



Department for
Business, Energy
& Industrial Strategy

ENERGY COMPANY OBLIGATION: ECO3, 2018 – 22 FLEXIBLE ELIGIBILITY GUIDANCE

Guidance for local authorities on engaging with energy suppliers to identify households that would benefit from energy efficiency improvements

February 2019

Table of Contents

1. Introduction	2
2. Changes Since Flexible Eligibility guidance April 2017	4
3. Key requirements	5
4. Key roles and responsibilities	10
5. Statement of Intent	12
6. LA declaration	16
7. Targeting flexible eligibility	19
8. Annual reports and keeping evidence	24
9. Working with energy suppliers and intermediaries	26
10. Data protection	29
Annex 1: Affordable Warmth household eligibility	1
Annex 2: Flexible eligibility process map	2
Annex 3: Statement of Intent template	1
Annex 4: ECO 3 LA Declaration template	4
Annex 5: ECO 3 LA Declaration template for “in-fill”	6
Annex 6: Identifying fuel poor households	8
Annex 7: Identifying vulnerability to cold	15
Annex 8: In-fill – examples	17

1. Introduction

1. This guidance note sets out opportunities for local authorities (hereinafter “LAs”) to engage with energy suppliers on how suppliers meet their obligations to install energy efficiency measures in homes under the Energy Company Obligation. It is intended to build on the flexible approach introduced in April 2017. The flexibility arises because LAs are able to define the eligible households living in, or at risk of fuel poverty and have some latitude to go beyond that, where they find households vulnerable to the effect of cold homes. The aim is to allow this approach to work in a straightforward way, with a main focus on two documents from LAs: a Statement of Intent from an LA (or group of LAs) that they are going to identify households as eligible, and the criteria they are going to use; and a declaration that the LA has been consulted on the installation of measures in a home.
2. The Energy Company Obligation (ECO) is an obligation on energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy saving measures. As of September 2018, it has delivered over 2.4 million measures in around 1.9 million households.
3. ECO3 will continue until March 2022 at a real-terms value of £640m per annum (in 2017 prices) and is focused fully on low income and vulnerable households. The Clean Growth Strategy announced that Government would extend support for home energy efficiency to 2028 at least at the current level of ECO funding.
4. The flexible approach to identifying eligible households was introduced in April 2017. This approach for LAs will continue into the new scheme, under the ECO Order 2018.
5. Under the ECO scheme that ended September 2018, energy suppliers were able to achieve up to 10% of their Affordable Warmth¹ obligation by installing energy saving measures in households declared eligible by LAs.
6. Under ECO3 energy suppliers are able to meet up to 25% of their obligation under LA-Flex (estimated value of around £560m over the obligation period). Given the much higher ambition for LA-Flex, it is even more important that it achieves its objectives of reaching fuel poor and vulnerable households; the finite targets for energy suppliers mean that, for each home treated which is not in those categories, a household in greater need is likely to miss out. The effectiveness of LA-Flex is likely to influence decisions about future energy efficiency schemes.
7. The most benefit to society, and the individual will be achieved if ECO reaches low income households who have physical and/or mental health issues caused or exacerbated by living in a cold home. This approach relies on LAs having mechanisms in place to identify such households, for example GP or hospital referrals.
8. The eligibility requirements under the LA Flex element of ECO are illustrated in Annex 1. LA Flex is optional, and suppliers are not mandated to participate in order to meet

¹ Affordable Warmth is also known as the Home Heating Cost Reduction Obligation (HHCRO).

their obligations. However, LA's participating under LA-Flex are expected to follow this guidance.

9. There are two main categories of private tenure household that Government intends to be eligible through flexible eligibility:
 - i. Fuel poor households, especially those on low income and not in receipt of ECO eligible benefits; and
 - ii. Low income households that are vulnerable to the effects of living in a cold home
10. Please do read this guidance carefully and if you have queries relating to it, then they can be raised with the ECO Team in BEIS at: beisecoteam@beis.gov.uk.
11. This guidance is aimed at supporting LAs who wish to start participating in the scheme, and those that are already participating in the scheme. Furthermore, it aims to help LAs make informed decisions on the criteria to use when identifying eligible households under flexible eligibility. LAs may decide to follow this guidance when developing their targeting criteria, or develop their own methodology to identify eligible households based on local data and tools.

2. Key changes in this document since publication of Flexible Eligibility guidance April 2017

1. All declarations and measures delivered from 1 October 2018 will need to meet LA Flex ECO3 requirements.
2. New timescales for declaration validity for ECO3 (Chapter 5 page 16)
3. New simplified in-fill requirements relating to solid wall insulation, with up to 50% of eligible households able to qualify under ECO3. (Annex 8)
4. Good practice demonstrated in Sols (Chapter 3)
5. Practices in Sols that LAs should be mindful of (Chapter 3)
6. Simplified guidance on low income thresholds (Annex 6)

3. Key requirements

12. The key requirements of LA-Flex are set out in the ECO Order 2018 (Article.17) and are summarised in the table below.
13. To aid LAs in the use of LA-Flex, Government has developed a ‘process map’ providing an overview of the key steps involved (see Annex 2).
14. Ofgem, the administrator of the ECO scheme, has published separate [guidance](#)² for energy suppliers on the evidence they will need to provide when notifying LA-Flex measures.

	Flexible eligibility - key requirements
Statement of Intent	<ul style="list-style-type: none"> LAs participating in LA-Flex must publish a Statement of Intent (Sol) in which they set out the criteria they intend to use to identify households meeting the eligibility criteria for flexible eligibility. This is a mandatory requirement. LAs will have to publish an Sol before they can issue declarations of eligibility under LA-Flex (Article.17) of the 2018 Order. The Sol has one mandatory section which is where the LA states how they intend to target eligible households (Article.17) of the 2018 Order
LA declaration	<ul style="list-style-type: none"> This is a statement in writing (‘declaration’) that a household is eligible for support. The ECO Order states that LAs must be consulted on the installation of a measure under LA-Flex by suppliers, or their intermediaries. Ofgem’s guidance states that LAs must be consulted prior to the installation, however LA declarations can be made before or after the installation of measures. LAs should evidence that they have been consulted through a declaration. We strongly recommend that LAs use the template provided in Annex 4 and 5. Signed declarations under ECO3 will be valid for 18 months from the date of signature or until the 31st March 2022, whichever comes soonest, providing there is a valid Sol in place.
Local authority definition	<ul style="list-style-type: none"> Only LAs can sign and issue declarations of eligibility, identifying households as meeting the eligibility criteria as defined under their published Sol. The definition of LAs for the purposes of LA-Flex can be found in Article. 2 of the ECO Order. LAs can delegate their functions to other LAs.

² Ofgem guidance is available here: <https://www.ofgem.gov.uk/environmental-programmes/eco/contacts-guidance-and-resources/eco-guidance>

Household eligibility criteria

- LAs must specify how they intend to identify households (i.e. what criteria they will use) that may benefit from an energy saving measure under flexible eligibility in a Statement of Intent, as set out in (Article.17(5)).
- As set out in Article 17(1)(a)of the Order, under LA-Flex, LAs must only target owner occupied premises, and certain private rented premises (Article 17 (2)(a)) and certain EPC unrated premises (Article 17 (3)(a))
- As set out in Article 17(1)(c), 17(4)(c) and (d), and 17(5), eligible households must be either:
 - Living in fuel poverty
 - Living on a low income and vulnerable to the effects of living in a cold home
- Furthermore, as set out under Article 17(4)(d), “in-fill” properties for the purposes of solid wall insulation are eligible. (see chapter 7 for definition of “in-fill”).
- LAs have flexibility on the criteria they use to identify these households. However, the scope of flexibility must include a household that combines Low Income and High Costs (i.e. fuel poverty (FP)) or Low Income and Vulnerable to Cold (LIVC). The illustration below demonstrates how a household might qualify under LA-Flex.

LOW INCOME + EPC E,F, or G AND/OR HIGH COST OF HEATING HOME = MEETS BOTH LOW INCOME AND HIGH COST CRITERIA

LOW INCOME + VULNERABLE TO THE EFFECTS OF LIVING IN A COLD HOME = MEETS BOTH LOW INCOME AND VULNERABLE CRITERIA

- The illustration below demonstrates combinations that do not meet the requirement for a valid declaration under ECO Flex, as the correct combination criteria have not been used, i.e. low income criteria has not been taken into account. Combinations of high heating bills, low EPC ratings (irrespective of band) or vulnerability to cold do not meet the eligibility criteria.
- The policy is designed to help those that are living on a low income with a combination of either living in fuel poverty, OR low income and whose vulnerability is exasperated by living in a cold home.

HIGH COST OF HEATING HOME + LOW EPC RATING = THIS COMBINATION DOES NOT MEET REQUIREMENTS FOR A VALID DECLARATION

HIGH COST OF HEATING HOME + VULNERABLE TO THE EFFECTS OF LIVING IN A COLD HOME = THIS COMBINATION DOES NOT MEET REQUIREMENTS FOR A VALID DECLARATION

	<p>BEIS strongly recommends that LAs consider this guidance when updating or publishing Sols.</p> <p>What could constitute a low income household (LI)? Some examples:</p> <ul style="list-style-type: none"> • Determining income levels could be achieved by using low income thresholds in line with this guidance, focusing on those not on means tested benefits; and/or • Other proxies that LAs consider determine low income in their area. It is expected that these proxies are tailored and specific. <p>What could constitute a high cost household (HC)? Some examples:</p> <ul style="list-style-type: none"> • EPC Band E, F or G • Determining high cost, by using the high cost questionnaire in this guidance (Annex 6) • Households living in non-standard construction and poorly performing homes. • Other proxies that LAs consider determine high cost households in their area. It is expected that these proxies are tailored and specific. <p>What could constitute a vulnerable to cold household (VC)? Some examples:</p> <ul style="list-style-type: none"> • Health conditions or illnesses that may be exacerbated by living in a cold home • Age 70 or above • Children aged below 5 • Other proxies that LAs consider identify households that are vulnerable to cold in their local area. It is expected that these proxies are tailored and specific. <p>When establishing whether households meet the fuel poverty criteria, eligibility for FP and LIVC should not be combined.</p> <p>LAs may use various tools to target households and may find the Toolkit on Fuel Poverty helpful³.</p>
<p>Fuel Poverty</p>	<p>LAs have flexibility on the criteria they use to identify households living in fuel poverty.</p> <p>Government intends LA-Flex to identify those in fuel poverty who are not in receipt of benefits eligible under Affordable Warmth⁴.</p> <p>Guidance on how to identify households in fuel poverty is included in Annex 6.</p> <p>Tips on identifying FP clearly in Sols</p> <ol style="list-style-type: none"> A. Separate indicators must be used to establish a Low Income (LI) household. For example, using income thresholds, or other methods of determining income. B. In addition to this a separate indicator must be used to determine a High Cost (HC) household.

³ <https://hub.communityenergyengland.org/resources/resource/259/local-authority-toolkit-on-fuel-poverty/>

⁴ [Schedule 2 of the ECO3 Order](#)

	<p>A and B must be combined in order to meet FP criteria. If these are not combined, it does not meet requirements under Article 17 of the ECO Order.</p> <p>In addition to this, LAs may use certain proxies that meet both low income and high cost for targeting those in or at risk of fuel poverty. Examples include:</p> <ul style="list-style-type: none"> C. Any household on EPC Band rating E, F or G. D. Hard to treat properties, of a non-standard construction, combined with low income. <p>Tips on criteria that LAs <u>should avoid</u> in their Sols, as a means for meeting FP:</p> <ul style="list-style-type: none"> • Using an Index of Multiple Deprivation (IMDs) as a single proxy; • Income levels significantly above those in this guidance unless local needs (e.g. high cost of living) justify this and are <u>clearly</u> set out in the Sol; <p>Setting requirements to meet vulnerable to cold criteria. If they meet FP, there is no need to also meet LIVC, and vice versa. Households are not required to meet both FP & LIVC criteria. These are tips and examples, but LAs may use other approaches tailored to local needs.</p>
<p>Low income and vulnerable</p>	<p>LAs have flexibility on the criteria they use to identify households living on a low income and who are vulnerable to the effects of living in a cold home.</p> <p>LA-Flex is intended to help LAs assist those living on a low income and who are vulnerable to the cold, for example those with a health condition, or the very old or the very young. Those identified should meet both the low income and vulnerable criteria.</p> <p>Guidance on how to identify households on a low income and vulnerable to cold is included in Chapter 7.</p> <p>Tips for identifying LIVC clearly in households</p> <ul style="list-style-type: none"> A. Separate indicators must be used to establish a Low Income (LI) household. For example, using income thresholds, or other methods of determining income. B. In addition to this, a separate indicator must be used to determine a household with one or more individuals that are vulnerable to living in a cold home (VC). <p>A and B must be combined in order to meet the LIVC criteria. If these are not combined, it does not meet requirements under Article 17 (1)(c)(ii).</p> <p>In addition to this, LAs may use certain proxies that meet both low income and vulnerable to the cold for targeting those in or at risk of living in fuel poverty. Examples include:</p> <ul style="list-style-type: none"> C. Referrals from other organisations– setting out the accepted route in the Sol. D. Referrals triaged through LA’s own schemes, to also be eligible for LA-Flex. <p>Tips on criteria that LAs <u>should avoid</u> in their Sols, as a means of identifying LIVC:</p> <ul style="list-style-type: none"> • Using age as a single proxy to meet LIVC. LIVC needs to include an LI indicator; • Requiring those meeting LIVC to also meet FP and vice versa. This is not a requirement.

In-fill	LAs can make declarations of eligibility for households that do not meet the eligibility criteria to facilitate solid wall insulation within the limits and proportions set out in Art 17 of the Order and as explained in Chapter 7 and Annex 8.
Private tenure	As set out in Art 17, flexible eligibility only covers private tenure households. Furthermore, there is a restriction on private rented properties, to reflect the separate landlord requirements to meet the minimum energy efficiency standards in the private rented sector. As such only solid wall insulation and renewables will be eligible for EPC Band F and G properties. Social housing – as defined in the ECO Order – is excluded from LA-Flex.
Annual reports	<p>BEIS would expect LAs participating in the scheme to provide BEIS with annual reports in April of each year. BEIS will be monitoring published Sols and LAs may also be asked to become part of a LA-Flex User Group to help BEIS to learn lessons from the delivery of the scheme, and if needed update this guidance in-scheme to provide further guidance on policy intent.</p> <p>LAs are already required, under the Home Conservation Act 1995 to produce biennial report to the Secretary of State demonstrating their energy conservation measures. LA's may include LA Flex reporting⁵.</p>

⁵ [Guidance 2019 Home Conservation Act 1995](#)

4. Key roles and responsibilities

15. The roles and responsibilities of different organisations involved in flexible eligibility are as follows:

Organisation	Summary of roles & responsibilities
BEIS	<p>Production and maintenance of flexible eligibility guidance for LAs and associated templates.</p> <p>Monitoring of Sols, specifically checking that Sols clearly set out these requirements:</p> <ul style="list-style-type: none"> • Includes clear criteria for FP and separately the criteria for LIVC. • Identify local needs where income threshold is above that indicated in this guidance. <p>Where issues are identified by BEIS, the LA may be contacted by BEIS for further clarity.</p>
Local Authority	<p>Production and publication of Statement of Intent (Sol), including a section on the methodology for identifying households meeting the eligibility criteria under flexible eligibility.</p> <p>Sol must be signed by the CEO or at least Director level. A wet signature on the published version is not a legal requirement. However, BEIS would strongly urge LAs to provide either a wet or electronic signature or as a minimum a printed name and date, along with contact details of the best person to contact regarding their SOI.</p> <p>Determining that a household meets the eligibility criteria through either being in fuel poverty or low income and vulnerable to the effects of living in a cold home, or as in-fill.</p> <p>Production, authorisation and making the declaration, declaring a household as meeting the eligibility criteria under flexible eligibility.</p> <p>Declarations <u>can only be</u> signed by an LA official, this does not include partnerships working on behalf of LAs or energy suppliers.</p> <p>Retaining evidence that a household meets the criteria outlined in the Sol for future reporting or evaluation.</p> <p>Sending BEIS a link to the website, where the Sol is published, and alerting BEIS when the Sol is updated or replaced. Guidance on Sol version control is set out in Chapter 5. Guidance on governance and assurance of Sols and declarations are set out in Chapter 5.</p>

Supplier	<p>Providing copies of LA declarations to Ofgem on request.</p> <p>Checking that the LA has published an Sol, dated on the same day or prior to the date of the declaration, including a section on the methodology for identifying households meeting the eligibility criteria. Note: the supplier is not responsible for assessing the content of the Sol – only that it exists and contains the required information. It is up to the LA to satisfy itself that the Sol is written in line with the requirements set out in this guidance.</p> <p>Ensuring that measures installed under flexible eligibility meet all the other criteria and requirements of the ECO Order.</p>
Ofgem	<p>Request that suppliers provide copies of LA declarations, during audit, to ensure that all required information is present and accurate, and that it corresponds with the data notified to Ofgem by suppliers.</p> <p>Request that suppliers provide evidence, during audit, that a Statement of Intent was published before the declaration was made, including a section on the methodology for identifying households meeting the eligibility criteria. Note: Ofgem is not responsible for assessing the content of the Sol, except for checking that it includes the above methodology.</p> <p>Reviewing notification data submitted by suppliers relating to measures installed under the flexible eligibility provision (i.e. including the eligibility criteria used by the LA in the declaration and the URN) and ensuring that the 25% cap on qualifying actions using LA Flex is not exceeded by suppliers.</p>

16. The LA is responsible for issuing declarations of eligibility, identifying households as meeting the eligibility criteria through either being fuel poor, low income and vulnerable to the effects of living in a cold home, or eligible under the in-fill provisions. Suppliers are not required to undertake a supplementary assessment to determine whether a household is in fuel poverty or on a low income and vulnerable to the effects of living in a cold home.
17. The LA is required to state in its Sol that all the premises on the declaration are located in the same building, in immediately adjacent buildings or in the same terrace, and under Article 17(4)(d)(iii) in its opinion that 50% are FP or LIVC.
18. However, it is the responsibility of suppliers to provide evidence supporting the notification to Ofgem, on request (i.e. the LA declarations and the Statement of Intent). If information is missing or incomplete Ofgem will approach the supplier to obtain this, not the LA. It is important that LAs are aware of the requirements on suppliers, which are included in [Ofgem's guidance](#).

5. Statement of Intent

Purpose

19. A Statement of Intent (Sol), as set out in the ECO Order, is intended to state publicly the criteria that an LA, or a group of LAs, intends to use to identify households that meet the eligibility criteria under flexible eligibility.
20. The Sol is intended to create transparency and public accountability for the eligibility criteria and will be a good way of advertising the LAs' approach to their residents, energy suppliers, charities and community groups, who may be able to work with them.
21. An LA must produce an Sol before it can make declarations that households meet the eligibility criteria.

What should it cover?

22. As set out in the ECO Order (Art 17), an Sol must include a description of how an LA intends to identify households in its area that may benefit from the installation of energy efficiency measures and that are (a) on low income and are faced with high energy costs in keeping warm; or (b) on a low income and are vulnerable to the effects of living in a cold home. It can also include any details of how the LA intends to identify "in-fill" (see chapter 7 and Annex 8) properties in Solid Wall Insulation (SWI) projects.

Good Practice observed in Sols

23. Since April 2017, Sols have been published covering over 250 LAs across Great Britain and BEIS has carried out a light-touch review. Examples of good practice include:
 - Sol is clear, short and concise, ideally no more than 3-4 pages long.
 - Eligibility is illustrated simply and clearly. For example **what** the LA is looking for to demonstrate whether a household meets either LIHC **or** LIVC.
 - Clearly states **how** the LA will target households. For example, a referral to the LA from a healthcare provider; the householder to enquire with the LA directly, targeted via a managing agent working with the LA etc.
 - Where one Sol is in place for multiple local authorities, the Sol states up front which LAs it represents. Each local authority publishes the same Sol on their own websites.
 - Clear email/ telephone contact details provided.

We have also observed some good ways of working in local authorities which local authorities may find helpful.

- Some LAs have joined forces to publish a single Sol covering a wider area, reducing the resource requirements.
- Some LAs have a triage service, so if a householder is identified as vulnerable for another service through the LA, they are then routed to other services which they may benefit from, providing a more holistic support service.

Areas of practice that BEIS would like to highlight to LAs with a view to new Sols under ECO3

24. LAs have the flexibility to identify households they think are the most in need and in line with the published Sol. However, Government stresses it is important that LA-Flex should not be used in such a way that it becomes diluted and inhibits support to those that really need it. We ask LAs to be mindful of the households that are being targeted, so that the most vulnerable households covered by the Sol receive support. In the following sections, we highlight areas where Sols include broad criteria for identifying households, and ask that LAs consider the impact of this.

Identifying Vulnerable to Cold households

25. There are a number of Sols that state the criteria for identifying LIVC is as follows:

- A person has a long-term or terminal illness affected by the cold
- A person with a disability
- Someone over 60 years of age
- A household with dependent children under five
- A person who is pregnant

26. Whilst these people can be considered as vulnerable, LAs may want to use their discretion to identify those at most risk either within or across these groups.

27. LAs will have a better insight into the local community needs, and therefore Government would ask LAs to consider drilling down further to identify those households in most need. For instance, some areas may be known for having a higher population of older or young people but they may not necessarily be on low income, and there may be other households meeting the LIVC category in the area who may be in greater need of support.

Identifying Low Income households:

28. In some Sols, the income levels used are considerably higher than the thresholds illustrated in the previous guidance. LAs should consider the impact of income thresholds they set, and whether this could disadvantage lower income households in the area or across the scheme as a whole. The reality is that a household on an income of more than £30,000 benefiting from the scheme may mean that another household on £15,000 does not benefit.

Identifying eligible households:

29. In some Sols, the eligibility is unclear, for example, it sets out how a householder could meet the low income category, high cost category **and** vulnerable to cold category. However, it is unclear whether the householder would need to meet one, two or all of the categories. The Sol should clearly set out the requirements when identifying households meeting the FP criteria and separately the LIVC criteria.

Governance

30. The Sol should be signed by the CEO, or another senior officer nominated on their behalf who is at least at Director level.
31. The LA may wish to include details on their referral routes and partners, any additional support or service provided, which may be valuable information to their residents. We also encourage LAs to outline their governance, monitoring and reporting arrangements, as a way of demonstrating that internal assurance processes are in place to monitor how flexible eligibility is being used.

When and where to publish it?

32. The Sol must be published before an LA can make declarations (declarations may be made on the same date as Sol publication). LAs should be aware that suppliers have a duty to provide evidence to Ofgem on request that an Sol was published prior to any LA declaration being made.
33. We require that the Sol is published on the LA's website, and that LAs share a link with suppliers, and other intermediaries, for ease of access. The Sol should be easily accessible by interested stakeholders (e.g. BEIS, Ofgem, consumers, energy suppliers, installers, residents, community groups and charities). For ease of access by BEIS, for monitoring purposes, we also require that a copy is sent to: beisecoteam@beis.gov.uk. In addition, an Sol should be included in the LA's Home Energy Conservation Act report.
34. Where an LA has delegated another LA to deliver declarations on their behalf, we suggest the delegating LA publishes the relevant Sol on its website as well, so residents are aware.
35. LAs should note that there is no provision for Ofgem to review Sols prior to being published nor do they need to be notified of any publication. However, BEIS would be able to check content as described above under roles and responsibilities. It is up to the LA to satisfy itself that the policy intent as described in this guidance is being met.

Delegation between LAs and joint Sol

36. An LA can delegate to another LA to provide declarations for households in its administrative area. This needs to be stated in the Sol of the LA to which it has been delegated.
37. In cases where a group of LAs wish to work together to publish a joint Sol, each LA within the group will need to ensure that the person signing the Sol has the delegated responsibility to do so. BEIS recommends that this is either the CEO or an official at Director level.

Version control

38. An LA can make changes to an Sol at any time. However, LAs that wish to make amendments, or withdraw an Sol, should ensure that relevant parties, including suppliers or installers the LA is working with, are informed of any changes and when they take effect. LAs must include a date of publication and a link to the Sol on each declaration, and they should ensure that energy suppliers can access this version of the document at future dates for auditing purposes. This includes previous or withdrawn versions.
39. A declaration issued under ECO2t was only valid until 30th September 2018. Under ECO3, a declaration issued from 1 October 2018 will be valid for 18 months from the date of signature, but only as long as there is an active Sol published at the time of the declaration or until 31st March 2022, whichever is the earliest.
40. To avoid version control issues, any previous or withdrawn Sols should remain publicly available but clearly marked “superseded”/“withdrawn” and include the date in which the document was withdrawn. The LA should also advise on their website the date the Sol was withdrawn.
41. LAs are responsible for ensuring the Sol is accurately numbered, dated and publicly available at all times. Any subsequent versions of the Sol should be clearly numbered and dated to allow for clear distinction from previous versions. The dates between which the Sol was active should also be clearly recorded.
42. An LA may choose to have different Sols to cover where they are working with different suppliers and installers. In such circumstances, LAs are required to pay particularly close attention to version control.
43. With reference to the above, “amending” an Sol means to continue to participate in LA-Flex but on changed terms (e.g. altered eligibility criteria). To “withdraw” an Sol means the LA no longer wishes to participate in LA flex. When withdrawing an Sol the LA should endeavour to inform suppliers and installers they have been working with, to ensure they understand the LA will no longer be participating. Declarations made by that LA dated up to and including the date the Sol is withdrawn will remain valid.

Templates

44. Templates for the Sol and LA declarations are attached as annexes to this document to ensure consistency across LAs. Annex 3 (Sol) may be adapted into another style as long as it contains the minimum mandatory information.

6. LA declaration

Purpose

45. A declaration is a statement in writing by an LA which is required to demonstrate that the LA has been consulted on the installation of a measure at the domestic premises, and it considers the household to meet the eligibility criteria for the measure. In line with the ECO Order the consultation with the LA must take place prior to the installation of measures.
46. In the declaration, the LA declares that, in its opinion:
- (i) the premises are occupied by a household living on a low income in a home that cannot be kept warm at a reasonable cost;
 - (ii) or a property occupied by a household living on a low income and vulnerable to the effects of living in a cold home, or
47. With respect to solid wall insulation projects, that all the premises are private domestic premises located in the same building, in immediately adjacent buildings or in the same terrace and at least 50% of those premises include households mentioned in (i) or (ii) above. Where solid wall insulation projects include “in-fill”, the LA must declare that to the best of the local authority’s knowledge and belief, all of the premises included in the list referred to in Article 17(4)(d) are private domestic premises.
48. Under the ECO3 scheme, declarations will be eligible for 18 months. Declarations made from 1 October 2020, will be valid until March 2022. As such LAs will not be required to reassess properties if there was a change of tenancy between the date of declaration and the commencement of a project.
49. Energy suppliers are required to maintain records of all the declarations received from LAs to demonstrate the eligibility of premises notified to Ofgem under the flexible eligibility provision of ECO.
50. A property will not be considered eligible under the flexible eligibility provision until the LA has fully completed and signed a declaration. The declaration must be signed by a LA official designated by the CEO, or its equivalent, as indicated in the LA’s Sol.

In-fill in declarations

51. Ofgem will check a sample of declarations to ensure that the required percentages for in-fill are met for any associated in-fill measures to be eligible.
52. A declaration can specify the name of the installer or supplier, and the duration the declaration is valid, if previously agreed with the supplier or its intermediaries.

When a declaration should be made and how?

53. An LA can only make a declaration on the same date or after an Sol detailing the methodology for targeting households under flexible eligibility is published. An LA should not make a declaration until it has made a determination that every property included in a declaration is considered to meet the eligibility criteria.
54. It is up to LAs and suppliers to agree how they wish to interact with one another and when declarations will need to be produced. However, as described above, the requirement in the ECO Order to consult an LA on the installation of measures must take place before measures are installed. More details on this are included in [Ofgem's guidance](#).
55. We strongly recommend LAs give declarations directly to energy suppliers or their intermediaries to minimise the risk of fraud. An LA can also name the supplier or their intermediary on the declaration, if previously agreed with these parties, as a way to avoid declarations being transferred beyond the LA's control. LAs can choose to work with more than one energy supplier, as different suppliers may be offering different measures.

Delegation between local authorities

56. An LA can provide declarations for households not within its administrative area under certain circumstances. For example, this includes where an LA delegates some functions to another LA, where the LA providing the service is best placed to make a determination on whether a household meets the eligibility criteria. All LAs who are either delegating powers, or in receipt of delegated powers, must sign the Sol to confirm agreement. In addition, the declaration template requires an LA to record that it is making a declaration on behalf of another LA. In this respect, and the potential sharing of personal data, LAs should also have regard to their requirements under the General Data Protection Regulations (GDPR).

Template

57. We have produced template declarations (see Annex 4 and 5 to this document). LAs may adapt these templates but are required to include all of the data requirements outlined in the template documents. Multiple properties can be included in one declaration, providing all addresses are listed.
58. There are two types of declaration:
 - a) a declaration for individual premises occupied by eligible households, and
 - b) a declaration for solid wall insulation projects including "in-fill".
59. Included in the template are some notes for completion. These include the use of standard terminology in declaring the eligibility type and (in the case of "in-fill") the property type. It is important that this terminology is consistently used, as suppliers will require this information when notifying measures to Ofgem.

60. It is important that a unique reference number (URN) is included for each declaration, as suppliers will require this information when notifying measures to Ofgem.

Unique Reference Number (URN)

61. Each declaration must include a unique reference number (URN). This is to allow Ofgem to audit and track declarations more effectively.

62. The URN must follow the format below:

XXXXXXXX-YYYYY

63. The 'X' should identify the LA making the declaration. Each LA has a 9 digit ONS code. This code should make up the first section of the URN. For example, the ONS code for Liverpool is E08000012. These ONS codes are available online and an amalgamated list of area codes can be found in BEIS' Household Energy Efficiency National Statistics tables⁶. If your LA meets the definition of an LA as defined in the Order but does not contain an ONS code, you can contact the ECO team in Ofgem directly who will provide you with a unique code.

64. The second section of the URN should represent the number of the declaration in the order it has been made. For example, the first declaration can be 00001.

65. Where an LA has delegated to another LA the ability to issue declarations on their behalf in their administrative area, the ONS code should represent the LA making the declaration, not the original delegating LA.

⁶ See "Headlines Release Tables" <https://www.gov.uk/government/statistics/household-energy-efficiency-national-statistics-headline-release-december-2016>. Tab 2.2.1. includes area codes (e.g. district and county councils) for England, Scotland and Wales.

7. Targeting flexible eligibility

66. As stated in the Introduction, the purpose of flexible eligibility is to identify private households that may benefit from energy saving measures and are:

- i) Fuel poor households, especially those that are not in receipt of eligible benefits; and
- ii) Low income households that are vulnerable to the effects of living in a cold home (LIVC)

67. In addition, LAs can declare some non-fuel poor homes as eligible to facilitate solid wall insulation projects, as long as a proportion of the households in the project are FP or LIVC (see section on in-fill).

68. It will be the LA's responsibility to make sure the criteria chosen allow them to identify eligible households. The criteria used by an LA will not be audited however Ofgem will check whether the Sol includes a section describing the methodology to be used in identifying eligible households. BEIS will review Sols to evaluate the success of the scheme in targeting eligible households, and can provide some basic guidance to LAs.

Fuel poverty in GB

69. Fuel poverty is a devolved matter, with separate indicators, targets and strategies adopted by each nation. Although fuel poverty is measured differently in each nation, the characteristics of households considered to be in fuel poverty across Great Britain are very similar. They all have a focus on low income households with high energy costs.

70. This guidance focuses on fuel poverty as measured under the 'Low Income High Costs' indicator as used in England, although there is expected to be considerable overlap between households identified through these approaches and the Scottish and Welsh definitions.

71. Identifying households on a low income for Government schemes is often undertaken by determining whether a household receives a means-tested benefit. Under LA-flex, Government allows LAs to identify households on a low income which are not on means-tested benefits. This is often as a result of those households not claiming the benefits to which they are entitled.

72. LAs may identify households with high energy costs through the EPC register data which is openly available⁷. Where an EPC is unavailable, an alternative approach is to obtain data on the dwelling characteristics. This can be done either using data held by an LA or by approaching households to get information. BEIS has developed a set of simple questions that aim to achieve a balance between simplicity and effective targeting of high cost homes. These have been tested in previous BEIS research,

⁷ EPC database open access: <https://epc.opendatacommunities.org/>

which found that typically householders are able to understand and answer these questions reliably.

73. Annex 6 provides guidance on low income and high cost example criteria.

Households living on a low income and vulnerable to the effects of living in a cold home

74. Flexible eligibility is intended to help in tackling one of the root causes of ill-health – namely cold, damp housing. These are homes that do not have adequate insulation or heating. Government intends for flexible eligibility to be focussed on those in greatest need. **Therefore, in targeting vulnerability to cold, LAs should prioritise those who live on a lower income.**

75. There are two main criteria that we expect an LA to use when developing its criteria for identifying households that are vulnerable to cold and could benefit from an energy saving measure under ECO. These are:

- 1) *Health conditions; and*
- 2) *Household income*

76. Annex 7 provides a list of conditions which increase vulnerability to cold, based on the National Institute for Health and Care Excellence (NICE) guidelines.⁸ This list is intended to be a useful reference, though under LA-Flex an LA has the opportunity to identify additional health conditions, or provide more detail on what exactly must be met with those conditions, based on the needs of its local population and as identified in its local Joint Strategic Needs Assessment (JSNA)⁹.

77. LAs may decide to use income thresholds to identify low income. This would be in recognition that people with a health condition are more likely to have greater energy needs resulting in higher energy costs. Also, given the different needs of households that are vulnerable to cold, LAs may decide to allow flexibility around the relevant income thresholds that can apply in their area.

78. In prioritising households to be referred to energy suppliers, LAs may wish to prioritise homes with an EPC rating of F or G, which are more likely to be cold, expensive to heat and may be a health hazard. Introducing even basic measures to these homes for the first time – such as a central heating system – can greatly improve the ability to heat the home to a comfortable temperature. To help incentivise delivery in these households an enhanced score has been provided for insulation measures that are installed. This enhanced score (an additional 25%) is designed to encourage local authorities and energy suppliers to install energy efficiency measures into the least energy efficient homes.

⁸ NICE provides guidance, advice, quality standards and information services for health, public health and social care. The NICE guidelines are available here: <https://www.nice.org.uk/guidance/ng6/chapter/1-Recommendations>. Further information on guidelines in relation to Scotland may be found: <http://www.healthcareimprovementscotland.org/>

⁹ | <https://digital.nhs.uk/> In Wales, there are requirements under the Social Services and Well-Being (Wales) Act and the Well-Being of Future Generations Act for Population Assessments and Local Well-Being Plans.

79. In Annex 6 we provide guidance on identifying “high-cost” homes, which are more likely to be LIHC. However, in developing criteria, LAs may decide to use other indicators to identify households that are cold, and damp, and may benefit from energy efficiency improvements.

Prioritising households on the basis of their health conditions

80. While there could be many different ways in which LAs and suppliers agree to deal with referrals. LAs and energy suppliers may agree on a number of referrals and on the installation of certain types or number of measures, customer contribution requirements (if any), or a funding limit. This clarity should help LAs to manage the expectations of their residents.¹⁰

81. It is important to remember that inclusion in an LA declaration does not guarantee a measure will be installed in that property. Therefore LAs should seek, in advance with energy suppliers, or their intermediaries, to agree a way of minimising instances in which a vulnerable household identified in a declaration does not receive a measure, or a service as a result of the referral. Parties may want to agree timeframes for the installation of a measure, which take into account that a household may not pursue other options to improve their warmth if they think they will be getting an ECO measure.

82. A weighted scoring approach can be useful to prioritise households for support, particularly if there are more residents in need than LAs can make referrals for. For example, some LAs participating in the Health Booster Fund¹¹, chose to give different weightings to health conditions based on their local priorities, local communities’ needs and the demographics of the area.

83. Scores can be cumulative, so customers with more than one condition or characteristic (e.g. age, health conditions, housing characteristics and income level) are then prioritised over others. LAs may wish to have thresholds for these scores set according to the number of households that an LA intends to include in declarations, and as such it can operate as a triage method, rather than a hard threshold.

Identifying “In-fill” properties for solid wall insulation

84. In order to encourage multi-property solid wall insulation in private tenure, LAs will be able to provide declarations for households that are not living in fuel poverty (FP) or living on a low income and are vulnerable to the effects of living in a cold home (LIVC), known as ‘in-fill’ properties. This mechanism is designed to help the delivery of solid wall insulation which particularly benefit from economies of scale. If at least 50% of eligible households receive either of these measures, an adjacent property can also receive the same measure, as long as the number of these ‘in-fill’ properties does not exceed 50%.

¹⁰ See also considerations on ‘Working with energy suppliers’ included in the BEIS’ Guidance for Local Authorities on Statement of Intent and LA Declaration.

¹¹ In 2015 Government provided £1m funding to 9 LAs to run innovative projects on health and fuel poverty (the Health Booster Fund). A list of the participating LA is available here: <https://www.gov.uk/government/publications/the-fuel-poverty-and-health-booster-fund>.

85. As with LA-Flex generally, “in-fill” is only available for private domestic premises and as such does not include social housing.

86. Where a household does not meet the criteria for FP or LIVC, an LA can declare a household as “in-fill” where they are:

- a) in an immediately adjacent building to; or
- b) are in the same building as a household that does meet those criteria; or
- c) in the same terrace as; or
- d) back to back entire terraces, but only if the back of the actual properties are touching (not back to back garden/ alleyway separates the terrace).

87. In-fill is only allowed for solid wall insulation (SWI) where a minimum percentage of households for which the LA is providing declarations are LIHC or LIVC. These requirements are set out in the ECO Order¹² and can be summarised as follows:

Table 1 - Summary of the requirements for property types under in-fill

Property Type	LA declaration requirements	In-fill available
Project consisting of a pair of semi-detached houses or bungalows , or a building containing no more than two domestic premises .	At least one of the two-properties must be declared by the LA as FP or LIVC (i.e. 50% of the properties are FP or LIVC).	The other private property to which it is directly adjoined is eligible for solid wall insulation. This is known as the in-fill property.
Project consisting of any premises that are contained in the same building (e.g. flats), immediately adjacent buildings (eg neighbouring properties) or in the same terrace .	All properties that are receiving a LA Flex measure must be covered by a declaration. This applies to LIVC, FP and in-fill properties. Up to 50% of total FP or LIVC combined properties within the project can receive a measure.	The in-fill properties in the project are eligible for solid wall insulation, provided they are either in the same building, an immediately adjacent building or in the same terrace as the ones identified as FP or LIVC.

88. In-fill households must be listed in an LA declaration for SWI projects, alongside the FP or LIVC households in the project that meet the relevant criteria.

89. The LA must ensure that, for each project on a declaration, the minimum proportions are met for the relevant property types. The percentage requirement only relates to the

¹² Article 17(3) & 17(4) of the ECO Order 2018

portion of the properties covered by an LA declaration. So for example, if the LA declaration only covers 80% of a block of 10 flats, then only 50% (4) of the 8 properties need to meet the requirements.

90. If an LA declaration is valid and the appropriate percentage of FP or LIVC properties are met then:

- (i) Irrespective of whether the FP or LIVC properties receive any measures, the private in-fill properties listed on that declaration will be eligible to receive an SWI measure.
- (ii) If any of the FP or LIVC properties named on the declaration are subsequently removed from a project for any reason, this will not invalidate the eligibility of any of the private properties identified as in-fill on the same declaration.

91. If a property is included in an LA declaration, but is subsequently notified to Ofgem as in receipt of an ECO measure, this will not invalidate the LA declaration made, or require a re-calculation of in-fill. It is important to remember that properties in a block that are not eligible under flexible eligibility, can be considered for other ECO3 criteria where relevant.

92. If a FP or LIVC property identified in an LA declaration is notified as eligible under Affordable Warmth this will not affect the validity of a declaration in relation to in-fill as long as the FP & LIVC percentage requirements are met in the initial declaration.

93. Ofgem guidance provides further detail on the requirements for “in-fill”.

8. Annual reports and keeping evidence

Annual Reports

94. The first annual reports were due in April 2018. However, scheme delivery began slowly, and BEIS received very few annual reports from LAs.

95. To support BEIS in determining overall achievements under LA flex and to assist in the evaluation of the success of LA flex, we expect that LAs submit information to us in the form of an annual report.

96. LAs are already required, under the Home Conservation Act 1995 to produce biennial report to the Secretary of State demonstrating their energy conservation measures. LA's may include LA Flex reporting¹³. The format of this reporting will be left to LAs to decide, though the following information would be most beneficial to enable BEIS to review the scheme:

- Number of households included on declarations (breakdown by FP, LIVC & in-fill)
- Number of households who received LA flex measures (breakdown by FP, LIVC & in-fill), if such information is collected from suppliers
- Eligibility criteria applied
- Referral routes utilised
- Suppliers and installers who the LA worked with
- Other LAs who the LA worked with
- Tools, maps or data used to identify eligible households
- Any evaluation that you have done of the scheme (eg fuel poverty alleviation, health impacts, health cost savings)
- Any additional funding provided, or additional services provided to residents in conjunction with flexible eligibility
- Any particular issues with data sharing
- Barriers
- Future plans on flexible eligibility

97. We request that reports are submitted to BEIS on an annual basis. This will help BEIS gain a greater understanding of the scheme and help to potentially amend future guidance during the ECO3 scheme if relevant. Reports should be submitted to BEIS at the following email address: beisecoteam@beis.gov.uk.

98. We strongly encourage suppliers to keep the relevant LA informed of all measures installed on the basis of LA declarations made. This would allow LAs to be aware of measures installed in their administrative area and keep records of overall delivery. We do not intend to stipulate the format or regularity of this reporting. However, it is

¹³ [Guidance 2019 Home Conservation Act 1995](#)

recommended that parties agree this in advance to ensure it meets respective organisational needs.

Evaluation

99. BEIS is keen to review how well LA-Flex is working and whether it is achieving its objectives of targeting households living in fuel poverty, or who are living on a low income and are vulnerable to the effects of living in a cold home.
100. To monitor the effectiveness of the scheme, participating LAs may be asked to be part of an LA-Flex “user group”. This group may be asked to participate in one or more workshops organised by BEIS to share lessons learned on the scheme and collect any early evidence of its working. These workshops may focus in particular on lessons learned on targeting low income high cost households and vulnerability and on the processes involved in flexible eligibility.
101. In addition, participating LAs may be asked to participate in a more formal evaluation of the scheme by BEIS. As part of this, we may ask to access evidence of your targeting approaches.

Evidence Retention by LAs

102. BEIS will not prescribe what evidence must be kept by LAs. However, to facilitate internal monitoring of the scheme by LAs, and in order to inform annual reports that should be submitted to BEIS, we recommend that the following evidence should be retained by LAs:
 - Statement of Intent
 - Copies of declarations
 - Underlying records used to support household eligibility assessment and evidence of adhering to targeting criteria outlined in a Sol
 - Reporting received from suppliers or installers on measures installed
 - Any internal assurance reporting, if undertaken (e.g. Internal Audit report)
 - Any additional information that may support annual reports
103. We recommend this evidence is retained for 3 years from the date of declaration. Suppliers should be aware that they are required to provide evidence of measures until at least Ofgem’s ECO3 final determination date on 30th September 2022.

9. Working with energy suppliers and intermediaries

Working with energy suppliers

104. There are a number of potential delivery models that could be followed under flexible eligibility, and it will be up to suppliers, or their intermediaries, and LAs to agree them for each area.
105. LAs should be aware that suppliers must provide information to Ofgem on request and as such will require information from the LA to support this (i.e. the LA declaration and the Sol).
106. Suppliers, installers and LAs are free to and encouraged to establish their own working relationships. There are no formal processes implemented by BEIS or Ofgem therefore all relevant parties are free to begin processes with each other, as long as in doing so, no regulatory breach occurs.
107. LAs should make clear to their residents that the inclusion of a household in an LA declaration does not guarantee a measure will be installed by an energy supplier. Decisions by energy suppliers on whether to install a measure may depend on: i) survey carried out by suppliers or their agents/contractors and installation costs calculated, ii) the energy savings that can be achieved for a property¹⁴, and iii) whether suppliers have achieved, or are close to achieving, their targets.
108. The Government encourages LAs and suppliers to establish robust partnerships with a strong understanding of mutual roles and responsibilities that provide a positive customer journey for fuel poor and vulnerable households. As a result of this, situations where customers expect a measure that is then not delivered should be avoided.
109. BEIS approached suppliers and asked what they would like to see on LA's Sols. Some of the responses included:
- a. LA's that have multiple Sol's can cause confusion. There are cases when consortium versions differ from a version the LA uses independently of the consortium, therefore Sols need to be clearly labelled and defined.
 - b. Where LA's have set up a partnership they publish details of their partners on their website and on any marketing material used to support the project;
 - c. Ensuring the Sol has key personnel contact details (this is useful for contacting the local authority to discuss potential funding);

¹⁴ Guidance on "deemed scores" which determine the savings of measures under the ECO 3 scheme is available here: www.ofgem.gov.uk/publications-and-updates/eco3-deemed-scores

- d. Does the LA have a clear strategy on identifying households who qualify for LA Flex?;
- e. with regards to the qualifying criteria, is this reasonable and in line with LA Flex guidelines?

Working with intermediaries

- 110. LAs have a key role to play in bringing together parties and coordinating activities of health and social care services. They can promote and encourage partnerships and referrals between parties working with fuel poverty and vulnerability, including those working in housing, energy efficiency, environmental health, the NHS, social care, public health, community groups and others engaged in home visits, including those outside the health sphere such as the fire service, or advice agencies. Citizens Advice Bureau agencies, for example, given their established referral systems for low income consumers and outreach activities, can play a key role in referring households to LAs. LAs may also work with managing agents, who operate on behalf of energy suppliers.
- 111. LAs can also coordinate funding, or other services, from different sources to provide maximum benefits to their residents. For example, LAs should seek to work with Clinical Commissioning Groups (CCGs), as they have an important role to play to support the work of local health services and raising awareness of the impact of cold homes on health. Several CCGs have recognised that there are significant health benefits to be had from tackling fuel poverty, not only in terms of health outcomes for individuals, but also of health and social care cost savings and wider public benefits. There are several examples of funding being made available by CCGs to help address the issue of vulnerability to cold.
- 112. Whilst intermediary organisations may assist LAs in identifying eligible households, the LA declaration must be signed by an LA officer who has the appropriate responsibility for signing, and LAs will be expected to have oversight and responsibility for how flexible eligibility is utilised in their areas.
- 113. In developing their targeting approaches to flexible eligibility, LAs should set out in the Sol how they intend to make the most of referrals from trusted third parties in the health and social care service. They should also consider how they can refer people on to other services, for example benefit entitlement checks, care and repair services, or wider social support services.

Working with private rented sector landlords

- 114. Under the Private Rented Sector (PRS) Regulations¹⁵, LAs in England and Wales have enforcement duties and powers in relation to the domestic minimum standard. As

¹⁵ The Energy Efficiency (Private Rented Property)(England and Wales) Regulations 2015 set a minimum energy efficiency standard for the private rented sector (PRS) in England and Wales from April 2018 for both domestic and non-domestic property. The minimum standard is set at EPC energy efficiency band E, and domestic properties whose EPC rating is below E are defined as 'sub-standard'.

part of their minimum standard enforcement work, therefore, LAs have an opportunity to identify PRS properties.

115. Under ECO3, restrictions have been introduced for PRS eligibility. For properties with an EPC Band F or G (or unrated), only solid wall insulation or renewable heating measures will be eligible. There are no such restriction for properties with EPC Band E or above. However, a replacement or repair of a broken heating system will not be allowed.

10. The General Data Protection Regulation (GDPR)

116. LAs will need to comply with The General Data Protection Regulation (GDPR) (EU) 2016/679¹⁶ for any personal information they pass on to suppliers, for example, by obtaining the consent of the householder before matching them with a supplier and sharing relevant information such as an address and the reason for the eligibility.
117. It is the responsibility of the LA to determine how best to record and retain records of consent. To assist LAs they should consider guidance given by the Information Commissioner's Office¹⁷ and Ofgem¹⁸ for ECO3 with regards to privacy notices.
118. In all cases we encourage LAs to establish clear lines of communication and accurate data flows with suppliers and installers in order that decisions, and evidence, is clearly recorded and maintained. Further guidance on GDPR can be found on the [ICO's website](#). Separate guidance on data sharing for the purposes of LA Flex will be published on GOV.UK [in February 2019].

¹⁶ The Information Commissioner's Office (ICO) statutory code of practice on data sharing ('the ICO Code') provides guidance on how to ensure personal data is shared in a way that is lawful, proportionate and compatible with the DPA and other relevant legislation such as the Human Rights Act 1998:

https://ico.org.uk/media/for-organisations/documents/1068/data_sharing_code_of_practice.pdf

Another key source of information and advice on data sharing and usage is the Centre of Excellence for Information Sharing. There are a number of useful resources on their website which can help when planning processes or projects that involve sharing data and information. They can also be contacted for specific advice.

¹⁷ Further information can be found at the Information Commissioner's Office website at [ICO privacy-notice-transparency and control](#).

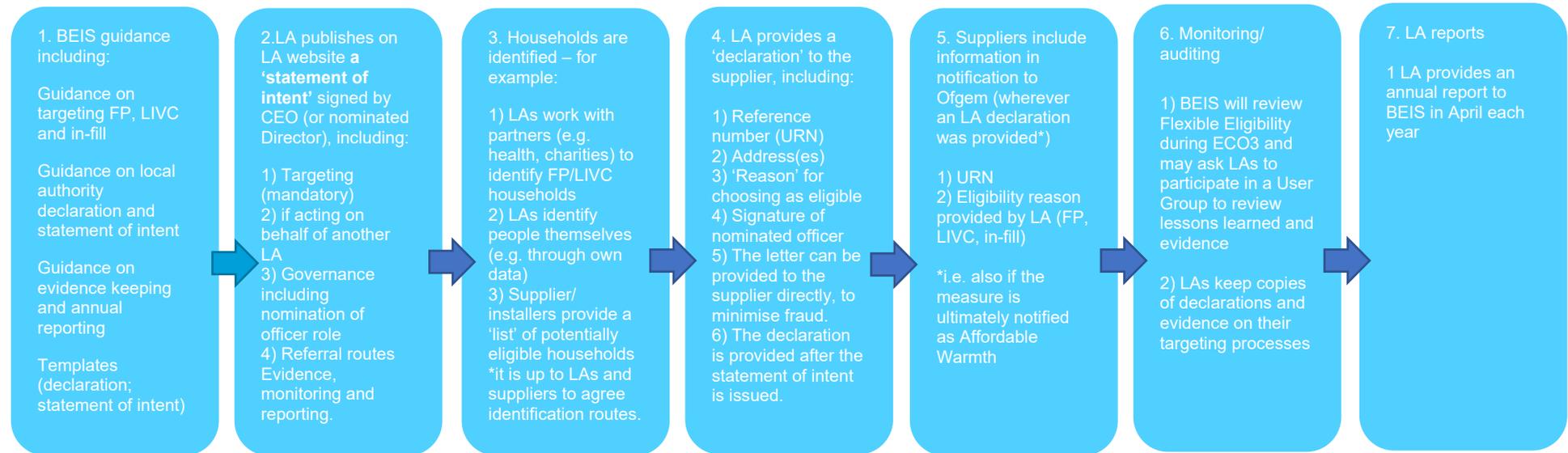
¹⁸ See paragraphs 7.54-59 <https://www.ofgem.gov.uk/publications-and-updates/energy-company-obligation-2018-22-eco3-guidance-supplier-administration>

Annex 1: Affordable Warmth household eligibility

Private Tenure Flexible Eligibility (up to 25% of ECO)	Private Tenure Affordable Warmth eligibility The following means-tested benefit recipients are eligible
<p>Eligibility criteria: Determined by LA Eligibility criteria: In accordance with Article. 17 parameters and set out in published Statement of Intent</p> <p>Relevant categories:</p> <ul style="list-style-type: none"> i. Owner Occupied premises where household is FP or LIVC; ii. A to E Private rented premises, where household is FP or LIVC, but installation measures is not the replacement or repair of a boiler, electric storage heater or central heating system that has broken down; iii. F, G or unrated private rented premises, where household is FP or LIVC and installation measure is only solid wall insulation or a renewable heating measure; iv. In-fill <p>Specific targeting for F and G Properties under LA Flex</p> <p>EPC Band F and G Private Rented Properties are not eligible under LA Flex, except for solid wall insulation or renewable heating measures as landlords are responsible for meeting these standards under the Domestic Minimum Standards.</p>	<ul style="list-style-type: none"> Income based Jobseekers allowance (JSA) Income based Employment & Support Allowance (ESA) Income based Income Support (IS) Pension Guarantee Credit Working Tax Credit (WTC) Child Tax Credits (CTC) Universal Credit (UC) Disability Living Allowance (DLA) Personal Independence Payment (PIP) Attendance Allowance Carer’s Allowance Severe Disablement Allowance Industrial Injuries Disablement Benefit Child Benefit below certain income thresholds War Pensions Mobility Supplement Constant Attendance Allowance Armed Forces Independence Payment

Annex 2: Flexible eligibility process map

Description: Under Flexible Eligibility, local authorities (LAs) provide a 'declaration' to suppliers which can be used to demonstrate that a household (or a number of households) is eligible under ECO3. Energy suppliers can count measures installed in those households towards their ECO3 obligation, subject to the limits imposed by the scheme. LAs will have to ensure that they target households in private domestic premises living 1) in a household with low income and high energy cost, or 2) in a household with a low income and vulnerable to the effects of living in a cold home (LIVC). In addition some non FP or LIVC homes will be allowed solid wall insulation (SWI) projects, as long as 50% proportion of the households in the project are FP or LIVC. This 'flexibility' only covers eligibility – all other rules of the scheme will apply normally to ECO3 measures. The key steps in the process are illustrated below.



Requirements on energy suppliers for flexible eligibility (see Ofgem’s guidance)

Statement of Intent

- a) Ofgem may audit suppliers to check that a statement of intent was published by a LA on or before it issued any declarations.
- b) Ofgem may audit a statement of intent to ensure that it includes a section relation to how a LA intends to identify relevant households
- c) Should Ofgem receive/find evidence that a statement of intent does not meet either of the two criteria above, it may reject measures identified as eligible by that LA in its declarations.

Declarations

- a) Ofgem may audit suppliers to check that a declaration exists and contains the relevant addresses of the measures notified
- b) Ofgem may also check that the declaration is dated on or after the Sol was published
- c) Ofgem may also audit declarations to ensure that the percentage requirements for SWI infill are met on the declaration
- d) Should Ofgem find or receive any evidence that a LA is targeting households that do not meet the policy intent they will pass this information to BEIS for action as appropriate

Annex 3: Statement of Intent template

- 1) Name of the local authority (*or local authorities if this is a joint Sol*)
- 2) Local authority you are acting on behalf of (*if relevant*)
- 3) Date of publication [DD/MM/YY]
- 4) Version number
- 5) Publication on website [provide specific URL to the website where it is published]
- 6) Contact details of person or team to discuss LA Flexible Eligibility

1) Intro [this section is optional]

Outline the LAs ambitions for Flexible Eligibility, how this fits with local policies and priorities and any additional services or support that are available.

You can also include a statement to make clear to members of the public that the final decision on whether a household receives an ECO measures is made by the energy suppliers or their agents/contractors. For example you may note that inclusion in a Declaration made by the LA to a supplier will not guarantee installation of measures, as the final decision will depend on i) survey carried out by suppliers agents/contractors and installation costs calculated, ii) the energy savings that can be achieved for a property, and iii) whether suppliers have achieved their targets or require further measures to meet their ECO targets.

2) How the LA intends to identify eligible households [this section is mandatory]

Outline how the LA intends to identify households that may benefit from the installation of measures under “flexible eligibility”, ie households living in fuel poverty (FP) or living on a low income and vulnerable to the effects of living in a cold home (LIVC) (“relevant households”). In doing this, you should have regard to BEIS guidance on targeting.

In the Sol, you should include:

(a) Criteria for identifying households in fuel poverty

Please specify your targeting criteria, including as minimum information on the following:

- Households not in receipt of benefits
- Households in receipt of benefits, if so which benefits?
- Low income threshold/s, or other indicators
- Indicators of high energy cost

(b) Criteria for identifying low income and vulnerability to cold

Please specify your targeting criteria, including as a minimum information on the following:

- Low income threshold/s, and
- Health and vulnerability conditions

(c) Any details of scheme requirements for SWI “in-fill” projects

- Including whether the LA intends to facilitate solid wall insulation schemes under flexible eligibility including households that are not in fuel poverty or vulnerable (‘in-fill’) and any details of scheme requirements and eligibility criteria

3) Acting on behalf of another local authority [this section is mandatory]

In some cases, an LA might make declarations on behalf of another LA. In this case you must include the name(s) of the LA on behalf of which you are making declarations. All participating LAs must sign the Sol.

4) Joint statement of intent [this section is mandatory]

In some cases, LAs may wish to issue a joint Sol, if they intend to use common criteria across their areas. In this case you must list the names of the LAs who are signatories to the Sol.

5) Governance [this section is optional]

While this is optional, we strongly encourage LAs to include details of the person responsible for signing “local authority declarations” on behalf of the LA, including role and address. If this is a joint Sol, this should be done for all the LAs issuing declarations under the joint Sol.

In addition, an LA should provide any details of governance structures in place to oversee the process of identifying eligible households under “flexible eligibility”. This section should include details of the decision making organogram.

6) Referrals [this section is optional]

While some LAs may not know the following information at the stage of developing an Sol, this is information that is valuable for residents to know if available. Alternatively, it could be included in (annual) reports.

- a) Details of any referral route(s) from fuel poverty/vulnerability/social care or health organisations, or any partnership with a selected obligated supplier and/or agents/contractors
- b) Expected information flows with obligated suppliers and their agents/contractors

7) Evidence, monitoring and reporting [this section is optional]

This section should cover, if available at the stage of developing the Sol:

- a) What data will be collected and the mechanisms in place for monitoring the effective targeting of relevant households;

- b) What reporting mechanism will be in place to monitor which households of those targeted have subsequently received a measure;
- c) The method and frequency with which information is reported to those with governance and decision-making responsibilities;
- d) What internal auditing will be carried out on the above data collection and monitoring mechanism; and
- e) What controls are in place to deter, prevent and detect fraud.

8) Signature [this section is mandatory]

The Sol should be signed (by hand, electronically or name printed) and dated by the Chief Executive Officer for the LA or other senior officer nominated on their behalf who is at least at Director level.

In case of a joint Sol, signatures by all the LAs involved should be included.

9) Contact details [This section is strongly recommended]

Please provide contact details of the nominated person/team that should be contacted for residents that wish to apply or for general queries.

Annex 4: ECO 3 LA Declaration template

This declaration must be used to demonstrate eligibility of premises under ECO3 flexible eligibility. Only LAs officials can sign a declaration. This declaration can be used for all Affordable Warmth measure types except for projects including solid wall insulation (SWI) “in-fill”.¹⁹ More than one premise can be listed on this form, however all property addresses must be included.

We recommend that each page includes a date, signature and page number:

Page number:...../..... Signature:Date:

Name of local authority making the declaration	
Name of local authority you are acting on behalf of (where applicable)	
Declaration URN ²⁰	
Statement of Intent publication date and version number	
Statement of Intent internet link	
<i>Optional: Name of the installer or supplier to which you have provided the declaration</i>	
<i>Optional: time validity of your declaration</i>	
Address of premises (Add rows where necessary) Please insert: Building number/name, Street name, Town, City, County, Postcode	The premises are occupied by (one of the following): 1. A household living in fuel poverty (FP) 2. A household living on a Low income and vulnerable to the effects of living in a cold home (LIVC) (Please insert “Fuel Poor” or “low income and vulnerable” into the box below)

¹⁹ A separate declaration is available for SWI projects that include “in-fill” properties in Annex 5.²⁰ URNs will be based on a local authority’s ONS code – guidance is provided in Chapter 5.

²⁰ URNs will be based on a local authority’s ONS code – guidance is provided in Chapter 5.

Local authority declaration	
I declare that:	
<input type="checkbox"/>	the Statement of Intent (Sol) for this local authority was published on or before the date this declaration was made and is currently available to view at the above location.
<input type="checkbox"/>	the local authority has been consulted on the installation of a measure (“heating qualifying action”) at the premises listed above. We confirm this consultation took place prior to the installation of measures.
<input type="checkbox"/>	The local authority is satisfied that the premises listed above are occupied by a household(s) either: <ul style="list-style-type: none"> a) made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living on a low income in a home which cannot be kept warm at a reasonable cost; or b) made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living on a low income and vulnerable to the effects of living in a cold home.
Local authority officer name	
Local authority officer signature	Date: __ / __ / ____
Job title	
Local authority address	
Local authority telephone number	

Page number:...../..... Signature:Date:

Annex 5: ECO 3 LA Declaration template for “in-fill”

This declaration must be used to demonstrate eligibility of premises under the flexible eligibility provision of Affordable Warmth. Only LAs can make a declaration. **This declaration can only be used for solid wall insulation (SWI) projects including “in-fill”.**

We recommend that each page includes a date, signature and page number.

Page number:...../.....Signature:Date:

Name of local authority making the declaration		
Name of local authority you are acting on behalf of (where applicable)		
Declaration URN ²¹		
Statement of Intent publication date		
Statement of Intent internet link		
<i>Optional: Name of the installer or supplier to which you have provided the declaration</i>		
<i>Optional: time validity of your declaration</i>		
Address of premises (Add rows where necessary) Please insert: Building number/name, Street name, Town, City, County, Postcode	Relevant eligibility criteria (please see the Notes section on how to fill this section)	Premises type (please see the Notes section on how to fill this section)
Project 1		
Percentage of households listed in project that are either living in fuel poverty, or are low income and vulnerable to the effects of living in a cold home _____% ²²		
Project 2		

²¹ Guidance for LAs on how to produce a URN is set out in chapter 5.

²² Ofgem will check the percentages in the declaration are correct – if not, the declaration will be invalid. Ofgem will not check that the percentages are correct based on measures installed and notified to them.

Percentage of households listed above that are either living in fuel poverty or low income and vulnerable to the effect of living in a cold home %					
<i>(You can include more projects if needed)</i>					
Local authority declaration					
I declare that:					
<input type="checkbox"/>	the Statement of Intent (SoI) for this local authority was published on or before the date this declaration was made and is currently available to view at the above location.				
<input type="checkbox"/>	the local authority has been consulted on the installation of the solid wall insulation at the premises listed above prior to the installation of a measure. We confirm this consultation took place prior to the installation of measures.				
<input type="checkbox"/>	all of the premises included in the project list(s) [insert project number(s)] above are situated in the same building, in immediately adjacent buildings or in the same terrace; and (i) a written statement that, in the opinion of the local authority, the premises are occupied by a household living on a low income in a home which cannot be kept warm at a reasonable cost; or (ii) a written statement that, in the opinion of the local authority, the premises are occupied by a household living on a low income and vulnerable to the effects of living in a cold home.				
Local authority officer name					
Local authority officer signature		Date: __/__/____			
Job title					
Local authority address					
Local authority telephone number					
Notes					
For each premise, one of the following must be selected for relevant eligibility criteria:					
1. “Fuel poor” (if the premise is occupied by a household living in fuel poverty) 2. “Low income and vulnerable” (if the premise is occupied by a household living on a low income and are vulnerable to the effects of living in a cold home) 3. “SWI In-fill 50%” (if the premise is not occupied by a household in fuel poverty or low income and vulnerable.					

Page number:...../.....Signature:Date:

Annex 6: Identifying fuel poor households

1. In this section we set out how to identify households that live in fuel poverty.
2. We recommend that you take a two-step approach:
 - a. Identify whether a household is on a low income; and
 - b. Determine whether they face high energy costs

Identifying low income households

3. Identifying households on low incomes for Government schemes is often undertaken by determining whether a household receives a means-tested benefit. However, not all fuel poor households are recipients of benefits, and not all households are willing to share information about their benefit status.
4. Through flexible eligibility, Government is keen that LAs may be able to identify those people living in fuel poverty, who are harder to reach, for example those who are not on the benefits system, and hence would not be captured under the main eligibility criteria under Affordable Warmth.
5. An alternative approach to means-tested benefits is to use an income threshold to determine whether a household has a low income – where households would be eligible if their income was equal to or below the relevant income threshold.
6. In general, the lower an income threshold the greater the likelihood of households below that threshold being in fuel poverty.
7. Income here is defined as a household's disposable income after they have paid for their rent or mortgage. This comprises income from all sources, such as net earnings (after tax), income from savings and investments, pensions, all benefits (including housing benefit), and net council tax payments. The recommended income thresholds are presented in Table 1.
8. In practice participating LAs will be able to exercise their discretion on where to set thresholds they consider appropriate, and how to define income. This must be set out in the Sol.
9. In the previous version of this guidance, income thresholds were included. Some LAs used these, but many Sols contained variations. In order to simplify guidance on income thresholds, government has set out simplified income thresholds in the ECO Order.

Table 1: Recommended after housing costs equivalised income thresholds, by household composition

Household composition	2019
1 Adult	£ 9,300
and 1 child	£ 12,200
and 2 child	£ 15,000
and 3 child	£ 18,000
and 4+ child	£ 21,000
2 Adults	£ 15,200
and 1 child	£ 18,200
and 2 child	£ 21,100
and 3 child	£ 24,100
and 4+ child	£ 26,800

Identifying high cost households

10. Due to the nature of the fuel poverty definition used for England, gathering information that relates to the energy costs in a given property and combining it with information on that household's income is more effective in targeting the fuel poor than using income information alone.
11. We have considered different approaches that reflect potential access to data by LAs on how costly a home is to heat. We have shortlisted two approaches in this guidance, which try to strike a balance between simplicity and targeting accuracy. As discussed above, LAs have discretion over how to target fuel poor households. As such they may wish to develop different approaches or use different data or tools to identify fuel poverty in their area. The approach followed must be set out in the Sol.
 - a) **Approach 1:** Use Energy Performance Certificate (EPC) bands E, F or G in order to determine a household as very likely to have high energy costs
 - b) **Approach 2:** Use the responses to a set of questions which describe the characteristics of a given household to determine the likelihood of having high energy costs
12. Internal BEIS analysis shows that there is a correlation between properties with high energy costs and households which have potential for a cost-effective ECO

measure. This is an important factor for energy suppliers in deciding whether to install a measure.

1) Approach 1: EPC bands E, F or G

13. Energy Performance Certificate (EPC) bands can be used to identify how costly a household is to heat.
14. In March 2017 DCLG made a significant proportion of the EPC register data openly accessible²³, which should allow for bulk access to this data free of charge.
15. This simple approach would involve obtaining EPC bands for properties and defining as eligible only those properties which have an EPC band of D, E, F, or G. BEIS analysis shows that E, F, and G rated homes have a high probability of being defined as 'High Cost' under the Fuel Poverty definition.

2) Approach 2: High Cost questions

16. Whilst Approach 1 is the simplest route to take, we present another option for finding high cost homes where an EPC is not available.
17. This option would involve obtaining data on dwelling characteristics, either done using data held by an LA, visiting the property, or approaching households to get the relevant information.
18. BEIS has developed a set of simple questions that aim to achieve a balance between simplicity and effective identification of high cost homes. These have been tested in previous BEIS research, which found that typically householders are able to understand and answer these questions reliably.
19. Using English Housing Survey data BEIS has analysed how responses to these questions tend to affect the probability of a given home having high heating costs. Based on this analysis, we developed scores which reflect the likelihood that a dwelling characteristic (e.g. number of bedrooms = 4) results in the given household having high energy costs. A higher score indicates a greater likelihood that a household has high energy costs.
20. Participating LAs may decide to set a score threshold, whereby properties that generate a score above a certain level are deemed to be sufficiently likely to be High Cost. An alternative method would be to simply score all the properties in the area and prioritise those properties with the highest scores.
21. As a reminder, LAs that follow this approach have discretion over the score thresholds.
22. Table 1 below provides a list of recommended questions and corresponding scores based on our statistical analysis. If no response is available for a question, there is a "No response" option. This uses the most common response as a default response – for example, if it is unknown how the energy payments

²³ Available at <https://epc.opendatacommunities.org/>

are made then given payment by Direct Debit is the most common option, the score for Direct Debit is used. We do recommend answering all questions where possible, as some default scores – for example when the home was built, and the main fuel type – will have a large impact on the overall score. The more “No response” answers used, the less accurate the score will be.

Table 2 – BEIS preferred High Cost Questionnaire

At least one household member at home for most of the day	score
Yes	1
No	0
Number of bedrooms	
1	0
2	6
3	12
4	21
5 or more	27
Property type	
Purpose-built flat	0
Converted flat	4
Non-residential building	4
Mid-terrace house	4
End-terrace house	10
Semi-detached house	10
Detached house	20
Year of construction	
Post 2002	0
1991-2002	3
1981-1990	4
1975-1980	7
1965-1974	12
1945-1964	13
1919-1944	18
1850-1918	24
pre1850	27
Main heating fuel type	
Gas	0
Electricity	20
Other	5

Central heating	
Yes - central heating working	0
other	11
Electricity bill - method of payment	
Direct debit	0
Pre payment	6
Standard credit	7

Table 3 Incremental adjustments to Annual income thresholds (after housing costs of mortgage/rent & council tax):

	£14,600 (previous guidance)	£15,230 (updated in line with inflation)	£17,500	£20,000	£25,000	£30,000
Number of eligible households	1,062,192	1,130,786	1,622,140	2,340,396	3,862,546	5,670,329
Fuel poverty rate	51%	51%	36%	25%	15%	10%
Number of eligible fuel poor households	546,239	571,158	576,464	576,464	576,464	576,464

23. The table above looks at the impacts on the fuel poverty rates as you increase the annual income thresholds. Adjusting the income threshold in line with inflation is shown to raise the number of eligible households with no significant effect on the fuel poverty targeting, as more than 1 in 3 newly eligible households are fuel poor. However, raising the low income threshold above this point negatively impacts the fuel poverty targeting of the scheme as almost all those who become eligible are not fuel poor. For example:

24. Moving from £15,230 to £17,500 shows there is a modest increase of around 5k fuel poor households, however the total number of eligible households increases by around 500,000, meaning that roughly 1% of newly eligible households are expected to be fuel poor. Therefore, any income above £15,230 benefits few additional FP households whilst allowing many non-FP households to benefit.

Table 4 IMD as the sole proxy for low income:

	IMD bottom 10% + high cost/vulnerable to cold	IMD bottom 20% + high cost/vulnerable to cold
Number of eligible households	409,671	1,070,479
Fuel poverty rate	11%	7%
Number of eligible fuel poor households	43,594	72,113

25. BEIS has investigated the fuel poverty hit rates when using IMD areas as a sole proxy to define the low-income indicator. For the purposes of modelling our analysts removed households that would have been eligible for ECO AW due to being on means tested benefits. The figures show that the number of FP eligible households represents only a small overall percentage of those households that we are trying to target. Therefore, BEIS does not recommended IMD as an effective method or defining low income.

Table 5 IMD as a supplementary proxy for low income:

	Recommended criteria (no IMD)	Recommended + IMD bottom 10%	Previous recommended + IMD bottom 20%
Number of eligible households	1,130,786	1,451,997	2,030,289
Fuel poverty rate	51%	40%	28%
Number of eligible fuel poor households	571,158	575,288	575,288

26. BEIS modelled using IMD areas set at both the bottom 10 and 20% along with a household income of £15,230k. Comparing no IMD used, versus IMD set at 10% only increases the number of fuel poor households by an additional 4,000 households. Meanwhile, more than 300,000 non-fuel poor households become eligible. This implies that roughly 1% of newly eligible households are expected to be fuel poor. Similarly, if we set IMD at 20% no additional fuel poor homes become eligible despite an additional 600k households becoming eligible (compared to including only IMD 10%). This implies that less than 0.5% of households that would become eligible through the introduction of IMD 10/20%

as a low income proxy are fuel poor. The reason for this is most likely due to the large majority of fuel poor households that live in IMD 10% and 20% areas are already eligible through other eligibility criteria.

High cost criteria:

27. It is recommended that the high cost criteria is extended to include EPC D and below rated homes. The table below (table 5) shows the figures relating to different High Cost criteria scenarios. It compares BEIS’s recommended £15,230 low income, high cost. The table shows by extending to EPC band D and below raises the number of eligible households with no negative impact on the fuel poverty hit-rate. Although limiting the high cost criteria to EPC F or G rated properties would raise the fuel poverty hit-rate, it would significantly restrict the size of the eligible pool, leading to lower delivery. Furthermore, roughly half of those would become ineligible (compared to EPC D and below) are fuel poor. Therefore, this restriction would likely negatively impact the policy’s fuel poverty impact.

Table 6 EPC ratings

	Previous recommended	High cost limited to EPC F and G	High cost extended to EPC D or worse
Number of eligible households	1,062,192	539,299	1,130,786
Fuel poverty rate	51%	57%	51%
Number of eligible fuel poor households	546,239	306,245	571,158

Annex 7: Identifying vulnerability to cold

28. In developing criteria, LAs should refer to the NICE guideline NG6 on “Excess winter deaths and illness and the health risks associated with cold homes”, which identifies people with the following health conditions as being particularly vulnerable to cold:
- a) *people with cardiovascular conditions*
 - b) *people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)*
 - c) *people with mental health conditions, and*
 - d) *people with disabilities*
29. Of the list provided above, cardiovascular and respiratory diseases are the key health conditions associated with excess winter deaths and illnesses.
30. It is important to note that whilst people with these conditions are particularly vulnerable to cold, many conditions may be exacerbated by living in a cold home.
31. While the health of people of all ages is affected by cold homes, older people are more likely to suffer health problems (such as heart attacks, strokes and chest infections), especially those living on their own who are socially isolated. The risk increases with older age, and those over 85 are the most vulnerable. Cold homes may also pose a risk to the health of children under 5, as well as to pregnant women and their babies. LAs should have particular regard for these groups.²⁴
32. Some groups are particularly vulnerable to cold homes, for example, those who are likely to spend a larger part of their time at home because of a long-term illness or a disability. Feedback received from LAs involved in the Booster Fund projects²⁵ suggested adding the following conditions to the list above:
- e) *people who are terminally ill*
 - f) *people with suppressed immune systems (e.g. from cancer treatment or HIV)*
33. In addition to the above, the NICE Quality Standard on *Preventing excess winter deaths and illness associated with cold homes*²⁶ include further groups of people who are vulnerable to the health problems associated with a cold home, and which LAs may want to consider adding to their lists, specifically:
- g) *people who move in and out of homelessness*
-

²⁴ A useful reference on these issues is: ‘Hajat et al, Heat-related and cold-related deaths in England and Wales: who is at risk?’, *BMJ journals, Occupational and Environmental Medicine*, Volume 64, Issue 2. <http://oem.bmj.com/content/64/2/93>

²⁵ Health Booster Fund projects: <https://www.gov.uk/government/publications/the-fuel-poverty-and-health-booster-fund>

²⁶ The NICE quality standard is available here: <https://www.nice.org.uk/guidance/qs117/chapter/Quality-statement-2-Identifying-people-vulnerable-to-health-problems-associated-with-a-cold-home>

- h) people with addictions*
 - i) people who have attended hospital due to a fall*
 - j) recent immigrants, asylum seekers and refugees (if living in private tenure)*
34. Other indicators of vulnerability to cold could be less immediate to identify, for example, living in a cold home can cause or exacerbate mental and physical health problems. A household that cannot afford to heat its home is likely to be under stress, for example if they are forced to live in the only heated room.
35. Cold homes and health problems can spiral into further problems, for example low income households may need to choose between heating and food or other commodities. Others risk falling into debt, or have fallen into debt as a result of their health issues and high energy costs. Debt is therefore an additional factor that LAs may wish to take into consideration when identifying vulnerability to cold.

Annex 8: In-fill – examples

36. This Annex covers examples, which are only illustrative and non-exhaustive, of projects where in-fill requirements have been met.
37. It is important to bear in mind that where, in the examples given below, a property or properties are stated as not meeting the relevant eligibility criteria under LA-Flex, LAs can consider whether they could be eligible for funding under the ECO criteria (e.g. if they are social housing EPC band E,F,G).
38. Flexible eligibility only applies to private tenure, therefore all the properties on a declaration, including in-fill, must be private tenure, and in-fill only applies for the purposes of solid wall insulation (SWI).
39. As set out in Chapter 7, in-fill households must be listed in an LA declaration alongside the FP or LIVC households in the SWI project that meet the relevant criteria. The LA must ensure that, for each project on a declaration, the *minimum* proportion of 50% eligible is met.
40. The 50% minimum requirement means that at least one of two properties must be declared by the LA as FP or LIVC.
41. This guidance has been simplified reflecting the 50% rule for all properties under LA Flex

Examples below include boxes representing whole households:

Key	Colour
FP or LIVC (eligible)	
In-fill	
Not FP or LIVC ²⁷	

42. The following scenarios will typically refer to houses that directly adjoin onto one other property. “**Directly adjoined**” refers to two individual properties that join onto one another. This includes two semi-detached houses, two semi-detached bungalows, or a detached building containing two properties (e.g. one above the other).

²⁷ Such properties can be considered for social housing EPC bands E, F or G they can be eligible under Affordable Warmth (not flexible eligibility).

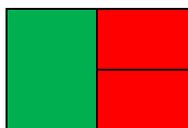
1. **Example 1 – Semi-detached.** The in-fill property **directly adjoins** the eligible property by a party wall. Other properties in red are not eligible as they are not LIHC or LIVC. Where an in-fill property identified by the LA **is on the same street but does not adjoin** the eligible property by a side wall, this would not meet the requirements for infill eligibility.



2. **Example 2 - Detached building containing two properties.** The in-fill properties **directly adjoin** an eligible property by being directly above or below an eligible property and there being no more than 2 properties in the building. Other properties in red are not eligible as they are not FP or LIVC and do not **directly adjoin** FP or LIVC properties.



3. **Example 3 – Semi-detached, one containing two flats.** The flats on the right are not eligible as although they directly adjoin, they are not in a building containing no more than two domestic premises. As such 50% eligibility does not apply.



4. The following scenarios will typically refer to a row of houses (including straight or “L” shaped) that are part of a continuous structure without a gap between them. Where houses have an access alleyway between them, but the top sections of the properties join, these are “same terrace”.
5. Where houses are in immediately adjacent buildings to a terrace (eg separated from the terrace by an alleyway), they can be considered part of the terrace for the purposes of being counted towards in-fill, as long as the immediately adjacent property is included in the declaration and the required proportions of FP and LIVC are met. The immediately adjacent property does not need to be the end property. It can be any property in the adjacent terrace.
6. Not all the properties in one terrace need to be included in the SWI project in order for the project to be eligible under flexible eligibility, nor do they need to be immediately adjacent, as long as they are in the same terrace and the required proportions of FP and LIVC within the SWI project are met. See example 4.
7. **Example 4 - Same terrace.** In this example, all 10 properties in the same terrace have been included in an LA declaration. As at least 50% of the properties for which an LA declaration has been provided are FP or LIVC (5 out of 10), the remaining 5 that are not FP or LIVC, are eligible for solid wall insulation.



8. **Example 5 - Same terrace.** In this example, 4 of the 12 properties in the terrace have been included in the LA declaration. 2 of 4 properties for which an LA declaration has been provided are FP or LIVC – therefore the minimum 50% threshold has been met. The other eight properties in red are not eligible under flexible eligibility rules (otherwise the 50% eligibility criteria would not be met).



9. **Example 6 – Same terrace separated by a road.** All of the properties in the top terrace are eligible under flexible eligibility on the basis of 4 being either FP or LIVC and the remaining 4 being part of the **same terrace**. The bottom terrace act independently from the top and are not considered the **same terrace** or an **immediately adjacent building** to the top terrace as they are separated by a road. As 3 properties in the bottom row are FP or LIVC, an additional 3 properties in the row can be counted as in-fill. An additional 5 properties cannot be counted as in-fill otherwise the proportions would not be met.

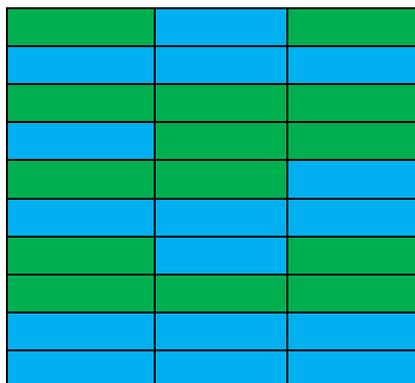


10. **“Same building”** will typically refer to multiple properties in the same structure (e.g. block of flats). **“Immediately adjacent buildings”** are buildings that do not physically join but are separated by an alleyway, footpath, side garden or fence, for example. Roads that contain terrace houses only, but are Buildings separated by a road on which motorised vehicles travel are not considered adjacent, although if the alleyway is used by motorised vehicles for parking purposes only, then this would be allowed.

11. Similarly, not all the properties in the same block of flats need to be immediately adjacent to each other in order to be eligible under flexible eligibility, as long as the required proportion of FP and LIVC properties are achieved and the properties are in the same or immediately adjacent block of flats. This could be useful where some flats in the block of flats are in social housing, and therefore could not be counted towards flexible eligibility. See example 7.

12. **Example 7 – Block of flats.** This represents a block of flats which requires SWI. 18 flats are declared FP or LIVC. As such, up to a further 18 other flats which are not FP or LIVC can be declared as in-fill, and as such the 50% minimum threshold has been met.





13. **Example 8 – Blocks of flats.** All the properties in Block A are eligible for SWI as 18 of 27 (67%) are FP or LIVC. The other 9 can be classed as in-fill as they are part of the **same building**. In Block B, 11 of the 27 properties (41%) are FP or LIVC. This would mean that not all of the remaining 12 can be classed as in-fill if Block B was considered in isolation. However, as Block A & B are **immediately adjacent buildings**, then they may be amalgamated for the purposes of calculating in-fill. As 36 of 54 properties (54%) in Block A and B are eligible then the other 18 can be classed as in-fill.

