



ECO flexibility criteria: Higher ambition and new guidance

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ECO: FLEXIBLE ELIGIBILITY

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Energy Company Obligation

Summary

ECO began in 2013 and is the main domestic energy efficiency scheme in GB

Over 2.3m measures installed in around 1.9m homes – primarily cavity wall insulation, loft insulation and gas boilers

Has been a shift of focus from carbon savings to reducing energy bills for low income households

From now until March 2022 the ~£640m per annum will all focus on households on low incomes



Why flexible eligibility?

We use receipt of benefits as a proxy for low income households

However, a significant proportion of homes in fuel poverty are not on benefits

Benefits are not necessarily a good indication of the greatest need and vulnerability

The objective is for LAs to identify homes which would not otherwise be eligible and, ideally, those in most need

Ideal scenario:

- Person not claiming benefits they are entitled to
- Chronic health condition exacerbated by living in a cold home
- Frequent GP/A&E visitor



Flexible Eligibility – the story so far

Energy suppliers can meet a proportion of their obligation by installing measures in homes referred to them by LAs – 10% under previous phase of ECO

Suppliers will come close to reaching 10% – some will have gone over

Generally positive feedback and a wide range of measures installed under broad range of criteria

However, high level of variability in eligibility criteria a lot of which do not meet our objectives for the scheme

Inevitably coverage is patchy



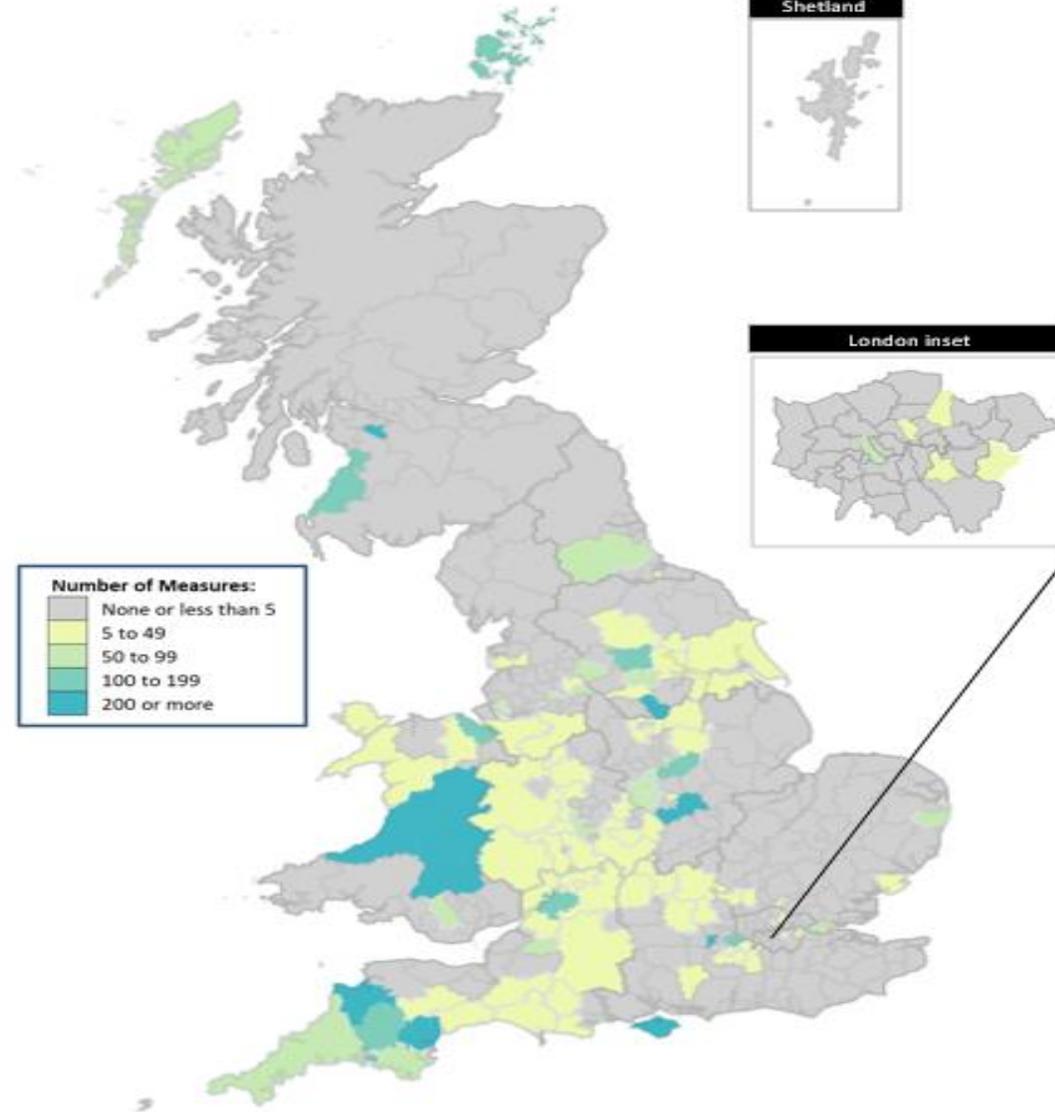
Top level stats:

126 Statements of Intent (SOI's) are published (covering 209 Local Authorities) this figure continues to rise. A link to published SOIs is available on GOV.UK. <https://www.gov.uk/government/publications/energy-company-obligation-eco-help-to-heat-scheme-flexible-eligibility>

Delivery is picking up pace, with a good span across GB

The latest stats published on 20 September 2018, show there have been 11,300 measures delivered through ECO Flexible Eligibility - around 8,300 measures installed between April and July 2018 alone.

www.gov.uk/government/statistics/household-energy-efficiency-national-statistics-headline-release-september-2018



Local Authorities are shown only if they have at least 5 flexible eligibility measures. In total, 168 Local Authorities had at least 1 flex measure up to June 2018.

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The Good

We have seen some **great** examples of SOI's these have been clear and concise approx. 2-3 pages long and provided clear information on their qualifying criteria, and who to contact for further information.

Some good examples of those include those that do not meet the AW benefit criteria, have incomes in line with BEIS recommended levels, are aimed at those with those whose health would be clearly effected by living in a cold home.





Durham County Council

Tapped into existing Warm and Healthy Homes project established in 2017

Joint working with Clinical Commissioning Groups

GP surgeries write out to patients with Chronic Obstructive Pulmonary Disease (COPD) and asthma encouraging them to contact Warm and Healthy Homes project

Initial phase focused on off-gas areas

Patients can then receive:

- ECO measures
- Energy debt assistance
- Energy saving and switching advice
- Fire safety referrals



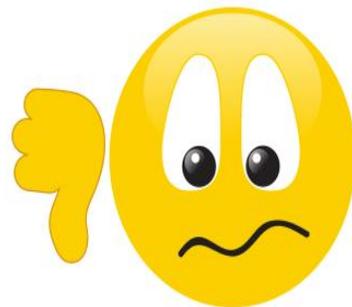
The bad

We took a look at 73 random SOI's of which:

37 used age as a possible standalone qualifying criterion, the ages ranged from 55-85 as the entry level of qualifying.

We have also seen SOI's with varying levels of disposable income over £40k (income after housing costs and in some cases after utility bills have been paid), with no household compositions.

Qualify regardless of income if home is below a band EPC Band D rating.





ECO3: brings a higher ambition and new guidance

25% of the obligation can be met through flexible eligibility – that is around £560m spending over 3.5 years

If LA Flex is to be seen as a success we need to ensure the help goes to the right type of households

We would urge LAs to think more critically about criteria they are using

We will be stating clearly what we would or would not like to see

New guidance will be out before the end of the year, with the proposal that LA's amend their SOI's before 31st March 2019



In conclusion

Flex has the potential to target those most in need

Need to make sure that loose criteria are not exploited for profit

Using health criteria could deliver the greatest benefits to the individual and to society

Its success or otherwise will influence the design of future policies