



**ECO4 FLEXIBLE ELIGIBILITY SCHEME**

Report by Depute Chief Executive

**PURPOSE**

- 1.1 The purpose of the Report is to inform the Comhairle of the proposal to reintroduce an ECO4 Flexible Eligibility Scheme to assist fuel poor households.

**EXECUTIVE SUMMARY**

- 2.1 The ECO4 Flexible Eligibility Scheme is a UK Government initiative aiming to improve energy efficiency in homes, particularly focusing on low-income and vulnerable households.
- 2.2 The Scheme was delivered successfully by Tighean Innse Gall for several years and an opportunity has arisen to reintroduce it locally.
- 2.3 The Comhairle's role in the delivery of this Scheme would be that of enabler, with the majority of the delivery carried out by a partner Installer. The Scheme would be funded by Energy Company Obligation (ECO) funding.

**RECOMMENDATIONS**

- 3.1 It is recommended that the Comhairle
  - (a) approves the reintroduction of the ECO4 Flexible Eligibility Scheme on a trial basis, and
  - (b) gives delegated authority to the Depute Chief Executive, in consultation with the Chair of Sustainable Development, to put the administrative procedures in place to operate the ECO4 Flexible Eligibility Scheme.

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Appendix:                 None  
Background Papers:       OFGEM ECO4 Administration Guidance for Local Authorities

## IMPLICATIONS

- 4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	There would be no financial implications for the Comhairle.
Legal	None
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	None
Equalities	The proposed Scheme would benefit vulnerable households
Corporate Strategy	None
Environmental Impact	None
Consultation	None

## BACKGROUND

- 5.1 The ECO4 Flexible Eligibility Scheme is a UK wide programme to assist qualifying households in fuel poverty with the installation of energy efficiency measures. The scheme is funded through ECO funds.
- 5.2 ECO was first introduced by the UK Government in 2013 as an energy efficiency scheme. ECO places legal obligations on energy suppliers to deliver energy efficiency and heating measures to domestic premises, with an aim of reducing home heating costs for low-income, fuel poor and vulnerable people. ECO is now on its 4<sup>th</sup> iteration, ECO4.
- 5.3 The Flexible Eligibility component of ECO, which was first introduced in 2017, allows Local Authorities to engage with energy installers, to refer private tenure households that are considered to be low-income, vulnerable to the effects of living in a cold home, or fuel poor, for energy efficiency measures.
- 5.4 The Installers bid for ECO funding from the energy companies and use this funding to deliver a range of energy efficiency measures to qualifying households.
- 5.5 The Flexible Eligibility Scheme had previously been delivered locally by Tighean Innse Gall (TIG), from 2017 up until 2021, when they withdrew from delivering Insulation works. The Scheme was delivered by TIG in tandem with the Comhairle's Home Energy Efficiency Programme (HEEPS) and assisted 250 households in that 4-year period.
- 5.6 At that time, the Comhairle limited the delivery of the Scheme to TIG, as they had a long-established track record and were the Managing Agents for HEEPS. TIG also had a good working relationship with the energy companies and was able to attract ECO funding.
- 5.7 The Scheme was halted in 2019. Members may recall that at that time there were a number of non-approved companies claiming to be delivering the Flexible Eligibility scheme on behalf of the Comhairle. These firms, who also operated throughout the Highlands and Islands, were subject to a fraud investigation.
- 5.8 There is now an opportunity to reintroduce the Scheme on a trial basis.

## **THE COMHAIRLE ROLE**

- 6.1 The Comhairle would not play an active role in the delivery of the Flexible Eligibility Scheme. The majority of the work (identification of qualifying households, surveys, installations and securing ECO funding, for example) would be carried out by the approved Installers (as was the case with TIG).
- 6.2 The Comhairle's role would be limited to two areas. The first would be to publish a 'Statement of Intent' on the Comhairle website, confirming that the Comhairle was partaking in the scheme, setting out the criteria to be used and confirming the approved Installers.
- 6.3 It should be noted that only the approved Installers would be eligible to deliver the scheme in the area. This is to prevent any recurrence of the fraud situation that arose in 2019.
- 6.4 Ofgem has prepared a template 'Statement of Intent' which can be adapted to take account of local circumstances.
- 6.5 The second area where the Comhairle would have an involvement is to sign a Declaration that a household is in Fuel Poverty and meets the required criteria. This Declaration is passed on to the energy supplier who would be providing the ECO funding. Again, Ofgem has produced a template declaration which can be adapted.
- 6.6 The Comhairle would not be expected to provide any funding towards this scheme, as it is funded through ECO.
- 6.7 It is proposed that the Comhairle reintroduces the Scheme on a trial basis in the first instance and monitors performance.
- 6.8 The Report recommends that delegated authority is given to the Depute Chief Executive, in consultation with the Chair of Sustainable Development, to put the administrative procedures in place to operate the ECO4 Flexible Eligibility Scheme.

## **APPROVED INSTALLERS**

- 7.1 The Comhairle has been in discussion with two national firms who would be interested in delivering the Scheme locally. Both firms have an active presence on the islands and have a proven track records. Both firms are on the Scotland Excel Procurement Framework for Energy Efficiency works. In addition, both firms use local sub-contractors for delivering other energy efficiency programmes.
- 7.2 It is proposed that the delivery of the Scheme is limited in the first instance to these two firms.

## **CONCLUSION**

- 8.1 The ECO4 Flexible Eligibility Scheme is a programme to assist qualifying households in fuel poverty with the installation of energy efficiency measures. The scheme is funded through ECO funds.
- 8.2 It is proposed that the Comhairle reintroduces the Scheme on a trial basis.