

**WHO DO
YOU
CHOOSE?**

**WHO WOULD YOU DEEM ELIGIBLE UNDER
LA FLEX LIHC/LIVC CRITERIA?**

ECO IS ESTIMATED TO COST £640M PA

LA FLEX COULD REPRESENT UP TO £160M PA (25%)

- The obligated energy suppliers pay for the delivery of ECO and then pass the costs onto all their customers. This means a percentage of everyone's energy bill including vulnerable households pay towards the delivery of Green Levies which include The ECO scheme.
- Associated delivery costs to suppliers can equate up to a 3rd of the costs. That would leave approx. £426m. Leaving approx. £106m to Flex.
- If all 397 LAs participated that would equate to £267k pa.
- Of course the figures on the right are just an illustration of how ECO might work out. In reality not all LAs are participating and some LAs may attract more funding than others. Some suppliers costs will vary depending on their delivery methods as well as other external factors including geographically.
- Suppliers will be looking at where they can deliver their obligation most **cost** effectively.
- Not all suppliers are engaged in LA Flex, which also reduces the amount of funding available.

WHO SHOULD BE ELIGIBLE?

Task 1:

- Please either rank or sort into piles who you believe should be eligible for assistance under LA Flex LIVC or LIHC.

Task 2:

Please select which Sol criteria you believe targets those households that are most in need

You will be asked to give feedback on your choices

TASK 1

- **Unless stated no one has any declared health issues or other vulnerable criteria. Disposable income is salary net of all tax, NI, and after mortgage/rent and council tax has been paid:**
- Mr X age 35 lives in one bed rented flat in London earns £45k EPC D (disposable income of £22,500)
- Mrs T age 64 retired, lives in her own 3 bedroom 1940's detached family home, EPC D lives on personal pension of £30k (disposal of £27,500)
- The A Family 2 adults 3 children, both parents working full time household income is £55k including child benefits EPC D (disposable income £27k)
- Mrs P age 61 lives in a Park home after selling her family home to fund her love of travel. EPC E Mrs P owns her PH has £200k in savings and a pension of £18k pa.
- Mrs B 36 pregnant lives in own home earns £56k EPC E
- Miss C suffers from mild diabetes earns £17k EPC D (disposable income £10k)
- Mr & Mrs M live in privately rented home EPC D, both work household income £35k + Mr M receives Personal Independent Payment (disposable 25k)

TASK 1

ALL OF THE PEOPLE BELOW HAVE MET THE QUALIFYING CRITERIA IN SOME SOI'S

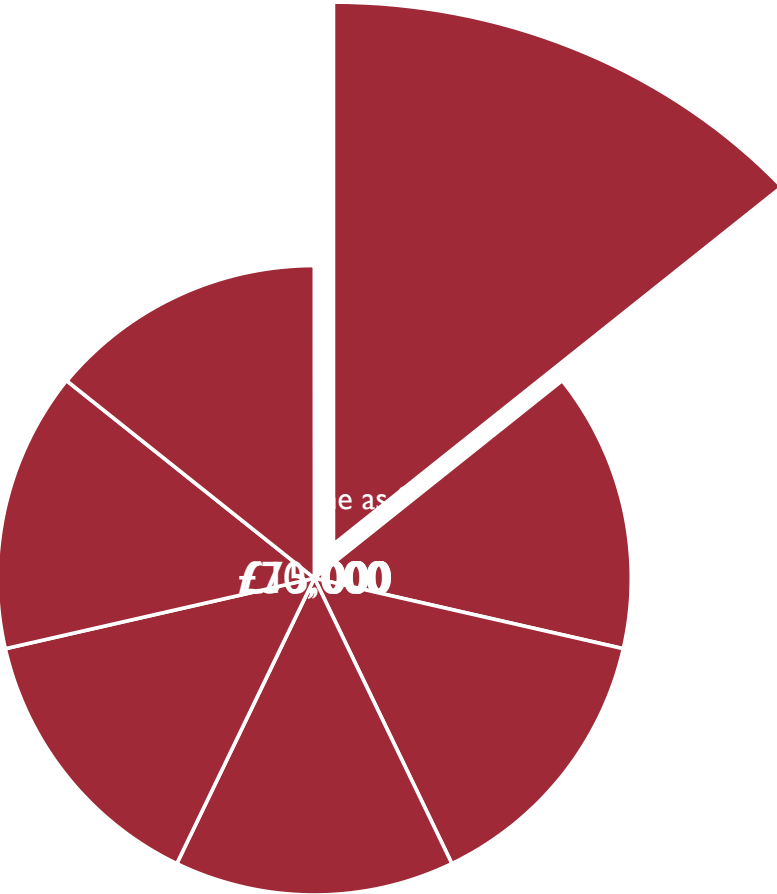
Unless stated no one has any declared health issues or other vulnerable criteria. Disposable income is salary net of all tax, NI, and after mortgage/rent and council tax has been paid:

- Mr X age 35 lives in one bed rented flat in London earns £45k EPC D(disposable income of £22,500) – met under £30k household threshold and EPC D as high cost
- Mrs T age 64 retired, lives in her own 3 bedroom 1940's detached family home, EPC D lives on personal pension of £30k: Met on Low Income and Vulnerability age 60
- The A Family 2 adults 3 children, both parents working full time household income is £55k including child benefits EPC D (disposable income £30k) met under low income and vulnerability (children) but also under ECO AW
- Mrs P age 61 lives in a Park home after selling her family home to fund her love of travel. EPC E Mrs P owns her PH has £200k in savings and a pension of £18k pa. Met LIRC & LIHC due to income and age/Park Home
- Mrs B 36 pregnant lives in own home earns £56k has two houses disposable income £29k EPC E met under LIRC as low income and pregnant.
- Miss C suffers from mild diabetes earns £17k EPC D (disposable income £10k) met LIRC on health grounds
- Mr & Mrs M live in privately rented home EPC D, both work household income £35k + Mr M receives Personal Independent Payment (disposable 25k) – meets LIRC low income and disability but also under ECO AW
- Mr & Mrs Y joint income of 64k newly purchased property disposal income of £40k, property has a key meter met under LIHC

We may all have different views on who should and should not be helped, and it can be hard to choose who to help when you know that many people need assistance. However, the policy objective is to help those most in need.

**LETS LOOK AT INCOME
THRESHOLDS**

BASED ON A SINGLE HOUSEHOLD, WHICH GROSS SALARIES MIGHT INDICATE A PERSON IS ON A LOW INCOME?



SET INCOME THRESHOLDS

FOR A PERSON TO HAVE A NET INCOME OF £30K THEY WOULD HAVE TO EARN: £38,917.88
BUT, IF YOU TOOK THEIR RENT/MORTGAGE AND COUNCIL TAX COSTS PER MONTH TO BE A MODEST £800PM THEY WOULD NEED TO EARN £53,558.89 TO HAVE A DISPOSAL INCOME OF THE £30K PER YEAR

	Yearly	Monthly
Gross Income	£38,917.88	£3,243.16
2019 Take Home pay (net)	£30,000	£2,500
GROSS INCOME	£53,558.89	£4,463.24
2019 Take Home pay (net)	£39,600	£3,300

£39,600 minus £9,600 housing costs =

£30,000pa

LETS LOOK AT £40K DISPOSABLE INCOME

For a person to have a net income of £40k they would need to earn **£54,248.48**

To have £40k disposal income based on modest housing costs of rent/mortgage and council tax combined of £800 per month they would need to earn **£70,800.20**

Please remember these figures, when thinking about income thresholds for your Sols – remember also if the housing costs are higher the salaries will be too!

£53,558.89 & £70,800.20

Figures exclude any pension contribution made by the employee

**HIGH COST
&
VULNERABLE TO COLD
CRITERIA**

TASK 2

PLEASE CHOOSE WHICH CRITERIA IS MOST EFFECTIVE IN IDENTIFYING HC OR VC HOUSEHOLDS FROM THE FOLLOWING LISTS. BOTH WILL REQUIRE LOW INCOME +

HC CRITERIA

- EPC any ratings
- EPC Bandings D - G
- EPC other band width
- Park Homes
- Off gas grid
- Oil boilers
- Key meters
- Homes needing External wall insulation

OR

VC CRITERIA

- List of health conditions (as per NICE guidance)
- Pregnant
- Aged over 60
- Aged 70 +
- Child in full time education up to 18
- Under 5
- Disabled (any known disability)
- Limited mobility
- Terminal illness
- Drug/Alcohol dependency
- Free school meals

TASK 2 FOLLOW-UP

In truth there is no magic list!

LA's will have a greater understanding of the types of households that live in their area.

It maybe that your area is a high come area, think glossy Mayfair. It might be true to say that most residents living in this area would not qualify for help and that's okay. LA Flex might not be suitable for all Local Authority Areas or may only have a small number of people that might benefit compared to other areas.

Your area might be an area of high unemployment, if so it is likely that the vast majority of people will qualify under ECO AW.

But its the residents in between, those that are not in receipt of benefits but are struggling, that need some help that LA Flex is aimed at and it is these households that we hope you can help identify.

**Thank You
for
Taking Part**

LA Flex queries can be sent to the ECO mailbox at: beisecoteam@beis.gov.uk