



Economy, Residents, Communities and Governance Scrutiny Committee

Scrutiny Observations to Cabinet on 04-05-2021:

Revision of the Statement of Intent to Improve Delivery of ECO-3 LA Flex in Powys

The Economy, Residents, Communities and Governance Scrutiny Committee met on 12 April 2021 and considered the following documents:

- Draft Cabinet report by the Portfolio Holder for Economic Development, Planning and Housing.

The Economy, Residents, Communities and Governance Scrutiny Committee thank the Portfolio Holder for Economic Development, Planning and Housing and the Head of Housing and Community Development and officers for attending scrutiny.

The Scrutiny Committee makes the following observations:

- The Committee supported:
 - the widening of the scheme to make it more attractive for Powys residents.
 - the need by the Council and Warm Wales to publicise the scheme more widely to encourage take up by Powys residents.
 - the need to provide information to Councillors and Powys residents as to what other grant and fuel efficiency schemes are available, with information to Councillors updated on a quarterly basis.
 - that the Council continues to consult with other authorities in Wales to ensure that the Powys scheme is on a parity with other schemes in Wales.
- The Committee expressed concern regarding the following:
 - that the revised thresholds could still be too low for example for those on universal credit who are working could be earning above the gross income target and therefore ineligible for assistance under the scheme.

- what evidence is there that Powys suppliers are on the Warm Wales installer list and that Warm Wales are engaging with local providers for the provision of solutions under the scheme.
- The Committee requested:
 - Whether the income thresholds could be increased or whether there could be more flexibility as £14,000 gross income is a low level of income and this could be an issue for example for a single parent with small children whose net income mean that they could be in fuel poverty
 - that should the Cabinet agree the proposal that it be reviewed 3 months after the decision is taken so that any further changes to the eligibility criteria can be undertaken sooner if required.
 - that Warm Wales be asked to review those previous applications which were rejected under the current eligibility criteria, to see whether any applications would be eligible under the revised criteria.
 - That the income and cost projections for the ECO3 scheme be reviewed to reflect the proposed changes in eligibility criteria.

Further information to be provided to the Committee:

- Has Warm Wales advised other Councils about the need to change their eligibility criteria following the change in government guidance.
- A copy of the eligibility criteria so that the Committee can understand the application process.
- Update to the Committee on the financial position for the scheme and the likely income to the Council to be derived from the scheme.
- Whether there are any review periods built into the agreement with Warm Wales.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1 that the Cabinet consider whether it is possible to increase the income threshold level or allow more flexibility to assist those on lower			Whilst permitting some flexibility, suggested income thresholds for ECO-3 are set in Department for Business, Energy and Industry Strategy (BEIS) guidance. Thresholds have already been raised to the proposed £14,000 and £21,000 values and could be raised further, to allow greater uptake.

<p>incomes</p>			<p>However, this would mean that the scheme may be seen as deviating from national guidance and could be open to challenge. Single parent households would qualify under Part Two of the Powys Statement of Intent (Sol) for having a vulnerability (children classed as vulnerable) and therefore be considered under the £34,000 income threshold set out in Part Two. The means tested cap of £34,000 applies where the applicant has a qualifying vulnerability under Part Two of the Sol. Where an applicant has no vulnerability, the lower income value of £14,000 applies.</p>
<p>2 that if agreed the eligibility criteria be reviewed in 3 months time to ensure that the scheme continues to deliver improvements for Powys residents</p>	<p>We would welcome this approach to make sure that the scheme remains fit for purpose but would respectfully suggest that any review be undertaken once the Covid-19 restrictions have been eased and a more accurate assessment can be undertaken based on a more normal socio-economic environment.</p>		
<p>3 that if approved Warm Wales be asked to review previous applications</p>	<p>The intention was to undertake this process; Warm Wales will review previous cases.</p>		

<p>against the revised criteria.</p>			
<p>4 that the income and cost projections for the scheme be reviewed to reflect the changes in eligibility criteria.</p>	<p>This was a prediction of approximately 260 applications being received, generating £150 for each declaration issued to Warm Wales by the Council. A combination of tight eligibility criteria, being addressed by the recommendations in the report to Cabinet and the unforeseen impact if Covid-19, have revealed that this prediction was ambitious. Should the current eligibility remain unchanged, this could mean less than 20 cases per annum, generating income to the Council of £150 per application, giving a total income of £3,000. At this level of demand, the scheme would be financially unviable for Warm Wales to continue to deliver. Adoption of the proposed changes could see an increase of up to 200 cases per annum, giving an annual income to the Council of £30,000.</p>		

In accordance with Rule 7.27.2 the Cabinet is asked to provide a written response to the scrutiny report, including an action plan where appropriate, as soon as possible or at the latest within 2 months of the date of the Cabinet meeting i.e. by 04-08-2021

Membership of the Economy, Residents, Communities and Governance Scrutiny Group / Committee on 12-04-2021:

County Councillors:

M Dorrance, J Pugh, J Charlton, K Lewis, G Jones, K Curry, D Selby, P Pritchard, S Williams.