

Written evidence submitted by
Cornwall Council in relation to
**Energy Company Obligation:
Help to Heat Consultation**

Date:

Economy, Enterprise and Environment
Directorate and Public Health Cornwall

Draft V0.5

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1. Introduction

- 1.1 Cornwall Council welcomes the opportunity to provide a written submission to support the Help to Heat consultation.
- 1.2 [Cornwall Council](#) is the unitary authority for the County of Cornwall. [Cornwall Council's Strategy and Corporate Business Plan](#) commits the Council to working with partners and communities to improve local wellbeing and protecting the most vulnerable, which in turn are reflected in Cornwall Council's commitments to;
- Improving the energy efficiency of Cornwall's homes, outlined in [Cornwall's Devolution deal](#)
 - Reducing Cornwall's residential emissions by 34% (over a 2009 baseline) by 2020 outlined in Cornwall Council's [Sustainable Energy Action Plan](#).
 - Addressing fuel poverty by improving access to safe, warm and secure homes as outlined in the [Cornwall Health and Wellbeing Strategy](#)
- 1.3 In addressing the causes of fuel poverty and energy inefficient homes Cornwall continues to face significant challenges;
- [Over 88% of Cornish homes have an EPC rating of D or below, with 66,000 homes rated at F or G](#)
 - [14.4% of Cornish householders are considered to be in fuel poverty](#)
 - [41.5% of Cornish Properties are solid wall](#)
 - [Only 47.7% of Cornish households have gas central heating](#)
 - [350 estimated excess winter deaths occur in Cornwall and the Isles of Scilly each year](#)
- 1.4 Working closely with key partners [Public Health Cornwall](#) and Cornwall Council have a successful history of delivering energy efficiency and fuel poverty related programmes. Currently Public Health Cornwall works closely with the innovative [Winter Wellbeing Partnership](#) to deliver the Cornwall and Isles of Scilly Winter Wellbeing programme.
- 1.5 The Winter Wellbeing Partnership has helped 6,000 households, and has demonstrated that inadequate heating and insulation is a primary barrier holding people back. Without affordable warmth people suffer from poor health and their life chances diminish. We have first-hand experience of how the provision of heating and decent insulation changes lives and know that a warm home is essential to support the health of the population and support people towards and into work.

2. Evidence

Chapter 2: Purpose and structure of extension	
1.	<p>Do you agree with our proposal to extend the current ECO by one year, whilst making improvements that transition to a longer-term fuel poverty focused obligation?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response</p>
CC Response	<p>Cornwall Council agrees with the proposed extension of ECO by one year. The proposed extension provides time for Cornwall Council to develop, pilot and cost the necessary processes and systems which will likely have to be put in place to effectively implement Local Authority led Flexible Eligibility in the transition to a longer term fuel poverty focused obligation.</p>
2.	<p>Do you agree with the proposal to re-balance the obligations for 2017-18; by increasing the Affordable Warmth obligation by £1.84bn notional lifetime bill savings (provisional figure), increasing the Carbon Emission Reduction Obligation by 3.0 MtCO₂ (provisional figure), and not increasing the Carbon Saving Community Obligation?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
CC Response	<p>Cornwall Council is keen to see a greater emphasis on the promotion of energy efficiency measures towards low income and vulnerable households, as fuel poverty is a serious and growing challenge for Cornwall. Measured on the Low Income High Costs (LIHCO) indicator, fuel poverty in Cornwall has increased year on year from 10.1% in 2011 (data year)ⁱ, 11.4% in 2012 (data year)ⁱⁱ and 14.4% in 2013 (data year)ⁱⁱⁱ to 14.9% in 2014 (latest data year)^{iv}.</p> <p>As energy efficiency is widely recognised as the most cost effective way to promote affordable warmth, Cornwall Council sees well targeted energy efficiency schemes as the best means of addressing Cornwall's fuel poverty challenge. The Council is therefore supportive of the proposal to rebalance the obligation in favour of greater proportional support for fuel poor and vulnerable householders.</p> <p>The Council supports the proposal not to increase the Carbon Saving Community Obligation (CSCO) as this sub-obligation's targeting via the indices of multiple deprivation (IMD) was not an effective means of reaching fuel poor/ vulnerable</p>

	<p>householders in Cornwall because:</p> <ul style="list-style-type: none"> • Previous area based energy efficiency schemes delivered in Cornwall have heavily targeted these areas and been very successful in delivering measures. As such attempts to return to the same areas to promote CSCO funded measures are unnecessary; • Rural fuel poverty in Cornwall is by nature dispersed in pockets of deprivation and/ or poor housing stock which are found across the majority of Cornwall's Low Super Output Areas (LSOAs) regardless of these areas IMD ranking. <p>However Cornwall Council notes and is concerned that by not increasing the CSCO obligation, the mandatory requirement to promote measures to rural homes after March 2017 is effectively removed (see response to Q4).</p>
3.	<p>Do you agree that the CSCO deadline should remain at 31 March 2017?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
CC Response	<p>Outside the response given to consultation question 2; Cornwall Council has no strong view</p>
4.	<p>Do you agree that there should be no rural sub-obligation from April 2017?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>Cornwall has historically not provided an attractive area for the promotion of ECO due to;</p> <ul style="list-style-type: none"> • The rurality of Cornwall which means that the area focused economies of scale that are available to energy efficiency installers in urban areas cannot be realised due to Cornwall's rural and dispersed settlement patterns. • Cornwall's distance from the main UK bases for ECO providers meaning that installation teams must either travel extensively to conduct works and/ or local sub-contractors must be taken on adding overheads to the cost of delivering ECO for national providers. • The nature of Cornwall's housing stock which has a large proportion of solid wall (35%) and properties without gas central heating (52%) increasing the cost of both the energy efficiency improvements required and cost of carbon saved to the ECO provider (i.e. the ECO measures that can be installed are less cost effective to the obligated supplier). <p>Whilst the Council recognises that proposals to retain the</p>

	<p>present uplift for measures delivered in non-gas fuelled homes and intended reforms to include flexible eligibility have the potential to mitigate removal of the CSCO Rural Sub Obligation.</p> <p>Given Cornwall Council's experience and concerns relating to the current challenges associated with the promotion of energy efficiency measures to fuel poor/ vulnerable households located in rural communities, the Council is keen to ensure that the removal of any mandatory target designed to promote rural delivery has no detrimental effect on the delivery of measures on fuel poor/ vulnerable households.</p> <p>To alleviate these concerns Cornwall Council is keen that Government implements an effective process of evaluation and monitoring during the proposed 2017/2018 transitional year in order to ensure that the suggested removal of Rural CSCO does not impact negatively on the delivery of ECO measures to those fuel poor/ vulnerable households located within Cornwall's rural communities.</p> <p>Should evaluation of the transition year indicate that the removal of Rural CSCO has reduced delivery in rural areas (such as Cornwall), an alternative policy intervention which ensures that rural delivery is not prejudiced against should be implemented and its impact evaluated.</p>
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Chapter 3: Affordable Warmth targeting and household eligibility criteria	
5.	<p>Do you agree with our proposals to introduce income thresholds for 2017-18 which take account of household composition for Tax Credits and Universal Credit?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>Cornwall Council do not agree, the proposed approach would appear to disadvantage fuel poor single households (Cornwall has c30% single households). Single elderly households have been identified as particularly vulnerable to fuel poverty. This is particularly the case where elderly individuals live alone in larger older properties.</p> <p>Cornwall has a high and growing elderly population with single and two person households dominating. Cornwall Council is hence keen to see that support is not refocused away from older households through this proposal.</p> <p>As such the Council feels that both age and number of residents domiciled in a household should be considered in conjunction with the income threshold approach with a pensionable age threshold introduced.</p>

6.	<p>Do you agree with our proposal to adopt ten household composition types with relative income thresholds based on whether the household consists of a single person or a couple and whether they have one, two, three or four or more dependent children?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>Cornwall Council does not agree as it is believed that this classification mechanism will not effectively target measures towards those in most need.</p> <p>Due to the complexity of the causes of fuel poverty the Council feels that both the age and specific vulnerability of occupants should also be taken into account so that the very youngest and very oldest and/ or those with a relevant health condition are given higher priority.</p>
7.	<p>Do you agree with our proposals to allow recipients of other eligible benefits (Income Support, Income-based Jobseeker's Allowance and Income-related Employment and Support Allowance) to continue to be eligible and to remove the additional sub-criteria in 2017?</p> <p>Yes / No /</p> <p>Where appropriate, justify your response.</p>
CC Response	<p>Cornwall Council welcomes this potential simplification.</p>
8.	<p>Do you think we should amend the eligibility requirements so that those in receipt of Guarantee Credit in Pension Credit continue to be eligible under Affordable Warmth but those only in receipt of Savings Credit should only qualify through CERO or if they meet the 'flexible eligibility' proposal?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
CC Response	<p>Cornwall Council does not agree as this proposal appears to complicate eligibility. We would support any form of pension credit to ensure eligibility for energy efficiency. Tax and Pension credits tend to be undersubscribed and this could act as a barrier to assistance.</p>

9.	<p>Do you agree with the proposal to extend eligibility to social tenure households with an EPC rating of E, F or G for their home, and for no additional benefits criteria or income thresholds to be required?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
CC Response	<p>In principle Cornwall Council cautiously agrees with the proposal to extend eligibility to social tenure households with EPC ratings up to band E, with the safeguards proposed – first time central heating systems and district heating/renewable installations. However given BEIS commitment to addressing fuel poor/ vulnerable households through the future obligation, Cornwall Council feels strongly that there is a need to safeguard proportionality between the private and social rented sectors.</p> <p>Recognising the social sector in general, is more energy efficient than the private sector^v and given around 50% of private rented homes in Cornwall do not meet the Decent Homes Standard, Cornwall Council would recommend that the proposed inclusion of social housing up to band E is closely monitored against the BEIS assumed model that inclusion of Social Housing will account for no more than 10% of Affordable Warmth measures from 2017-18.</p> <p>Should monitoring highlight any trend that would suggest this cap is likely to be exceeded, it is recommended that BEIS give further consideration to:</p> <ul style="list-style-type: none"> • Whether the use of EPC's within the Social Housing actually does provide sufficient proof alone to establish whether a household should be considered to be in Fuel Poverty • The need for the introduction of additional qualifying criteria to include benefit checks and or use of income thresholds as a minimum. <p>In terms of this proposed extension to "Social Tenants" Cornwall Council would like future policy to make clear whether:</p> <ol style="list-style-type: none"> 1) The proposed extension will be aligned with OFGEM's definition of social housing providers. For example charities such as National Trust and landed estates Cornwall Council Farm holdings that have significant homes but their fuel poor tenants have generally been excluded from receiving energy efficiency support. 2) Where social housing properties which currently remain at E, F and G levels due to tenant exercising their right of refusal, there will be any future policy, advice or toolkit addressing how social landlords can address this barrier to improvement of housing stock. 3) Housing providers have identified 1,200 social housing

	<p>properties that are EFG rated, some of which are a consequence of refusals by existing tenants.</p> <p>Cornwall Council would also like to highlight that Social Housing Providers active in Cornwall have requested a continuance of Central Heating Fund, which has made a significant difference to 240 social housing homes, through the deployment of gas central heating or renewable heat pumps into homes for the first time and hence is making a significant difference to fuel poor households (moving up to average SAP of 70+).</p>
10.	<p>Do you agree an EPC would be an appropriate way of proving the efficiency banding of social housing?</p> <p>Yes / No / I do not have a strong view</p> <p>If applicable, please provide details of any additional assurance which should be required alongside EPCs, or details of alternative ways of evidencing which may be sufficient in certain cases.</p>
CC Response	<p>Cornwall Council would note that whilst the use of Energy Performance Certificates is the most common assessment in determining the energy efficiency of dwellings, consideration may also be given Scotland's Energy Efficiency Standard for Social Housing (ESSH). This aims to encourage social landlords to improve the energy efficiency of social housing through the setting of a single minimum Energy Efficiency rating for landlords to achieve.</p> <p>Based on the use of a 'Reasonable Measures' methodology based on RdSAP, the ESSH standard varies dependent upon the dwelling type and the fuel type used to heat it, (circa SAP Score 60 to 69) reflecting that some dwelling types are more or less challenging to improve than others.</p>
11.	<p>Do you agree that measures delivered in new build homes should not be eligible under ECO from 1 April 2017?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
CC Response	<p>Cornwall Council would support that new build homes are not eligible for ECO support from 1 April 2017 for new dwellings which have not yet been occupied following construction at the point of measure installation.</p>
12.	<p>Do you agree with the proposal to allow flexible eligibility?</p> <p>Yes / No / I do not have a strong view</p> <p>If so, what proportion of the 2017-18 Affordable Warmth obligation do you believe that suppliers should be able to deliver using this flexible eligibility route?</p>

	<p>a) 10%</p> <p>b) 20%</p> <p>c) Other</p> <p>Where appropriate, justify your response.</p>
<p>CC Response</p>	<p>Cornwall Council agrees with the proposal to allow flexible eligibility and that a proportion of the 2017-18 Affordable Warmth obligation should be made available through obligated suppliers to work with local authorities to deliver measures through the use of flexible eligibility.</p> <p>Based on the identified estimate of fuel poor households that are not in receipt of any benefits, 20% would seem a reasonable starting figure during the 2017 -18 transition year to test the principles of delivery and the effective inclusion of:</p> <ul style="list-style-type: none"> • Fuel poor households that are not in receipt of eligible benefits • Low income households who are vulnerable to the effects of living in a cold home. <p>Should flexible eligibility be incorporated as an approach during the 2017-18 transitional year, Cornwall Council is keen to work with BEIS to identify lessons learnt with regard to reviewing thresholds as appropriate beyond 2018.</p> <p>The flexible eligibility approach is particularly suited to the challenge of fuel poverty in Cornwall as our rural ageing population, often living hard to heat properties, are not easily identified as fuel poor through conventional data driven methodologies. Meaning that there are likely a significant number of people experiencing fuel poverty or at risk of fuel poverty in rural areas who are currently eligible for affordable warmth measures^{vi}.</p> <p>The key challenge with respect to flexible eligibility will be the additional resources that Cornwall Council will need to allocate in order to process the Local Authority Declarations. Given current and likely future pressures on Council budgets it is not clear how we will be able to resource this activity beyond the pilot period and on an ongoing basis. As such we would welcome proposals for how the Council's costs of processing Local Authority Declarations could be met.</p> <p>(As identified response to Questions 2 and 4) Cornwall Council also recognises that by not increasing the CSCO obligation, the mandatory requirement to promote measures to rural homes after March 2017 is effectively removed.</p> <p>This is of concern to the Council as rural households have the highest fuel poverty gap at £820, compared to £304 for urban households. Meaning that 14% of rural households experience fuel poverty, compared to 10% of urban households^{vii}. We are</p>

	<p>hence keen to see flexible eligibility introduced as a potential means of local authorities being able to target ECO measures towards the rural fuel poor.</p>
13.	<p>Do you consider that solid wall insulation for non-fuel poor private tenure homes should be included under flexible eligibility as described in Chapter 3?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response, including views on whether this should be allowed for measure types other than solid wall insulation.</p>
CC Response	<p>Cornwall Council is in principle supportive of proposals to allow some non-fuel poor private tenure homes to be included in flexible eligibility in order to facilitate multi-property projects for solid wall insulation in rows or blocks (and potentially some other measure types), as long as a minimum proportion of the households which make up an identified project can be evidenced as fuel poor or vulnerable to the effects of living in a cold home.</p>
14.	<p>Do you agree with the proposal to allow local authorities to determine whether some households are eligible through 'local authority declarations' in the way proposed?</p> <p>Yes / No / I do not have a strong view Where appropriate, justify your response.</p>
CC Response	<p>Cornwall Council agree with the proposal to allow local authorities to determine whether some households are eligible through 'local authority declarations'.</p> <p>Assuming flexible eligibility comes into force in 2017/2018 Cornwall Council is well placed to lead action on targeting the energy efficiency measures towards fuel poor households in Cornwall. Through our extensive partnership arrangements we have a better understanding of Cornwall's communities, and better ability to assess vulnerable households for eligibility, than national actors.</p> <p>Based on the successful delivery of our Winter Wellbeing programmes, Cornwall Council believe that a workable model for flexible eligibility could be developed that effectively combines the capability of:</p> <ul style="list-style-type: none"> • The Winter Wellness Partnership employed in directly identifying and engaging with vulnerable households; • Cornwall Council's trusted status, oversight and governance functions in order to enable robust eligibility assessment systems and processing to be developed and administered; • Data mining opportunities related to historic referrals received through the Winter Wellbeing Programme

	In order to develop and test our systems in readiness for flexible eligibility coming into force, the Council is committed to the delivery of a flexible eligibility pilot supported through our Winter Wellness Partnership.
15.	<p>Do you consider that schemes involving other intermediaries should be allowed, as described in Chapter 3, in addition to local authority declarations?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response, including whether there are any viable alternatives that meet the policy intent.</p>
CC Response	<p>Cornwall Council are broadly supportive of such an approach where it offers additionality in areas where local authorities may not have capacity to get involved and/or where there are community energy or health projects established with the expertise and capability to determine eligibility.</p> <p>Cornwall Council shares the view that approval of the scheme should be dependent on Ofgem E-Serve being satisfied that a robust identification method, monitoring, auditing and verification processes are in place, and that the organisations involved have appropriate expertise and experience.</p>
Chapter 4: Eligible energy efficiency measures	
16.	<p>Do you agree with the proposal aimed at limiting the delivery of qualifying gas boiler replacements (and not limiting other types of heating measure)?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response, and describe any preferred alternative proposal, if applicable.</p>
CC Response	<p>Cornwall Council supports the need to rebalance the scheme to encourage more of a fabric-first approach with significantly more insulation delivered to the least energy efficient, low income homes.</p> <p>However the Council also believes it is important that non gas heating systems are prioritised. As due to the large proportion of properties in Cornwall without gas central heating (52%) solid fuel, electric and oil are the dominant heating sources in deprived rural areas.</p> <p>The Council's views in respect to:</p> <p><i>Oil heating:</i> the high cost of oil fired heating (domestic petroleum represents c31% of Cornwall's total residual fuel consumption) relative to gas central heating is one of the major drivers underlying the dynamics of fuel poverty in Cornwall.</p> <p><i>'first time central heating':</i> The Council's experience of the</p>

	<p>delivery of our recent Central Heating Fund project helps evidence the difference 'first time central heating' can make to fuel poor / vulnerable homes.</p> <p><i>Gas boiler replacements:</i> Whilst Cornwall Council accepts there is some need to continue support for gas boiler replacements the Council feels that there is a risk that suppliers may put too much emphasis on gas boiler replacements.</p> <p>This is evidenced from our experience of the delivery of the Glow Cornwall Programme. Glow Cornwall was a partnership between Cornwall Council and an energy supplier which we contracted through an endorsement concession for £50m of ECO monies which was to be delivered over a 5 year period, beginning in 2013.</p> <p>Following the introduction of ECO2 in 2014 which enabled suppliers to achieve their obligation with cheaper measures, moving away from ECO1's focus on harder to treat properties, of the 2,000 circa properties that had measures installed the vast majority were HHCRO qualifying gas boiler replacements.</p> <p>The supplier had difficulties balancing the projects initial objective of delivering a 'fabric first approach' with Cornwall's housing stock requirements and high percentage of off gas properties. As a consequence the scheme's resulting delivery costs were eventually deemed unviable and the Glow Cornwall programme was closed after approximately two years of activity.</p>
17.	<p>Do you agree that only measures installed after a specified date should count towards the Affordable Warmth minimum, and that date should be 1 July 2016?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response, and describe any preferred alternative proposal, if applicable.</p>
	<p>Cornwall Council supports the proposal that only measures installed after 1st July 2016 count towards the Affordable Warmth minimum.</p>
18.	<p>Do you agree with the proposal to in effect limit the delivery of qualifying gas boiler replacements at a level equivalent to 25,000 boilers under the ECO extension?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response, and describe any preferred alternative proposal, if applicable.</p>
CC Response	<p>Referring to Cornwall Council's response to question 16, Cornwall Council agrees with the proposal to limit the delivery of qualifying gas boiler replacements at a level equivalent to 25,000 boilers under the ECO extension</p>

19.	<p>Do you agree with our proposal not to impose new limits on the level of installation of the following measures?</p> <ul style="list-style-type: none"> a) Heating controls b) First time central heating c) Non-gas qualifying boilers d) Non-qualifying boilers e) Electric storage heaters f) Renewable heating g) Heat networks <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
CC Response	<p>Referring to Cornwall Council's response to questions 16 and 20, Cornwall Council agrees with the proposal not to impose new limits on the level of installation of the measures listed.</p>
20.	<p>Do you have views on whether Government should take action to prevent shifting the balance of measures delivered and the potential for energy suppliers to receive disproportionate benefit under ECO from renewable heating supported by RHI payments?</p> <p>Action is needed / Action is NOT needed / I do not have a strong view</p> <p>Where appropriate, justify your response and set out what action should be taken (if any).</p>
CC Response	<p>Cornwall Council feels that action is needed (as highlighted in the response to question 16) as the high cost of oil fired heating relative to gas central heating is one of the major drivers underlying the dynamics of fuel poverty in Cornwall.</p> <p>The deployment of renewable heating in rural areas where gas grid extension is not possible thus has the potential play a major role in reducing the costs and carbon emissions associated heating fuel poor/ vulnerable households in Cornwall.</p> <p>Whilst Cornwall Council recognises that in order to ensure the cost effectiveness of the overall ECO programme it is important that a significant shift in measures away from insulation towards renewable heating does not occur. From the delivery of measures in ECO2 it is unclear whether energy suppliers will adopt strategies that fund largescale deployment of renewable heating under ECO.</p> <p>As such, given that in order to direct ECO towards fuel poor/ vulnerable households in Cornwall, a shift in the ECO measures' profile away from a propensity of gas boiler replacements towards to renewable heating and solid wall insulation is</p>

	<p>required.</p> <p>Cornwall Council thus believes it is important, at least initially, not to disincentivise energy suppliers from installing renewable heating measures and rather just monitor the use of ECO and RHI in combination during the transition year. If this monitoring highlights that energy suppliers are receiving a disproportionate benefit from claiming the measures towards their ECO obligations once RHI payments to the supplier or other third parties have been taken into consideration then Government should at that time consider acting by:</p> <ul style="list-style-type: none"> • Limiting the number installations or RHI-eligible technologies that can be supported in ECO; • Reducing the ECO score for measures where RHI payments have been assigned.
21.	<p>Do you consider that heat network schemes funded or part funded by the supplier obligation should be required to include arrangements for consumer protection?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response, including suggestions for appropriate consumer protection arrangements.</p>
CC Response	<p>Cornwall Council believes that it is important that heat network schemes funded or part funded by the supplier obligation should be required to include arrangements for consumer protection. As Cornwall Council is likely to endorse an ECO obligated supplier to deliver a Cornwall Council co-branded ECO scheme in Cornwall there is a notable direct reputation risk to the Council as well as Government should the consumer not be properly protected.</p> <p>The Heat Trust appears to be the most appropriate scheme to provide protection for heat customer households whose connection to a heat network has been funded through ECO. However, the Council believes that it is important that a consistent approach is needed across ECO and the Heat Network Investment Project (HNIP) to ensure that network developers have a standardised framework facilitating heat customer protection. As such Government's priority should be to align the heat network customer protection requirements across ECO and HNIP.</p>
22.	<p>Do you agree with the proposal to allow insulation but not to allow boiler or other heating system replacements or repairs (of any fuel type) in social tenure properties, with the exception of first time central heating (including district heating) and renewable heat?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>

<p>CC Response</p>	<p>(Referring to Cornwall Council's response to question 9) Cornwall Council agrees with the proposal to allow insulation, but not to allow boiler or other heating system replacements or repairs (of any fuel type), in social tenure properties - the exception of first time central heating (including district heating) and renewable heat.</p> <p>However the Council feels that where suppliers are installing ECO funded district heating an exception should be made for social housing properties currently heated by domestic oil fuel which would allow for replacement of oil boiler systems (which currently do not qualify for CHF) with district heating connections.</p>
<p>23.</p>	<p>Do you agree that we should retain a solid wall minimum within the scheme? Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>Cornwall Council strongly agrees that a solid wall minimum should be retained within the scheme. This minimum is particularly important to the Council as:</p> <ul style="list-style-type: none"> • Due to the historic success of previous energy efficiency schemes in Cornwall the most cost effective measures have been delivered to easier to reach ECO beneficiaries. Thus, whilst significant progress has been made in addressing Cornwall's 'low hanging fruit', there remains a large proportion of Cornwall housing stock with solid walls (35%)^{viii} that is yet to be treated. • Only 5% of private rented homes and 4% of owner occupied homes nationally benefit from solid walls insulation^{ix}. • Householders who live in uninsulated solid wall properties are more likely to be fuel poor and tend to suffer from the largest average fuel poverty gap (£477)^x.
<p>24.</p>	<p>Do you agree that the solid wall minimum is set at the right level?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response and, if applicable, describe any alternative preferred proposals. (Where you provide alternative proposals, please include the level you recommend and what else you would change as a consequence, noting the need to stay within the overall spending envelope.)</p>
	<p>Given previous reductions over ECO1 and the ambitious projection to improve 100,000 solid wall homes per year from 2015 onwards, to the estimated equivalent of just 23,500 installs per annum necessary to achieve the 4MtCO₂ target set under ECO2^{xi} Cornwall Council does not agree that the solid wall minimum is set at the right level.</p> <p>Cornwall Council is disappointed to note that the proposed</p>

	<p>equivalent of 17,000 SWI per annum represents a further reduction in Government's ambition in respect of the delivery of much needed Solid Wall Insulation.</p> <p>The Council feels that this reduction has the potential to negatively impact on future economies of scale, further undermine industry confidence and the sector's ability to mobilise in order to deliver workable/ cost effective solid wall solutions.</p> <p>As a result of these proposed changes Cornwall Council believes we will find it harder to develop local area based delivery of energy efficiency measures which effectively meet needs of those 35% of solid wall households present within Cornwall.</p> <p>However the Council does understand the need to deliver ECO in the identified cost envelope. We feel that additional Government policy/ support targeted specifically at the promotion of solid wall insulation will be necessary if significant future progress is to be made in meeting the energy efficiency challenges of Cornwall and the UK's wider housing stock.</p>
25.	<p>Do you agree that an in-use factor of 15% should be applied to party wall insulation measures delivered under CERO after 31 March 2017?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
26.	<p>Do you agree that party wall insulation measures installed after 31 March 2017 should support secondary measures?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>In general Cornwall Council is supportive of proposals that incentivise the supply chain to install energy efficiency measures</p>
27.	<p>Do you agree that the requirement for measures to be recommended on either a GDAR or a CSR should be removed from 1 April 2017?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>In general Cornwall Council is supportive of proposals which simplify scheme administration and reduce costs, assuming such savings are passed on in terms of increased measures to fuel poor / vulnerable households.</p>

28.	<p>Do you have views on whether any alternative requirements should be introduced in order to provide consumer advice, or ensure technical suitability of a measure prior to its installation?</p> <p>Alternatives are needed / Alternatives are NOT needed / I do not have a strong view</p> <p>Where appropriate, justify your response and provide details of any alternative requirements you consider to be needed (if applicable).</p>
	<p>In general Cornwall Council is supportive of proposals which provide improved assurances and as a result raise beneficiaries' confidence in wider programme delivery.</p>
29.	<p>Do you agree that from 1 April 2017 we should move to a system of deemed scoring, as described above, rather than the current bespoke RdSAP or SAP based property by property assessments?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response, including details of any alternative proposals you would support, if applicable.</p>
	<p>In general Cornwall Council is supportive of proposals which simplify scheme administration and reduce costs, assuming such savings are passed on in terms of increased measures to fuel poor / vulnerable households.</p>
30.	<p>Do you agree that savings for district heating system measures should be calculated based on bespoke SAP or RdSAP assessments, rather than deemed scores?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>In general Cornwall Council is supportive of proposals which simplify scheme administration and reduce costs, assuming such savings are passed on in terms of increased measures to fuel poor / vulnerable households.</p>
31.	<p>Do you agree that up to 5% of each supplier's measures should be granted automatic extensions for up to three months?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response</p>
	<p>In general Cornwall Council is supportive of proposals which simplify scheme administration and reduce costs, assuming that the extension reduces the number of 'lost measures' and that scope for any potential fraudulent activity related to the proposed extension is appropriately assessed and effectively mitigated.</p>
32.	<p>Do you agree with removing the restriction on extensions where it is due to supplier administrative oversight?</p>

	<p>Yes / No / I do not have a strong view Where appropriate, justify your response.</p>
	<p>In general Cornwall Council is supportive of proposals which simplify scheme administration and reduce costs, assuming such savings are passed on in terms of increased measures to fuel poor / vulnerable households.</p>
33.	<p>Do you agree that we should introduce a mechanism for the trading of obligations between licensed suppliers? Yes / No / I do not have a strong view Where appropriate, justify your response.</p>
	<p>Whilst Cornwall Council recognises that the trading of an obligation would enable a supplier to pay another obligated energy company to take on liability for its obligation potentially reducing administrative complexity and associated costs. However concentrating delivery to a reduced number of suppliers also has the potential to reduce competition within the supply chain.</p>
34.	<p>Do you agree that Ofgem E-Serve should approve trades, to ensure that energy suppliers can bear the consequences of non-compliance? Yes / No / I do not have a strong view Where appropriate, justify your response and explain any alternative suggestions, if applicable.</p>
35.	<p>Do you agree the version of PAS 2030 cited in the ECO regulations should be updated to refer to the most recent version, following the anticipated updates to PAS 2030? Yes / No / I do not have a strong view Where appropriate, justify your response.</p>
36.	<p>Do you agree that installation companies delivering measures which are referenced in PAS 2030 under the extension to ECO should be certified against the requirements set out in PAS 2030? Yes / No / I do not have a strong view Where appropriate, justify your response</p>
37.	<p>Do you think there is value in collecting and publishing more information on ECO costs in the future?</p>

	<p>Yes / No / I do not have a strong view</p> <p>If you do, what information do you think should be collected and how should it be obtained?</p>
	<p>In general Cornwall Council is supportive of proposals which improve transparency and positively aid in developing a full understanding of scheme costs, where such additional costs are considered proportionate to securing value added understanding.</p>
38.	<p>Do you agree that, with the exception of the Affordable Warmth minimum requirement, the new scheme rules being proposed should be introduced for measures installed from 1 April 2017?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response, including details of any particular rules that should be introduced earlier or later, if applicable.</p>
39.	<p>Government invites views on whether we should introduce any additional rules to incentivise greater delivery to areas with higher delivery costs?</p> <p>Additional rules are needed / Additional rules are NOT needed / I do not have a strong view</p> <p>Where appropriate, justify your response, and set out how this should work (if applicable).</p>
	<p>Cornwall Council would note that additional rules are needed. Similarly to other peripheral and rural regions across the UK, Cornwall is an unattractive area for the delivery of ECO/ supplier obligation schemes. This challenge is becoming increasingly acute as the majority of low cost measures available to ECO suppliers have been delivered in Cornwall.</p> <p>Cornwall Council believe, as evidenced in our response to q16, that additional incentivisation is required in order to compensate for the higher acquisition and delivery costs encountered by ECO suppliers intending to work in Cornwall.</p> <p>As further evidenced by responses to the Council's recent soft market test, due to the challenges that the operating context presents which uplift the delivery costs of ECO in Cornwall, without such additional incentivisation ECO is likely to have limited impact in addressing our fuel poverty challenge.</p> <p>Despite this the Council feels that developing a workable model for the delivery of ECO in Cornwall is critical if we are to address the particular challenges we face in terms of our high levels of fuel poverty and the poor energy performance of our housing stock. Notably:</p> <ul style="list-style-type: none"> • 20% of Cornwall's homes' energy performance being rated at

	<p>F or G</p> <ul style="list-style-type: none"> • 48% of Cornwall's housing stock being located off the gas network • The Cornish constituencies of St Ives & North Cornwall were ranked respectively 1st and 6th worst performing in a recent study of parliamentary constituencies with homes having a poor energy efficiency performance ratings. <p>As previously highlighted Cornwall Council also recognises that by not including the CSCO Rural obligation, the mandatory requirement to promote measures to rural homes after March 2017 is effectively removed. Given Cornwall Council's experience of previous activity within Cornwall, there is a risk that suppliers will continue to deliver measures in areas which are easiest to access and are closer to urban areas.</p> <p>As such the Council requests that consideration is given to:</p> <ul style="list-style-type: none"> • The use of a rural deprivation sub obligation, supported with an uplifted carbon value compensating for both acquisition and delivery costs incurred in delivering to regions with dispersed rural communities. The purpose of which would be to achieve an equitable delivery profile between rural and urban environments. • Implementing an extension on reporting which captures not only where measures are installed but also where they are being delivered. • Mirroring commitments made by the Scottish Government, the implementation of an English Rural Fuel Poverty Task Force, tasked with better understanding the challenges faced by the rural fuel-poor in remote areas of England and developing appropriate and relevant actions.
40.	<p>Should a brokerage mechanism be continued?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response and, if responded 'yes', what value do you think a brokerage mechanism could add in the future?</p>
41.	<p>If a brokerage mechanism continued in the future, what eligibility criteria and due diligence checks should be carried out to enable access to a range of organisations?</p>
42.	<p>In addition, should access for an individual organisation be reviewed for any reason (eg at certain intervals or for certain behaviours)?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response and, if responded 'yes', what should be considered as part of the review?</p>

43.	<p>Is brokerage a barrier to local delivery?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response and, if 'yes', explain how it is a barrier and your recommendations (if applicable) for how we could remove the barrier(s) to improve local delivery under brokerage?</p>
44.	<p>Does the current performance rating system provide the assurance of quality and delivery needed?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response and, if 'no', what changes would you recommend?</p>
45.	<p>If brokerage continued, would you recommend any substantial changes to its design to better reflect the future fuel poverty focus?</p> <p>Yes / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
Chapter 6: Second set of reforms (2018-2022)	
46.	<p>Government invites views on the aspects of the future supplier obligation (eg measures, scoring, objectives) where a Scottish scheme could diverge from the GB-wide scheme without increasing the administration or policy costs unreasonably.</p>
47.	<p>When would you consider that differences between an English and Welsh scheme and a Scottish scheme could be detrimental to the operation and competition of the United Kingdom-wide energy market</p>
48.	<p>Do you believe there is any justification for changing the customer number threshold in the future obligation (2018 onwards)?</p> <p>Yes / No / I do not have a strong view</p> <p>Please provide specific reasons and evidence and, if you responded 'yes', describe any actions you recommend in relation to addressing the proportionally higher fixed costs that may be borne by smaller obligated suppliers.</p>
49.	<p>Do you believe there is any justification for changing the taper for newly obligated suppliers in the future obligation (2018 onwards)?</p> <p>Yes / No / I do not have a strong view</p> <p>Please provide specific reasons and evidence and, if you</p>

	responded 'yes', describe how you recommend amending the taper.
50.	Under current and previous supplier obligations, are there barriers in scheme design inhibiting innovation in delivery models and technologies? Yes / No / I do not have a strong view If you responded 'yes', how should we design the scheme in order to overcome these barriers and incentivise the delivery of innovative products, technologies and delivery models in a future supplier obligation?
51.	Government invites views on what specific improvements could be made to the design of the ECO scheme to facilitate administration and delivery.

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