

REPORT TO: Cabinet

26 July 2018

LEAD OFFICER: Director, Health and Environmental Services

ECO Help To Heat – Flexible Eligibility Scheme (Eco Flex)

Purpose

1. To consider identifying households as eligible for support from suppliers under the ECO Help to Heat Flexible Eligibility scheme (ECO Flex) using agreed criteria and authorise the Chief Executive to sign a joint cross-county Statement of Intent to that effect.
2. To inform Cabinet of the
 - (a) proposed bid to the Warm Homes Fund from the Cambridgeshire Energy Partnership, and
 - (b) proposed 'Approved List' of installers who have been vetted by the Cambridgeshire Energy Partnership.
3. This is not a key decision however, has been included on the Notice of Key and Non Key Decision to be taken since 4 April 2018.

Recommendations

4. It is recommended that Cabinet:
 - (a) agrees proposals to identify households as eligible for support from suppliers under the ECO Flex scheme; and
 - (b) agrees the criteria that is intended to be used to identify such households; and
 - (c) authorise the Chief Executive to sign a joint cross-county Statement of Intent to that effect; and
 - (d) notes and comments upon proposals for a bid from the Cambridgeshire Energy Partnership to the Warm Homes Fund; and
 - (e) notes proposals to create an 'Approved List' of installers who have been vetted by the Cambridgeshire Energy partnership.

Reasons for Recommendations

5. The Home Energy Conservation Act (HECA) 1995 places a requirement on Local Authorities to issue reports to national government on the status of their plans to implement energy efficiency measures in the residential housing sector. The proposals are made in the context of the roll-out of national efficiency measures, such as the Energy Company Obligation (ECO), where Local Authorities (LAs) are encouraged to take a formative role to deliver local investment and jobs, lower fuel bills and reduced greenhouse gas emissions.
6. The proposals would allow more vulnerable households in South Cambridgeshire to have energy efficiency measures installed at low or no cost. Installation of energy efficiency measures brings benefits to households in terms of both improving winter warmth, and as a consequence, improving health and wellbeing, and also reducing heating expenditure. Furthermore it brings wider benefits in terms of reducing greenhouse gas emissions.

7. The proposed actions represent a continued commitment to the Cambridgeshire Energy Partnership (formerly the Green Deal Partnership) which has delivered significant benefits to Cambridgeshire residents in the past and has the potential to do so in future. Working in partnership provides greater opportunities in terms of attracting funding and developing projects, while also allowing LAs to tailor projects to meet the specific demands and priorities of their area.

Background

8. The proposals have all been developed by the cross county Cambridgeshire Energy Partnership (formerly the Cambridgeshire Green Deal Partnership). This partnership comprises East Cambs, Fenland, Hunts, and South Cambs district councils and Cambridge City Council. It is an officer group, and was originally formed to make the most of opportunities arising through the government's Green Deal programme (2012-15). It has successfully delivered a number of central government funded schemes, most notably a £7.8m Green Deal Communities funded project to install solid wall insulation and other home energy improvements to 944 properties in Cambridgeshire (2014-16). Cambridge City Council led the Green Deal Communities project and leads the current proposals, under the Action on Energy brand.
9. The proposals are made in the context of the roll-out of national efficiency measures, such as the ECO, where LAs are encouraged to take a formative role to deliver local investment and jobs, lower fuel bills and reduced greenhouse gas emissions.

Considerations

10. The first three proposals concern ECO Flex. This is a scheme within ECO, which is a government programme designed to reduce fuel poverty and carbon emissions. Under the programme, large energy companies are obligated to help households, especially those with low incomes, to improve their energy efficiency. The second and current phase of the programme includes a 'flexible eligibility' mechanism (ECO Flex) by which obligated energy suppliers can fulfil some of their obligations by installing energy saving measures in premises that have been declared eligible by LAs.
11. For ECO Flex, participating LAs have to ensure that such premises are occupied by households in private tenure that are on a low income and are either in a high cost (an inefficient property) or are vulnerable to cold (have a cold related health condition). LAs participating in ECO Flex have to publish a Statement of Intent (Sol) in which they set out the eligibility criteria they intend to use to identify households that may benefit from the scheme.
12. A joint Sol has been developed by the Cambridgeshire Energy Partnership and is included in Appendix 1. The Sol specifies that to be eligible for support, private sector households would need to meet one of the low income criteria listed, plus either one of the criteria for high heating costs or one of the criteria for vulnerability to cold.
13. Using the discretion available, the Cambridgeshire Energy Partnership is recommending a relatively generous threshold under which households are eligible under the low income criteria (net annual household income of less than £20,000 for a single person, £30,000 for a couple and savings of less than £20,000). This has been suggested to take into account the high cost of housing in Cambridge and the surrounding area.
14. Again, using the discretion available, the Cambridgeshire Energy Partnership has included health conditions based on the National Institute for Health and Care Excellence (NICE) guidelines on the criteria for vulnerability to cold.

15. It is anticipated that as a result of the participation of the Council in the ECO Flex scheme a number of additional households would be supported to have home energy improvements that usually fall through the gaps in benefits led schemes.
16. The process for a household to have home energy improvements under the scheme is shown in Appendix 2. It is not anticipated that a large number of households would secure works through ECO Flex, mainly because installers generally have more to gain financially by installing measures using support from other benefits led elements within ECO. ECO Flex is, however, still worthwhile as the funding is an important part of the Warm Homes Fund bid and ECO is the only national scheme available for domestic fabric energy efficiency improvements.
17. The Warm Homes Fund (WHF) is a £150m fund from the National Grid administered by a Community Interest Company, Affordable Warmth Solutions, and designed to address fuel poverty by incentivising the installation of affordable heating solutions in fuel poor households who do not use mains gas as their primary heating fuel or have a central heating system installed. The fund provides the only current opportunity to secure significant nationally available funding to deliver activity to improve home energy efficiency.
18. Cambridge City Council as lead partner in the Cambridgeshire Energy Partnership is working up a bid with the intention of submitting it before the Round 2a deadline on 28 September. This bid will be for an 18 month project running from November 2018 to April 2020, installing first time central heating systems in households in both social and privately owned housing. The bid would predominately be for work in social housing. No details are confirmed but the bid is likely to include around 120 social properties including 32 owned by SDC.
19. The bid will also include support for around 60 private sector homes across the county targeting fuel poor residents. Using a combination of ECO and WHF funding it is intended that installations will be 100% funded.
20. Delivery of the project in the privately owned sector would be by installers on the Cambridgeshire Energy Partnership's Approved List. All installers on the list would meet industry standards including those for ECO funding, and would undergo additional vetting by the Partnership. Complaints would be monitored and standards would need to be upheld in order to stay on the list. No decision has been taken as yet regarding the installer for works to Council owned properties.

Options

21. Cabinet could:
 - (a) agree, with or without amendments, or reject proposals to identify households as eligible for support from suppliers under the ECO Flex scheme; and/or
 - (b) agree, with or without amendments, or reject the criteria that is intended to be used to identify such households; and/or
 - (c) authorise the Chief Executive to sign a joint cross-county Statement of Intent to that effect; and/or
 - (d) note and comment upon proposals for a bid from the Cambridgeshire Energy Partnership to the Warm Homes Fund; and
 - (e) note proposals to create an 'Approved List' of installers who have been vetted by the Cambridgeshire Energy partnership.

Implications

22. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Financial

23. The proposals concerning private sector housing would have no financial impact on the Council. However they would have a positive financial impact on households securing energy efficiency measures as a result of the proposals.
24. There would be financial implications in budgets for Council properties [further work is being done to estimate the amount of resource required, or if just staffing (see below), and will be shared prior to publication of this report to Committee/Cabinet].

Legal

25. Advice from Legal Services has been taken regarding the Approved List of installers.

Staffing

26. It is anticipated that any additional work required to administer the ECO Flex scheme would be no more than half a day per week and could be accommodated within the current Sustainable Communities & Partnerships team with support from Warm Homes Team colleagues where appropriate.

Risk Management

27. There would be a risk to reputation if the performance of installers on the Approved List falls short of expected standards. Transparent and rigorous vetting procedures will be undertaken to mitigate this.

Equality and Diversity

28. A positive impact on equality would be expected as energy improvement measures would be available to low income and vulnerable households.

Climate Change

29. A reduction in greenhouse gas emissions would be expected from homes where energy efficiency measures are installed as a result of the proposals.

Consultation responses

30. Discussion has taken place with the Warm Homes Team in Affordable Housing, who are supportive of the proposals.

Effect on Strategic Aims

31. A positive impact on health would be expected as a result of the proposals as a result of warmer homes for vulnerable households, which aligns with the first of the four strategic aims in the 2017-2022 Corporate Plan - Living Well: Support our communities to remain in good health whilst continuing to protect the natural and built environment.

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