures must take place before measures are installed. More details on this are included in [Ofgem guidance](#).
- 5.12. We encourage LAs to give declarations directly to energy suppliers or their intermediaries to minimise the risk of fraud. An LA can also name the supplier or their intermediary on the declaration, if previously agreed with these parties, as a way to avoid declarations being transferred beyond the LA's control. LAs can choose to give declarations to more than one energy supplier. Where these declarations list the same households, LAs should be mindful that this does not lead to the detriment of households in fuel poverty or vulnerable, including cold calling.

Delegation between local authorities

- 5.13. An LA can provide declarations for households not within its administrative area under certain circumstances. For example, this includes where an LA delegates some functions to another LA, where the LA providing the service is best placed to make a determination on whether a household meets the eligibility criteria. All LAs who are either delegating powers, or in receipt of delegated powers, must sign the Sol to confirm agreement. In addition, the declaration template requires an LA to record that it is making a declaration on behalf of another LA.

Template

- 5.14. We have produced template declarations (see Annex 4 and 5 to this document). LAs may adapt templates but are required to include all of the data requirements outlined in the template documents. Multiple properties can be included in one declaration.
- 5.15. There are two types of declaration:
- a) a declaration for individual premises occupied by eligible households, and
 - b) a declaration for solid wall projects including "in-fill"

- 5.16. Included in the template are some notes for completion. These include the use of standard terminology in declaring the eligibility type and (in the case of “in-fill”) the property type. It is important that this terminology is consistently used, as suppliers will require this information when notifying measures to Ofgem.
- 5.17. It is important that a URN is included, as suppliers will require this information when notifying measures to Ofgem.

Unique Reference Number (URN)

- 5.18. Each declaration must include a unique reference number (URN). This is to allow Ofgem to audit and track declarations more effectively.
- 5.19. The URN must follow the format below:

XXXXXXXXXX-YYYYY

- 5.20. The ‘X’ should identify the LA making the declaration. Each LA has a 9 digit ONS code. This code should make up the first section of the URN. For example, the ONS code for Liverpool is E08000012. These ONS codes are available online and an amalgamated list of area codes can be found in BEIS’ Household Energy Efficiency National Statistics tables⁵. If your LA meets the definition of an LA as defined in the Order but does not contain an ONS code, you can contact the ECO team in Ofgem directly who will provide you with a unique code.
- 5.21. The second section of the URN should represent the number of the declaration in the order it has been made. For example, the first declaration can be 00001.
- 5.22. Where an LA has delegated to another LA the ability to issue declarations on their behalf in their administrative area, the ONS code should represent the LA making the declaration, not the original delegating LA.

⁵ See “Headlines Release Tables” <https://www.gov.uk/government/statistics/household-energy-efficiency-national-statistics-headline-release-december-2016>. Tab 2.2.1. includes area codes (e.g district and county councils) for England, Scotland and Wales.

6. Targeting flexible eligibility

- 6.1. The purpose of flexible eligibility is to identify private households that may benefit from energy saving measures and are:
 - i) Fuel poor households, especially those that are not in receipt of Affordable Warmth 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 (LIVC)
- 6.2. In addition, LAs can declare some non-fuel poor homes as eligible to facilitate solid wall insulation projects, as long as a proportion of the households in the project are in fuel poverty or LIVC (in-fill, see par. 6.21).
- 6.3. It will be the LA's responsibility to make sure the criteria chosen allow them to identify eligible households. The criteria used by an LA will not be audited however Ofgem will audit whether the Sol includes a section describing the methodology to be used in identifying eligible households. BEIS will review Sols to evaluate the success of the scheme in targeting households in need.
- 6.4. This guidance is not mandatory but it aims to help LAs make informed decisions on the criteria to use when identifying eligible households under flexible eligibility. LAs may decide to follow this guidance, or to seek to develop their own methodology to identify eligible households based on local data and tools.

Fuel poor households

- 6.5. Fuel poverty is a devolved matter, with separate indicators, targets and strategies adopted by each nation. Although fuel poverty is measured differently in each nation, the characteristics of households considered to be in fuel poverty across Great Britain are very similar. They all have a focus on low income households with high energy costs.
- 6.6. This guidance focuses on fuel poverty as measured under the 'Low Income High Costs' indicator as used in England, although there is expected to be considerable overlap between households identified through these approaches and the Scottish and Welsh definitions.
- 6.7. Identifying households on low incomes for Government schemes is often undertaken by determining whether a household receives a means-tested benefit. However, not all fuel poor households are recipients of means-tested benefits, and not all households are willing to share information about their benefit status.
- 6.8. Through flexible eligibility, Government is keen that LAs may be able to identify those people living in fuel poverty who are harder to reach, for example those who are not on the benefits system, and hence would not be captured under the main eligibility criteria under Affordable Warmth. Therefore the approach suggested

includes income thresholds that can be applied to any household and not just those on the benefits system.

- 6.9. Identifying households with high energy costs will now be easier as the Department for Communities and Local Government (DCLG) has made a significant proportion of the EPC register data openly accessible⁶. Where an EPC is unavailable, an alternative approach is to obtain data on the dwelling characteristics. This can be done either using data held by an LA, or approaching households to get information. BEIS has developed a set of simple questions that aim to achieve a balance between simplicity and effective targeting of high cost homes. These have been tested in previous BEIS research, which found that typically householders are able to understand and answer these questions reliably.
- 6.10. Annex 7 provides guidance on low income and high cost example criteria.

Households living on a low income and vulnerable to the effects of living in a cold home

- 6.11. Flexible eligibility is intended to help in tackling one of the root causes of ill-health – namely cold, damp housing. These are homes that do not have adequate insulation or heating. Government intends for flexible eligibility to be focussed on those in greatest need. **Therefore, in targeting vulnerability to cold, LAs should prioritise those who live on a lower income.**
- 6.12. There are two main criteria that we expect an LA to use when developing its criteria for identifying households that are vulnerable to cold, and could benefit from an energy saving measure under ECO. These are:
- a) Health conditions; and
 - b) Household income
- 6.13. Annex 8 provides a list of conditions which increase vulnerability to cold, based on the National Institute for Health and Care Excellence (NICE) guidelines.⁷ This list is intended to be a useful reference, though under flexible eligibility an LA has the opportunity to identify additional health conditions, or provide more detail on what exactly must be met with those conditions, based on the needs of its local population and as identified in its local Joint Strategic Needs Assessment (JSNA)⁸.
- 6.14. LAs may decide to use income thresholds to identify low income households which are different to those suggested in Annex 7 for targeting fuel poor households. This would be in recognition that people with a health condition are more likely

⁶ EPC database open access: <https://epc.opendatacommunities.org/>

⁷ NICE provides guidance, advice, quality standards and information services for health, public health and social care. The NICE guidelines are available here: <https://www.nice.org.uk/guidance/ng6/chapter/1-Recommendations>. Further information on guidelines in relation to Scotland may be found: <http://www.healthcareimprovementscotland.org/>

⁸ <http://content.digital.nhs.uk/jsna>. In Wales, there are requirements under the Social Services and Well-Being (Wales) Act and the Well-Being of Future Generations Act for Population Assessments and Local Well-Being Plans.

than other people to spend a longer time in their homes and therefore have higher energy costs as their houses need to be heated for longer. Also, given the different needs of households that are vulnerable to cold, LAs may decide to allow flexibility around the relevant income thresholds that can apply in their area.

- 6.15. In prioritising households to be referred to energy suppliers, LAs may wish to prioritise homes with an EPC rating of F or G, which are more likely to be cold, expensive to heat and may be a health hazard. Introducing even basic measures to these homes for the first time – such as a central heating system – can cut heating requirements significantly and provide a major uplift in comfort.
- 6.16. In Annex 7 we provide guidance on identifying “high-cost” homes, which are more likely to be in fuel poverty. However, in developing criteria, LAs may decide to use other indicators to identify households that are cold, and damp, and may benefit from energy efficiency improvements.

Prioritising households on the basis of their health conditions

- 6.17. While there could be many different ways in which LAs and suppliers agree to deal with referrals. LAs and energy suppliers may agree on a number of referrals and on the installation of certain types or number of measures, customer contribution requirements (if any), or a funding limit. This clarity should help LAs to manage the expectations of their residents.⁹
- 6.18. It is important to remember that inclusion in an LA declaration does not guarantee a measure will be installed in that property. Therefore LAs should seek, in advance with energy suppliers, or their intermediaries, to agree a way of minimising instances in which a vulnerable household identified in a declaration does not receive a measure, or a service as a result of the referral. Parties may want to agree timeframes for the installation of a measure, which take into account that a household may not pursue other avenues to improve their warmth if they think they will be getting an ECO measure.
- 6.19. A weighted scoring approach can be useful to prioritise households for support, particularly if there are more residents in need than LAs can make referrals for. For example, some LAs participating in the Health Booster Fund¹⁰, have chosen to give different weightings to health conditions based on their local priorities, local communities’ needs and the demographics of the area.
- 6.20. Scores can be cumulative, so customers with more than one condition or characteristic (eg age, health conditions, housing characteristics and income level) are then prioritised over others. LAs may wish to have thresholds for these scores set according to the number of households that an LA intends to include in

⁹ See also considerations on ‘Working with energy suppliers’ included in the BEIS’ Guidance for Local Authorities on Statement of Intent and LA Declaration.

¹⁰ In 2015 Government provided £1m funding to 9 LAs to run innovative projects on health and fuel poverty (the Health Booster Fund). A list of the participating LA is available here:

<https://www.gov.uk/government/publications/the-fuel-poverty-and-health-booster-fund>.

declarations, and as such it can operate as a triage method, rather than a hard threshold.

Identifying “In-fill” properties for solid wall insulation

- 6.21. In order to encourage multi-property solid wall insulation projects in private tenure, LAs will be able to provide declarations for households that are not living in fuel poverty (FP) or living on a low income and are vulnerable to the effects of living in a cold home (LIVC), in certain limited circumstances. These properties are known as “in-fill”.
- 6.22. This extra flexibility is allowed only for the purposes of solid wall insulation.
- 6.23. Note “in-fill” is only available for private domestic premises and as such does not include social housing.
- 6.24. Where a household does not meet the criteria for FP or LIVC, an LA can declare a household as “in-fill” where they are:
- a) in the same terrace as; or
 - b) in an immediately adjacent building to; or
 - c) are in the same building as a household that does meet those criteria.
- 6.25. In-fill is only allowed for solid wall insulation (SWI) projects where a minimum percentage of households for which the LA is providing declarations are FP or LIVC. These requirements are set out in the ECO Order¹¹ and can be summarised as follows:

Table 1 - Summary of the requirements for property types under in-fill

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 LA as FP or LIVC (i.e. 50% of the properties are FP or LIVC).	The other private 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 (eg flats),	At least two in three properties on the list must be declared by the LA as FP or LIVC (i.e. at least	The other (i.e. up to one third) of private properties in the project are eligible for solid wall insulation, provided they

¹¹ Article 16A(4) & 16A(5) of the ECO2 Amendment Order 2017.

<p>immediately adjacent buildings (eg neighbouring properties) or in the same terrace.</p>	<p>66% of the properties are FP or LIVC).</p>	<p>are either in the same building, an immediately adjacent building or in the same terrace as the ones identified as FP or LIVC.</p>
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- 6.26. In-fill households must be listed in an LA declaration for SWI projects, alongside the FP or LIVC households in the project that meet the relevant criteria.
- 6.27. The LA must ensure that, for each project on a declaration, the minimum proportions are met for the relevant property types. The percentage requirement only relates to the portion of the properties covered by an LA declaration. So for example, if the LA declaration only covers 80% of a block of flats, then the 66% requirement applies to that 80% only, rather than to the whole block of flats. Annex 8 provides some further illustrative examples of “in-fill”.
- 6.28. If an LA declaration is valid and the appropriate percentage of FP or LIVC properties are met then:
- Irrespective of whether the FP or LIVC properties receive any measures, the private in-fill properties listed on that declaration will be eligible to receive an SWI measure.
 - If any of the FP or LIVC properties named on the declaration are removed from a project for any reason, this will not invalidate the eligibility of any of the private properties identified as in-fill on the same declaration.
- 6.29. It is important to remember that properties in a block that are not eligible under flexible eligibility can be considered for a CERO measure or Affordable Warmth where relevant.
- 6.30. If a FP or LIVC property identified in an LA declaration is notified as eligible under Affordable Warmth this will not affect the validity of a declaration in relation to in-fill as long as the FP & LIVC percentage requirements are met in the initial declaration.
- 6.31. [Ofgem guidance](#) provides detail on its administrative requirements for “in-fill”.

7. Annual reports and keeping evidence

Annual Reports

- 7.1. To support BEIS in determining overall achievements under LA flex and to assist in the evaluation of the success of LA flex, we will request that LAs submit information to us in the form of an annual report. The format of this reporting will be left to LAs to decide, though the following information would be most beneficial to enable BEIS to review the scheme:
- Number of households included on declarations (breakdown by FP, LIVC & in-fill)
 - Number of households who received LA flex measures (breakdown by FP, LIVC & in-fill), if such information is collected from suppliers
 - Eligibility criteria applied
 - Referral routes utilised
 - Suppliers and installers who the LA worked with
 - Other LAs who the LA worked with
 - Tools, maps or data used to identify eligible households
 - Any evaluation that you have done of the scheme (eg fuel poverty alleviation, health impacts, health cost savings)
 - Any additional funding provided, or additional services provided to residents in conjunction with flexible eligibility
 - Any particular issues with data sharing
 - Barriers
 - Future plans on flexible eligibility
- 7.2. We request that reports are submitted to BEIS by 30 April 2018, 6 months before the end of the scheme. This will help BEIS gain a greater understanding of the scheme and help to potentially amend future guidance. Reports should be submitted to BEIS at the following email address: beisecoteam@beis.gov.uk.
- 7.3. We strongly encourage suppliers to keep the relevant LA informed of all measures installed on the basis of LA declarations made. This would allow LAs to be aware of measures installed in their administrative area and keep records of overall delivery. We do not intend to stipulate the format or regularity of this reporting. However it is recommended that parties agree this in advance to ensure it meets respective organisational needs.

Evaluation

- 7.4. BEIS is keen to review how well flexible eligibility is working and whether it is achieving its objectives of targeting households living in fuel poverty, or who are living on a low income and are vulnerable to the effects of living in a cold home.

- 7.5. In order to inform the future scheme, participating LAs may be asked to be part of a Flexible Eligibility “User group”. This group may be asked to participate in one or more workshops organised by BEIS to share lessons learned on the scheme and collect any early evidence of its working. These workshops may focus in particular on lessons learned on targeting fuel poverty and vulnerability and on the processes involved in flexible eligibility.
- 7.6. In addition, participating LAs may be asked to participate in a more formal evaluation of the scheme by BEIS. As part of this, we may ask to access evidence of your targeting approaches.

Evidence Retention by LAs

- 7.7. BEIS will not prescribe what evidence must be kept by LAs. However, to facilitate internal monitoring of the scheme by LAs, and in order to inform annual reports that should be submitted to BEIS, we recommend that the following evidence should be retained by LAs:
- Statement of Intent
 - Copies of declarations
 - Underlying records used to support household eligibility assessment and evidence of adhering to targeting criteria outlined in an Sol
 - Reporting received from suppliers or installers on measures installed
 - Any internal assurance reporting, if undertaken (e.g. Internal Audit report)
 - Any additional information that may support annual reports
- 7.8. We recommend this evidence is retained for 3 years.

8. Working with energy suppliers and intermediaries

Working with energy suppliers

- 8.1. There are a number of potential delivery models that could be followed under flexible eligibility, and it will be up to suppliers, or their intermediaries, and LAs to agree them for each area.
- 8.2. LAs should be aware that suppliers must provide information to Ofgem on request and as such will require information from the LA to support this (ie the LA declaration and the Sol).
- 8.3. Suppliers, installers and LAs are free to establish their own working relationships and processes with each other, as long as in doing so, no regulatory breach occurs.
- 8.4. LAs should make clear to their residents that the inclusion of a household in an LA declaration does not guarantee a measure will be installed by an energy supplier. Decisions by energy suppliers on whether to install a measure may depend on: i) survey carried out by suppliers or their agents/contractors and installation costs calculated, ii) the energy savings that can be achieved for a property¹², and iii) whether suppliers have achieved, or are close to achieving, their targets.
- 8.5. The Government encourages LAs and suppliers to establish robust partnerships with a strong understanding of mutual roles and responsibilities that provide a positive customer journey for fuel poor and vulnerable households. As a result of this, situations where customers expect a measure that is then not delivered should be avoided.

Working with intermediaries

- 8.6. LAs have a key role to play in bringing together parties and coordinating activities of health and social care services. They can promote and encourage partnerships and referrals between parties working with fuel poverty and vulnerability, including those working in housing, energy efficiency, environmental health, the NHS, social care, public health, community groups and others engaged in home visits, including those outside the health sphere such as the fire service, or advice agencies. Citizens Advice Bureau agencies, for example, given their established referral systems for low income consumers and outreach activities, can play a key

¹² Guidance on “deemed scores” which determine the savings of measures under the ECO: Help to Heat scheme is available here: <https://www.ofgem.gov.uk/publications-and-updates/response-eco-deemed-scores-consultation>

role in referring households to LAs. LAs may also work with managing agents, who operate on behalf of energy suppliers.

- 8.7. LAs can also coordinate funding, or other services, from different sources to provide maximum benefits to their residents. For example, LAs should seek to work with Clinical Commissioning Groups (CCGs), as they have an important role to play to support the work of local health services and raising awareness of the impact of cold homes on health. Several CCGs have recognised that there are significant health benefits to be had from tackling fuel poverty, not only in terms of health outcomes for individuals, but also of health and social care cost savings and wider public benefits. There are several examples of funding being made available by CCGs to help address the issue of vulnerability to cold.
- 8.8. Whilst intermediary organisations may assist LAs in identifying eligible households, the LA declaration must be made by an LA, and LAs will be expected to have oversight and responsibility for how flexible eligibility is utilised in their areas.
- 8.9. In developing their targeting approaches to flexible eligibility, LAs should set out in the Sol how they intend to make the most of referrals from trusted third parties in the health and social care service. They should also consider how they can refer people on to other services, for example benefit entitlement checks, care and repair services, or wider social support services.

Working with private rented sector landlords

- 8.10. Under the Private Rented Sector (PRS) Regulations¹³, LAs in England and Wales have enforcement duties and powers in relation to the domestic minimum standard. As part of their minimum standard enforcement work, therefore, LAs have an opportunity to identify PRS properties, and refer them onto energy suppliers for potential energy improvements. This may allow landlords of sub-standard properties to access support to meet their minimum standard obligations to the benefit of their tenants.

¹³ The Energy Efficiency (Private Rented Property)(England and Wales) Regulations 2015 set a minimum energy efficiency standard for the private rented sector (PRS) in England and Wales from April 2018 for both domestic and non-domestic property. The minimum standard is set at EPC energy efficiency band E, and domestic properties whose EPC rating is below E are defined as 'sub-standard'.

9. Data protection

- 9.1. LAs will need to comply with the Data Protection Act 1998 ('DPA')¹⁴ for any personal information they pass on to suppliers, for example, by obtaining the consent of the householder before matching them with a supplier and sharing relevant information such as an address and the reason for the eligibility.
- 9.2. It is the responsibility of the LA to determine how best to record and retain records of consent. To assist LAs should consider guidance given by the Information Commissioner's Office¹⁵ and Ofgem's guidance¹⁶ for ECO2 with regards to privacy notices.
- 9.3. In all cases we encourage LAs to establish clear lines of communication and accurate data flows with suppliers and installers in order that decisions, and evidence, is clearly recorded and maintained.

¹⁴ The Information Commissioner's Office (ICO) statutory code of practice on data sharing ('the ICO Code') provides guidance on how to ensure personal data is shared in a way that is lawful, proportionate and compatible with the DPA and other relevant legislation such as the Human Rights Act 1998:

https://ico.org.uk/media/for-organisations/documents/1068/data_sharing_code_of_practice.pdf

Another key source of information and advice on data sharing and usage is the Centre of Excellence for Information Sharing. There are a number of useful resources on their website which can help when planning processes or projects that involve sharing data and information. They can also be contacted for specific advice.

¹⁵ Further information can be found at the Information Commissioner's Office website at [ICO privacy-notice-transparency and control](#).

¹⁶ See paragraphs 8.35-8.40 of:

https://www.ofgem.gov.uk/sites/default/files/docs/volume_1.1_guidance_update_delivery_-_final.pdf

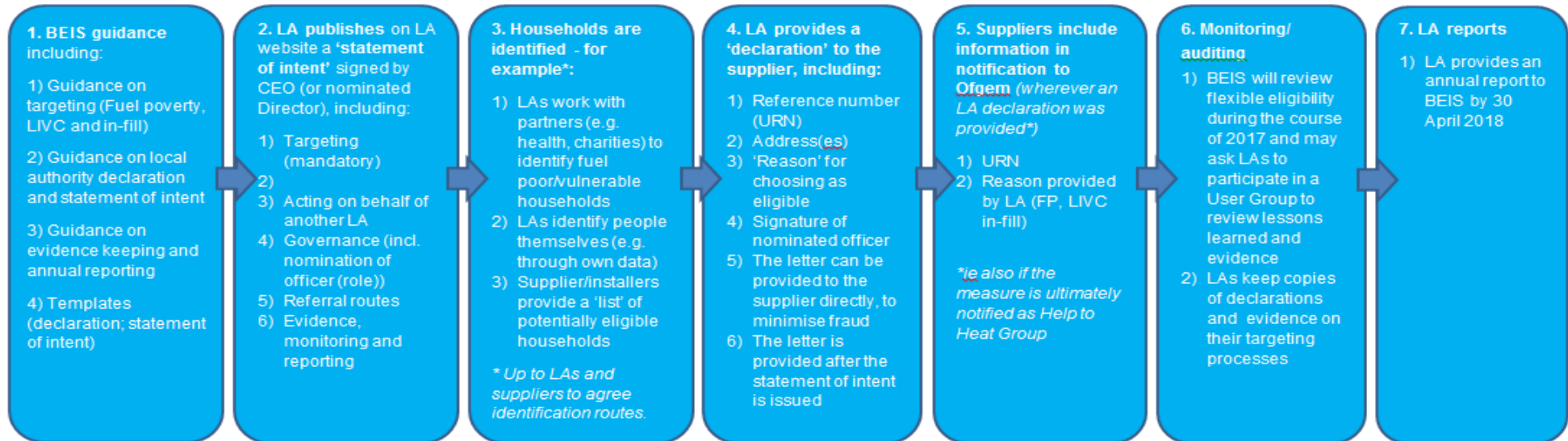
Annex 1: Affordable Warmth household eligibility

Private tenure	Private tenure	Social housing
<p>Flexible eligibility (up to 10% of the Affordable Warmth obligation for the extension period):</p> <ul style="list-style-type: none">• A local authority can declare private tenure households as eligible if they consider them to be :• living in fuel poverty; or• living on a low income and vulnerable to cold; or• not in fuel poverty for solid wall insulation (subject to the limits of “in-fill”)	<p>The following means-tested benefit recipients are eligible:</p> <ul style="list-style-type: none">• Income-based Jobseeker’s Allowance (JSA)• Income-related Employment and Support Allowance (ESA)• Income support (IS)• Pension Guarantee Credit• Working Tax Credit (below certain income thresholds)• Child Tax Credit (below certain income thresholds)• Universal Credit (below certain income thresholds)	<ul style="list-style-type: none">• Only the most inefficient social tenure properties are eligible (ie EPC bands E,F,G)

Affordable Warmth represents 70% of the ECO obligation. The Carbon Emissions Reduction Obligation (CERO), makes up the remaining 30% of the ECO obligation. Under CERO energy improvements can be carried out in any household, without eligibility restrictions. For more details refer to the [ECO 2 Amendment Order](#) and [Ofgem’s Guidance](#).

Annex 2: Flexible eligibility process map

Description: Under flexible eligibility, local authorities (LAs) provide a 'declaration' to suppliers which can be used to demonstrate that a household (or a number of households) is eligible for Affordable Warmth (AW). Energy suppliers can count measures installed in those households towards their AW obligation, subject to the limits imposed by the scheme. LAs will have to ensure that they target households in private domestic premises living: 1) in fuel poverty or 2) on a low income and vulnerable to the effects of living in a cold home (LIVC). In addition some non-fuel poor homes will be allowed for solid wall insulation (SWI) projects, as long as a proportion of the households in the project are in fuel poverty or LIVC (i.e. 66% in blocks of flats, terraces, adjacent properties) or 50% (in semi-detached houses or bungalows and buildings with two premises). This 'flexibility' only covers eligibility - all other rules of the scheme will apply normally to ECO: Help to Heat measures. The key steps in the process are illustrated below.



Requirements on energy suppliers for flexible eligibility (see [Ofgem's guidance](#) for suppliers on flexible eligibility)

1) Statement of intent

- a) [Ofgem](#) may audit suppliers to check that a statement of intent was published by an LA on or before it issued any declarations.
- b) [Ofgem](#) may audit a statement of intent to ensure that it includes a section relating to how an LA intends to identify relevant households.
- c) Should [Ofgem](#) receive/find evidence that a statement of intent does not meet either of the two criteria above, it may reject measures identified as eligible by that LA in its declarations.

2) Declarations

- a) [Ofgem](#) may audit suppliers to check that a declaration exists and contains the relevant addresses of the measures notified.
- b) [Ofgem](#) may also check that the declaration is dated on or after the [SoI](#) was published
- c) [Ofgem](#) may also audit declarations to ensure that the percentage requirements for SWI in-fill are met on the declaration.
- d) Should [Ofgem](#) find or receive any evidence that an LA is targeting households that do not meet the policy intent they will pass this information to BEIS for action as appropriate.

Annex 3: Statement of Intent template

- 1) Name of the local authority (*or local authorities if this is a joint Sol*)
- 2) Local authority you are acting on behalf of (*if relevant*)
- 3) Date of publication [DD/MM/YY]
- 4) Version number
- 5) Publication on website [provide specific URL to the website where it is published]

1) Intro [this section is optional but best practice]

Outline the LA's ambitions for Flexible Eligibility, how this fits with local policies and priorities and any additional services or support that are available.

You can also include a statement to make clear to members of the public that the final decision on whether a household receives an ECO measures is made by the energy suppliers or their agents/contractors. For example you may note that inclusion in a Declaration made by the LA to a supplier will not guarantee installation of measures, as the final decision will depend on i) survey carried out by suppliers agents/contractors and installation costs calculated, ii) the energy savings that can be achieved for a property, and iii) whether suppliers have achieved their targets or require further measures to meet their ECO targets

2) How the LA intends to identify eligible households [this section is mandatory]

Outline how the LA intends to identify households that may benefit from the installation of measures under "flexible eligibility", ie households that are living in fuel poverty (FP) or living on a low income and vulnerable to the effects of living in a cold home (LIVC) ("relevant households"). In doing this, you should have regard to BEIS guidance on targeting.

In the Sol, you should include:

(a) Criteria for identifying households in fuel poverty

Please specify your targeting criteria, including as minimum information on the the following:

- Households not in receipt of benefits
- Households in receipt of benefits, if so which benefits?
- Low income threshold/s, or other indicators
- Indicators of high energy cost

(b) Criteria for identifying low income and vulnerability to cold

Please specify your targeting criteria, including as a minimum information on the following:

- Low income threshold/s, or other indicators
- Health and vulnerability conditions

(c) Any details of scheme requirements for SWI “in-fill” projects

- Including whether the LA intends to facilitate solid wall insulation schemes under flexible eligibility including households that are not in fuel poverty or vulnerable (‘in-fill’) and any details of scheme requirements and eligibility criteria

3) Acting on behalf of another local authority [this section is mandatory]

In some cases, an LA might make declarations on behalf of another LA. In this case you must include the name(s) of the LA on behalf of which you are making declarations.

4) Joint statement of intent [this section is mandatory]

In some cases, LAs may wish to issue a joint Sol, if they intend to use common criteria across their areas. In this case you must list the names of the LAs who are signatories to the Sol.

5) Governance [this section is optional but best practice]

While this is optional, we strongly encourage LAs to include details of the person responsible for signing “local authority declarations” on behalf of the LA, including role and address. If this is a joint Sol, this should be done for all the LAs issuing declarations under the joint Sol.

In addition, an LA should provide any details of governance structures in place to oversee the process of identifying eligible households under “flexible eligibility”. This section should include details of the decision making organogram.

6) Referrals [this section is optional but best practice]

While some LAs may not know the following information at the stage of developing an Sol, this is information that is valuable to residents to know if available. Alternatively, it could be included in (annual) reports.

- a) Details of any referrals route from fuel poverty/vulnerability/social care or health organisations, or any partnership with a selected obligated supplier and/or agents/contractors
- b) Expected information flows with obligated suppliers and their agents/contractors

7) Evidence, monitoring and reporting [this section optional but best practice]

This section should cover, if available at the stage of developing the Sol:

- a) What data will be collected and the mechanisms in place for monitoring the effective targeting of relevant households;
- b) What reporting mechanism will be in place to monitor which households of those targeted have subsequently received a measure;
- c) The method and frequency with which information is reported to those with governance and decision-making responsibilities;
- d) What internal auditing will be carried out on the above data collection and monitoring mechanism; and
- e) What controls are place to deter, prevent and detect fraud.

8) Signature [this section is mandatory]

The Sol should be signed by the Chief Executive Officer for the LA or other senior officer nominated on their behalf who is at least at Director level.

In case of a joint Sol, signatures by all the LAs involved should be included.

Annex 4: LA Declaration template

This declaration must be used to demonstrate eligibility of premises under the flexible eligibility provision of Affordable Warmth. Only LAs can make a declaration. This declaration can be used for all Affordable Warmth measure types except for projects including solid wall insulation (SWI) “in-fill”.¹⁷ More than one premise can be listed on this form.

We recommend that each page includes a date, signature and page number:

Page number:...../..... Signature:Date:

Name of local authority making the declaration	
Name of local authority you are acting on behalf of (where applicable)	
Declaration URN ¹⁸	
Statement of Intent publication date and version number	
Statement of Intent internet link	
<i>Optional: Name of the installer or supplier to which you have provided the declaration</i>	
<i>Optional: time validity of your declaration</i>	
Address of premises (Add rows where necessary) Please insert: Building number/name, Street name, Town, City, County, Postcode	The premises are occupied by (one of the following): 1. A household living in fuel poverty 2. A household living on a Low income and vulnerable to the effects of living in a cold home (LIVC) (Please insert “Fuel Poor” or “low income and vulnerable” into the box below)

¹⁷ A separate declaration is available for SWI projects that include “in-fill” properties in Annex 3.

¹⁸ URNs will be based on a local authority’s ONS code – guidance is provided in Chapter 5.

Local authority declaration	
I declare that:	
<input type="checkbox"/>	the Statement of Intent (Sol) for this local authority was published on or before the date this declaration was made and is currently available to view at the above location.
<input type="checkbox"/>	the local authority has been consulted on the installation of a measure (“heating qualifying action”) at the premises listed above. We confirm this consultation took place prior to the installation of measures.
<input type="checkbox"/>	in the opinion of the local authority, the premises listed above are occupied by a household(s) either: <ul style="list-style-type: none"> a) living in fuel poverty, OR b) are occupied by a household(s) living on a low income and vulnerable to the effects of living in a cold home.
Local authority officer name	
Local authority officer signature	Date: __/__/____
Job title	
Local authority address	
Local authority telephone number	

Page number:...../..... Signature:Date:

Annex 5: LA Declaration template for “in-fill”

This declaration must be used to demonstrate eligibility of premises under the flexible eligibility provision of Affordable Warmth. Only LAs can make a declaration. **This declaration can only be used for solid wall insulation (SWI) projects including “in-fill”.**

We recommend that each page includes a date, signature and page number.

Page number:...../.....Signature:Date:

Name of local authority making the declaration		
Name of local authority you are acting on behalf of (where applicable)		
Declaration URN ¹⁹		
Statement of Intent publication date		
Statement of Intent internet link		
<i>Optional: Name of the installer or supplier to which you have provided the declaration</i>		
<i>Optional: time validity of your declaration</i>		
Address of premises (Add rows where necessary) Please insert: Building number/name, Street name, Town, City, County, Postcode	Relevant eligibility criteria (please see the Notes section on how to fill this section)	Premises type (please see the Notes section on how to fill this section)
Project 1		
Percentage of households listed in project that are either living in fuel poverty or are low income and vulnerable to the effects of living in a cold home _____% ²⁰		
Project 2		

¹⁹ Guidance for LAs on how to produce a URN is set out in chapter 5.

²⁰ Ofgem will check the percentages in the declaration are correct – if not, the declaration will be invalid. Ofgem will not check that the percentages are correct based on measures installed and notified to them.

Percentage of households listed above that are either living in fuel poverty or low income and vulnerable to the effect of living in a cold home _%	
<i>(You can include more projects if needed)</i>	
Local authority declaration	
I declare that:	
<input type="checkbox"/>	the Statement of Intent (SoI) for this local authority was published on or before the date this declaration was made and is currently available to view at the above location.
<input type="checkbox"/>	the local authority has been consulted on the installation of the solid wall insulation at the premises listed above prior to the installation of a measure. We confirm this consultation took place prior to the installation of measures.
<input type="checkbox"/>	<ul style="list-style-type: none"> • (tick box only if relevant) the premises listed in the project list [insert project number(s)] above are situated in a semi-detached house, a semi-detached bungalow or a building containing no more than two domestic premises; and • to the best of the local authority’s knowledge and belief, both houses or bungalows in the pair of semi-detached properties or both premises in the building in that list are private domestic premises; and • in the opinion of the local authority, at least one of the premises in the pair of semi-detached properties or in the building is occupied by a household living in fuel poverty; or • in the opinion of the local authority, at least one of the premises in the pair of semi-detached properties or in the building referred to in the list is occupied by a household living on a low income and vulnerable to the effects of living in a cold home.
<input type="checkbox"/>	<ul style="list-style-type: none"> • (tick box only if relevant) all of the premises included in the project list(s) [insert project number(s)] above are situated in the same building, in immediately adjacent buildings or in the same terrace; and • to the best of the local authority’s knowledge and belief, all of the premises included in the project list(s) above are private domestic premises; and • in the opinion of the local authority, at least 66% of the premises included in that list are occupied by households living in fuel poverty or by households living on a low income and vulnerable to the effects of living in a cold home.
Local authority officer name	
Local authority officer signature	Date: __ / __ / ____
Job title	
Local authority address	
Local authority telephone number	

Notes

For each premise, one of the following must be selected for relevant eligibility criteria:

1. “Fuel poor” (if the premise is occupied by a household living in fuel poverty)
2. “Low income and vulnerable” (if the premise is occupied by a household living on a low income and are vulnerable to the effects of living in a cold home)
3. “SWI In-fill 50”%” (if the premise is not occupied by a household in fuel poverty or low income and vulnerable. The percentage is dependent on the property type (see table below)).
4. SWI In-fill 66%” (if the premise is not occupied by a household in fuel poverty or low income and vulnerable. The percentage is dependent on the property type (see table below)).

For each premise, one of below property types must be selected for each address:

SWI in-fill property types	in-fill %
<ul style="list-style-type: none"> • Semi-detached house; or • semi-detached bungalow; • building that contains no more than 2 domestic premises 	No less than 50%
<ul style="list-style-type: none"> • All properties listed are in the same building; or • in immediately adjacent buildings; or • same terrace 	No less than 66%

Page number:...../.....Signature:Date:

Annex 6: Identifying fuel poor households

1. In this section we suggest approaches to identifying households that live in fuel poverty.
2. The approaches are suggested in two steps:
 - a) Identifying whether a household is on a low income; and
 - b) Determining whether they face high energy costs

Identifying low income households

3. Identifying households on low incomes for Government schemes is often undertaken by determining whether a household receives a means-tested benefit. However, not all fuel poor households are recipients of benefits, and not all households are willing to share information about their benefit status.
4. Through flexible eligibility, Government is keen that LAs may be able to identify those people living in fuel poverty, who are harder to reach, for example those who are not on the benefits system, and hence would not be captured under the main eligibility criteria under Affordable Warmth.
5. An alternative approach to means-tested benefits is to use an income threshold to determine whether a household has a low income – where households would be eligible if their income was equal to or below the relevant income threshold.
6. In general, the lower an income threshold the greater the likelihood of households below that threshold being in fuel poverty.
7. As a guideline, or benchmark, Table 1 outlines the income thresholds broadly equivalent to those used when measuring fuel poverty using the Low Income High Costs indicator, based on the 2014 Fuel Poverty National Statistics.²¹ These income thresholds have been adjusted for inflation to be broadly representative of 2017/18 equivalent thresholds. This will be referred to as the Low Income threshold.
8. Income here is defined as a household's disposable income after they have paid for their rent or mortgage. This comprises income from all sources, such as net earnings (after tax), income from savings and investments, pensions, all benefits (including housing benefit), and net council tax payments.
9. A different threshold is provided for different types of household composition, reflecting that larger households require larger incomes in order to achieve the same standard of living as smaller ones.²²

²¹ Available at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/557400/Annual_Fuel_Poverty_Statistics_Report_2016_-_revised_30.09.2016.pdf

²² This is a process referred to as “equivalisation”. To illustrate, a single person household with an income of £20,000 will have more disposable income and be able to enjoy a higher standard of living than a

10. In practice participating LAs will be able to exercise their discretion on where to set thresholds they consider appropriate, and how to define income. This must be set out in the Sol.

Table 1 – Income thresholds broadly consistent with those used under the Low Income High Costs indicator (2014)²³ inflated to represent 2017/18 prices

Household composition	Annual household income	Monthly household income Equivalent
1 adult (18 years and over)	£8,900	£740
and 1 child	£11,700	£980
and 2 children	£14,400	£1,200
and three children	£17,300	£1,440
and four or more children	£20,100	£1,680
2 adults (18 years and over)	£14,600	£1,220
and 1 child	£17,400	£1,450
and 2 children	£20,200	£1,680
and three children	£23,100	£1,930
and four or more children	£25,700	£2,140

11. BEIS research²⁴ has tested how questions could be asked of householders in a way that could elicit reliable answers about whether their household income was above or below a threshold. Box 1 outlines the questions based on that research which can be used to determine whether their income is above or below a particular threshold.

Box 1: Questions that could be used to determine whether a household’s income is above or below a particular threshold level

Question 1: How many people over the age of 18 normally live in your property, including yourself?

This establishes how many adults are part of the household.

Question 2: How many people under the age of 18 normally live in your property?

This establishes how many children are part of the household.

Question 3: After paying the rent or mortgage (if you have one), how much income does your household usually have left each month?

a) More than [e.g. the threshold amount from Table 1 given the number of adults and children stated under questions 1 and 2]; or

family of four on the same level of income. Therefore higher thresholds are applied to larger households.

²³ These thresholds have been calculated from the 2014 fuel poverty dataset for England – the latest available at present. This has been inflated to be broadly representative of 2017/18 equivalent thresholds.

²⁴ The Department expects to publish this in due course

- b) Less than [e.g. the threshold amount from Table 1 given the number of adults and children stated under questions 1 and 2].

This establishes whether the household's income, after housing costs, is above or below the low income threshold. If the answer to Question 3 is (b), then they should be considered as low income.

Example: A household has 2 adults 18 years of age or over, and 3 children under 18 years. Using Table 1 as an example, the appropriate threshold is £21,600 annually (or £1,800 per month). Their answer to Question 3 reveals that they have less than £1,930 per month after they have paid their rent or mortgage (if they have one). In this example, they can therefore be considered as low income.

Identifying high cost households

12. Due to the nature of the fuel poverty definition used for England, gathering information that relates to the energy costs in a given property and combining it with information on that household's income is more effective in targeting the fuel poor than using income information alone.
13. We have considered different approaches that reflect potential access to data by LAs on how costly a home is to heat. We have shortlisted two approaches in this guidance, which try to strike a balance between simplicity and targeting accuracy. As discussed above, LAs have discretion over how to target fuel poor households. As such they may wish to develop different approaches or use different data or tools to identify fuel poverty in their area. The approach followed must be set out in the Sol.
- a) **Approach 1:** Use Energy Performance Certificate (EPC) bands E, F or G in order to determine a household as very likely to have high energy costs
 - b) **Approach 2:** Use the responses to a set of questions which describe the characteristics of a given household to determine the likelihood of having high energy costs
14. Internal BEIS analysis shows that there is a correlation between properties with high energy costs and households which have potential for a cost-effective ECO measure. This is an important factor for energy suppliers in deciding whether to install a measure.
- 1) *Approach 1: EPC bands E, F or G*
15. Energy Performance Certificate (EPC) bands can be used to identify how costly a household is to heat.
16. In March 2017 DCLG made a significant proportion of the EPC register data openly accessible²⁵, which should allow for bulk access to this data free of charge.
17. This simple approach would involve obtaining EPC bands for properties and defining as eligible only those properties which have an EPC band of E, F, or G. BEIS analysis

²⁵ Available at <https://epc.opendatacommunities.org/>

shows that E, F, and G rated homes have a high probability of being defined as ‘High Cost’ under the Fuel Poverty definition.

2) *Approach 2: High Cost questions*

18. Whilst Approach 1 is the simplest route to take, we present another option for finding high cost homes where an EPC is not available.
19. This option would involve obtaining data on dwelling characteristics, either done using data held by an LA, visiting the property, or approaching households to get the relevant information.
20. BEIS has developed a set of simple questions that aim to achieve a balance between simplicity and effective identification of high cost homes. These have been tested in previous BEIS research, which found that typically householders are able to understand and answer these questions reliably.
21. Using English Housing Survey data BEIS has analysed how responses to these questions tend to affect the probability of a given home having high heating costs. Based on this analysis, we developed scores which reflect the likelihood that a dwelling characteristic (e.g. number of bedrooms = 4) results in the given household having high energy costs. A higher score indicates a greater likelihood that a household has high energy costs.
22. Participating LAs may decide to set a score threshold, whereby properties that generate a score above a certain level are deemed to be sufficiently likely to be High Cost. An alternative method would be to simply score all the properties in the area and prioritise those properties with the highest scores.
23. Table 2 below shows how different score thresholds are likely to impact the fuel poverty targeting accuracy when used in conjunction with the Low Income threshold. It also shows that as the score threshold increases, the eligible “pool” – that is, the number of households that would be deemed eligible – decreases. Increasing the score threshold, or applying stricter eligibility criteria, will therefore make it more challenging to find eligible households.
24. As a reminder, LAs that follow this approach have discretion over the score thresholds.

Table 2 – Illustrative score thresholds with corresponding change in fuel poverty targeting accuracy

Score threshold	Fuel poverty targeting accuracy	Eligible ‘pool’ size in England
-5	66%	2,300,000
0	72%	1,800,000
5	81%	1,200,000
10	87%	800,000
15	92%	500,000

25. Table 3 below provides a list of recommended questions and corresponding scores based on our statistical analysis. If no response is available for a question, there is a “No response” option. This uses the most common response as a default response – for example, if it is unknown how the energy payments are made then given payment

by Direct Debit is the most common option, the score for Direct Debit is used. We do recommend answering all questions where possible, as some default scores – for example when the home was built, and the main fuel type – will have a large impact on the overall score. The more “No response” answers used, the less accurate the score will be.

Table 3 – Illustrative scores applied to high cost question responses under Approach 2

Question	Response	Score
How many bedrooms are there in the home?	1	0
	2	10
	3	17
	4	27
	5 or more	36
	No response	17
Are energy payments made by Direct Debit?	Yes	-7
	No	0
	No response	-7
What type of house is it?	Semi detached	-4
	Detached	6
	Mid terrace	-10
	End terrace	-4
	Converted flat	-9
	Purpose built flat, high rise	-20
	Purpose built flat, low rise	-34
	Bungalow	0
	No response	-4
Was the home built before 1964?	Yes	17
	No	0
	No response	17
What is the main heating fuel?	Gas	-14
	Electricity	0
	Oil	12
	Other	-10
	No response	-14
Does at least one member of the household spend most of the day in the home?	Yes	1
	No	0
	No response	0

26. **Example:** Household B has met the income criteria as specified by the LA and therefore information has been gathered on the questions above, as follows:

Question	Response	Score
How many bedrooms are there in the home?	3	17
Are energy payments made by Direct Debit?	Yes	-7
What type of house is it?	Detached	6

Was the home built before 1964?	Yes	17
What is the main fuel type?	Gas	-14
Does at least one member of the household spend most of the day in the home?	Yes	1

27. The score for household B is: $17 + (-7) + 6 + 17 + (-14) + 1 = 20$. If the LA has set a score threshold at 5 points then this household would be considered a high cost home.

28. Table 4 shows the fuel poverty targeting accuracy rate (i.e. what proportion of households targeted would be fuel poor) of the two approaches, combined with the low income definition provided above. To illustrate the importance of applying an income threshold we also show an option of not using an income threshold. The table assumed that only properties deemed to be highly likely to have high energy costs are selected.²⁶

Table 4 – Fuel poverty targeting accuracy across alternative approaches for identifying high energy cost homes

		Approaches for identifying high cost homes	
		Approach 1 (Households with E, F, or G EPC ratings)	Approach 2 (data on housing characteristics)
Low Income Thresholds Applied	No income threshold	19%	15%
	Low Income threshold	87%	81%

29. Note also that another benefit of applying an income threshold – beyond improving fuel poverty targeting accuracy more generally – is that it ensures all eligible households identified will have low incomes even if some aren't strictly in fuel poverty.

²⁶ The actual targeting accuracy will depend on the score threshold chosen by the LA.

Annex 7: Identifying vulnerability to cold

1. In developing criteria, LAs should refer to the NICE guideline NG6 on “Excess winter deaths and illness and the health risks associated with cold homes”, which identifies people with the following health conditions as being particularly vulnerable to 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*

2. Of the list provided above, cardiovascular and respiratory diseases are the key health conditions associated with excess winter deaths and illnesses.

3. It is important to note that whilst people with these conditions are particularly vulnerable to cold, many conditions may be exacerbated by living in a cold home.

4. While the health of people of all ages is affected by cold homes, older people (over 65 years) are more likely to suffer health problems (such as heart attacks, strokes and chest infections), especially those living on their own who are socially isolated. The risk increases with older age, and those over 85 are the most vulnerable. Cold homes may also pose a risk to the health of children under 5, as well as to pregnant women and their babies. LAs should have particular regard for these groups.²⁷

5. Some groups are particularly vulnerable to cold homes, for example, those who are likely to spend a larger part of their time at home because of a long-term illness or a disability. Feedback received from LAs involved in the Booster Fund projects²⁸ suggested adding to the following conditions to the list above:

- e) *people who are terminally ill*
- f) *people with suppressed immune systems (e.g. from cancer treatment or HIV)*

6. In addition to the above, the NICE Quality Standard on *Preventing excess winter deaths and illness associated with cold homes*²⁹ include further groups of people who are vulnerable to the health problems associated with a cold home, and which LAs may want to consider adding to their lists, specifically:

- g) *people who move in and out of homelessness*

²⁷ A useful reference on these issues is: ‘Hajat et al, Heat-related and cold-related deaths in England and Wales: who is at risk?’, *BMJ journals, Occupational and Environmental Medicine*, Volume 64, Issue 2. <http://oem.bmj.com/content/64/2/93>

²⁸ Health Booster Fund projects: <https://www.gov.uk/government/publications/the-fuel-poverty-and-health-booster-fund>

²⁹ The NICE quality standard is available here: <https://www.nice.org.uk/guidance/qs117/chapter/Quality-statement-2-Identifying-people-vulnerable-to-health-problems-associated-with-a-cold-home>

- h) people with addictions*
- i) people who have attended hospital due to a fall*
- j) recent immigrants, asylum seekers and refugees (if living in private tenure)*

7. Other indicators of vulnerability to cold could be less immediate to identify, for example, living in a cold home can cause or exacerbate mental and physical health problems. A household that cannot afford to heat its home is likely to be under stress, for example if they are forced to live in the only heated room.
8. Cold homes and health problems can spiral into further problems, for example low income households may need to choose between heating and food or other commodities. Others risk falling into debt, or have fallen into debt as a result of their health issues and high energy costs. Debt is therefore an additional factor that LAs may wish to take into consideration when identifying vulnerability to cold.

Annex 8: In-fill – examples

1. This Annex covers examples, which are only illustrative and non-exhaustive, of projects where in-fill requirements have been met.
2. It is important to bear in mind that where, in the examples given below, a property or properties are stated as not meeting the relevant eligibility criteria, LAs can consider whether they could be eligible for funding under CERO, or Affordable Warmth (eg if they are social housing EPC band E,F,G).
3. Flexible eligibility only applies to private tenure, therefore all the properties on a declaration, including in-fill, must be private tenure, and it only applies for the purposes of solid wall insulation (SWI).
4. As set out in Chapter 6, in-fill households must be listed in an LA declaration alongside the FP or LIVC households in the SWI project that meet the relevant criteria. The LA must ensure that, for each project on a declaration, the *minimum* proportions are met for the relevant property types.

1) 50% requirement – examples

5. This scenario will typically refer to houses that directly adjoin onto one other property. “**Directly adjoined**” refers to two individual properties that join onto one another. This includes two semi-detached houses, two semi-detached bungalows, or a detached building containing two properties (e.g. one above the other).
6. The 50% minimum requirement means that at least one of the two-properties must be declared by the LA as FP or LIVC).
7. Examples below include boxes representing whole households:

Key	Colour
FP or LIVC (eligible)	
In-fill	
Not-FP or LIVC ³⁰	

8. **Example 1 – Semi-detached.** The in-fill property **directly adjoins** the eligible property by a party wall. Other properties in red are not eligible as they are not FP or LIVC. Where an in-fill property identified by the LA **is on the same street but does not**

³⁰ Such properties can be considered for CERO measures, or, if they are social housing EPC bands E, F or G they can be eligible under Affordable Warmth (not flexible eligibility).

adjoin the eligible property by a side wall, this would not meet the requirements for in-fill eligibility.



9. **Example 2 - Detached building containing two properties.** The in-fill properties **directly adjoin** an eligible property by being directly above or below an eligible property and there being no more than 2 properties in the building. Other properties in red are not eligible as they are not FP or LIVC and do not **directly adjoin** FP or LIVC properties.



10. **Example 3 – Semi-detached, one containing two flats.** The flats on the right are not eligible as although they directly adjoin, they are not in a building containing no more than two domestic premises. As such 50% eligibility does not apply.



2) 66% requirement – examples

11. It is anticipated that this will refer to more complex circumstances and therefore we do not illustrate all possible circumstances. The following is intended to provide guidance, but should not be considered exhaustive of all circumstances.
12. The 66% minimum requirement means that at least two in three properties on the LA declaration must be declared by the LA as FP or LIVC. It applies to the following types of buildings:
- **“Same building”** under 66% eligibility will typically refer to multiple properties in the same structure (e.g. block of flats).
 - **“Immediately adjacent buildings”** are buildings that do not physically join but are separated by an alleyway, footpath, side garden or fence, for example. Buildings separated by a road on which motorised vehicles travel are not considered adjacent, although if the alleyway is used by motorised vehicles for parking purposes only, then this would be allowed.
 - **“Same terrace”** will typically refer to a row of houses (including straight or “L” shaped) that are part of a continuous structure without a gap between them. Where houses have an access alleyway between them, but the top sections of the properties join, these are “same terrace”.

13. Where houses are in immediately adjacent buildings to a terrace (eg separated from the terrace by an alleyway), they can be considered part of the terrace for the purposes of being counted towards in-fill, as long as the immediately adjacent end-terrace property is included in the declaration and the required proportions of FP and LIVC are met.
14. Houses at the end of a terrace are considered “same terrace”, not semi-detached and as such can only qualify for in-fill under the 66% eligibility requirement.
15. Not all the properties in one terrace need to be included in the SWI project in order for the project to be eligible under flexible eligibility, nor do they need to be immediately adjacent, as long as they are in the same terrace and the required proportions of FP and LIVC within the SWI project are met. See example 5.
16. Similarly, not all the properties in a same block of flats need to be immediately adjacent to each other in order to be eligible under flexible eligibility, as long as the required proportion of FP and LIVC properties is achieved and the properties are in the same or immediately adjacent block of flats. This could be useful where some flats in the block of flats are in social housing, and therefore could not be counted towards flexible eligibility. See example 7.
17. **Example 4 - Same terrace.** In this example, all the 9 properties in the same terrace have been included in an LA declaration. As 66% of the properties for which an LA declaration has been provided are FP or LIVC (6 out of 9), the remaining 3 that are not FP, or LIVC, are eligible for solid wall insulation.



18. **Example 5 - Same terrace.** In this example, 10 of the 12 properties in the terrace have been included in the LA declaration. 8 of 10 properties for which an LA declaration has been provided are FP or LIVC – therefore the minimum 66% threshold has been met. The two properties in red are not eligible under flexible eligibility rules (otherwise the 66% eligibility criteria would not be met).



19. **Example 6 – Same terrace separated by a road.** All of the properties in the top terrace are eligible under flexible eligibility on the basis of 6 being either FP or LIVC and the remaining 3 being part of the **same terrace**. The bottom terrace act independently from the top and are not considered the **same terrace** or an **immediately adjacent building** to the top terrace as they are separated by a road. As 4 properties in the bottom row are FP or LIVC, an additional 2 properties in the row can be counted as in-fill. An additional 3 properties cannot be counted as in-fill otherwise the proportions would not be met.



20. **Example 7 – Block of flats.** This represents a block of flats which requires SWI. 18 flats are declared FP or LIVC. As such, up to 9 other flats which are not FP or LIVC can be declared as in-fill, and as such the 66% minimum threshold has been met.

Green	Blue	Green
Blue	Green	Green
Green	Blue	Green
Red	Red	Red
Green	Green	Green
Blue	Green	Green
Green	Green	Blue
Blue	Blue	Blue
Green	Blue	Green
Green	Green	Green
Red	Red	Red
Red	Red	Red

21. **Example 8 – Blocks of flats.** All the properties in Block A are eligible for SWI as 21 of 27 (78%) are FP or LIVC. The other 6 can be classed as in-fill as they are part of the **same building**. In Block B, 15 of the 27 properties (55%) are FP or LIVC. This would mean that not all of the remaining 12 can be classed as in-fill if Block B was considered in isolation. However, as Block A & B are **immediately adjacent buildings**, then they may be amalgamated for the purposes of calculating in-fill. As 36 of 54 properties (67%) in Block A and B are eligible then the other 18 can be classed as in-fill.

BLOCK A				BLOCK B		
Green	Green	Green	ALLEY/ GARDEN	Green	Green	Green
Green	Green	Green		Blue	Green	Blue
Green	Green	Green		Green	Blue	Green
Green	Blue	Blue		Green	Green	Green
Blue	Green	Green		Blue	Green	Blue
Green	Green	Green		Blue	Green	Blue
Green	Green	Blue		Blue	Blue	Blue
Green	Blue	Blue		Green	Blue	Green
Green	Green	Green		Green	Green	Blue
Green	Green	Green			Green	Blue