



House of Commons  
Energy and Climate Change  
Committee

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**Fuel Poverty**

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**Fifth Report of Session 2009–10**

*Volume I*





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*Volume I*

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## The Energy and Climate Change Committee

The Energy and Climate Change Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department of Energy and Climate Change and associated public bodies.

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### Committee staff

The current staff of the Committee are Tom Goldsmith (Clerk), Robert Cope (Second Clerk), Farrah Bhatti (Committee Specialist), Francene Graham (Senior Committee Assistant), Jonathan Olivier Wright (Committee Assistant), Steven Everett (Committee Support Assistant), Estelita Manalo (Office Support Assistant), and Hannah Pearce (Media Officer).

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## Summary

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Our final report of this Parliament takes stock of performance against the Government's targets for fuel poverty and highlights areas of concern we hope to see addressed in the new Parliament. The Government has committed itself to two targets in England:

- To seek an end to fuel poverty for vulnerable households by 2010; and
- By 22 November 2016 no person in England should have to live in fuel poverty.

The first target is going to be missed and the second looks difficult to hit. The number of households in fuel poverty (vulnerable and otherwise) is increasing and the Government should now establish a road map for tackling fuel poverty.

One of the difficulties faced by the Government in targeting help at the fuel poor is that it does not know who they are. Rough and ready criteria such as age and receipt of benefits have to be used as proxies for fuel poverty, and this means that not all those in fuel poverty get help. The Government should consider whether a national database of domestic energy efficiency is needed and whether datasharing could help better to focus resources.

Improving the energy efficiency of homes is the most effective way of tackling fuel poverty. We welcome the Government's new household energy management strategy, and particularly the requirements for local authorities and energy companies to work together. We want to see energy efficiency measures delivered on a comprehensive, street-by-street basis. The Warm Front Scheme has done some very good work, but the Government needs to sharpen its focus on those most in need.

Mandatory social price support is welcomed and we look forward to clarification from the Government about the type of support which is to be offered to vulnerable groups.

Households not connected to the gas grid have to pay more for their fuel and a high percentage of them are in fuel poverty. We call on the Government to report progress on trials of technology which could help such households as soon as possible and we also urge the Government to review urgently the case for regulating the market for fuels bought by people off the gas grid.

# 1 Introduction

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1. As our final inquiry of this Parliament we decided to look at fuel poverty, both as a stock-take to assess performance against the Government's targets and to highlight areas of concern which we hope to see addressed in the new Parliament. This is a brief report, following two evidence sessions, and we do not attempt to consider all the issues which impact upon fuel poverty; neither are we prescriptive about solving the myriad problems associated with it. We do, however, highlight issues we think need to be tackled as a matter of priority and which we hope our successor Committee will monitor closely.

2. We announced our inquiry on 20 January 2010 and sought evidence on:

- Progress against Government targets;
- The definition of households in fuel poverty commonly used - ie, those households where more than 10% of income has to be spent on fuel for adequate heating ;
- The coherence of the Government's initiatives on energy efficiency;
- The methods used to target assistance at households which need it most;
- Social tariffs and plans to put social price support on a statutory footing;
- Winter fuel payments and cold weather payments; and
- Support for households which are not connected to the mains gas grid.

3. We received written evidence from 60 individuals or organisations and took oral evidence from Consumer Focus, Energy Action Scotland and National Energy Action; Age Concern, Help the Aged and Macmillan Cancer Support; eaga; the Fuel Poverty Advisory Group; and Mr David Kidney MP, Parliamentary Under-Secretary of State, Department of Energy and Climate Change. In addition to the formal written evidence we received, our acting Chair, Paddy Tipping MP, received more than 50 letters concerning correspondents' experience of the Warm Front Scheme. Annex A summarises the main points raised in those letters. We are very grateful to all those who have assisted us during the inquiry.

## 2 Fuel Poverty: targets and trends

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4. The Government defines fuel poor households as those needing to spend more than 10% of income on fuel to maintain a satisfactory heating regime (usually 21 °C for the main living area and 18 °C for other occupied rooms).<sup>1</sup> In 2002, the Government committed itself to two fuel poverty targets:

- In England,<sup>2</sup> the Government as far as reasonably practicable will seek an end to fuel poverty for vulnerable households<sup>3</sup> by 2010; and
- Fuel poverty in other households in England will, as far as reasonably practicable, also be tackled as progress is made on those groups, with a target that by 22 November 2016 no person in England should have to live in fuel poverty.<sup>4</sup>

5. The first of these targets is going to be missed and the second looks increasingly difficult to hit. DECC's memorandum states that "the latest estimates indicate that in 2007 (the last year that statistics are available), there were approximately 4 million households in fuel poverty in the UK. This represents an increase of around 2 million households since 2004, or half a million since 2006. Around 3.25 million of these were vulnerable households, an increase of around half a million since 2006... The overall number of households in fuel poverty in England in 2007 was estimated to be 2.8 million (around 13% of all households) of which 2.3 million were vulnerable. This represents a rise of around 0.3 million households since 2006 and a rise of around 0.3 million vulnerable households over the same period".<sup>5</sup>

6. Fuel poverty is determined by the interaction of three factors:

- Fuel costs (determined by energy prices);
- The ability of households to afford fuel (determined by incomes); and
- The fuel required to heat properties (determined by levels of energy efficiency).

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<sup>1</sup> FP01, para 3 (DECC)

<sup>2</sup> The Government's memorandum notes that "fuel poverty is a devolved matter and separate targets exist in England and each of the devolved administrations, with the overall aim being that by 2018 no household in the UK should live in fuel poverty". (FP01, para 4)

<sup>3</sup> "Vulnerable households" are households including older householders (those aged 60 or more), families with children and householders who are disabled or suffering from a long term illness.

<sup>4</sup> FP01, para 4 (DECC)

<sup>5</sup> FP01, paras 5 - 6 (DECC). DECC's memorandum states that "Measuring fuel poverty on a UK wide basis is complex as figures are estimated on a country by country basis to different timescales and slightly different definitions". In England, fuel poverty is modelled from the English House Condition Survey, using two years of data, each comprising a sample size of 8,000 dwellings. The Living in Wales survey and Interim House Condition Survey used in Northern Ireland use comparable methodologies. The Scottish House Condition Survey takes a similar approach, but uses a more stringent interpretation of a satisfactory heating regime for pensioners, long-term sick and disabled households. The 4 million figure for the UK in 2007 is based on the latest figures for England and Scotland, with extrapolated estimates for Wales and Northern Ireland, based on earlier figures. Clearly, there is a need to have firm and consistent statistical evidence on which to base fuel poverty policies.

7. DECC's memorandum states that since 2000 over £25 billion<sup>6</sup> has been spent on various programmes and benefits designed to alleviate fuel poverty by increasing incomes and energy efficiency, including:

- **Warm Front:** the Government's programme for providing energy efficiency measures to vulnerable households, which has assisted over 2 million customers, producing average annual fuel bill reductions of between £360 and £400 and increasing the average Standard Assessment Procedure (SAP)<sup>7</sup> rating of households which have received assistance from the scheme from 38 to 62;<sup>8</sup>
- The **Decent Homes programme:** designed to ensure that social landlords tackle the worst housing conditions across a range of criteria, with a target to ensure that all social homes are made decent by 2010. To be classed as decent, a home must provide a reasonable degree of thermal comfort, which means it must have effective insulation and efficient heating. Between 2001 and 2006, central heating improvements have been made to over 700,000 local authority dwellings, over 600,000 have benefited from insulation improvements, and over 800,000 have had double glazing installed. By 2010, the Government expects 95 percent of the stock to be decent, with the majority of landlords making all their stock decent in this timescale. DECC estimates that work will have been completed to 3.6 million homes;<sup>9</sup>
- **Winter Fuel Payments:** tax free lump sum payments, with all households with people aged 60-79 receiving £250, and those with pensioners aged 80 and over receiving £400. £2.7 billion of payments were made in 2008/09.<sup>10</sup>

8. Despite these measures to increase energy efficiency and incomes (without which the Government estimates an additional 400,000 – 8000,000 households would have been in fuel poverty in 2008<sup>11</sup>) hefty rises in fuel prices in recent years have overwhelmed the positive steps taken by the Government and resulted in the large increases in the numbers of households in fuel poverty we noted above. The Fuel Poverty Advisory Group notes that average annual domestic dual fuel bills (gas and electricity) increased by 125% between January 2003 and September 2008, from £572 to £1,287.<sup>12</sup>

9. These increases in fuel bills have scuppered the Government's hopes of meeting the 2010 target to end fuel poverty amongst vulnerable households. DECC's memorandum said that "it is recognised that some vulnerable households will remain in fuel poverty in 2010".<sup>13</sup> This demonstrates a talent for understatement, given that there were 2.3 million such households in fuel poverty in 2007, the latest year for which figures are available, and that this constituted an increase of 0.3 million from 2006.

<sup>6</sup> FP01, para 7 (DECC)

<sup>7</sup> SAP is used to measure the energy performance of dwellings

<sup>8</sup> FP07, para 4 (eaga)

<sup>9</sup> [http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/consumers/saving\\_energy/policies/policies.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/consumers/saving_energy/policies/policies.aspx)

<sup>10</sup> FP01, para 33 (DECC)

<sup>11</sup> FP01, para 8 (DECC)

<sup>12</sup> FP12, para 2.1 (Fuel Poverty Advisory Group)

<sup>13</sup> FP01, para 11 (DECC)

10. The Minister conceded that hitting the 2010 target would be “very difficult” but that the 2016 target was “still an achievable target that we aim for”.<sup>14</sup> Other witnesses supported the retention of the 2016 target, but felt that more needed to be done if the target was to be hit. National Energy Action believed the Government “could meet the 2016 target but it will require a different direction and substantial new investment in resources”.<sup>15</sup> Working on the estimate of there currently being 4.6 million households in fuel poverty, Age Concern/Help the Aged told us that “we will get to 2016 with still a large number of that 4.6 [million] living in fuel poverty”.<sup>16</sup>

11. The Fuel Poverty Advisory Group (FPAG) told us that the 2016 target was “achievable” but that “clearly we are not doing enough no matter what we are doing and we must do a lot more”.<sup>17</sup> The Group uses a working estimate that a one percentage point increase in energy prices puts an additional 40,000 households into fuel poverty.<sup>18</sup> Using that figure in conjunction with the estimate by Ofgem that, under a certain scenario, domestic consumer bills could increase by 60% by 2016<sup>19</sup> (before falling back), the FPAG estimated that an additional 2.4 million households could become fuel poor, leading to a total of 7 million households in fuel poverty by 2016.<sup>20</sup>

### *The case for a road map*

12. Given its concerns about the number of households likely to be in fuel poverty in the future, in its most recent Annual Report the FPAG called on the Government to introduce a ‘road map’ for fuel poverty, with clear milestones and ownership of the key tasks. The report stated that the “Government has announced a range of welcome initiatives but these are inadequate in themselves. These initiatives together with additional measures should form part of an overall ‘Road Map’ and set out clear deliverables, by whom and when, and exactly how they will be funded. The ‘Road Map’ should then be developed through to 2020 and include the additional implications of climate change and carbon reduction targets”.<sup>21</sup>

13. Age Concern/Help the Aged supported the call for a road map, calling it “absolutely vital”.<sup>22</sup> The Minister was not convinced. He said that “it is very difficult to set out a road map with milestones that is meaningful. For example, we did a great job from when the Fuel Poverty Strategy was published in 2001 to 2004, following a good set of policies and making huge progress in reducing fuel poverty, and then came along those four years of

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<sup>14</sup> Q 110 (DECC)

<sup>15</sup> Q 1 (National Energy Action)

<sup>16</sup> Q 33 (Age Concern/Help the Aged)

<sup>17</sup> QQ 73 and 77 (Fuel Poverty Advisory Group)

<sup>18</sup> Q 78 (Fuel Poverty Advisory Group)

<sup>19</sup>

<http://www.ofgem.gov.uk/Markets/WhIMkts/Discovery/Documents/1/Ian%20Marlee%20Project%20Discovery%20Nov%2009.pdf>

<sup>20</sup> Q 80 (Fuel Poverty Advisory Group)

<sup>21</sup> *Annual Report 2008*, Fuel Poverty Advisory Group (for England), para 1

<sup>22</sup> Q 34 (Age Concern/Help the Aged)

huge price rises which nothing in our plans could have prevented and it is they that have blown us so badly off course in meeting our targets. There is a limit to how much we can anticipate and plan for those kinds of events”.<sup>23</sup> When it was put to him that the Government has road maps in other areas which are also influenced by events beyond its control, such as those relating to the nuclear and renewables sectors, the Minister argued that those examples were different, because the nuclear road map had a single objective, whereas fuel poverty was reliant on three different factors and did not therefore involve a single objective; and he cautioned the Committee against “putting too much faith in the 2050 road map being specific because.... it is 40 years away with many uncertainties, and I think there will be a limit as to how much specificity there can be in that document”. The Minister said that domestic energy efficiency was the “most sustainable way to help people out of fuel poverty” and that the Household Energy Management Strategy (which we consider below) “is the nearest we have got that is equivalent to a road map”.<sup>24</sup>

**14. Despite efforts to increase incomes and energy efficiency, the Government’s 2010 target for the eradication of fuel poverty amongst vulnerable households in England is going to be missed. Its 2016 target, for the eradication of fuel poverty amongst all households in England, looks increasingly difficult to hit. However, we welcome the Government’s support for the retention of this target.**

**15. We are unconvinced by the Minister’s arguments against the establishment of a road map for tackling fuel poverty. We accept that, as a result of the complex interaction of incomes, energy prices and energy efficiency, reducing fuel poverty is a difficult task; but that simply strengthens the case for a road map. Greater clarity is needed on: the range of actions necessary for tackling fuel poverty; how they interact together; who owns each action; the milestones towards 2016; what is going to happen if those milestones are not reached; and funding. We accept that large price increases have made it very difficult to hit the 2010 target, but the absence of a road map towards that target has been a contributory factor. The Government should not repeat that mistake with the 2016 target and must produce a road map as soon as possible.**

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<sup>23</sup> Q111 (DECC)

<sup>24</sup> Q 113 (DECC)

## 3 Targeting the fuel poor

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### *Proxies for fuel poverty*

16. One of the difficulties faced by the Government in targeting help at the fuel poor is that it does not know who they are. In addition to information about energy prices, the Minister put it to us that “to be completely effective at hitting the targets I have got...I would need real-time information about household make-up, their income and the consumption of energy and the condition of the property, and I do not have any of those details in that form at all at the present time”.<sup>25</sup>

17. In the absence of this information, the Government has to use criteria such as age and receipt of benefits as proxies for fuel poverty. The eligibility criteria for some of the key programmes designed to tackle fuel poverty are as follows:

**Winter fuel payments:** households with someone between the ages of 60 and 79 (£250 payment); households with someone aged 80 or over (£400 payment);

**Cold weather payments:** people in receipt of Pension Credit or income-related Employment and Support Allowance that includes a work-related activity or support component; those in receipt of Income Support, Income-based Jobseeker’s Allowance or income-related Employment and Support Allowance in the assessment phase if they have a pensioner or disability premium included in their benefit or if they have a child who is disabled or under the age of five;

**Warm Front:** Householders aged 60 or over in receipt of one or more of the following benefits:

- Income Support
- Council Tax Benefit
- Housing Benefit
- Job Seekers Allowance (income-based)
- Pension Credit
- Income-related Employment and Support Allowance

Householders with a child under 16, or pregnant women with maternity certificate MAT-B1, in receipt of one or more of the following benefits:

- Income Support
- Council Tax Benefit

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<sup>25</sup> Q 123 (DECC)

- Housing Benefit
- Job Seekers Allowance (income-based)
- Pension Credit
- Income-related Employment and Support Allowance

Householders in receipt of one or more of the following benefits:

- Working Tax Credit (with an income of less than £16,040, which must include a disability element)
- Disability Living Allowance
- Child Tax Credit (with an income of less than £16,040)
- Housing Benefit (which must include a disability premium)
- Income Support (which must include a disability premium)
- Council Tax Benefit (which must include a disability premium)
- War Disablement Pension (which must include a mobility supplement or Constant Attendance Allowance)
- Industrial Injuries Disablement Benefit (which must include Constant Attendance Allowance)
- Attendance Allowance<sup>26</sup>

18. Such eligibility criteria do not guarantee that the recipient is actually in fuel poverty, with the consequence that a significant proportion of the resources earmarked for the alleviation of fuel poverty are used to provide support or benefits for people who are not fuel poor. The starkest example is that of Winter Fuel Payments, a benefit provided to people aged 60 or over, regardless of their incomes, which we consider below. However, even Warm Front – which relies on benefits’ receipt as a condition of eligibility – provides services for many people who are not fuel poor. The National Audit Office’s 2009 report on the Warm Front Scheme found that “nearly 75 per cent of households who would qualify [for support under the Scheme] were not necessarily in fuel poverty” and that “over 236,000 grant recipients between June 2005 and March 2008 (37 per cent) received only non-means tested benefits, but under Scheme regulations eaga [the company which delivers the Scheme] were not required to check whether those recipients were in fuel poverty”. (Although the report makes the point that a large number of the households in receipt of assistance which were not in fuel poverty “may have otherwise fallen into fuel poverty or be ‘near’ fuel poverty”).<sup>27</sup> The NAO also found that “eighteen per cent of households that had received assistance under the Scheme between June 2005 and March

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<sup>26</sup> <http://www.warmfront.co.uk/do-i-qualify.htm>

<sup>27</sup> *The Warm Front Scheme*, NAO, February 2009, HC 126, Session 2008-09

2008 already had a SAP rating above 65, meaning they were less likely to have been fuel poor”.<sup>28</sup>

19. Conversely, many people who are fuel poor are not eligible for or do not claim the “passport” benefits which would allow them to access measures designed to assist those in fuel poverty. The NAO’s “analysis of the 2006 English House Condition Survey indicated the [Warm Front] Scheme is only available to approximately 43 per cent of vulnerable households (classified as families with children, the elderly or occupants in long-term ill health) in fuel poverty, and 35 per cent of all households in fuel poverty”.<sup>29</sup> The NAO told us that “one of the reasons is that many people do not claim benefits to which they are entitled. The Department for Work and Pensions has calculated, for example, that at least a third of people eligible for pension credit did not claim it in 2006-07. The Scheme has tried to account for this effect through offering a benefit entitlement check to all applicants, to determine whether they are eligible for additional benefits they are not currently claiming, which may make them eligible for the Scheme”.<sup>30</sup>

20. A more specific concern about the use of “passport” benefits to access fuel poverty measures was raised with us by Macmillan Cancer Support. They told us they had recently

become aware that people with cancer are struggling to qualify for Employment and Support Allowance as the work capability assessment is not sensitive to the problems faced by these people. Others who should automatically qualify for the benefit (ie those undergoing radiotherapy), should automatically qualify for the support group (ie those undergoing non-oral chemotherapy) or should be fast-tracked on to the main phase (ie those who are terminally ill) are also experiencing problems with these rules not being consistently applied.... This has a knock on effect as this benefit allows the recipient entitlement to Cold Weather Payments....People living with cancer also experience difficulties claiming Disability Living Allowance (DLA) and Attendance Allowance (AA) as well as other benefits. For example, a Macmillan study in 2004 found that in the UK 54% of people (nearly 83,000) with a terminal cancer diagnosis did not claim disability benefits to which they were automatically entitled. Many have practical difficulties filling out the complex forms and there is fear of the stigma about claiming benefits. This prevents people from claiming financial assistance under energy efficiency schemes such as Warm Front.<sup>31</sup>

**21. Whilst we have not looked in detail at the benefits system we are concerned by the evidence we heard about the difficulties being caused by the new work capability assessment. We therefore urge the Department for Work and Pensions to work closely with organisations such as Macmillan Cancer Support and other relevant bodies to ensure these concerns are addressed.**

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<sup>28</sup> FP39, para 20 (NAO)

<sup>29</sup> FP39, para 6 (NAO)

<sup>30</sup> FP39, para 21 (NAO)

<sup>31</sup> FP20, para 21 (Macmillan Cancer Support)

### **A national database**

22. The problems associated with using benefits as a proxy for fuel poverty were noted by our witnesses. Age Concern/Help the Aged told us that “using the benefits we are using as a proxy for people in fuel poverty is not a particularly effective way of targeting those who are fuel poor. We will never be able to target individuals in fuel poverty until we actually build up a database”.<sup>32</sup> Consumer Focus has called for the development of a database and told us that it “considers that targeting assistance at both fuel poor and non-fuel poor households could be improved considerably by compiling a national database of the energy efficiency standards of every home in the country. The [Energy Saving Trust’s] current Home Energy Efficiency Database (HEED), supported by DECC’s National Energy Efficiency Framework, could potentially be developed into such a database. However, if the Government were to require all homes to have an Energy Performance Certificate over the next, say, three years, HEED could be improved considerably. The proposal would require improvements to the EPC system, mechanisms to ensure the database is regularly updated and tools to enable individual occupants to access the information specific to their home together with tailored advice on how to improve them”.<sup>33</sup>

23. The Fuel Poverty Advisory Group accepted the need for a national database but was concerned about the time it would take to develop and how it would be updated.<sup>34</sup> It suggested that the national programme of fitting smart meters in homes offered an opportunity to collect data.<sup>35</sup> National Energy Action (NEA) – whilst in favour of collecting energy efficiency data as part of the delivery of energy efficiency programmes<sup>36</sup> – said that it would be a “shocking crisis” if “we set out to audit people’s homes and we do not then offer something to them, there is no route for them to take action, there is no grant aid. They do not want to know they live in Band C – so what? We would rather we did not waste money just doing that. If it goes along with an offering, just to find out the housing stock need, then that is important”.<sup>37</sup> NEA also raised practical problems associated with the development of a database:

How would it be updated? One of the suggestions is that, like an MOT, every so many years you might have to update that information. People do not like that kind of bureaucracy or reporting, so I do not know how realistic it would be to do it. Things break down and get replaced in a slightly more efficient replacement. Also, the programme used for SAP change, the methodology changes. There is still a concern about how it can incorporate some of the renewable, the small-scale renewable, so it is not perfect yet in telling us what the real performance of the property is...<sup>38</sup>

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<sup>32</sup> Q 40 (Age Concern/Help the Aged)

<sup>33</sup> FP28, para 28 (Consumer Focus)

<sup>34</sup> Q89 (Fuel Poverty Advisory Group)

<sup>35</sup> Q90 (Fuel Poverty Advisory Group)

<sup>36</sup> Q16 (National Energy Action)

<sup>37</sup> Q13 (National Energy Action)

<sup>38</sup> Q16 (National Energy Action)

24. The Minister told us that the Government is developing a “National Energy Efficiency Data Framework, which is going to be a GB-wide energy consumption record of buildings and their individual characteristics. The first data set will be established by July of this year and phase two will be completed by the spring of next year, and that starts to bring together information that the local authorities have got at a local level to the national level”.<sup>39</sup> The Minister subsequently told us that the research costs of scoping and pilot work have been around £300,000 (which excludes internal staff time) to date.<sup>40</sup> DECC says that the pilots it is developing for the Framework will

link information together from existing databases covering all buildings in the UK, combining data from energy suppliers, buildings, installers and other sources. This should provide a highly comprehensive source of information on building energy use and performance. This can then be used, with appropriate confidentiality and data protection safeguards, for analysis and reporting, and to provide feedback to energy users. For example, it could enable performance to be compared against benchmarks, and help identify specific areas where energy can be saved. Such information is also expected to be valuable for monitoring and evaluating the effectiveness of different policy measures, for example how effective local initiatives actually are at saving energy, so we can learn from our experiences and keep improving schemes.<sup>41</sup>

**25. Using benefits as a proxy for fuel poverty is a rough-and-ready approach which means that some people in genuine fuel poverty do not receive assistance, and others who are not in fuel poverty do receive help. This is inefficient and inequitable. However, there are significant logistical and bureaucratic obstacles to the establishment of the kind of detailed domestic energy efficiency database which would allow more accurate targeting of resources. We welcome the work the Government is developing on the National Energy Efficiency Data Framework and look forward to seeing the results of the pilots underway. Taking into account those results, the Government will need to consider whether it would be cost-efficient and feasible to develop a more sophisticated database of domestic energy efficiency. The Government should also consider how it could utilise, with appropriate safeguards, the national programme of installing smart meters in all homes given the opportunity it provides for data collection.**

### **Data sharing**

26. Sharing data about people in or at risk of being in fuel poverty offers the potential for more effective targeting of resources. DECC told us it is “developing data sharing arrangements between Government and energy suppliers for Pension Credit recipients to support mandatory social price support... A pilot data matching exercise is planned for later this year. Subject to successful testing of data processes and systems, the pilot will aim

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<sup>39</sup> Q123 (DECC)

<sup>40</sup> FP01B (DECC)

<sup>41</sup>

[http://www.decc.gov.uk/en/content/cms/what\\_we\\_do/consumers/saving\\_energy/esdirective/data\\_framework/data\\_framework.aspx](http://www.decc.gov.uk/en/content/cms/what_we_do/consumers/saving_energy/esdirective/data_framework/data_framework.aspx)

to give a rebate for electricity bill payers over 70 who are in receipt of Pension Credit guarantee only. This pilot will inform the development of the mandated scheme, as well as future mechanisms to further improve identification and targeting of assistance to vulnerable households”.<sup>42</sup>

27. Our witnesses welcomed the potential offered by data sharing, but there was some frustration about the slow rate of progress made in implementing it. The Fuel Poverty Advisory Group said that data sharing was “entirely feasible, but there are some hurdles that have to be overcome”. Derek Lickorish, the Group’s Chair, argued that energy companies spend huge sums and engage some of the best brains to develop sophisticated demographic modelling and to target customers effectively, and that that skill could be coupled with information about people’s incomes to target effectively the fuel poor. However, he noted that work on data sharing began in 2005 and that “it has taken us five years to get this far, which is unforgivable”. Furthermore, he said that the work had stalled again because of a change in one particular word in a contract.<sup>43</sup>

28. In addition to concerns about the slow progress made in data sharing, we heard concerns that work was being limited to information about pensioners. Energy Action Scotland told us that “there are huge swathes of fuel-poor households that will not be subject to data sharing because they are not of pensionable age”.<sup>44</sup> Macmillan Cancer Support, while recognising the sensitivity around data-sharing, was in favour of “health data on people with cancer being shared, because there is a very clear, potential benefit that they would get very directly from the sharing of that data”.<sup>45</sup> Age Concern/Help the Aged also supported a greater degree of data sharing, including that held by HM Revenue and Customs, as well as the Department of Work and Pensions.<sup>46</sup>

29. The Minister was hopeful that data sharing could lead to more effective targeting and, subject to the successful outcome of the pilots underway, he would like to seek further powers to extend the scope of data sharing. This would, he explained, require primary legislation.<sup>47</sup> The Minister noted that the Government had sought broader powers to share data in the Coroners and Justice Bill, but the relevant provisions had been dropped as a result of objections from civil liberties groups and opposition parties.<sup>48</sup> In terms of the time taken to implement data sharing, the Minister said that the relevant legislation had been “passed in 2008, regulations drawn up and approved in 2009... [and that] data sharing taking place in the spring of 2010 is, for the parliamentary and Whitehall machine, pretty good progress”. He could not account he said, for the period between 2005, when data sharing had first been discussed, and the passage of the legislation in 2008.<sup>49</sup>

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<sup>42</sup> FP01, para 21 (DECC)

<sup>43</sup> Q90 (Fuel Poverty Advisory Group)

<sup>44</sup> Q17 (Energy Action Scotland)

<sup>45</sup> Q53 (Macmillan Cancer Support)

<sup>46</sup> Q53 (Age Concern/Help the Aged)

<sup>47</sup> Q119 (DECC)

<sup>48</sup> Q122 (DECC)

<sup>49</sup> Q130 (DECC)

30. **Given the imperative of using scarce resources effectively, we are dismayed that it has taken five years to get data sharing happening, and then only as a pilot with regard to one cohort amongst the fuel poor. We urge the Government to assess the results of the pilot speedily and, contingent on the outcome, hope soon to see measures brought forward to extend the scope of data sharing.**

### **Winter fuel payments**

31. The most egregious example of a measure classified by the Government as being designed to combat fuel poverty, but which is not targeted on the fuel poor, is the Winter Fuel Payment (WFP). The WFP is a tax-free lump sum paid at the rate of £250 for households with people aged 60-79 and £400 for households with pensioners aged 80 or over. It does not take income into account. Over £2.7 billion was paid out in 2008/09.<sup>50</sup>

32. Some of our witnesses, while recognising the value of the WFP as an income supplement for older people, noted that it was not targeted on the fuel poor. Energy Action Scotland said it was “very worthwhile” as a way of raising people’s incomes generally, but not as a way of solving the problem of fuel poverty;<sup>51</sup> Consumer Focus told us that “the point about Winter Fuel Payments is that word “fuel” in the middle. If we did not have that word “fuel” in the middle, we would see this as it was. It is an income support... The reason for making it universal was very much to get those pensioners who did not claim, for stigma and other reasons, the benefits they are entitled to. ... We should take that word “fuel” out of the middle and stop putting the charges of this against government fuel poverty programmes because it is supposed to be an income support”.<sup>52</sup>

33. Derek Lickorish, Chair of the Fuel Poverty Advisory Group (although he stressed that the comments he made regarding WFP were his personal views, and not those of the Group), told us that

we live in desperate times and we have a very uncertain future about the price of energy ...We are going to have to tackle this very difficult issue. ... [WFP] is a pension supplement and it is a misnomer for it to have anything to do with fuel but, nevertheless, I cannot see why high rate taxpayers get it. I would stop giving it to high rate taxpayers and then I would look very seriously at whether it should not be taxed full stop because if we believe the tax system is fair, whatever that may mean, then we should be taxing this. The recovery for high rate taxpayers, I am told it would save somewhere between £160 million and £200 million, and that ... is a significant sum of money....I do accept for an awful lot of people it is an essential payment, there is no doubt about that, but then there are a lot of others for whom it is not.<sup>53</sup>

34. **As a means of tackling fuel poverty, the case for Winter Fuel Payments is weak. Its payment is unfocused and not targeted on people in or near fuel poverty. However, as a universal means of supplementing pensioner incomes, which is easily understood and**

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<sup>50</sup> FP01, para 33 (DECC)

<sup>51</sup> Q20 (Energy Action Scotland)

<sup>52</sup> Q22 (Consumer Focus)

<sup>53</sup> Q100 (Fuel Poverty Advisory Group)

**easy to pay, the political case for the retention of Winter Fuel Payments is strong. However, it would be more intellectually honest to rename the benefit; concede that it a general income supplement; and stop accounting for it as a fuel poverty measure.**

35. If the Winter Fuel Payment is to be retained and classified as a fuel poverty measure, it makes sense to pay it at a time when it can do most to help people who are fuel poor. We return to this matter in the section below about households off the gas grid.

## 4 Energy Efficiency

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36. Improving the energy efficiency of homes is the most effective long-term means of alleviating fuel poverty. Incomes and, especially, fuel prices may fluctuate; however, if a home is made energy efficient its fuel consumption will be reduced in the long-term and its occupants are less likely to be in fuel poverty. We therefore agree with Consumer Focus that increasing energy efficiency “is the way that we can protect consumers from price hikes and therefore to some extent fuel-poverty-proof consumers”.<sup>54</sup>

37. The Government recognises the importance of energy efficiency (the Minister told us it was “the most sustainable way of helping people out of fuel poverty”<sup>55</sup>) and DECC’s memorandum set out the steps taken by the Government to improve levels of energy efficiency, including:

- The **Carbon Emissions Reduction Target (CERT)**, and its predecessor scheme, which, it is estimated, will have provided £2.7 billion of expenditure by energy suppliers on energy efficiency measures for a priority group of low income and vulnerable households by 2011. DECC’s memorandum states that “the Government is currently consulting on an extension to CERT to December 2012<sup>56</sup> which proposes to increase the carbon saving target on energy suppliers, increasing the amount of assistance to the Priority Group<sup>57</sup>. It also proposes to increase the balance of investment towards the most vulnerable Priority Group households who can least afford to pay for measures (the central proposals would see an approximate £1.3bn additional energy supplier investment in the Priority Group by December 2012)”;<sup>58</sup>
- The **Community Energy Saving Programme (CESP)**, launched in September 2009, which involves working with energy companies, local communities and others to deliver £350 million worth of energy efficiency measures using a street-by-street approach focused on low income areas;<sup>59</sup>
- The **Warm Front Scheme** which, as we noted above, has provided energy efficiency measures for two million vulnerable households. We consider the performance of the Scheme below.
- The **Decent Homes Programme**, which, as we noted above, is designed to ensure that social landlords tackle the worst housing conditions across a range of criteria, with a target to ensure that all social homes are made decent by 2010.

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<sup>54</sup> Q1 (Consumer Focus)

<sup>55</sup> Q112 (DECC)

<sup>56</sup> Extending the Carbon Emissions Reduction Target, published on 21 December 2009 [http://www.decc.gov.uk/en/content/cms/consultations/cert\\_ext/cert\\_ext.aspx](http://www.decc.gov.uk/en/content/cms/consultations/cert_ext/cert_ext.aspx) . Closing date for contributions is 14 March 2010.

<sup>57</sup> At least 40% of CERT must be met in a ‘Priority Group’ of households where at least one occupant is a benefit recipient (including disability benefits, income support and income-based jobseekers’ allowance, housing benefit, council tax benefit, pension credit and child tax credit) or is aged 70 and over

<sup>58</sup> FP01, para 9 (DECC)

<sup>59</sup> FP01, para 13 (DECC)

38. While there is widespread agreement about the importance of energy efficiency, the adequacy of current measures has been criticised. NEA, although noting the “significant” support for energy efficiency programmes provided directly by the Government and suppliers, said that “the current structure of domestic energy efficiency programmes makes them unfit for purpose in terms of eradicating fuel poverty. A fragmented approach in which individual households make individual applications for assistance followed by individual assessment and installation work represents grossly sub-optimal use of resources”.<sup>60</sup> The Fuel Poverty Advisory Group agreed, telling us “there is no doubt that the schemes we currently have, bearing in mind the task that we face, are unfit for purpose and, therefore we do need to have a radical rethink”.<sup>61</sup>

### ***The Strategy for Household Energy Management***

39. The Government’s attempt at such a rethink is set out in *Warm Homes, Greener Homes: A Strategy for Household Energy Management*. We have not had the opportunity to take detailed evidence on the strategy (which was published the day before we took evidence from Consumer Focus, Energy Action Scotland, National Energy Action, Age Concern/Help the Aged, Macmillan Cancer Support and eaga, and eight days before we took evidence from the Fuel Poverty Advisory Group and the Minister) but it sets out a wide range of steps the Government intends to take, including:

- Paving the way for ‘pay as you save’ green finance to make energy efficiency pay from day one
- Up to 7 million British households to benefit from eco upgrades by 2020
- Up to 65,000 jobs in the green home industry
- Energy companies and local authorities to join forces to help consumers
- New standards for social and rented accommodation to be proposed ...
- The new strategy will also be good for jobs, with up to 65,000 jobs required in the green homes industry as a result, for example installing and manufacturing energy saving measures or providing home energy advice.
- The strategy will be implemented in a three stage plan:
  - To insulate 6 million homes by the end of 2011
  - To have insulated all practical lofts and cavity walls by 2015
  - To have offered up to 7 million eco upgrades by 2020; all homes to have smart meters.<sup>62</sup>

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<sup>60</sup> FP26, para 4.5 (National Energy Action)

<sup>61</sup> Q81 (Fuel Poverty Advisory Group)

<sup>62</sup> [http://www.decc.gov.uk/en/content/cms/news/pn2010\\_037/pn2010\\_037.aspx](http://www.decc.gov.uk/en/content/cms/news/pn2010_037/pn2010_037.aspx)

40. In his oral evidence, the Minister highlighted a number of areas where he expected the household energy management strategy (HEMS) to make a difference, including:

- The requirement for partnerships between energy companies and local authorities to work together on energy efficiency measures;
- Targets for the numbers of hard-to-reach homes to be improved by 2020;
- Installing smart meters in all homes by 2020;
- More transparency in the reporting of how CERT obligations are met by energy companies;
- More support offered by energy companies to priority groups most in need; and
- Targeting social housing in blocks and providing assistance in terms of renewable energy technologies and district heating systems.<sup>63</sup>

41. The requirement for energy companies to work with local authorities was described by the Minister as “a very significant measure”.<sup>64</sup> HEMS states that the Government will create (by legislating, if necessary) an obligation for energy companies to work with local authorities. The latter, it argues, have good knowledge of local housing stock, are a trusted presence in their communities and have good links with third sector, community and regional bodies. It highlights the example of the work undertaken by Kirklees Council in partnership with Scottish Power, where both bodies have contributed £10 million each to provide an area-by-area approach to install home insulation measures. All homes in the district have been visited and 24% of the population have benefited from energy efficiency measures, with an estimated £7.8 million reduction in fuel bills annually.<sup>65</sup> The Fuel Poverty Advisory Group welcomed the requirement for energy companies to work with local authorities, but argued that this should take place within the context of the road map discussed earlier.<sup>66</sup>

42. The model of local authorities, community groups, third sector organisations and energy companies working together offers the possibility of achieving the street-by-street approach to implementing energy efficiency measures advocated by our witnesses. Energy Action Scotland told us “there is a need to have [an] area-based approach... where there is an approach made on a door-to-door, street-by-street approach” and that this would make it simple for the householder and take “the hassle factor” away.<sup>67</sup> Such an approach, if implemented nationally, would also obviate the need for a sophisticated database of domestic energy efficiency, as it could identify energy inefficient households. Consumer Focus noted that the CESP programme is designed to provide measures to households within designated low-income areas, regardless of benefit status. They told us that “while only 90,000 homes will benefit from the programme, it potentially could provide valuable

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<sup>63</sup> QQ112 and 140 (DECC)

<sup>64</sup> Q112 (DECC)

<sup>65</sup> *Warm Homes, Greener Homes: A Strategy for Household Energy Management*, DCLG and DECC, March 2010, pp20-21

<sup>66</sup> Q75 (Fuel Poverty Advisory Group)

<sup>67</sup> Q10 (Energy Action Scotland)

lessons... These include the systematic delivery of measures on an area basis, reaching fuel poor households (particularly those categorised as ‘hard to ‘reach’ and those not claiming passport benefits) and integration with other support... and funding mechanisms”.<sup>68</sup>

43. Another aspect of HEMS which was welcomed by our witnesses was the consultation on setting minimum standards of energy efficiency for rented accommodation. The strategy document notes that, while the private rented sector is, on average, as efficient as the owner-occupied sector, it still has the largest proportion of G rated properties<sup>69</sup> of all tenures (7.8% compared to 3.8% in owner-occupation) and a high proportion of non-decent housing (44%, compared to 32% in owner-occupation). The Government therefore intends to consult on the introduction of regulations which would require the installation of standard insulation measures (loft and cavity insulation) where feasible, as a precondition for being able to rent out a property.<sup>70</sup>

44. NEA supported this approach<sup>71</sup> and Energy Action Scotland compared it to standards required for car rentals, telling us “you would not be able to rent out a car as a car rental company unless the car was worthy for the road”.<sup>72</sup> The Fuel Poverty Advisory Group agreed, saying “we ought to be able to put in place the regulations that do require the private rented sector and the socially rented sector... [to achieve] a certain standard of thermal efficiency to be achieved...”.<sup>73</sup> Both NEA and the FPAG were sceptical about the suggestion that introducing such standards would lead to landlords taking their properties off the market.<sup>74</sup>

**45. We welcome the Government’s household energy management strategy, which contains a range of measures designed to increase levels of domestic energy efficiency. In particular, we welcome the provisions requiring local authorities and energy companies to deliver programmes which are sensitive to the needs and characteristics of local areas. We hope that this work will, with the outcome of the CESP trials, lead quickly to the provision of energy efficiency measures being delivered on a comprehensive street-by-street basis, in a way which obviates the need for households proactively to come forward. This would be an ambitious long-term objective, which we would like to see included as an important part of the fuel poverty road map we are advocating.**

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<sup>68</sup> FP28, para 33 (Consumer Focus)

<sup>69</sup> Display Energy Certificates (DEC) ratings record the energy use of a building on an A-G scale where A is the most energy efficient and G is the least efficient

<sup>70</sup> *Warm Homes, Greener Homes: A Strategy for Household Energy Management*, DCLG and DECC, March 2010, pp28-29

<sup>71</sup> Q13 (National Energy Action)

<sup>72</sup> Q14 (Energy Action Scotland)

<sup>73</sup> Q99 (Fuel Poverty Advisory Group)

<sup>74</sup> QQ 14 and 99 (National Energy Action and Fuel Poverty Advisory Group)

## Warm Front

46. The Warm Front Scheme has provided energy efficiency measures for over two million customers in vulnerable households, with 40,000 customers currently in the process of receiving assistance. eaga, the company which delivers the Scheme, told us that households assisted see their annual fuel bills reduce on average by between £360 and £400 and the SAP ratings of their homes increase from 38 to 62.<sup>75</sup>

47. Our acting Chair has received more than 50 emails or letters making complaints about various aspects of the service offered by eaga and its contractors following discussion of our inquiry in the media. These complaints relate to: standards of workmanship; time taken to carry out work; customer service; quality of advice; and costs. Annex A gives an indication of the types of criticisms made.

48. Some of the complaints make accusations of shoddy workmanship and unprofessional behaviour on the part of those assessing homes or carrying out the installations. We do not doubt that there have been incidents where people have received unsatisfactory service; however, the anecdotal criticisms made to us have to be set aside the assessment of the Warm Front Scheme made by the National Audit Office in 2009 which found that “scheme satisfaction is high, with 86% of households assisted by the Scheme satisfied with the quality of the work done, and five per cent dissatisfied. Where customer concerns were raised, they were around common themes such as installation, customer contributions and delays”.<sup>76</sup> The Report also stated that “delivery of the Scheme has been largely effective and to that extent has provided value for money” (although it did state that value for money had been impaired as a result of the difficulties in targeting the Scheme successfully on the fuel poor, as we discuss above).<sup>77</sup>

49. eaga’s evidence to us suggested that customer satisfaction was actually higher than that stated in the NAO report. They told us that their latest statistics indicated 92% customer satisfaction and that 93% of customers would recommend Warm Front to friends and family. In comparison, they noted that customer satisfaction with local authority performance, public sector organisations nationally and utility companies was 72%, 69% and 68% respectively.<sup>78</sup> They also told us about some of the changes they have made to improve the system, including:

- giving each customer a computer-aided design drawing to show them what the proposed works will look like;
- introducing a performance rating score for installers;
- surveying 2,000 customers each month;
- having all installers undertake post-installation customer calls; and

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<sup>75</sup> FP07, paras 3 – 4 (eaga)

<sup>76</sup> C&AG’s Report, *The Warm Front Scheme*, HC 126, Session 2008-09, para 9

<sup>77</sup> *Ibid*, paras 15 - 16

<sup>78</sup> Q55 (eaga)

- increased levels of grants for work, meaning that the number of consumers needing to ‘top-up’ payments has reduced from seven-in-ten to one-in-ten.<sup>79</sup>

50. One of the recurring complaints made is that vulnerable customers have to wait for long periods of time without heating and hot water as a result of boilers breaking down, and the time taken for eaga to fix or replace them. For example, Mr P of Cornwall told us that:

Before Christmas our boiler broke down. I have contacted Warm Front and have been informed that we are able to get a grant for a new boiler. We have been informed that we will have a visit in four to six weeks and the boiler will be fitted in about three months. The offer of a boiler is very appreciated and we hope that we will still be alive when we get the visit about the end of February.

51. eaga accepted that such delays were a big challenge for them, and that they were largely caused by budgetary constraints. We were told:

One of the biggest challenges we have had over the last three or four months has been trying to manage customer expectations. The scheme has not been designed to be an emergency service; it has been designed as a cash-limited scheme that is intended to service people as and when they present themselves. Of course, if you are an 80-year-old customer who has no central heating or hot water, my just saying it is not an emergency service is not a good enough answer; you want to have that service as soon as possible. ... Unfortunately, set against the levels of demand that we have seen (and the levels of demand have only gone up increasingly over the last month or two with the weather conditions), we could do central heating installations twice as quickly as we do them now, if we wanted to, but all that means is that we would run out of money in half the time, and we would have to close the scheme altogether. So we have to manage the budget available from government against the demand that is out there, and unfortunately, over the last two or three months we have seen demand the like of which I do not think the scheme has seen before. So what we are having to do in order to make sure the scheme stays open is extend the length of time that people are having to wait.<sup>80</sup>

52. Despite extremely high levels of demand for Warm Front services, the Scheme’s budget is reducing, albeit not so dramatically as originally envisaged. eaga told us “we were scheduled to take a substantial reduction in budget next year. Thankfully, the additional amount of money that the Chancellor announced in the Pre-Budget Report means that the budget will only drop from £369 million this year to £345 million next year”.<sup>81</sup> This follows a reduction from the £397.4 million spent in 2008-09.<sup>82</sup> The Minister noted that the Scheme has a maximum three month wait for insulation measures and six months for a heating measure. He understood that if customers “rung up in the depths of a really cold winter because their boiler has just broken down, it is not their idea of a good response to

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<sup>79</sup> QQ56 and 61 (eaga)

<sup>80</sup> Q58 (eaga)

<sup>81</sup> Q59 (eaga)

<sup>82</sup> Answer of 9 March 2010 to the Parliamentary Question tabled by Charles Hendry MP, HC Col 263-4W

say, “in six months’ time we will come and fix it for you” and pointed out that while this was the maximum wait time, in practice waits were often much shorter. He also stressed that “Warm Front never has been an emergency repair service and it still is not” and said that this misunderstanding was at the root of many of the criticisms made in the media.<sup>83</sup>

53. Given the scarce resources available to it we considered whether the Warm Front Scheme should do more to prioritise its most vulnerable customers and direct services to them more speedily. eaga does not prioritise amongst those who are eligible for its services, and they explained to us that “everyone that comes to Warm Front, and is eligible for Warm Front, does so because they either are on a low income, so in receipt of an income-related benefit, or they have a disability so they are in receipt of a disability related benefit. So from the point of view that everyone that comes to us is either on a low income or disabled, we have to treat everybody as a priority. We know and understand that there are some customers who will have particular circumstances, such as terminal illnesses and things like that, and in those cases our contractors are human beings, at the end of the day, and they will make every effort to get that through as quickly as they can”.<sup>84</sup>

54. The Minister supported this position, emphasising that “every customer of Warm Front is a vulnerable householder because of [their] eligibility. They are either exceptionally poor or they are exceptionally disabled and in need of support, and so it gets quite invidious to say, “You are even more in need because of your poverty”, or, “You are even more in need because of your disability than your neighbour who applied before you did”. It is quite difficult to say to people that we can do that prioritising”. He also noted that Warm Front will lend heaters to people while they are waiting for boilers to be fixed or replaced.<sup>85</sup>

**55. The Warm Front Scheme has done some very good work in improving the energy efficiency of vulnerable households and thereby reducing fuel bills. We accept that it is difficult to prioritise certain categories of eligible Warm Front customers above others. However, the Warm Front Scheme is experiencing extremely high demand and diminishing budgets. Furthermore, we know from the NAO’s work that the Scheme does not always target effectively those who are actually fuel poor. In that context, we think the Government should look again at this issue and seek to focus the work of Warm Front on those who need its support most. We accept also that the Warm Front is not an emergency scheme; however, we think there is scope, in the longer term, for the Government to move resources away from the Warm Front Scheme towards a CESP-style, street-by-street approach as advocated earlier, and for the Warm Front Scheme to move towards providing an emergency service for the most vulnerable people in fuel poverty with urgent heating needs. The Government should start considering the longer term cost benefits of such a transition.**

56. Macmillan Cancer Support raised with us the problems experienced by some people with cancer in utilising grants offered by Warm Front. Such grants are time-limited and we were told that

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<sup>83</sup> QQ131 and 132 (DECC)

<sup>84</sup> Q63 (eaga)

<sup>85</sup> Q132 (DECC)

This is creating particular problems for some cancer patients who have been unable to proceed before the expiry date because of the onset of illness. These people have decided they cannot face going through the full application process again and as a consequence have decided not to proceed with the work. Similarly we were also contacted by a person with cancer who was unable to proceed with insulation to her roof because the company would not conduct the work until the loft had been cleared. The person with cancer was too ill to do this work herself and could not afford to pay somebody else.<sup>86</sup>

**57. We recommend that the Government reviews the operation of the Warm Front Scheme to ensure that any barriers which may be preventing it being accessed by people with cancer or other debilitating conditions – such as time-limited grants – are removed or modified.**

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<sup>86</sup> FP20, para 24 (Macmillan Cancer Support)

## 5 Social price support

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58. The Energy Bill (which had its Third Reading in the Commons on 24 February 2010 and its Second Reading in the Lords on 23 March) includes provisions for mandatory social price support to be provided by energy suppliers when the existing voluntary agreement with them ends in 2011. The Government has said it will require suppliers to make available £300m annually by 2013-14 for support to vulnerable and low income customers, which is double the agreed level of £150m support in the final year of the voluntary agreement. The Government will consult on eligibility for and benefit levels of the new support in summer 2010 but it has already said that it is “minded that a significant proportion of the new resources made available through the mandated scheme will be focused on older pensioner households on the lowest incomes, and that some additional support will be available for other households vulnerable to fuel poverty. Support would be offered in the form of a fixed sum off the household electricity bill. This offers a clear and transparent benefit to recipients including those off the gas grid, minimize any distortion to competitive energy markets and maintain the incentive to make efficient use of energy”.<sup>87</sup>

59. Placing social price support on a statutory basis has been widely welcomed: for example, NEA “is wholly supportive of the proposal to establish a mandatory framework for support with energy costs”;<sup>88</sup> Consumer Focus “welcomed the Government’s announcement to mandate price support”;<sup>89</sup> and Citizens Advice were “pleased that the government has included proposals in the Energy Bill currently before Parliament to put social price support on a statutory footing”.<sup>90</sup> However, there were concerns that the Government’s proposals would not benefit a wide enough range of people in fuel poverty and that they would be funded via fuel bills and that this would be regressive.

60. As we noted above, the Government is minded that the focus of the new support should be on older pensioner households on low incomes. However, a number of our witnesses said the scope should be wider. Consumer Focus told us it

considers the mandate should apply to a wider range of groups vulnerable to fuel poverty than the group the Government is ‘minded to focus resources on’, namely low income older pensioners (DECC, 2009f). We propose extending the mandate to low income families and disabled people, as well as pensioners; specifically households eligible for Cold Weather Payments, plus households on means tested benefits with school age children.<sup>91</sup>

The Fuel Poverty Advisory Group supported extending support to the same group<sup>92</sup> and NEA also called for it to be extended to those eligible for Cold Weather Payments.<sup>93</sup>

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<sup>87</sup> FP01, para 27 (DECC)

<sup>88</sup> FP20, para 6.1 (NEA)

<sup>89</sup> FP28, para 35 (Consumer Focus)

<sup>90</sup> FP47 (Citizen’s Advice)

<sup>91</sup> FP28, para 37 (Consumer Focus)

<sup>92</sup> FP12, paras 10.2 and 10.3 (Fuel Poverty Advisory Group)

61. In his oral evidence to the Committee, the Minister said that the value of social price support to be offered by 2013 would be at least £300 million and that it would cost “about three-fold that to be as generous as to say that everybody who is eligible for the cold weather payment, for example, would get help from the social price support”. He said that he would ask the Department to write to the Committee with current estimates<sup>94</sup> and subsequently told us that “the cost of extending social price support to these groups [people with cancer, people eligible for Cold Weather Payments and people eligible for Warm Front assistance] would depend on the level of the benefit that energy suppliers are required to pay to each eligible household. We have not made any final decisions on the level of the benefit for social price support post-2011, and will not do so until after we have consulted on the proposed scheme in the Summer. It is therefore not yet possible to say what it would cost to extend social price support to these groups”. He pointed out that there were approximately 4.2 million households in receipt of Cold Weather Payments.<sup>95</sup> In a separate subsequent letter, the Minister also made it clear that some support will still be available for people other than older pensioners:

We have however said that we are minded that some resource should be available for other groups, and that we are minded to continue to provide support to those receiving help under the voluntary agreement.<sup>96</sup>

62. A more specific case for extending eligibility for social price support was put to us by Macmillan Cancer Support. In addition for calling for support to be extended to low income families and disabled people, they advocated extending eligibility to people with cancer in particular need, whom they defined as people who:

- are terminally ill;
- have had treatment in the last year; or
- who are on a low income and in receipt of housing or council tax benefit.

They estimate that this would equate to 400,000 people.<sup>97</sup>

63. Macmillan Cancer Support advocate extending such support to those categories of people with cancer because people with cancer who have undergone treatment in the last year are twice as likely to be in fuel poverty as the general (non-vulnerable) population (19% compared to 9.6%). They say they are several reasons why cancer patients may face increased energy costs:

- cancer patients spend longer periods of time at home in order to recuperate;
- they are unable to engage in hypothermia prevention measures such as keeping active;
- they may lose their hair;

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<sup>93</sup> FP26, para 6.4 (National Energy Action)

<sup>94</sup> Q146 (DECC)

<sup>95</sup> FP01B (DECC)

<sup>96</sup> FP01A (DECC)

<sup>97</sup> FP20, paras 11 and 26 (Macmillan Cancer Support)

- they may have to use other domestic appliances more; and
- some evidence suggests they feel the cold more.<sup>98</sup>

64. While those giving evidence to us were generally in favour of mandatory social price support, concerns were raised that the funding of it will fall on fuel bills and that this will be regressive. For example, the Fuel Poverty Advisory Group emphasised its “concern at the regressive nature of the fund-raising mechanism and considers that this should be funded through general taxation and not a levy on consumers’ bills”. It also argued that “social price support is a temporary fix of a fuel poverty ‘symptom’ and does not address the ‘illness’ of inadequate insulation”.<sup>99</sup> National Energy Action, which shared concerns about the regressive nature of the funding of social price support, also pointed out that an unintended consequence of it could be an increase in the overall number of people in fuel poverty as a result of the increases to bills which will be needed to fund the programme.<sup>100</sup> In his oral evidence, Derek Lickorish, of the Fuel Poverty Advisory Group, also told us of his concerns that the new feed-in tariff for renewables would be paid for by all consumers.<sup>101</sup> **Funding the new feed-in tariff through fuel bills will disadvantage most those people who are on low incomes and who are experiencing fuel poverty. The Government will need to keep the impact of this policy under review.**

65. **We welcome the introduction of mandatory social price support as an imperfect but necessary means of helping those most in need. We note that the Government intends to consult on eligibility criteria and benefit levels, but that it is minded that a significant proportion of the new resources should be focused on older pensioners. A case has been put to us for extending social price support to other groups. While we are sympathetic to that case, there is a risk that extending support to many more people (for example, the four million people who are eligible for Cold Weather Payments) would mean that, unless additional resources are found for the scheme, the rebates paid to all recipients would not be large enough to make a significant impact on fuel poverty. We are therefore not convinced of the case for extending eligibility, given the resources likely to be available. We note, however, that the Government is minded to ensure that some support is provided to those who currently benefit from the voluntary agreement. We welcome this, and look forward to clarification from the Government about the nature of that support.**

66. **A further case was put to us that some categories of people with cancer – equating to around 400,000 people - should be eligible for social price support. We note the strength of the argument put to us and recommend that the Government look to see how people with a serious medical condition could benefit from social price support as part of its consultation later this year.**

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<sup>98</sup> FP20, para 9

<sup>99</sup> FP12, para 10.1

<sup>100</sup> FP26, para 6.8 (National Energy Action)

<sup>101</sup> Q92 (Fuel Poverty Advisory Group)

## 6 Households off the gas grid

67. In 2007, around 2.7 million (13%) of households in England were not connected to the mains gas grid. Around a quarter of those households (23%) were in fuel poverty.<sup>102</sup> Heating homes off the gas grid requires more expensive fuel, and the percentage of such households in fuel poverty is comparatively very high. The figures below, provided by National Energy Action, indicate the scale of the problem:

Space and water heating costs by fuel type – North of England October 2009		
Fuel type	Heating system	Annual cost
House coal	Open fire with back boiler	£1194
Electricity	Storage heating and radiators	£1220
<b>Natural gas</b>	<b>Gas-fired boiler and radiators</b>	<b>£878</b>
Liquid propane gas	LPG-fired boiler and radiators	£1699
Oil kerosene	Oil-fired boiler and radiators	£1090

Fuel poverty in England – 2007 – by fuel used for main heating source					
Fuel	% households in group		Number of households in group		Total number of households in group
	Not fuel poor	Fuel poor	Not fuel poor	Fuel poor	
Gas	88.0	12.0	15,806,000	1,936,000	17,742,000
Oil	76.9	23.1	711,000	214,000	925,000
Solid fuel	63.0	37.0	139,000	82,000	221,000
Electricity	82.6	17.4	1,256,000	264,000	1,520,000
Communal	90.2	9.8	256,000	28,000	283,000
Total	87.8	12.2	18,167,000	2,524,000	20,691,000

68. The Government notes that the modelled bill (modelled to meet the adequate standard of warmth used in fuel poverty estimation) for homes without a mains gas connection is around £250 higher annually than for those with a connection. DECC's memorandum points out that, in addition to having to rely on more expensive fuels, homes off the gas

<sup>102</sup> FP01, para 37 (DECC)

grid tend to be larger – and therefore more expensive to heat – than those on it. This results in higher levels of fuel poverty.<sup>103</sup>

69. DECC told us about a range of measures underway designed to help households not connected to the gas grid, including:

- Almost 20,000 households could be connected to the mains gas network due to new partnerships between gas distribution networks and agencies that provide grants for heating systems or for energy efficiency;
- The Renewable Heat Incentive (RHI) should provide financial support to people that use heat from renewable sources. Those switching from oil or LPG should benefit as tariff rates have been calculated on the basis of switching from gas to renewable, and oil and LPG tend to be more expensive than gas;
- The Feed-In tariff (FTI) should also support investments in renewable electricity generation;
- The Government will consult on measures to help low-income households take advantage of clean energy cash-back;
- DECC has funded NEA to study the role credit unions could have in helping people budget and save for heating oil; and
- Focusing social price support via a rebate on electricity bills.<sup>104</sup>

70. The Government also told us that “Warm Front is currently undertaking trials to assess the suitability of low carbon heating technologies and solid wall treatments to determine whether they are suitable, in terms of both carbon savings and usability, for the vulnerable households the Scheme is aimed towards”.<sup>105</sup> Concerns were raised with us, however, about the adequacy of those trials. Derek Lickorish of the Fuel Poverty Advisory Group told us “I understand we have around 51 air source heat pumps about to be trialled and this just is not enough”.<sup>106</sup>

71. When asked about trials of novel technologies to help solve the problems faced by people off the gas grid, the Minister said that he was “very enthusiastic” about such work but that, unfortunately, pilots carried out by Warm Front of solar thermal installations “had not gone particularly well in terms of delivering cost savings”. For that reason, he felt with regard to the 51 air source heat pumps being trialled that “it is right to start small... and find out whether it works or not. I would be absolutely enthusiastic about scaling up a pilot quite quickly once I was sure that it was delivering effective benefits to people”.<sup>107</sup>

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<sup>103</sup> FP01, para 38 (DECC)

<sup>104</sup> FP01, paras 39 to 45 (DECC)

<sup>105</sup> FP01, para 40 (DECC)

<sup>106</sup> Q73 (Fuel Poverty Advisory Group)

<sup>107</sup> QQ162 and 163 (DECC)

**72. We are pleased to note the Minister’s enthusiasm for the potential for novel technologies to help alleviate fuel poverty for people off the gas grid, but are disappointed about how long it has taken to assess these technologies. It is clear that work on this is at a very early stage and we urge the Department to report back on the trials currently underway at the earliest opportunity. Households off the gas grid pay more for their fuel and are more likely to be in fuel poverty and the Government should ensure that it takes effective steps to help them.**

73. People off the gas grid buy their fuel in a market which is largely unregulated. We raised with the Minister the prospect of regulating these markets, but he was not convinced of the case for doing so. He noted that, at a meeting with members of the Bill Committee looking at the Energy Bill, representatives of the Office of Fair Trading, the Competition Commission and Consumer Focus concluded “that they did not think more regulation was the solution”.<sup>108</sup> He understood that it might be possible to “reach some bigger players” if the regulation was aimed at the major players in the oil industry, rather than the myriad small-scale suppliers, but he was “not convinced” that regulation would bring benefits, “given the findings the Competition Commission... reported last year after a five-year investigation, and the extra costs we would put on an industry that feels under pressure”.<sup>109</sup>

74. One modest but potentially helpful step the Government could take for people who rely on filling expensive oil or gas tanks concerns the timing of Winter Fuel Payments. We put it to the Minister that there might be benefits to bringing forward in the year the timing of payments to assist people who have to fill such tanks, when they could do so at a cheaper cost than in the middle of winter. He noted that it was the Treasury’s responsibility to determine the timing of such payments, but he did “think there was something” in the argument for making the payments earlier.<sup>110</sup>

**75. We note the difficulties inherent in seeking to regulate the market for fuels bought by people off the gas grid. However, this group is disproportionately likely to be fuel poor and we believe the Government must review urgently the case for regulating this market. As a more modest step, we urge DECC to discuss with HM Treasury the case for flexibility in the timing of winter fuel payments, so that people off the gas grid have the opportunity to maximise the fuel they are able to buy.**

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<sup>108</sup> Q160 (DECC)

<sup>109</sup> Q161 (DECC)

<sup>110</sup> Q162 (DECC)

## 7 Conclusions and recommendations

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### Fuel Poverty: targets and trends

1. Despite efforts to increase incomes and energy efficiency, the Government's 2010 target for the eradication of fuel poverty amongst vulnerable households in England is going to be missed. Its 2016 target, for the eradication of fuel poverty amongst all households in England, looks increasingly difficult to hit. However, we welcome the Government's support for the retention of this target. (Paragraph 14)
2. We are unconvinced by the Minister's arguments against the establishment of a road map for tackling fuel poverty. We accept that, as a result of the complex interaction of incomes, energy prices and energy efficiency, reducing fuel poverty is a difficult task; but that simply strengthens the case for a road map. Greater clarity is needed on: the range of actions necessary for tackling fuel poverty; how they interact together; who owns each action; the milestones towards 2016; what is going to happen if those milestones are not reached; and funding. We accept that large price increases have made it very difficult to hit the 2010 target, but the absence of a road map towards that target has been a contributory factor. The Government should not repeat that mistake with the 2016 target and must produce a road map as soon as possible. (Paragraph 15)

### Targeting the fuel poor

3. Whilst we have not looked in detail at the benefits system we are concerned by the evidence we heard about the difficulties being caused by the new work capability assessment. We therefore urge the Department for Work and Pensions to work closely with organisations such as Macmillan Cancer Support and other relevant bodies to ensure these concerns are addressed. (Paragraph 21)
4. Using benefits as a proxy for fuel poverty is a rough-and-ready approach which means that some people in genuine fuel poverty do not receive assistance, and others who are not in fuel poverty do receive help. This is inefficient and inequitable. However, there are significant logistical and bureaucratic obstacles to the establishment of the kind of detailed domestic energy efficiency database which would allow more accurate targeting of resources. We welcome the work the Government is developing on the National Energy Efficiency Data Framework and look forward to seeing the results of the pilots underway. Taking into account those results, the Government will need to consider whether it would be cost-efficient and feasible to develop a more sophisticated database of domestic energy efficiency. The Government should also consider how it could utilise, with appropriate safeguards, the national programme of installing smart meters in all homes given the opportunity it provides for data collection. (Paragraph 25)
5. Given the imperative of using scarce resources effectively, we are dismayed that it has taken five years to get data sharing happening, and then only as a pilot with regard to one cohort amongst the fuel poor. We urge the Government to assess the results of

the pilot speedily and, contingent on the outcome, hope soon to see measures brought forward to extend the scope of data sharing. (Paragraph 30)

6. As a means of tackling fuel poverty, the case for Winter Fuel Payments is weak. Its payment is unfocused and not targeted on people in or near fuel poverty. However, as a universal means of supplementing pensioner incomes, which is easily understood and easy to pay, the political case for the retention of Winter Fuel Payments is strong. However, it would be more intellectually honest to rename the benefit; concede that it a general income supplement; and stop accounting for it as a fuel poverty measure. (Paragraph 34)

## Energy Efficiency

7. We welcome the Government's household energy management strategy, which contains a range of measures designed to increase levels of domestic energy efficiency. In particular, we welcome the provisions requiring local authorities and energy companies to deliver programmes which are sensitive to the needs and characteristics of local areas. We hope that this work will, with the outcome of the CESP trials, lead quickly to the provision of energy efficiency measures being delivered on a comprehensive street-by-street basis, in a way which obviates the need for households proactively to come forward. This would be an ambitious long-term objective, which we would like to see included as an important part of the fuel poverty road map we are advocating. (Paragraph 45)
8. The Warm Front Scheme has done some very good work in improving the energy efficiency of vulnerable households and thereby reducing fuel bills. We accept that it is difficult to prioritise certain categories of eligible Warm Front customers above others. However, the Warm Front Scheme is experiencing extremely high demand and diminishing budgets. Furthermore, we know from the NAO's work that the Scheme does not always target effectively those who are actually fuel poor. In that context, we think the Government should look again at this issue and seek to focus the work of Warm Front on those who need its support most. We accept also that the Warm Front is not an emergency scheme; however, we think there is scope, in the longer term, for the Government to move resources away from the Warm Front Scheme towards a CESP-style, street-by-street approach as advocated earlier, and for the Warm Front Scheme to move towards providing an emergency service for the most vulnerable people in fuel poverty with urgent heating needs. The Government should start considering the longer term cost benefits of such a transition. (Paragraph 55)
9. We recommend that the Government reviews the operation of the Warm Front Scheme to ensure that any barriers which may be preventing it being accessed by people with cancer or other debilitating conditions – such as time-limited grants – are removed or modified. (Paragraph 57)

## Social price support

10. Funding the new feed-in tariff through fuel bills will disadvantage most those people who are on low incomes and who are experiencing fuel poverty. The Government will need to keep the impact of this policy under review. (Paragraph 64)
11. We welcome the introduction of mandatory social price support as an imperfect but necessary means of helping those most in need. We note that the Government intends to consult on eligibility criteria and benefit levels, but that it is minded that a significant proportion of the new resources should be focused on older pensioners. A case has been put to us for extending social price support to other groups. While we are sympathetic to that case, there is a risk that extending support to many more people (for example, the four million people who are eligible for Cold Weather Payments) would mean that, unless additional resources are found for the scheme, the rebates paid to all recipients would not be large enough to make a significant impact on fuel poverty. We are therefore not convinced of the case for extending eligibility, given the resources likely to be available. We note, however, that the Government is minded to ensure that some support is provided to those who currently benefit from the voluntary agreement. We welcome this, and look forward to clarification from the Government about the nature of that support. (Paragraph 65)
12. A further case was put to us that some categories of people with cancer – equating to around 400,000 people - should be eligible for social price support. We note the strength of the argument put to us and recommend that the Government look to see how people with a serious medical condition could benefit from social price support as part of its consultation later this year. (Paragraph 66)

## Households off the gas grid

13. We are pleased to note the Minister's enthusiasm for the potential for novel technologies to help alleviate fuel poverty for people off the gas grid, but are disappointed about how long it has taken to assess these technologies. It is clear that work on this is at a very early stage and we urge the Department to report back on the trials currently underway at the earliest opportunity. Households off the gas grid pay more for their fuel and are more likely to be in fuel poverty and the Government should ensure that it takes effective steps to help them. (Paragraph 72)
14. We note the difficulties inherent in seeking to regulate the market for fuels bought by people off the gas grid. However, this group is disproportionately likely to be fuel poor and we believe the Government must review urgently the case for regulating this market. As a more modest step, we urge DECC to discuss with HM Treasury the case for flexibility in the timing of winter fuel payments, so that people off the gas grid have the opportunity to maximise the fuel they are able to buy. (Paragraph 75)

## Annex A: Warm Front Scheme

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Since the Energy and Climate Change Committee announced its inquiry into Fuel Poverty on 20 January 2010, Paddy Tipping MP, has received 59 letters and emails of complaint about the Warm Front service.

The complaints have concerned the matters listed below, and indicative quotations are given.

### **Standards of workmanship**

Mr J from New Cross Gate – “Last year my parents had a pipe replaced on the boiler and shortly after this fitting they started having problems with the boiler losing pressure and them not having heat or hot water. In early Jan 10 an engineer called and said whoever fitted the outflow pipe had cross threaded the pipe, therefore cutting off the boiler, this was botch number 1.”

Mr J – “We had the central heating installed in February 2003. The boiler was not put where I wanted it. The pipe work had to be redone. The floor carpet was put on my bed and they left all their rubbish on the drive. The boiler was left in a potential dangerous condition, and when the toilet was flushed the boiler came on.”

Mr J from Kidderminster – “The new flue out of the roof had been extracting CO which was entering through a raised roof tile which serviced the old boiler, and so the living area was gradually filling up with CO. No one had spotted this, even though the new installation had been checked by two Eaga managers.”

### **Time taken to carry out work**

Mr T from Brighton – “At the beginning of November 2009 our boiler broke down, we then found out my wife could apply for a Warm Front grant. We applied on 11<sup>th</sup> November 2009 and an assessor came on the 13<sup>th</sup> and stated that the boiler needed doing. Warm Front said we would be contacted by engineers once they had allocated work. I have rung every 3 weeks since. Up until mid December I was told it was a busy period and engineers would be available as soon as they could be. I rang again in January and was told engineers would be allocated at the end of the month. I have just rung (1<sup>st</sup> February) and been told they have no funding available to allocate work.”

Mr P from Cornwall – “Before Christmas our boiler broke down. I have contacted Warm Front and have been informed that we are able to get a grant for a new boiler. We have been informed that we will have a visit in four to six weeks and the boiler will be fitted in about three months. The offer of a boiler is very appreciated and we hope that we will still be alive when we get the visit about the end of February.”

Ms H from Richmond – “I would like to add my support to the inadequacies of the Warm Front scheme regarding boilers. My parents live independently in a bungalow. I

enquired about a possible boiler replacement for their old and inefficient boiler, and was told that the boiler must be broken to qualify and then it would take 4-6 weeks for a surveyor to call and a further 4-5 months before a new boiler would be fitted. To leave old and vulnerable people without central heating and hot water for 6 months is a national scandal for a civilised society.”

### **Customer service**

Mr S from Southall – “The warm front engineer turned up to fit the correct pipe to her parent’s boiler that they botched the fitting of in 2009. When he asked my girlfriend’s mother for a parking permit (she lives where a permit scheme operates) she told him she didn’t have any permits. They are not car owners. The engineer then said he couldn’t fit the pipe as she had no permit for him to park and left!!”

Ms M from Cornwall – “Two lads attended over the next three days and had no respect for me or my property, in fact I was a stranger in my own house. Over the last month I have had to call out an engineer to get the boiler going. All the numbers I was given should there be a breakdown were not the right numbers and when I managed to speak to someone I was given false details.”

Ms M – “I have not been well enough to deal with all that happened and although I wrote to my MP and he had contact with Eaga nothing got sorted. I had contact with them till I could no longer cope. I have had contact with a DEFRA minister, contacted DEFRA again at the end of last year all to no avail. I think that if there is a scheme to help elderly and disabled there should be a user friendly way of dealing with things that go wrong, that really finds solutions rather than the individual giving up due to poor health, frustration etc.”

### **Quality of advice**

Mr C from Bradford – “Last year we were offered and took up the Warm Front scheme, receiving a grant of £2700. The only work we required was the insulation of a small area of roof void, which left a surplus of £2500 which I was informed would be available for any future work which includes gas repairs to boilers and central heating. On October 6<sup>th</sup> my hot water supply failed. I rang the agent company who installed the insulation to be told they could not do the job. I telephoned the office and was told my grant did not apply and I would have to apply again which could take two months.”

Mr A from Maidstone – “I contacted Warm Front and they sent an engineer round to inspect the property with a view to install a new boiler. I was surprised to be informed that all the existing pipe work and radiators would also need to be replaced. I was then informed that the new pipe work would need to be exposed and travel across my ceiling. I have contacted 2 first class plumbing and heating companies who have informed me they would not need to replace the major part of the pipe line or radiators. I contacted Warm Front again only to be told that the pipe work would still need to be exposed and that condition was a government one.”

Ms C – “I contacted WF (warm front) to report breakdown of boiler installed by them. They confirmed I was eligible and told me it may take up to 28 days. I was then told ‘he shouldn’t have told you 28 days’, it was now 8 weeks. Told I was on a waiting list but they had no idea how far up. I sent a further email to EAGA, pointing out that now beyond 8 weeks and was told ‘Due to the popularity of the scheme and this busy time of year the timescales ran over slightly’ ”.

### **Costs**

Mr L from Kettering – “Now I have your letter telling me that I am required to pay an enormous £1171.98 towards the costs of replacing a boiler which is less than 5 years old. Not only are you requesting a payment of a colossal £1171.98 upfront, there is no indication of when the work will be carried out, or guarantee that another sub-standard boiler won’t be used, necessitating further expense down the line.”

Mr O – “Warm front has been set up to assist and help the disabled and vulnerable in our society and yet the Institute of Home Inspection have record of this agency hugely inflating their costs to carry out energy improvement work. The IHI would very much question the best use of public money, and this organisation.”

Ms W – “I reported my boiler was faulty to Warm Front. The engineers came whilst I was at work and they told my partner the boiler was fine. I contacted Warm Front again and they said we had to start again in the queue. Meanwhile my inefficient boiler has been giving me large gas bills. We have finally had to pay privately to have a boiler installed as my husband and I were left with no heat or hot water this cold winter. I asked Warm Front on the phone if we had the work done would they pay the grant and they said no. Now we are being penalised for having to pay for the work ourselves.”

# Formal Minutes

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## Wednesday 3 March 2010

Declarations of interest:

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Sir Robert Smith declared the following interests: Shareholdings in Shell; Vice-Chairmanship of the Associate Parliamentary Warm Homes Group; and Honorary Vice-Presidency of Energy Action Scotland.

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## Wednesday 24 March 2010

Members present:

Charles Hendry  
John Robertson  
Sir Robert Smith  
Paddy Tipping

Dr Desmond Turner  
Mr Mike Weir  
Dr Alan Whitehead

In the absence of the Chairman, Paddy Tipping was called to the Chair in accordance with the resolution of 20 May 2009.

Draft Report (*Fuel Poverty*), proposed by the Chair, brought up and read.

*Ordered*, That the Chair's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 75 read and agreed to.

Annex agreed to.

Summary agreed to.

*Resolved*, That the Report be the Fifth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report, together with written evidence reported and ordered to be published on 3, 10 and 24 March 2010.

[The Committee adjourned.]

## Witnesses

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### Wednesday 3 March 2010

**Mr Jonathan Stearn**, Head of Programmes, Consumer Focus, **Ms Jenny Saunders**, Chief Executive, National Energy Action, and **Mr Norman Kerr**, Director, Energy Action Scotland

**Mr Mervyn Kohler**, Special Adviser, Age Concern and Help the Aged, **Mr Ciarán Devane**, Chief Executive and **Mr Mike Hobday**, Head of Campaigns and Public Affairs, Macmillan Cancer Support

**Ms Hayley Peters**, Divisional Managing Director, and **Mr Ross Armstrong**, Operations Director of Managed Services, eaga

### Wednesday 10 March 2010

**Mr Derek Lickorish**, Chair, Fuel Poverty Advisory Group

**Mr David Kidney MP**, Parliamentary Under-Secretary of State, DECC

## List of written evidence

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Department of Energy and Climate Change	FP 01
Department of Energy and Climate Change supplementary	FP 01A
Department of Energy and Climate Change further supplementary	FP 01B
Mr David Taylor	FP 04
Federation of Petroleum Suppliers	FP 05
Mr Ron Flowers	FP 06
eaga	FP 07
University of Oxford	FP 08
Commission for Rural Communities	FP 09
Unison	FP 10
Scottish Power	FP 11
Fuel Poverty Advisory Group	FP 12
Fuel Poverty Advisory Group additional	FP 12A
Ofgem	FP 13
Energy Action Scotland	FP 14
Richard Beard	FP 15
Selwood Tenants Voice	FP 16
National Joint Utilities Group	FP 17
Age Concern and Help the Aged	FP 18
Grundfos Pumps Limited	FP 19
Macmillan Cancer Support	FP 20
Mr Ronnie Campbell MP	FP 21
Spinal Injuries Association	FP 22
Mitsubishi Electric	FP 23
Scottish and Southern Energy	FP 24
Centrica (British Gas)	FP 25
National Energy Action (NEA)	FP 26
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Kent County Council	FP 29
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RWE Npower	FP 36
Mark Group	FP 37
Resolution Foundation	FP 38
NAO	FP 39
Calor Gas	FP 40
IET	FP 41
Durham County Council	FP 42

County Durham Healthy Homes Partnership	FP 43
Hyde	FP 44
Rights to Warmth	FP 45
BEAMA	FP 46
Citizens Advice	FP 47
National Right to Fuel Campaign	FP 48
EDF Energy	FP 49
Which?	FP 50
The Co-operative Group	FP 51
Age Concern East Cheshire	FP 52
The Federation of Private Residents Associations	FP 53
Mr J Beevers	FP 54
Association for the Conservation of Energy	FP 55
Institute of Plumbing and Heating Engineering	FP 56
Local Government Association	FP 57
Tina Higgins	FP 58
Baxi Group	FP 59

## List of unprinted evidence

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The following written evidence has been reported to the House, but to save printing costs has not been printed and copies have been placed in the House of Commons Library, where they may be inspected by Members. Other copies are in the Parliamentary Archives ([www.parliament.uk/archives](http://www.parliament.uk/archives)), and are available to the public for inspection. Requests for inspection should be addressed to The Parliamentary Archives, Houses of Parliament, London SW1A 0PW (tel. 020 7219 3074; email [archives@parliament.uk](mailto:archives@parliament.uk)). Opening hours are from 9.30 am to 5.00 pm on Mondays to Fridays.

Dee Speers	FP 02
Mr Graham Jukes	FP 03
Mr Graham Jukes	FP 03A
Mr A Al Nasir	FP 60

# List of Reports from the Committee during the current Parliament

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The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2009–10

First Report	Work of the Committee in Session 2008-09	HC 133
Second Report	The future of Britain's electricity networks	HC 194
Third Report	The proposals for national policy statements on energy	HC 231
Fourth Report	Low carbon technologies in a green economy	HC 193
Fifth Report	Fuel Poverty	HC 424

## Session 2008–9

First Report	UK offshore oil and gas	HC 341 (HC 1010)
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