

To: Infrastructure, Land and Environment Policy Board

On: 25 January 2023

Report by: Director of Environment and Infrastructure Services

Heading: Renfrewshire Council ECO-flex 4 Statement of Intent

1. Summary

- 1.1 Reducing Carbon Emissions is one of the principle measures to address climate change and is a key priority for all Local Authorities. Renfrewshire Council recognises that climate change will have far reaching effects on Renfrewshire's economy, its people and its environment and is determined to lead by example in tackling the causes of climate change.
- 1.2 The Scottish Government are transitioning to 'a net-zero emissions Scotland for the benefit of our environment, our people, and our prosperity'. The world-leading climate change legislation in Scotland sets a target date for 2030 for a 75% reduction in greenhouse gas emissions and net-zero emissions of all greenhouse gases by 2045 - with the aim of ending Scotland's contribution to climate change, definitively, within one generation.
- 1.3 In 2019, Renfrewshire Council signed up to become carbon neutral by 2030, now formalised in the Planning and Climate Change Policy Board. This challenging target covers all aspects of energy use within the Renfrewshire wide area. Homeowners can help achieve these targets by ensuring their home is energy efficient. In doing so, there are many long-term benefits, such as carbon savings, reducing energy bills and by supporting the local economy.
- 1.4 The UK Government has introduced a new funding stream to help reduce carbon emissions called ECO-flex 4 which supersedes ECO-flex 3, a scheme that Renfrewshire Council was previously signed up to. ECO-flex 4 will allow the Council to provide funding to Renfrewshire's private sector, fuel poor households that do not meet criteria for other schemes, as well as low-income households that are vulnerable to the effects of the cold. The scheme is part

of the UK Government Energy Company Obligation and will be advertised in the National Press in order to maximise the funds uptake.

- 1.5 The qualifying criteria for ECO-Flex, as set by Ofgem, is published by local authorities in a document called a Statement of Intent. ECO-flex will apply to owner occupier and private rented accommodation. ECO-flex, does not apply to Council Housing or Registered Social Landlords.
 - 1.6 The Statement of intent will be published on the Renfrewshire Council website and updated if and when appropriate, based on guidance from Ofgem.
 - 1.7 Homeowners can access the scheme in a variety of ways, such as being referred by their energy provider to an approved installer or by contacting or being contacted by an approved installer. The responsibility to obtain an Energy Performance Certificate and obtain evidence that homeowners meet the qualifying criteria would be the responsibility of the installer. The installer is responsible for providing a copy of all qualifying evidence, including EPC's to Renfrewshire Council. The Council role is to complete a declaration and lodge it with Ofgem for approval. Once approval has been received, Renfrewshire Council will notify the installer to undertake the approved works and provide an EPC upon completion.
 - 1.8 Homes that meet the criteria described in the Statement of Intent will be issued a Declaration which will enable them to access enhanced funding levels from the ECO providers for insulation and energy efficiency improvements in their homes.
 - 1.9 Homes with an Energy Performance Certificate (EPC), band of D-G may be eligible for the scheme. There is a minimum requirement of improving band F or G homes to at least band D, and band D or E homes to at least a band C. This requirement is to encourage the delivery of multiple measures to a home for a more complete upgrade of the least efficient homes.
 - 1.10 A draft Statement of Intent is attached as Appendix 1 to this report.
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2. Recommendations

- 2.1 It is recommended that the Infrastructure, Land and Environment Policy Board:
 - (i) Approves the Statement of Intent, as detailed in Appendix 1 of this report, for submission to OFGEM and to be published on the Renfrewshire Council website.
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3. Background

- 3.1 The Energy Company Obligation (ECO) is a levy which all electricity and gas suppliers with over 150,000 customers add to fuel bills. The main objective of the scheme is to reduce household heating costs by improving the least energy efficient housing stock occupied by low income and vulnerable households.
- 3.2 ECO4 places a legal obligation on duty-bound suppliers to reduce heating costs for low income and vulnerable households by delivering energy efficiency and heating measures. One route to identify eligible households is through ECO4 Flex, where Local Authorities, the Scottish Government, and suppliers identify households that meet the eligibility requirements set out in the ECO4 Order.
- 3.3 Suppliers can deliver up to 50% of their obligation through the ECO4 Flex route. Delivery under ECO4 Flex is optional for Local Authorities, however, Renfrewshire Council must issue a statement of intent, for households across Renfrewshire to be eligible for the scheme.
- 3.4 A Statement of Intent, as set out in the ECO4 Order, is intended to state publicly the criteria that the Local Authority intends to use to identify households that meet the eligibility criteria under flexible eligibility. The Statement of Intent must also be published on the Council website and referenced on any signed declarations.
- 3.5 A declaration of compliance with a local Statement of Intent criteria enables private householders to access ECO Flex 4, for specified improvements.
- 3.6 As such, the local authority acts as an enabler for private householders to access ECO-Flex. It should be noted that the Council does not appoint an ECO-Flex provider and the main role is to sign off declarations and provide a copy to Ofgem.
- 3.7 Renfrewshire Council's draft Statement of Intent is attached as Appendix 1 to this report for approval. In the document, the eligibility criteria as set out by the Department of Business, Energy & Industrial Strategy (BEIS) is detailed.

Implications of the Report

1. **Financial – None**
2. **HR & Organisational Development - None**
3. **Community/Council Planning –**

- **Creating a sustainable environment for all to enjoy** – In taking part and advertising the EcoFlex4 scheme, Renfrewshire Council will allow Renfrewshire residents to access funding as part of the wider scheme.

This will assist with Renfrewshire's wider Net Zero targets by improving the least energy efficient housing stock occupied by low income and vulnerable households.

4. **Legal - None**

5. **Property/Assets - None**

6. **Information Technology - None**

7. **Equality & Human Rights**

- (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety - None**

9. **Procurement - N/A**

10. **Risk - None**

11. **Privacy Impact - N/A**

12. **COSLA Policy Position - N/A**

13. **Climate Risk** – ECO Flex 4 will help to reduce carbon emissions within domestic properties throughout Renfrewshire.

List of Background Papers

- a) Renfrewshire Council ECO-flex Statement of Intent, Infrastructure, Land and Environment Policy Board, 24 January 2018.
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Author: Craig Doogan, Energy Team Leader, Environment and Infrastructure

Renfrewshire Council - Statement of Intent for ECO4

Renfrewshire Council ECO4 Flexible Eligibility Statement of Intent

Local Authority name: Renfrewshire Council (S12000038)

Publication Date: 30/01/2023

Version number: 1.0

Publication on web site: www.renfrewshire.gov.uk

This statement sets out Renfrewshire Council's flexible eligibility criteria for the Energy Company Obligation (ECO4) scheme from April 2022 – March 2026.

The ECO4 scheme will focus on supporting low income and vulnerable households. The scheme will improve the least energy efficient homes helping to meet the Government's fuel poverty and net zero commitments.

The flexible approach for Local Authorities (LAs) to identifying fuel poor and vulnerable households who may benefit from heating and energy saving measures is referred to as "ECO4 Flex".

The Council welcomes the introduction of the ECO4 Flex eligibility routes as it helps the Council achieve its plans to improve the homes of those in fuel poverty or vulnerable to the cold. The Council is publishing this Statement of Intent (Sol), on the 30/01/2023 to confirm that each of the households declared eligible will adhere to at least one of the four available routes outlined below:

Route 1: Standard Assessment Procedure (SAP) bands D-G owner-occupied households and private rented sector E-G households with an income less than £31,000. This cap applies irrespective of the property size, composition, or region.

Route 2: Standard Assessment Procedure (SAP) bands E-G for owner-occupied households and private rented sector households that meet a combination of two of the following proxies:

- 1) Homes in datazones 1-3 of the Scottish Index of Multiple Deprivation (SIMD) 2020 (<https://www.gov.scot/collections/scottish-index-of-multiple-deprivation-2020/>)
- 2) A householder living at the premises receives a Council Tax reduction (based on low income only).
- 3) A person living at the premises is considered to be vulnerable to the cold under the National Institute for Health and Care Excellence (NICE) Guidance: Recommendation 2, for a reason other than their low income
- 4) A child living at the premises is eligible for free school meals, due to low-income.

- 5) A person living at the premises is supported by a Local Authority run scheme that is named and described in their Statement of Intent, and established to support people living on a low income and vulnerable to the cold under NICE Guideline NG6.
- 6) A person living at the premises has been referred to the LA for support by their energy supplier, Citizens Advice or Citizen's Advice Scotland because they have been identified by the referrer as struggling to pay their gas or electricity bills.
- 7) Households identified through supplier debt data, which enables obligated suppliers to use their own debt data to identify either Non-Pre-Payment meter households (non-PPM), or Pre Payment meter households (PPM)**

* Note proxies 1 and 3 cannot be used together. Instead, these two proxies must be used in isolation of each other and combined with a different proxy from the list above. This is because these are very broad criteria compared to the others in the list and may not target low income and vulnerable households by themselves.

** Supplier Proxy 7 cannot be used with Proxy 6 as they are both using the same common proxy which is debt.

Route 3: Standard Assessment Procedure (SAP) bands D-G owner-occupied households and private rented sector E-G households that have been identified by their doctor or GP as low-income and vulnerable, with an occupant whose health conditions may be impacted further by living in a cold home. These health conditions may be cardiovascular, respiratory, immunosuppressed, or limited mobility related.

This is because the Council has identified a positive correlation between households who suffer from long-term health conditions and living off a low-income, with living in poorly insulated homes.

Route 4: SAP band D-G owner-occupied households and private rented sector E-G households that are referred under Route 4: Bespoke Targeting. Suppliers and LAs can submit an application to BEIS where they have identified a low income and vulnerable household, who are not already eligible under the exiting routes.

Declaration and evidence check confirmation

All potentially eligible households should apply through Home Energy Scotland/Renfrewshire Council or an ECO installer to ensure that they can either benefit from the scheme or be assessed for eligibility under any other relevant programme. The final decision on whether any individual household can benefit from funding for energy saving improvements under ECO-Flex will be made by the appropriate ECO supplier and their contractors/agents. Eligibility does not guarantee funding and the final decision of whether measures will be undertaken will depend upon:

- Surveys carried out by an ECO contractor/agent of properties and household circumstances and the installation costs calculated.
- The energy savings that can be achieved the property.
- Whether suppliers have achieved their relevant Affordable Warmth targets or require further measures to meet such targets.
- Where the assessment process identifies that a household are required to pay a proportion of the cost of potential measures themselves, this which would be the subject of agreement between the parties.

Compliance

ECO installers partnering with Renfrewshire Council will be responsible for the collection of any necessary and compliant evidence from applicants to enable an application to be verified by Renfrewshire Council as meeting the necessary criteria as set out in this Statement of Intent.

Installers that partner with the Council will cooperate with Renfrewshire Council fully in meeting the requirements of any audits or investigations carried out by Ofgem.

Governance

Renfrewshire Council will administer the scheme according to BEIS' ECO4 Order and will identify eligible households via Ofgem's application process. The Head of Facilities and Property Management will oversee the process of identifying eligible households under ECO4 Flex.

Authorised Signatory

Renfrewshire Council will only sign declarations, where a contractor presents eligibility information and delivering measures. The Council will only use the above eligibility routes to declare households eligible where necessary processes are in place to do so.

The officer below will be responsible for checking and verifying declarations and associated evidence submitted on behalf of the local authority:

Name: Craig Doogan

Job Title: Team Leader, Energy Management Unit

Email: craig.doogan@renfrewshire.gov.uk

CEO or dedicated responsible person mandatory signature

Renfrewshire Council will administer the scheme according to BEIS' ECO4 Order and will identify eligible households via Ofgem's application process. The Director

of Environment and Infrastructure will oversee the process identifying eligible households under ECO4 Flex.

The eligibility information will be stored securely in line with the Council's data protection policy, Information Commissioner's Office Data Sharing Code, and BEIS guidance.

Signature:

Name: Gordon McNeil

Job Title: Director of Environment and Infrastructure

Date of signature:

For any general enquires relating to this Statement of Intent, please contact:

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