

Section A - EQUALITY ANALYSIS TEMPLATE

You must complete this in conjunction with reading Equality Analysis Guidance

Name of Policy/Decision/Project/Activity:

Energy Company Obligation 4 Flexible Energy (ECO4 Flex) Scheme: Sunderland City Council's Statement of Intent

Date: 27th October 2022

Version Number: 1

Equality Analysis completed by:

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Job title: Strategic and Sustainable Plans Manager

Responsible Officer or Group:

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Is the Activity:

New/Proposed (X)

Changing/Being Reviewed ()

Other ()

Part 1. Purpose and Scope

Purpose

In this section outline briefly:

- what the policy, decision or activity is and what the intended outcomes/benefits are (linked to the Corporate Outcomes Framework)
- over what period of time the outcomes will be achieved
- why it needs to be implemented or revised
- what populations are affected by the proposal
- who is expected to benefit and how, i.e. young people, older people, carers, BME groups, ward areas/communities, etc
- whether there are any overlaps with regional, sub-regional, national priorities.

[Further Guidance](#)

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 improvement measures. It is available to households who are struggling to pay their energy bills and are defined as being in fuel poverty.

ECO4 Flex will be in place from April 2022 until March 2026 with a total budget of £4 billion and the main objective of reducing fuel poverty by improving the least energy efficient housing stock occupied by low income and vulnerable, and fuel poor households.

The Government has given local authorities the ability to identify vulnerable households in their areas which could benefit from these improvements and under ECO4 energy suppliers can meet up to 50% of their obligations under Local Authority Flex.

There are two main categories of private tenure households that the Government intends to be eligible (social rented properties are mostly excluded from ECO4 flex support):

- Low Income – low-income households that face high heating costs. This is identified by Route 1 criteria (a household income of less than £31,000), or route 2 criteria (in receipt of certain benefits) or Route 4 (other referrals).
- Vulnerable to cold – low-income households that are vulnerable to the effects of living in a cold home. This could be due to health conditions exacerbated by cold conditions, old age or where children under 5 live in the property. These criteria are assessed under route 2 or Route 3.

In addition, all properties must fall within EPC bands D – G (or E to G for Route 2 criteria) to qualify for ECO4.

To enable the implementation of the ECO4 Flex scheme, individual authorities must publish a “Statement of Intent” outlining the criteria by which households can benefit from ECO4 Flex opportunities and how they can be targeted. In identifying households as eligible under ECO4 Flex, Sunderland City Council is enabling residents to benefit from ECO4 Flex grant funding from the approved energy suppliers, but is not making the decision on the energy efficiency measures required (based on EPC ratings) or providing any funding itself. A procurement exercise will be undertaken to identify and appoint approved suppliers to deliver the scheme within the city.

Decision

Cabinet is recommended to:

- i) approve the draft Statement of Intent (SOI) for delivery of ECO 4 Flex in Sunderland, and its publication;
- ii) authorise the Executive Director of City Development, in consultation with the Leader and Deputy Leader, to appoint approved suppliers to take forward delivery of the scheme; and
- iii) authorise the Executive Director of City Development, in consultation with the Leader and Deputy Leader, to make changes to the SOI such as those that may be required by the Office of Gas and Electricity Markets (Ofgem), including as a result of changes to government policy or guidance.

Scheme Timescale

In Sunderland, the current iteration of the scheme is intended to operate between 2022 and 2026 (although the SOI and scheme may be subject to revision during the period).

Reason for Implementation

ECO objectives are to help households cut their energy bills and reduce carbon emissions. ECO4 Flex will help a greater number of residents benefit from energy efficiency measures including those that could be adversely affected by cold. It should be noted that the decision on eligibility also requires the identification of suitable energy efficiency measures that are eligible for ECO4 Flex funding from an energy company. This will be an assessment undertaken by the energy supplier and their installers. In addition, the energy suppliers may fulfil their obligations for certain elements of the scheme earlier and therefore funding for these measures may temporarily cease.

Who is expected to benefit?

Households who are defined as being in fuel poverty and households which are particularly vulnerable to cold housing. A household is classed as being in fuel poverty if the property's efficiency rating is band D or below and their disposable income is below the poverty line. In 2020 13.2% of households in England were fuel poor in 2020 and this is likely to have risen significantly since due to increases in energy prices and cost of living. Single parent households are most likely to be fuel poor (27%).¹

People with illnesses or disabilities likely to be made worse by living in cold housing will also be helped by this scheme.

Overlaps with national policy

The ECO4 Flex scheme is a national government initiative. It supersedes ECO3 Flex.

¹ [Fuel poverty factsheet, England, 2020 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/92222/fuel-poverty-factsheet-england-2020.pdf)

Intelligence and Analysis

Please describe:

- What sources of information have been used to inform this assessment/analysis (this should include but is not limited to consultations, resident/service user feedback and statistical data and intelligence)
- **What the information is telling you** – this should be broken down by each of the protected characteristics or other identified groups which could be disadvantaged. Each of the aims of the equality act should be considered in relation to each of the protected characteristics.

[Further Guidance](#)

Sources of Information

ECO4 Guidance: Local Authority Administration, ECO Policy and Engagement Hub [ECO4 Guidance: Local Authority Administration | Ofgem](#)

Statistical data: [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](#)

Identified groups

Low income- defined as households with an income of less than £31,000 (Route 1), or homes in England in Lower-layer Super Output Area 1-3 (LSOA) are eligible as part of Route 2, Proxy 1, in conjunction with one other proxy criteria. In Sunderland 53% of LSOAs are IMD Decile 1 -3 and therefore a significant proportion of the residents would be eligible under this criterion (although they must also fulfil a second criteria, either linked to receipt of benefits or ill health/disability). However, as the ECO4 Flex scheme requires the improvements to properties with an EPC banding of D or lower and would require the intall to result in a jump of two EPC bands, this will limit the number of eligible properties.

Households where a child receives free school meals are eligible, as are households with a council tax rebate, provided they also fulfil an additional proxy via Route 2.

Disabilities/ Health conditions – identified by a GP or doctor and/or identified vulnerable as living in a cold home as identified in the National Institute for Health and Care Excellence (NICE) Guidance. Residents with disabilities or health conditions are prone to having higher energy bills as their health conditions may require them to stay at home for longer periods of time. ECO 4 can therefore be potentially of benefit to residents with disabilities or other health conditions by reducing their energy consumption and associated bills.

Based on the eligibility criteria, it is not expected that people having any of the protected characteristics will be disadvantaged by this project.

Band G – 64

Band F - 636

Band E – 8,210

Band D - 22,614

The eligibility criteria allows all of the groups likely to be struggling to pay fuel bills to access assistance, helped by Route 4 which allows Suppliers and LAs to submit an application to BEIS where they have identified a low income and vulnerable household, who are not already eligible under the existing routes.

Possible exceptions include:

- Households with an income of more than £31,000, but who may still be struggling to pay bills, particularly considering recent and future energy price increases (although they may qualify via proxy 6 if they are identified by the Citizens Advice Bureau as struggling to pay their bills);
- Non homeowners and social renters;
- Households who are struggling to pay high energy bills but whose home has an EPC above 'D' (or E for Route 2).

Attention may also be necessary to ensure people with disabilities or without English as a first language receive suitable information about the scheme.

Eligible Properties

The Eco 4 Flex scheme is targeted at properties with the lowest EPC bandings (band D or lower for owner/occupier or Band E or lower for Private rented), however only limited support is available to Band D properties with most funding targeted at properties with an EPC banding of E or lower. This will limit the number of eligible properties within the city.

Based on data provided by Parity software, it is estimated that the number of potentially eligible properties within the city are as follows:

- Band G – 64
- Band F - 636
- Band E – 8,210
- Band D - 22,614

It should also be noted that to qualify for ECO 4 Flex funding, an install must result in the EPC banding of the property being raised by at least two EPC bandings. This will also significantly limit the number of potentially eligible properties within the city.

Gaps in intelligence and information

Having analysed the information available to you:

- are there any gaps in intelligence or areas where understanding needs to be improved? Please describe what these are and what actions you intend to take to obtain/improve the information. These actions should be covered in the action plan.
- are there any groups who should be expected to benefit who do not? Please describe why not and whether you will amend the decision to change this outcome. This should also be covered in the action plan.

[Further Guidance](#)

ECO4 Flex is aimed at those on relatively low incomes, including those on benefits. It will therefore benefit those households that are in poverty, disabled (in receipt of disability benefits, or where a health professional confirms their vulnerability to cold) as well as the elderly and young children. The eligibility criteria will encompass people falling within each of the protected characteristics, but the data relating to these may not be collected.

The eligibility criteria set out by Ofgem/BEIS allows the capture of a wide variety of households and while it is expected that rates of eligibility will be high in Sunderland, the number of eligible households that will benefit is unknown. There are several gaps in data and other variables which will significantly influence the number of households who take up the scheme:

- There are gaps in data around EPC ratings for homes in Sunderland. Around 30% of properties on the Government's database do not have a valid EPC certificate, and many that do have outdated certificates, for example where works have already been completed to improve the energy efficiency of a property, but no updated EPC was completed following this.
- With regard to Parity software to establish the EPC ratings of properties, this uses assumptions in relation to properties that do not have an EPC banding and therefore the accuracy of this data may not be robust. In addition, there are significant gaps regarding the tenure of properties.
- Availability of Energy Suppliers at the time.
- Willingness of households to have the measures installed.

Additional Impacts

The policy or action may also have an impact on other groups or individuals which are not covered by statutory requirements. Please outline any additional individuals or groups which have not already been covered. This could include socio-economic groups, voluntary and community sector, carers or specific communities which face additional challenges (such as former coal mining areas or areas of high deprivation)

[Further Guidance](#)

As detailed above, ECO4 is only available for those households in private tenured properties, mainly owner occupiers.

Part 2. Analysis of Impact on People

In this section you must **review the intelligence described above and summarise the intended and potential impact of the policy, decision or activity** on the people of Sunderland. This includes specific consideration of the impact on individuals, groups with protected characteristics and communities of interest within the city. Please briefly outline any positive, neutral or negative impacts on the specific groups below. Please note that any negative impacts should have a corresponding action in the action plan in the page below.

In this assessment it is important to remember the **Council is required to give due regard to:**

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Each of these aims must be summarised in turn in relation to the groups outlined below.

[Further Guidance](#)

Characteristic	List of Impacts		
	Positive	Neutral	Negative
All residents – all characteristics	A significant number of households in Sunderland are potentially eligible for support under ECO4. The scheme is particularly targeted at low income and vulnerable households and therefore has the potential to have significant benefits. The scheme therefore has the potential to have significant benefits to vulnerable households and can help to limit those exposed to adverse health impacts associated with living in cold and damp conditions. Officers will work closely with colleagues from across the Council, including those in Public Health to help target eligible households, particularly those which are most vulnerable.		
Age	The elderly are one of the groups of residents that may benefit from ECO4 Flex – due individual SOI eligibility		

	based on receipt of certain benefits or due to increased likelihood of having health conditions. The elderly may also be more likely to be homeowners and income poor, so fit the criteria of ECO4 Flex well. The scheme therefore has the potential to have significant benefits to vulnerable households and can help to limit those exposed to adverse health impacts associated with living in cold and damp conditions.		
Disability	The disabled are one of the groups being specifically targeted by ECO4 Flex – due to individual SOI eligibility based on receipt of certain disability benefits or having health conditions. The scheme therefore has the potential to have significant benefits to vulnerable households and can help to limit those exposed to adverse health impacts associated with living in cold and damp conditions		
Sex/Gender		No impacts defined – the scheme will provide equal opportunities.	
Marriage & Civil Partnership		No impacts defined – the scheme will provide equal opportunities.	
Pregnancy and maternity		No impacts defined – the scheme will provide equal opportunities.	
Race/Ethnicity		No impacts defined – the scheme will provide equal opportunities.	
Religion/belief		No impacts defined – the scheme will provide equal opportunities.	
Sexual Orientation		No impacts defined – the scheme will provide equal opportunities.	
Gender identity		No impacts defined – the scheme will provide equal opportunities.	

Please add any additional groups mentioned in the “additional impacts” section above.

Part 3. Response to Analysis, Action Plan and Monitoring

In this section, please outline what actions you propose to take to minimise the negative, and maximise the positive, impacts that have been identified through the analysis. By considering and implementing these actions the policy or action can be refined to make sure that the greatest benefits are achieved for the people of Sunderland. The performance monitoring process should also be set out to explain how ongoing progress is going to be followed to make sure that the aims are met.

From the analysis four broad approaches can be taken, (No major change; continue with the policy/action despite negative implications; adjust the policy/decision/action; or stop the policy/action). Please indicate, using the list below, which is proposed.

No Major Change (X)

Continue Despite Negative Implications ()

Adjust the Policy/Decision/Project/Activity ()

Stop ()

Action Plan

[Further Guidance](#)

ACTION	WHO	WHEN	MONITORING ARRANGEMENTS
Ongoing monitoring of the scheme. This together with information on the effectiveness of targeting will allow further changes to the scheme and SOI to be made (if required)	Graeme Stephenson (Principal Energy Efficiency and Retrofit Officer)	From scheme implementation	Overall requirements are set by Ofgem/BEIS

PLEASE ENSURE THAT THIS TEMPLATE IS PRESENTED AT ANY DECISION POINT AND PUBLISHED WITH CABINET PAPERS.

