

Report of the Assistant Director – Housing & Community Safety

Implementing Energy Company Obligation (ECO) Flexible Eligibility

Summary

1. To provide background information about the Government's proposal to give the Council the ability to set local criteria for Energy Company Obligation (ECO) funding.
2. By adopting this criteria the Council will be in a position to attract funding to help fuel poor residents

Recommendations:

3. The Executive Member for Housing and Safer Neighbourhoods is asked to:
 - a) Note that the Energy Company Obligation (ECO) transition period allows Local Authorities to set criteria to fuel poor households, and households which are vulnerable to cold, to qualify for funding towards the cost of certain energy efficiency improvements to their homes;
 - b) Approve the Statement of Intent given at Appendix 1 setting out the criteria for the City of York;
 - c) To delegate authority to make minor adjustments to the Statement of Intent to the Assistant Director of Housing and Community Safety in order to facilitate responses to revised priorities and/or funding opportunities.

Reason: In order to optimise the opportunity for private sector households in York to access the national ECO funding scheme the Council must publish a Statement of Intent for the flexible eligibility element of the funding. Without this residents will be eligible only under the national criteria without any reference to local needs or priorities.

Background

4. ECO is the Government's funding stream for energy efficiency improvements to fuel poor households which is funded directly from the six main energy suppliers. Funding is allocated in periods with the last period ending on the 31st March 2017. The current ECO period is a

transitional period designed to last for 18 months from the 1st April 2017, and is seen as a trial for new and revised Regulations.

5. The Guidance initially issued in draft form in February 2017 provided for Local Authorities to set local criteria for ECO qualification in order to address local needs and priorities. In order for these to be legitimate the Local Authority is required to publish on its web site a Statement of Intent setting out the Council's Flexible Eligibility criteria.
6. ECO providers have the option to deliver up to 10% of their ECO obligation through locally set Flexible Criteria. These are criteria which are outside of the national scheme but which address needs within a Council area. ECO providers need the Local Authority to have issued an appropriate Statement of Intent, and to sign Declarations of eligibility for any funding schemes delivered through this mechanism in a Council's area.
7. Having a published Statement of Intent enables the Council to work with ECO providers (energy suppliers) to potentially fund energy efficiency improvements which would not be eligible under the national criteria.
8. Officers have been working with colleagues across the Leeds City Region to develop a consistent protocol which will both meet varying local needs and provide a mechanism which facilitates inter-authority programmes of work in partnership with Better Homes Yorkshire.

Consultation

9. The current ECO Guidance is the result of a consultation by the Department for Business Energy and Industrial Strategy regarding changes to the ECO scheme.
10. Officers have met across the Leeds City Region with representatives of three major energy suppliers to consult on their views of the partnership's approach and to understand their requirements for being able to fund schemes in the current ECO period.

Options

11. There are two options being put forward:

Option 1- to approve the Statement of Intent in order to open potential additional opportunities for funding for residents;

Option 2 - not to publish a Statement of Intent and rely only on the national criteria to attract funding for residents.

Analysis

12. **Option 1** – This allows ECO providers to work with the Council to deliver ECO funding assistance to households in the City, in addition to that available nationally. This increases the potential number of households able to access external funding, including those on lower incomes but not receiving the ECO ‘passport benefits’, or living in specific priority areas. It enables the Council to direct potential ECO funding schemes into households which meet local needs and priorities.
13. **Option 2** – Not having a published Statement of Intent prevents the Council from working with ECO providers outside of the nationally set eligibility criteria

Council Plan

14. Publishing the ECO Flexible Eligibility Statement of Intent supports and contributes towards the three Council priorities
 - A prosperous city for all
 - A focus on frontline services
 - A Council that listens to residents
15. It also works towards the aims of One Planet York:
 - Principle 1 – Health and Happiness – All residents enjoying long, healthy, independent and safe lives;
 - Principle 9 – Zero Carbon - Creating energy efficient buildings, getting most of our energy from renewable sources and ensuring York is climate ready.

Implications

16. The implications arising directly from this report are:
 - **Financial** –None
 - **Procurement** – The Council has an exclusive contract with Better Homes Yorkshire requiring that all private sector energy efficiency improvements be referred to Better Homes. This contract was procured through the Leeds City Region and is relevant throughout the current ECO transition period.
 - **Human Resources** –None
 - **Equalities Implications** – This is a minor expansion of eligibility for funding which the Council is facilitating for all residents in fuel poverty or who are on low incomes and vulnerable to cold. It is wholly inclusive for all private sector residents. The Guidance does not allow for the scheme to extend to ‘social’ tenants.

- **Legal Implications** – There is no requirement for the Council to publish a Statement of Intent and doing so does not commit the Council to any particular actions or responsibilities.

Risk Management

17. In order to optimise the opportunities offered by ECO Flexible Eligibility the Statement of Intent is generally consistent with the other nine Better Homes partnership Authorities' draft publications.
18. Not publishing a Statement of Intent would leave the Council open to criticism that it is not implementing an initiative which could help vulnerable households.

Contact Details

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	Report Approved	<input checked="" type="checkbox"/>	Date
Wards Affected: All			
For further information please contact the authors of the report.			

Annexes:

- Appendix 1 – Local Authority Flexible Eligibility Statement of Intent
- Appendix 2 – Community Impact Assessment (CIA) Summary

Abbreviations in the Report:

ECO – Energy Company Obligation

Abbreviations in the Annexes:

BEIS – Department for Business, Energy & Industrial Strategy
 BRE – Building Research Establishment
 ECO – Energy Company Obligation
 EPC – Energy Performance Certificate

LCR – Leeds City Region

LGf – Local Growth Fund

NICE – National Institute for Health and Care Excellence

NG6 – NICE Guideline NG6 ‘Excess winter deaths and morbidity and the health risks associated with cold homes’

SoI – Statement of Intent

WYCA – West Yorkshire Combined Authority