

# LA Flex guide for local authorities

Learn how to use Flexible Eligibility in the Energy Company Obligation (ECO) scheme to fund energy efficiency measures for residents.



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## YES Energy Solutions

YES Energy Solutions is a multi-award winning energy efficiency company with a strong social purpose - to reduce CO<sub>2</sub> and alleviate fuel poverty.

We are a Community Interest Company, which means that our assets are locked and any profit generated is reinvested into our social objectives. With no shareholders to satisfy, we invest the surplus we make into initiatives to revitalise communities, boost local economies and support the energy efficiency needs of vulnerable householders.

We specialise in working with local authorities to help them develop and deliver targeted carbon saving initiatives that fight fuel poverty and tackle climate change.

As a leading managing agent, we have secured ECO funding delivery contracts with a number of major energy companies and fund a network of SME installers.

We won Project Management Company of the Year at the 2019 National Energy Efficiency Awards, and have previously won Funding Provider of the Year in 2018 and 2017.

If you represent a local authority that is keen to save energy and reduce fuel poverty, then get in touch to find out how we can help establish an effective ECO scheme in your area.

[Find out more about YES Energy Solutions with our video](#)



## ECO Funding

The Energy Company Obligation (ECO) requires large utilities to contribute funding towards energy efficiency measures. The residents who received the funding were originally in receipt of benefits, however, LA Flex changed this in 2017 and has developed into a greater opportunity for councils.

### What is Flexible Eligibility?

Flexible Eligibility, often shortened to LA Flex, is a way for councils to reach more residents with funding from ECO.

Councils have the power to widen the eligibility criteria for ECO, and they can tailor this to their area.

Therefore, it's not just householders on benefits that qualify for ECO funding, with councils having the ability to enable funding on the basis of income, health, age or area, allowing support for specific communities.

Councils should use LA Flex to define criteria that supports residents who either live in fuel poverty, or are on a low income and are vulnerable to living in a cold home.

#### *Important to note...*

LA Flex cannot be used to qualify social housing tenants for ECO funding. Social housing can receive ECO on selected measures if it has an EPC of E, F or G.

### LA Flex in ECO3

Energy companies can use LA Flex for 25% of their obligation in ECO3, making this route to funding more important than in the previous phases of the scheme.

To use this boosted initiative in ECO3, local authorities must publish a Statement of Intent (SOI) which contains eligibility criteria which they have control over.

Publishing an SOI invites organisations such as energy companies, managing agents or installers to source residents for funding through the council's LA Flex on an individual basis, or as part of area based schemes.

#### *Important to note...*

ECO funding varies widely depending on property type, and match funding from other sources is often required to fully fund measures residents.

### What should be included in an SOI?

An SOI must include a description of how a local authority intends to identify householders in its area who may benefit from energy efficiency measures.

The criteria must state that residents are eligible if they have a low income and high heating bills.

In addition, it must be stated that residents are eligible if they are on a low income and vulnerable to the effects of living in a cold home.

However, local authorities can determine the thresholds, and can include further criteria they deem appropriate to qualify residents in their area.

#### *Important to note...*

An SOI must be made publically available on the council website, it must be dated and signed by a CEO or officer at director level, and a link to the website sent to BEIS, and re-sent whenever the SOI is updated.



## Identifying vulnerable to cold households

Generally a householder living in a cold home is vulnerable if they have one of the following:

- a health condition affected by cold,
- a disability,
- a young family,
- or they are elderly,
- or a pregnant woman.

Despite these generalities, local authorities are encouraged to use their own discretion in identifying those most at risk by using their insight into the local community.

Local authorities should research how potential funding would be allocated and adapt their SOI to reach the most vulnerable residents in fuel poverty.



### *Important to note...*

To qualify under LA Flex, householders must be identified as both vulnerable to cold and on a low income.

### *Example...*

An area may have a high proportion of older people but they may not be on low incomes, therefore there may be other households in greater need of support. Here an SOI should then set a higher age threshold.

## Identifying low income households

Local authorities should consider the impact of income thresholds, and whether this will disadvantage lower income households in the area or across the scheme as a whole.

This is important when councils have ring-fenced a finite amount of match funding. If a large proportion of available council capital is combined with ECO to fully fund installs for higher income households, fuel poverty in the area will not be reduced as vulnerable residents miss out.

### *Example...*

High income thresholds may lead to a situation where a household on an income of £32,000 benefits from the scheme meaning that another household on a low income of £18,000 is left out as match funding had run out.

## SOI best practices

Statements of Intent should:

- Be short and concise so they are easy to read - three to four pages is recommended.
- List the criteria in a clear layout - tables usually work best.
- State clearly how the local authority will target households, this could include how referrals will be made.
- Joint SOI's between local authorities should list all local councils in which the SOI applies to upfront.
- Provide relevant contact details in the document.



## The process of LA Flex

Local authorities have key roles when accessing LA Flex, with ECO legislation dictating steps they must take to access funding which can't be sub-contracted.

Despite this, a framework can be created with partners, such as managing agents, energy companies and installers, but there are several steps that only local authorities can complete.

Once customers have indicated interest, and evidence has been gathered, a local authority signed LA Flex declaration must be sent to the relevant Energy Company by the local authority with accompanying documents confirming eligibility.

The signed declaration must be presented to accredited ECO installers for the funding to be granted. This must include the customer's name, address and unique reference number.



- Statement of Intent is published by the local authority and distributed to BEIS.

- Referral received - councils can work with managing agents, accredited installers or health and wellbeing organisations to drive referrals.

- Residents are validated against the criteria in the council's Statement of Intent.

- Local authority signs the LA Flex declaration, which declares the customer is eligible.

- The signed 'declaration' is sent to accredited ECO partners for funding to be granted.



## How the Hazels benefitted from LA Flex

Margaret Hazel and her husband Michael from North Yorkshire received a fully funded brand new A-rated combi-boiler and full central heating system to replace their old inefficient 30-year-old boiler.

The capital for the Hazels' fully funded upgrades were secured by YES Energy Solutions from LA Flex in the ECO scheme, with the shortfall made up by Ryedale District Council providing additional funds from their Energy Efficiency Grant.

Margaret qualified for funding under a health condition affected by cold, having previously received treatment for cancer, and being on a low household income.



*Margaret said: "We were very pleased when we found out it was fully funded because we wouldn't have been able to pay for it, so it was just fantastic."*

*"We've noticed a big difference, it's just lovely to have hot water and heat there all the time."*

*Michael Hazel was delighted with the install and told us: "I'll never look back now, I couldn't wish for anything better."*

The Ryedale Energy Saver scheme helped qualifying residents save money on their energy bills, helping to reduce fuel poverty in the area, with many householders now benefitting from a warmer, cosier home.

*Michael explained: "Now we don't need to turn the thermostat up, you can't touch the radiators they're so hot and now the whole house is warm."*

*"Our old boiler had to be serviced often, and when we were looking at the gas bills, the boiler was using a lot of gas, which wasn't necessary. We'll have to wait for what our next gas bill will be but I'm sure they'll be a big saving in it."*

**Serena Williams, Senior Environmental Health Officer Specialist Services, Ryedale District Council**

*"YES have supported us and partner councils in the writing of a new Statement of Intent to enable us to access LA Flex ECO funding as a result of the changes with ECO3. This is in addition to winning us a Warm Homes Fund bid, all helping to bring funds into the homes of our residents."*

By implementing a Statement of Intent into the scheme, Ryedale District Council was able to reach more residents like the Hazels.

## How YES Energy Solutions can help

YES Energy Solutions have helped multiple councils implement LA Flex and develop ECO schemes.

We were one of the first managing agents to help councils access flexible eligibility.

YES Energy Solutions can provide:

- ECO funding facilities
- Project management
- A network of accredited installers
- Customer service centre
- Energy efficiency consultancy
- Householder energy advice

YES Energy Solutions is looking to work with local authorities wanting to reduce fuel poverty and improve the energy efficiency of households in their area.

## Get in touch with YES Energy Solutions

T: 01422 880 100

E: [enquiries@yesenergysolutions.co.uk](mailto:enquiries@yesenergysolutions.co.uk)

W: [www.yesenergysolutions.co.uk](http://www.yesenergysolutions.co.uk)

### Learn more about ECO funding...

See our website's advice centre for information on the Energy Company Obligation. [<https://www.yesenergysolutions.co.uk/advice/eco-funding/>]

OR download our [ECO guide for local authorities](#).





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