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**TITLE: ENERGY COMPANY OBLIGATION (ECO) STATEMENT OF INTENT (SOI)**

Committee: Regulatory Services Committee

Date: 23 July 2018

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**1.0 ISSUE**

1.1 To inform Members of the criteria agreed by the Cambridgeshire Energy Partnership for the Statement of Intent relating to Energy Company Obligation.

1.2 Update Members on the progress of the Warmer Homes Bid.

**2.0 RECOMMENDATION(S)**

2.1 Members to:

2.1.2 Agree to the Memorandum of Understanding (MoU);

2.1.3 Note the Energy Company Obligation Statement of Intent (ECO Flex);

2.1.4 Endorse the submission for the Warm Homes Bid.

**3.0 BACKGROUND/OPTIONS**

3.1 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 measures 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 role to deliver lower fuel bills and reduce greenhouse gas emissions.

3.2 East Cambridgeshire are part of a countywide energy partnership. The partnership comprises East Cambs, Fenland, Hunts, and South Cambs District Councils and Cambridge City Council. It was originally formed to deliver the Government's Green Deal Programme 2012-15. The partnership successfully delivered £7.8m Green Deal Communities funded project to install solid wall insulation and other home energy improvements to 944 properties in Cambridgeshire (2014-16).

3.3 Working in partnership provides greater opportunities in terms of attracting funding and developing projects, while also allowing LA's to tailor projects to

meet the specific demands and priorities of their area. A draft Memorandum of Understanding (MOU), which sets out agreed objectives and principles of collaboration for all partners is attached (Appendix 1).

- 3.4 ECO 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.
- 3.5 LA's participating in ECO Flex have to publish a Statement of Intent (SOI) in which they set out the eligibility criteria they intend to use to identify households that may benefit from the scheme.
- 3.6 A joint SOI (appendix 2) has been developed by the Cambridgeshire Energy Partnership. The SOI specifies that to be eligible for support, 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.
- 3.7 Using the flexibility 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.
- 3.8 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. 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.
- 3.9 Earlier this year a £150m fund from the National Grid administered by a Community Interest Company, Affordable Warmth Solutions, 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, was launched called The Warmer Homes Fund.
- 3.10 Proposals have been developed by the partnership to submit a bid for the Warm Home Funding. The proposals would allow more vulnerable households in 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.

- 3.11 The funding obtained via the ECO flex programme will be used to support the partnerships Warm Homes Fund application in September 2018.
- 3.12 The partnership is working up a bid with the intention of submitting it before the Round 2a deadline on 28 September 2018. 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 value will be between 1.5 and 2 million.
- 3.13 Sanctuary Housing are also working with the Partnership to include around 100 to 150 social housing sector homes across the county targeting fuel poor residents. Using a combination of ECO and WHF funding it is intended that installations for private sector housing will be 100% funded

#### 4.0 ARGUMENTS/CONCLUSIONS

- 4.1 East Cambridgeshire District Council are required, through the Home Energy Conservation Act to facilitate improvements of energy efficiency in their residential housing sector.
- 4.2 The Council recognise the benefits of working in partnership to access funding. Cambridgeshire Energy Partnership have a successful track record, as demonstrated through the Green Deal Communities funded project.
- 4.3 To ensure that access to funding through the Energy Company obligation reflect local need it has been necessary to agree a statement of intent. The funding obtained via the ECO flex programme will be used to support the Partnership's Warm Home Fund application to be submitted September 2018

#### 5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 No additional financial Implications
- 5.2 Equality Impact Assessment (INRA) not required

#### 6.0 APPENDICES

- 6.1 Appendix 1 Draft MoU Memorandum of Understanding
- 6.2 Appendix 2 Draft SOI Statement of Intent

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#### Background Documents

#### Location

The Grange  
Nutholt Lane  
Ely

#### Contact Officer

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