

ECO Flex review and recommendations

Warm Wales are working in partnership with Powys County Council (PCC) to manage ECO3 on behalf of the authority until March 2022.

The delivery of the ECO3 scheme is considered a key driver to assist Local Authorities to reduce fuel poverty and reduce carbon emissions from housing stock owned or occupied by those unable to pay for improvements themselves.

Following guidance from the Department for Business, Energy and Industrial Strategy (BEIS), PCC can offer ECO Flex via a published Statement of Intent (SOI). The SOI sets criteria to direct assistance towards local private sector homes at risk of fuel poverty but falling outside of the normal rules of ECO (usually qualifying benefits). PCC then issue a declaration on behalf of residents stating that they are eligible for funding.

To date, due to a number of factors, enrolment to the scheme has been slow and Warm Wales recommend a review of the SOI to enable more Powys residents take advantage of the available funding for energy efficiency improvements.

Current situation

Warm Wales have identified that the low number of eligible applications so far is in part due to the tight income eligibility thresholds that were selected for the SOI.

Status of all Flex cases as of 14/12/2020	
Lead Status	Reason Case Closed/Notes
Cancelled/Rejected (30)	Decided not to proceed (1)
	EPC ineligibility (5)
	Evidence not returned (7)
	Living out of area (2)
	Over Income Threshold (15)
Complete – measure installed (1)	HHRSH & LI installed
Other (6)	
Total Flex Applications (37)	

To date, the scheme has seen a total of 37 Eco Flex applications.

15 of those applications have been deemed ineligible due to applicants being over income thresholds, therefore 41 % of cases are being dismissed due to SOI income thresholds. A further 7 cases (19%) did not return the required evidence, which could be due to realising they were not eligible.

Recommendation

- Remove current Household composition table and replace with increased threshold in line with other LA and BEIS guidance

Cornwall Council's approach for eligibility evidenced in their SOI (attached):

Identifying whether a household is on a low income will be based on an annual maximum household income threshold (after housing and energy bills have been deducted) that will be set at £30,000.

Cornwall has been identified as a LA with similar characteristics to PCC in that it is largely rural with large off gas areas.

BEIS give guidance to assessing low-income households in their recent document:

Green Homes Grant: Local Authority Delivery (LAD) Phase 1B Guidance for Local Authorities Oct 2020.

In the guidance, BEIS invite LAs to apply for funding to be used to improve the energy efficiency of homes of low-income households living in their area with low EPC rated homes similar to ECO3.

BEIS define low-income households that are likely to be living in fuel poverty to have a combined household annual income of no more than £30,000 gross, before housing costs and where benefits are counted towards this figure.

Contractor Feedback

Feedback from contractors working on the scheme has also been established which echo Warm Wales' opinion.

“To give you a little more feedback we have been looking at past Flex jobs completed for other LAs. We have installed over 10 times the number of jobs for Flintshire and Denbighshire (approx. 50 jobs) as opposed to Conway (less than 5) as their eligibility threshold is low similar to PCC. Clearly this is going to be an issue in getting the funded work to those who really need assistance”.

Chris Wilkes, Energy Advisor, Greenhouse Energy LTD

“It is unlikely the LA Flex criteria will result in many householders qualifying (if any)”

Chris Jenkins, Director, Zing Energy

“I would say that most of these (qualifying based on household composition) would be eligible for working or child tax credit so would be eligible under HHCRO”

Lee Maher, Director, Menai Heating.

“We are finding it incredibly difficult to make the customers fit with the criterial, my view is that this scheme is going to be incredibly difficult to make viable”

Ashley McCutcheon, Director, Evan Thomas & Sons

Warm Wales recommend that PCC align the Powys ECO flex scheme to Cornwall Council’s SOI and the recommended guidance from BEIS and increase the income threshold of eligibility for the scheme to £30,000 per annum.

In doing so this will allow more households to benefit from the scheme resulting in the following outcomes for PCC:

- Tackle fuel poverty by increasing low-income homes’ energy efficiency rating while reducing their energy bills.
- Deliver cost effective carbon savings to carbon budgets and progress towards the UK’s target for net zero by 2050.
- Support clean growth and ensure homes are thermally comfortable, efficient, and well adapted to climate change.



**WARM WALES
CYMRU GYNNES**

- Support economic resilience and a green recovery in response to the economic impacts of Covid-19 within PCC.
- Use learnings from the delivery experience to inform the development and design of further energy efficiency schemes.