

# The UK Fuel Poverty Strategy 2001 Consultation on Amending Reference to the Warm Front Scheme Eligibility Criteria

[URN: 10D/998, 15 December 2010]



Department of Energy and Climate Change 3 Whitehall Place London SW1A 2AW

Telephone: 0300 068 4000 Website: www.decc.gov.uk

© Crown copyright 2010

Copyright in the typographical arrangement and design rests with the Crown. This publication (excluding logos) may be re-used free of charge in any format or medium provided that it is re-used accurately and not used in a misleading context. The material must be acknowledged as crown copyright and the title of the publication specified.

For further information on this consultation, contact: Warm Front Team Department of Energy and Climate Change 3 Whitehall Place London SW1A 2AW

Telephone: 0300 068 6607 or 0300 068 5325 Email: <a href="mailto:warmfrontconsultation@decc.gov.uk">warmfrontconsultation@decc.gov.uk</a>

The consultation and supporting documents can be found on DECC's website: <a href="http://www.decc.gov.uk/en/content/cms/consultations/warm\_front/warm\_front.aspx">http://www.decc.gov.uk/en/content/cms/consultations/warm\_front/warm\_front.aspx</a>

Published by the Department of Energy and Climate Change

# **Contents**

	Page
General Information	5
Executive Summary	7
CHAPTER ONE - Background	
Fuel Poverty Strategy	8
Tackling Fuel Poverty	8
CHAPTER TWO - Improving the Targeting of Warm Front	
Focussing on the most Vulnerable	10
Rationale for the Revised Eligibility Criteria	12
Household Thermal Efficiency	14
Proposed Changes to the UK Fuel Poverty Strategy	15
ANNEX A – List of organisations invited to respond to the consultation	16
ANNEX B – Existing Warm Front Eligibility Criteria	18
ANNEX C – Proposed new Warm Front Eligibility Criteria	19
ANNEX D – List of Consultation Questions	20

# **General Information**

#### Purpose of this consultation

This consultation seeks views on:

• Proposed changes to the Warm Front scheme eligibility criteria and how it is referred to in the Fuel Poverty Strategy, paragraph 4.51.

The consultation is aimed at fuel poverty stakeholders, consumer groups and organisations representing the interests of households at risk of fuel poverty. A list of those invited to respond is in Annex A.

Issued: 15 December 2010

Respond by: 9 February 2011

#### **Enquiries to:**

Warm Front Team Consultation Response Department of Energy & Climate Change, 1<sup>st</sup> Floor Area D 3 Whitehall Place London, SW1A 2AW

Tel: 0300 068 6607or 0300 068 5325

Email: warmfrontconsultation@decc.gsi.gov.uk

#### **Consultation reference:**

http://www.decc.gov.uk/en/content/cms/consultations/warm\_front/warm\_front.aspx

#### **Territorial extent:**

This consultation is for England only. The devolved administrations are responsible for their respective Fuel Poverty Strategies.

#### How to respond:

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Electronic responses can be emailed to: warmfrontconsultation@decc.gsi.gov.uk

Hard copy responses can be sent to the address above.

#### Additional copies:

You may make copies of this document without seeking permission. An electronic version can be found at: http://www.decc.gov.uk/en/content/cms/consultations/warm\_front/warm\_front.aspx

Other versions of the document in Braille, large print or audio-cassette are available on request. This includes a Welsh version or other language formats. Please contact us using the above details to request alternative versions.

#### **Confidentiality and Data Protection:**

Information provided in response to this consultation, including personal information, may be

subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on our website at: <a href="https://www.decc.gov.uk/en/content/cms/consultations/">www.decc.gov.uk/en/content/cms/consultations/</a>. This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

#### **Quality assurance:**

This consultation has been carried out in accordance with the Government's Code of Practice on consultation, which can be found here:

http://www.berr.gov.uk/whatwedo/bre/consultation-guidance/page44420.html

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

DECC Consultation Co-ordinator 3 Whitehall Place London SW1A 2AW

Email: consultation.coordinator@decc.gsi.gov.uk

# **Executive Summary**

The Coalition Government is committed to continuing to tackle fuel poverty and supporting vulnerable customers to heat their homes at an affordable cost. There are a number of policies and schemes in place to help those vulnerable to fuel poverty, including the Carbon Emissions Reduction Target (CERT) with a new Super Priority Group, the Community Energy Saving Programme (CESP), Winter Fuel Payments and Cold Weather Payments.

The Warm Front scheme provides a range of heating and insulation measures to vulnerable private sector households to improve the warmth and energy efficiency of their homes. In the Spending Review 2010 Government committed to fund a smaller, targeted Warm Front programme for the next two years. We expect the Green Deal to be in place from the end of 2012. The new Energy Company Obligation (ECO), which will take over from the current CERT and CESP schemes which expire at the end of 2012, will run in parallel with the Green Deal, and this will focus particularly on the needs of the most vulnerable and on those in hard to treat homes, who need additional support. Through the ECO the Government expects energy companies to play a greater role than that laid out under current obligations, to ensure that more of the most vulnerable and low income homes can afford to heat their homes adequately. This could include offering support towards a wider range of measures to improve energy performance, such as heating systems.

The Government is proposing to revise the scope of the Warm Front scheme as described in UK Fuel Poverty Strategy 2001 to ensure that the help available is better targeted at those in fuel poverty or most vulnerable to it. The intention is to direct Warm Front assistance in England at households of older people, long term sick, disabled or those with young children who are on a low income and have a high propensity to fuel poverty. The Government further intends to target those households where the thermal efficiency is low. It is therefore proposed that a Standard Assessment Procedure (SAP)<sup>1</sup> criteria is introduced, alongside the other eligibility criteria, to target Warm Front assistance at homes with a poor energy rating.

The proposals in this document focus on:

- Amending the focus of Warm Front measures to encompass a set of certain income related eligibility criteria that are considered to better target households susceptible to fuel poverty; and
- Introducing a thermal efficiency test, for example, households can access Warm Front assistance if they have a SAP rating of 55 or below and one of the listed income related criteria.

The proposed outcome of the consultation process will be the amendment of the reference to the Warm Front scheme in the existing UK Fuel Poverty Strategy 2001. This will ensure a better focus of resources on the most vulnerable and consequently a revision of the eligibility criteria for the Warm Front scheme.

<sup>&</sup>lt;sup>1</sup> The Standard Assessment Procedure (SAP) is used as an indicator for energy efficiency, with the higher the number the better the performance.

# **CHAPTER ONE - Background**

# **Fuel Poverty Strategy**

- 1.1 The UK Fuel Poverty Strategy was published in November 2001. It sets out the Government's policies for ensuring that in England by 2016 as far as reasonably practicable persons do not live in fuel poverty. A household is considered to be fuel poor if it would need to spend at least 10% of its income in order to heat the house to an acceptable level of warmth (recommended by the World Health Organisation to be 21°C for the main living area, and 18°C for other occupied rooms). Many fuel poor households tend to under heat their homes often because of the financial constraints they face, meaning that they live in cold conditions.
- 1.2 The UK Fuel Poverty Strategy sets out the risks that arise from fuel poverty and identifies those vulnerable groups who are particularly susceptible to these risks: older people, long term sick and disabled and those households containing children. The Strategy includes a suite of policies to target the three main factors that influence fuel poverty household energy efficiency, fuel prices and household income.

# **Tackling Fuel Poverty**

- 1.3 The annual fuel poverty statistics, published in October 2010<sup>2</sup>, estimated that in 2008 the number of households in fuel poverty in the UK was around 4.5 million, with around 3.75 million of these classified vulnerable (meaning households with elderly occupants, those containing children and long term sick or disabled). In 2008 in England there were an estimated 3.3 million fuel poor households, with 2.7 million of these classified as vulnerable. The report states that in England we are likely to see an increase in fuel poverty to around 4.1m households in 2009, followed by a slight reduction in 2010, to around 4.0m households. The reduction is likely to be due to prices levelling out, and in some cases reducing during 2009 and 2010, as well as continued improvements in the energy efficiency of housing.
- 1.4 In tackling fuel poverty the Government wants to make sure that, as far as possible, those most vulnerable are the focus of Government schemes and policies.

#### **Incomes**

1.5 In the context of our wider welfare programme, Government makes annual Winter Fuel Payments to all pensioner households and Cold Weather Payments (triggered by extended periods of cold weather) to a defined group of vulnerable households, targeted through income-related benefits. The Spending Review confirmed that Winter Fuel Payments will remain as previously budgeted for and the temporary increase in the Cold Weather Payments from £8.50 to £25 per qualifying day will be maintained.

#### **Energy Prices**

1.6 Since 2004, energy prices have been increasing at a significantly faster rate than average household incomes. This alone has been the most influential factor on the number of households now classified as fuel poor.

<sup>&</sup>lt;sup>2</sup> Source: http://www.decc.gov.uk/en/content/cms/statistics/fuelpov\_stats/fuelpov\_stats.aspx

- 1.7 Government has a voluntary agreement with the six biggest energy suppliers through which they have agreed to provide funding to help their vulnerable consumers with their energy bills to March 2011. Under this agreement suppliers offer a range of support including social and discounted tariffs, rebates, help and advice and also provide funding to organisations involved in tackling fuel poverty.
- 1.8 As announced in the Spending Review, Government intends to require energy suppliers to provide greater help with the financial costs of energy bills to more of the most vulnerable households from April 2011 (when the existing Voluntary Agreement ends), with total support of £250 million in 2011/12 rising to £310 million per annum in 2014/15. The Government will give suppliers greater guidance and direction on the types of households eligible for assistance and on how that support should be offered. The detailed structure of the Warm Home Discount scheme including eligibility and targeting methods, is currently being consulted on<sup>3</sup>.

#### **Energy Performance**

1.9 There are a number of Government programmes to improve the energy performance of households. This includes policies to improve energy efficiency of the fabric of the building and reduce households' emissions, for example through better insulation.

#### 1.10 Currently there is:

- The Carbon Emissions Reduction Target (CERT) which will run until December 2012 and requires energy suppliers to reduce the carbon emissions from households across Great Britain. A proportion of this must be delivered through the promotion of measures to a tightly defined group of low income vulnerable households known as the Super Priority Group. The Super Priority Group includes households eligible for the Cold Weather Payment eligibility criteria, and families on low incomes eligible for Child Tax Credit under a household income threshold of £16,190.
- The Community Energy Saving Programme (CESP), which also runs until December 2012, works with some of the most deprived communities across the country and also promotes energy saving measures, and some more innovative technologies such as solid wall insulation.
- The Warm Front scheme provides a range of heating and insulation measures to households vulnerable to fuel poverty and has funding to do so until 2012-13.
- 1.11 We expect the Green Deal to be in place from the end of 2012 to help households benefit from energy efficiency measures, by spreading the cost so that they can be repaid out of energy bill savings. As the mechanisms that will support the Green Deal develop there will be a focus on ensuring fuel poor households can benefit from the model proposed. Work is now underway on the development of a new Energy Company Obligation, taking over from CERT and CESP at the end of 2012, which will run in parallel with and serve to underpin parts of the Green Deal programme. It is intended to focus particularly on households that cannot achieve financial savings without additional support, including the poorest and most vulnerable and those in hard to treat homes. We expect energy companies to play an even greater role than they do through the current obligations in ensuring the poorest and most vulnerable can afford to heat their homes adequately.

<sup>&</sup>lt;sup>3</sup> The Warm Home Discount consultation can be found at: http://www.decc.gov.uk/en/content/cms/consultations/warmhome/warmhome.aspx

# **CHAPTER TWO - Improving the Targeting of Warm Front**

- 2.1 Providing a working heating system is recognised as an important way of upgrading the thermal efficiency of the homes of vulnerable households and consequently improving their ability to keep warm at a reasonable cost. Since its inception in June 2000 it has assisted over 2 million households, across England. On average, each household receiving Warm Front assistance including insulation and heating measures has the potential to save approximately £653<sup>4</sup> per year on energy bills.
- 2.2 The Government announced in the Spending Review 2010 that DECC will fund a smaller, targeted Warm Front programme for the next two years with a budget of £110 million in 2011/12 and £100 million in 2012/13. It is important, therefore, that support from the smaller programme is even better targeted at households that are vulnerable to fuel poverty. To do this we propose to use a new, more focussed, set of eligibility criteria including a thermal efficiency test.

# **Focussing on the Most Vulnerable**

#### **Older People**

- 2.3 Currently older householders make up a large proportion of the fuel poor about half of the fuel poor households in England contain people aged 60 and over<sup>5</sup>. People of retirement age are more susceptible to excess winter death than the population average, with the level of risk increasing as people grow older<sup>6</sup>. Older people are in general more vulnerable to detrimental health impacts if they are fuel poor or live in homes which are not adequately heated, compared to the average healthy adult of working age<sup>7</sup>.
- 2.4 Warm Front can better support this group by targeting people of pension age who are identified as being on a low income<sup>8</sup>. We propose that pensioners on low incomes in receipt of Pension Credit, (which is composed of two elements: Guarantee Credit provides those who have reached the qualifying age a guaranteed minimum income, and Savings Credit which rewards pensioners who have made modest provisions towards their own retirement, either through a pension or savings), should be eligible for Warm Front assistance.

<sup>&</sup>lt;sup>4</sup> Eaga plc, The Warm Front Scheme Annual Report -Connecting with Communities, 2009-10

<sup>&</sup>lt;sup>5</sup> In 2008, 52 per cent of fuel poor households in England contained someone aged 60 or over. Source: Annual Report on Fuel Poverty Statistics 2010, <a href="http://www.decc.gov.uk/assets/decc/Statistics/fuelpoverty/610-annual-fuel-poverty-statistics-2010.pdf">http://www.decc.gov.uk/assets/decc/Statistics/fuelpoverty/610-annual-fuel-poverty-statistics-2010.pdf</a>

<sup>&</sup>lt;sup>6</sup>www.statistics.gov.uk/statbase/ssdataset.asp?vlnk=7089

<sup>&</sup>lt;sup>7</sup> For example, the WHO finds that elderly people are more likely to suffer from hypothermia than non-elderly adults and, due to poor circulation, elderly people require higher room temperatures than younger adults to remain healthy.

<sup>&</sup>lt;sup>8</sup> The State Pension age for both men and women will start to increase to reach 66 by April 2020. The women's State Pension age will increase more quickly to 65 between April 2016 and November 2018. Any change to the timetable would need the approval of Parliament. The government is also considering the timetable for future increases to the State Pension age from 66 to 68.

#### Households with Children

- 2.5 Families with dependent children account for 15-20% of fuel poor households <sup>9</sup>. We also know that children under the age of five in households of working age that are not in employment, are at risk of cold related problems, such as respiratory illness<sup>10</sup> and developmental problems<sup>11</sup>. Cold homes also increase the time taken to recover from other illnesses so that children may be off school more, affecting their education and development. Fuel poverty can therefore impair the opportunities available for children.
- 2.6 To support this vulnerable group we propose that households that receive Income Support, income-based Job Seekers Allowance and income related Employment and Support Allowance, and who have a child who is five years old or under should be eligible for Warm Front assistance. These benefits are paid to households that are of working age and are either on low wages, seeking work or are unable to work. Households will need to provide proof of having a child aged five years or under. The rationale for using this criteria is that it provides the most stable set of benefits available for identifying this group of vulnerable households.

#### People who are disabled or have a long-term illness

- 2.7 Fuel poverty may compound the ill health and suffering of those who are disabled or have a long-term illness. It is likely to exacerbate existing conditions and may lengthen recovery time. Cold homes may make it more difficult for carers to look after acutely or chronically sick people, more of whom may therefore have to go into hospital or permanently into a nursing home. The cost of cold-related ill health can be counted in more than the misery caused to the individuals affected. Increased illness adds to the existing pressures on health and social care services.
- 2.8 We want to make sure that those on a low income who are at the acute end of the spectrum for disability and long-term illness can continue to benefit from Warm Front. We therefore propose that households that receive an income-related employment and support allowance and a disability or severe disability premium should be eligible for Warm Front assistance. We also propose that households that are awarded a child tax credit that includes an element for a disabled, or severely disabled, child or young person should also be eligible. These groups are likely to be highly susceptible to the effects of a cold house and are more likely to need to heat their homes for longer.

<sup>&</sup>lt;sup>9</sup> Source: Fuel Poverty 2008 – Detailed tables (Tables 15,16), http://www.decc.gov.uk/assets/decc/Statistics/fuelpoverty/611-fuel-poverty-2008-detailed-tables.pdf

<sup>&</sup>lt;sup>10</sup> Howden-Chapman, P. et al., (2007). Effects of insulating houses on health inequality: Cluster randomised study in the community. *British Medical Journal*, doi:10.1136/bmj.39070.573032.80

<sup>&</sup>lt;sup>11</sup> Barnes, M. et al., (2008). The Dynamics of Bad Housing: The Impacts of Bad Housing on the Living Standards of Children. London: National Centre for Social Research

# **Rationale for Revised Eligibility Criteria**

- 2.9 The current Warm Front eligibility criteria is referred to in section 4.51 in the UK Fuel Poverty Strategy 2001, which reads:
  - 4.51 The scheme provides grants for packages of insulation and heating improvements, including central heating systems. Access to the scheme is through receipt of a qualifying income or disability related benefit. While some non-fuel poor are likely to apply, the scheme is designed to carry out works according to the standard of the property if the home is already energy efficient then little if any improvements would be offered.
- 2.10 The groups currently eligible for Warm Front assistance are wide ranging and the qualifying benefits used to identify householders encompass a wide range of household incomes; see Annex B for the current eligibility criteria. A more focused use of Warm Front resources can be achieved through improving ways of identifying the most vulnerable older people, families with children and persons who are disabled or long-term ill. It is recognised that the targeting of all fuel poor households through proxies is in some ways an imperfect method there will always be some households within the eligible group which are not fuel poor and some households outside of the eligible group which are. However, it is proposed that a better way to target assistance and limit the possibility of non-fuel poor households benefiting from Warm Front is by identifying the most vulnerable in each group using the set of income tested benefits outlined above. There is a heavy concentration of fuel poverty amongst lower income households, with 30% of the lowest income households accounting for nearly 90% of fuel poverty in England<sup>12</sup>.
- 2.11 Currently some 4.3 million households in England could qualify for assistance from Warm Front, of which 53% are believed to be fuel poor 13. The smaller programme funding means that it is an appropriate time to consider whether the scope for Warm Front assistance needs to be narrowed in order to better focus support for the fuel poor. To develop our proposals for changing the eligibility criteria we have looked at how other fuel poverty programmes and schemes identify appropriate vulnerable households. The scheme we considered in detail was Cold Weather Payments which are targeted at a set of vulnerable households that have been identified through a range of income-related benefits (see Annex C). If Warm Front was to focus on the same groups identified though the Cold Weather Payment the size of the eligible group in England would be around 2.2 million households with around 66% being fuel poor. When this is accompanied by a maximum thermal efficiency level of SAP 55 the target group would be approximately 1.5 million households, with around 77% identified as fuel poor.

<sup>&</sup>lt;sup>12</sup> Source: Annual Report on Fuel Poverty Statistics 2010, p27, http://www.decc.gov.uk/en/content/cms/statistics/fuelpov\_stats/fuelpov\_stats.aspx

<sup>&</sup>lt;sup>13</sup> Note that this figure differs from the number presented in the Fuel Poverty Statistics 2010 publication. The analysis in the associated impact assessment – from where these figures are taken - is based on a version of the fuel poverty dataset where the receipt of certain benefits has been modelled rather than based on returns to the survey. For further explanation, see annex 2 of the impact assessment.

- 2.12 Proposals to better target Warm Front eligibility were considered against the following key criteria:
  - Incidence of fuel poverty in households within a given target group (as specified by the receipt of particular income-based benefits);
  - Evidence of vulnerability and risk of detriment of a given target group as a result of living in poorly heated homes;
  - Availability of suitable proxies to help find fuel poor households and target support effectively;
  - Ensuring that the new criteria would not create significant new burdens for the scheme provider and/or for applicant households and ensuring the criteria creates a group of eligible household in which there are sufficient opportunities to flexibly and practically deliver cost-effective energy saving measures.
- 2.13 The Impact Assessment, attached alongside this consultation document, considers the various options we identified for amending the eligibility criteria. The Impact Assessment considers the costs, benefits and equality implications<sup>14</sup> for the following options:
  - Maintain the current Warm Front eligibility criteria and introduce an energy efficiency performance threshold
  - Policy Option 1 Maintain current Warm Front eligibility criteria minus Attendance Allowance and Disability Living Allowance, for homes under an energy efficiency performance threshold
  - Policy Option 2 Cold Weather Payment eligibility criteria only, for homes under an energy efficiency performance threshold
  - Policy Option 3 Cold Weather Payment eligibility criteria plus those households receiving Child Tax Credit and under an income threshold of £16,190, for homes under an energy efficiency performance threshold
  - Policy Option 4 Pension Credit criteria and Child Tax Credit criteria for households under an income threshold of £16,190, and under an energy efficiency performance threshold
  - Policy Option 5 Pension Credit Guarantee criteria and Child Tax Credit criteria for households under an income threshold of £5,200, and under an energy efficiency performance threshold
- 2.14 It was established that the fuel poverty hit rate for all of the above options would lead to a significant improvement relative to maintaining the current criteria. Policy Option 1 would target fuel poor households the least well of the options considered. Policy Option 3 would target support less well at the very poorest families compared to the other Policy Options and therefore generate a lower level of overall benefits that can be derived from the scheme, such as energy savings and comfort taking. Policy Options 4 and 5 would not provide good coverage for the disabled group of vulnerable customers, and would therefore not provide good coverage of the vulnerable groups set out in the Fuel Poverty Strategy.

<sup>&</sup>lt;sup>14</sup> All Policy Options considered in the Impact Assessment were found to have both positive and negative impacts on the protected equality characteristics of age, disability, gender, race, religion or belief, sexual orientation, gender reassignment, marriage and civil partnership, and pregnancy and maternity. The findings are summarised in the Impact Assessment; overall, none of the five options are found to discriminate against any of the groups defined by the protected characteristics under the Equality Act 2010.

- 2.15 It was noted that for all of the above options administrative costs of verifying eligibility are not expected to vary with the nature of the criteria used. This is because households are in the first instance required to phone the scheme manager to verify eligibility, and reducing or increasing the number of qualifying benefits is not likely to save a significant amount of time. It was noted that should the group of eligible customers be too small then there is the potential for administrative costs to increase. This is because there would be additional search costs for the scheme manager, as it would become increasingly difficult to identify eligible households to receive assistance. This would be applicable to Policy Option 5 in particular.
- 2.16 The analysis suggests that, while there are a number of plausible options for new scheme eligibility criteria, we believe that Option 2 strikes the best balance between targeting the support at a focused set of vulnerable, low-income households with a high propensity to fuel poverty and in ensuring that the scheme is sufficiently flexible to allow cost-effective delivery of support. The criteria uses a set of income-related benefits that identifies households at the lower end of the income deciles and who are most vulnerable to circumstances that arise as a result of a low income.

# **Household Thermal Efficiency**

- 2.17 The Warm Front scheme has already had a significant impact on improving the thermal efficiency of a home<sup>15</sup>. It is recognised that we can make the scheme even more effective by better targeting support at homes where the level of thermal efficiency is poor.
- 2.18 SAP assessments are based on standardised assumptions for occupancy, room temperatures and heating patterns. This enables the comparison of dwelling performance on a like for like basis, however it is recognised that these standardised assumptions will not match exactly the occupier's actual lifestyle. However, we consider the SAP ratings to be sufficient for the purpose of identifying a home that is thermally inefficient.
- 2.19 It is proposed to introduce a maximum SAP criteria above which Warm Front assistance would not be available, this will enable the scheme to be targeted at those households on qualifying benefits with poor thermal efficiency. It is suggested that Warm Front assistance should be targeted at eligible, vulnerable households with a SAP rating below 55.
- 2.20 The Impact Assessment shows that the proposed income related eligibility criteria accompanied by a maximum thermal efficiency level is preferable on the basis it provides value for money and has a large positive benefit when combining the effects it will have for the client group on energy savings, energy bills, comfort taking and air quality. The tighter group of qualifying benefits and the thermal efficiency test will ensure the funding is focussed on the most vulnerable. It will also ensure Warm Front is available to a sufficiently sizeable group and that the practicalities of targeting and verification remain flexible and cost effective to administer.

<sup>&</sup>lt;sup>15</sup> SAP is Government's tool for assessing the energy performance of dwellings. Its purpose is to provide accurate and reliable assessments of dwelling energy performance to support energy efficiency and environmental policy initiatives. In 2009/10 the SAP rating for the homes helped by Warm Front improved on average from 33 to 66; Source: Connecting with Communities, Warm Front Scheme Annual Report, 2009/10, Eaga plc. This is the equivalent of moving from an Energy Performance Certificate (EPC) rating of band F to band D.

#### **Consultation Question**

1. Do you agree with the proposals to amend the eligibility criteria? If you consider there to be weaknesses in the outlined approach please suggest how we could mitigate. Please provide evidence with your answer.

#### **Consultation Question**

2. Do you agree that we should apply a maximum thermal efficiency level to households applying for Warm Front?

# **Proposed Changes to the UK Fuel Poverty Strategy**

2.21 In order to implement changes to the Warm Front scheme's eligibility criteria we propose to revise paragraph 4.51 of the Fuel Poverty Strategy as follows:

4.51 The scheme provides grants for packages of insulation and heating improvements, including central heating systems. Access to the scheme is through receipt of certain income related benefits. The scheme is designed to carry out works according to the thermal standard of the property - if the home is already energy efficient then little if any improvements would be offered.

#### **Consultation Question**

3. Do you agree the revised wording to the UK Fuel Poverty Strategy appropriately reflects the Government's intention to better target Warm Front measures? If not please propose an alternative.

### ANNEX A – List of organisations invited to respond to the Consultation

Organisation	Organisation
Action with Communities in Rural England (Acre)	Consumer Focus
Advanced Environmental Insulation Ltd	Cornwall Energy Associates
Age UK	Council for Energy Efficiency Development
Anchor Trust	Countryside Alliance
Anglian Water Trust Fund	Dearle and Henderson Energy Ltd
Approved Coal Merchants	Diabetes UK
Association for Environmental Conscious Building	Eaga
Association for the Conservation of Energy (ACE)	Earth Energy Ltd
Association of Electricity Producers	Ecotricity
Association of Manufacturers of Domestic Appliances (AMDEA)	EDF Energy
Awarding Body for the Built Environment (ABBE)	Energy Efficiency Partnership for Homes Fuel Poverty Strategy Group
Balancing and Settlement Code Company (Elexon)	Energy Institute (EI)
B&Q	Energy Networks Association
The British Electrotechnical and Allied Manufacturers Association (BEAMA)	Energy Retail Association
Builders Merchants Federation (BMF)	Energy Saving Trust (EST)
Brenda Boardman	Environment Agency
British Energy Efficiency Federation	Environment and Heritage Service
British Gas	Eurisol: Mineral Wool Insulation
British Urethane Foam Manufacturers Association Limited (Brufma)	E.On Energy
British Telecom (BT)	Federation of Petroleum Suppliers Ltd
Citizens Advice Bureau (CAB)	Foundations
Calor Gas Ltd	First Utility
Cavity Insulation Guarantee Agency (CIGA)	Friends of the Earth
Centre for Sustainable Energy	Fuel Poverty Advisory Group
Centrica	Good energy
Ceres Power	Grant Aided Heating Installers Network (GAIN)
Changeworks	Groundwork
Chartered Institute for Housing	Havells Sylvania
Combined Heat and Power Association	Heating and Hotwater Industry Council
Commission for Rural Communities (CRC)	Home Retail Group
Confederation of UK Coal Producers	Insulated Render & Cladding Association
Construction Products Association	InstaFibre Consortium

Organisation
Kent Energy Centre
Kent Energy Efficiency Partnership
London Electricity
Marches Energy Agency
Macmillan Cancer
National Cavity Insulation Association
National Energy Action (NEA)
National Energy Services Ltd
National Grid
National Housing Federation
National Insulation Association
National Pensioners Convention
Ofgem
Ovo energy
Phoenix Natural Gas
Ravenheat
Right to Fuel
RWE npower
Save Cash and Reduce Fuel (SCARF) UK
Scottish and Southern Energy plc
Scottish Power
Society of British Gas Industries (SBGI)
Solid Fuel Association
Energy Institute (EI)
The Planning Service
Transco
UK Business Council for Sustainable Energy
UK Public Health Association
Utilita
Unison
Warm Zones Ltd
Which?
WYG

#### ANNEX B – Existing Warm Front Eligibility Criteria

Applicants meeting the following criteria may be eligible for the Warm Front scheme.

- 1. 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
- 2. 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
  - Housing Benefit
  - Job Seekers Allowance (income-based)
  - Income-related Employment and Support Allowance
- 3. 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

#### ANNEX C - Proposed new Warm Front Eligibility Criteria

#### **Cold Weather Payments – Eligibility**

Cold Weather Payments (CWPs) are targeted at those most vulnerable to the cold i.e. disabled adults and children, the elderly and families with young children who are in receipt of an income related benefit. These are groups who spend more time in doors and often have restricted mobility because of age or disability

#### Eligible customers are all those awarded:

- Pension Credit, or;
- Income-related Employment and Support Allowance that includes a work-related activity or support component (this includes contribution based ESA customers in the support group who get an income related top up because they automatically qualify for the enhanced disability premium payable with income related ESA).

#### And those awarded:

- Income Support, or;
- Income-based Jobseeker's Allowance, or;
- Income-related Employment and Support Allowance in the assessment phase (first 13 weeks of the claim).

#### Who must also have one of the following:

- a pensioner premium, or;
- a disability or severe disability premium, or;
- an award of child tax credit that also includes an element for a disabled, or severely disabled, child or young person, or;
- a child under the age of five.

#### **ANNEX D – List of Consultation Questions**

#### **Consultation Question**

1. Do you agree with the proposals to amend the eligibility criteria? If you consider there to be weaknesses in the outlined approach please suggest how we could mitigate. Please provide evidence with your answer.

#### **Consultation Question**

2. Do you agree that we should apply a maximum thermal efficiency level to households applying for Warm Front?

#### **Consultation Question**

3. Do you agree the revised wording to the UK Fuel Poverty Strategy appropriately reflects the Government's intention to better target Warm Front measures? If not please propose an alternative.

© Crown copyright 2010

Department of Energy & Climate Change 3 Whitehall Place London SW1A 2HD www.decc.gov.uk

URN: 10D/998, 15 December 2010