

# DEVELOPING PARTNERSHIPS AND BETTER TARGETING

Delivering programmes for the benefit of the fuel poor

*A workshop supported by*



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**NATIONAL ENERGY ACTION**



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# DEVELOPING PARTNERSHIPS, BETTER TARGETING

Delivering programmes for the benefit of the fuel poor

The workshop will;

- highlight local best practice
- provide an opportunity to network and share Green Deal/ECO developments and opportunities across delivery partners
- discuss barriers that may adversely affect delivery of ECO programmes to the fuel poor
- consider the potential solutions to delivery of ECO at a local level

Outputs from workshops held at all NEA Fuel Poverty Forums will be collated and reported back to you at the next Fuel Poverty Forum.



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# Agenda

**Green Deal / ECO Overview**

**Partnerships in Practice**

Example(s) of Green Deal/ECO partnerships

**Workshop Session 1: Potential Barriers to Delivery**

**Workshop Session 2: Looking at Solutions**

**Summary & Next Steps**



# Green Deal / ECO Overview



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# What is fuel poverty?

*“The inability to afford to adequately heat the home”*

The three main causes of fuel poverty are well documented:

1. Poor energy efficiency
2. Low income
3. High fuel costs



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# Fuel poverty facts and figures

- **May 2013: Government figures – in 2011 – 3.2 million households in the UK, 14.6% of UK households**
- **June 2013: Climate Change Committee 5<sup>th</sup> progress report to government noted figure likely to be higher and CSE estimates of a ‘Nowcast’ support this**
- **July 2013: Series of amendments to the Energy Bill in the House of Lords setting out the Government’s statutory commitment to tackling fuel poverty**
- **July 2013: Revised definition – Low Income High Cost (LIHC) indicator in England only – fuel costs that are above average (median) AND residual income below the official poverty line**
- **Average domestic fuel bill has increased by 133% over a period when average incomes have increased by 27.4%.**
- **Poor housing standards = impacts on health and wellbeing, cost to NHS circa £1 billion a year.**

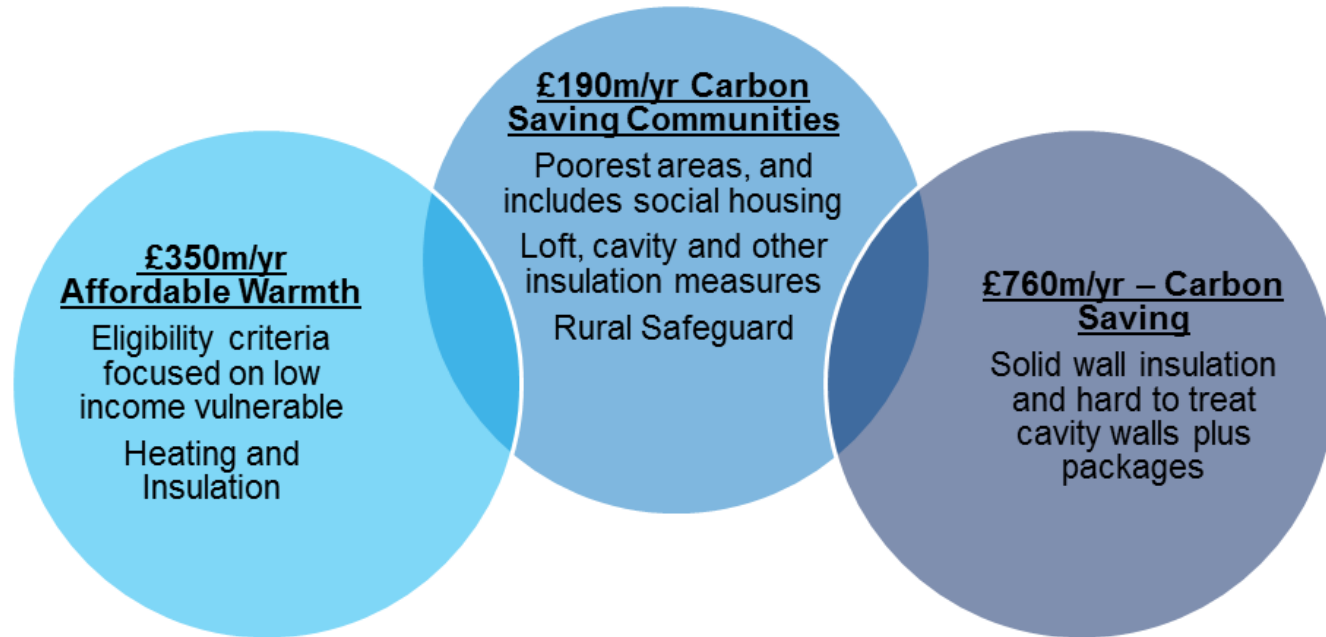


# Despite this:

- Government funding for heating and insulation measures for low-income and vulnerable households in England has terminated
- Energy Company Obligation (ECO) replaces all programmes (Warm Front, CERT and CESP) expenditure circa half of the level in 2010-2011
- ECO funded through a consumer levy and all consumers pay regardless of their financial circumstances



# What is the Energy Company Obligation?



Support worth a total of £1.3bn a year: incl at least £540m/yr to help the poorest – 180,000 homes per year, & a significant focus on carbon saving in hard to treat homes  
Can carry forward overachievement of CERT and CESP as credit under ECO





# What is the Energy Company Obligation?

Government aims to help 230,000 low-income households or those in low-income areas £1.3 billion per year – 75:25 split between the carbon and affordable warmth obligations.

Of the 244,882 measures installed to end August 2013:

- 32% of measures delivered through the Carbon Saving Obligation (CSO)
- 28% through Carbon Saving Communities (CSCO)
- 41% through Affordable Warmth (HHCRO)
- 10 measures have been delivered through the Rural Safeguard

ECO will work alongside Green Deal to fund measures for low-income households, or those whose properties do not meet the 'Golden Rule'.



# What is Green Deal?

One of the keynote parts of the Coalition Agreement

- Improve the energy efficiency of the UK housing stock
- Meet EU targets of 20% CO2 reduction by 2020

The Green Deal will require NO up-front cost to the householder, the electricity supplier will recover the cost of Green Deal through the electricity account

Launched in January 2013



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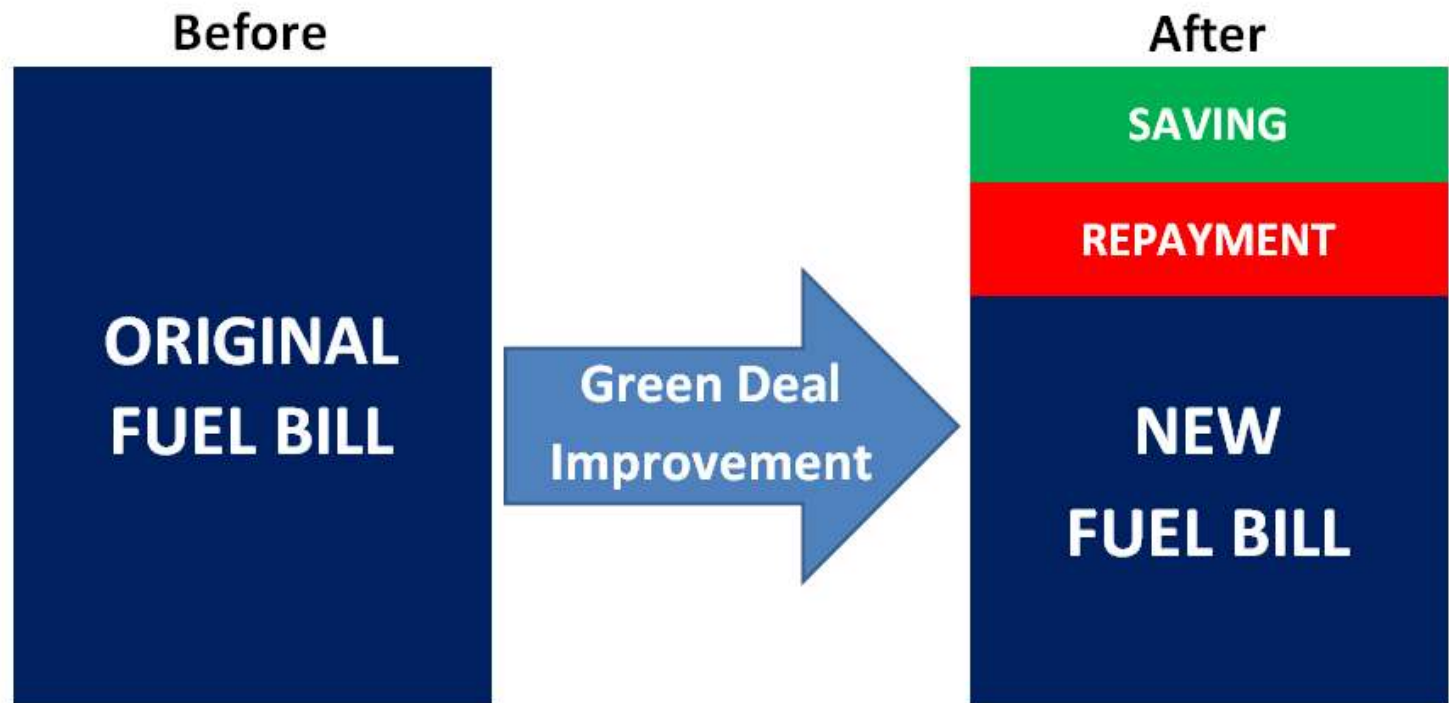
# What is Green Deal?

Latest DECC figures up to end of September show:

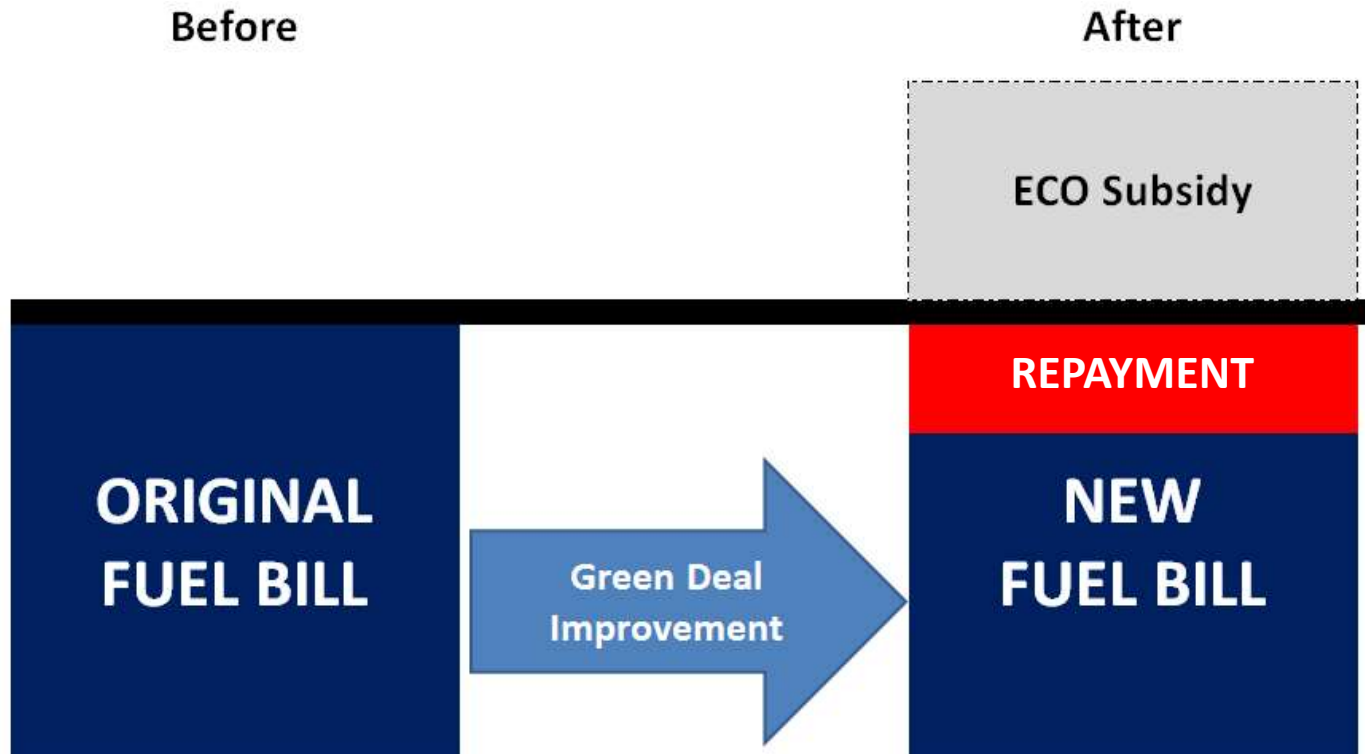
- **85,177** assessments have taken place
- **954** have obtained a quote from a provider
- **505** customers have signed a Green Deal plan
- **57** Green Deal installations have been completed



# The 'Golden Rule' explained



# The Green Deal and ECO working together – the Carbon Saving Obligation



# Energy Saving Advice Service (ESAS)

**Tel: 0300 123 1234.**

Run by the Energy Saving Trust

The advice provided is free, but calls are charged at the standard national rates.

Signposts callers to a wide range of organisations that can help install energy-saving measures in their homes and reduce their fuel bills and is supporting the Green Deal and Energy Company Obligation (ECO).

Advisers have access to a system, whereby they can refer domestic customers onto the latest schemes designed to help manage their energy bills.

Advisers also have access to a knowledge base which is populated with around 800 questions and answers. This provides real time information for advisers, with new questions being added as policies and guidance changes.



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# How can the Green Deal and ECO more effectively tackle fuel poverty?

Need for increase in the scale of resources directed at low-income and vulnerable households – currently ECO estimated to remove 125,000-250,000 households from fuel poverty to 2023. At best 6.4% of current fuel-poor households.

Need to address issue of consumer equity – all Government-mandated programmes to address fuel poverty in England funded through levies on bills – households that do not take up measures see their bills increase.

Energy consumers (including poorer households) could end up subsidising measures for more affluent households to the extent of £760 million per year.

Both can be addressed by deploying revenue from carbon taxes and additional VAT receipts to energy efficiency programmes in fuel poor households.

The Energy Bill Revolution.



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# Other Government-led Initiatives

## Big Energy Saving Network

Government reports that switching energy suppliers could save households as much as £158 a year but only 16% switched between March 2012 and March 2013.

DECC providing £900,000 in 2013/14 to fund the creation of the 'Big Energy Saving Network' to turn "non-switchers into savvy switchers" (Edward Davey).

Builds on Ofgem's reforms to create a simpler, clearer and fairer market for energy consumers, which Government is backing through the Energy Bill.

[www.gov.uk/government/publications/big-energy-saving-network-grant-offer-fund](http://www.gov.uk/government/publications/big-energy-saving-network-grant-offer-fund) Bidding competition for grant funding ended on 9<sup>th</sup> October 2013.





# Other Government-led Initiatives

## Green Deal Communities Fund

£20 million of capital funding will be available for local authorities and their partners.

Applications may be submitted at any time from September 2013 up to 31 December 2013 for £1-3 million.

Looking for ambitious and innovative street/area based proposals which aim to deliver Green Deal plans to as many households as possible. DECC funding can also be used to support households who choose to self-finance measures

For more information go to

[www.gov.uk/government/news/green-deal-communities](http://www.gov.uk/government/news/green-deal-communities)



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# Other Government-led Initiatives

## Consultation on ECO 1.1

The Government will shortly launch a consultation on ECO 1.1 which will ask for feedback on minor amendments to the structure of the existing ECO programme.

In particular, Government is likely to seek views on amending the AW proxy to make changes that reflect the introduction of Universal Credit and streamline unnecessary administrative burdens.

NEA will be submitting its own response to the consultation and is still forming its views but is also seeking feedback from partners and members. Please forward any specific comments to [peter.smith@nea.org.uk](mailto:peter.smith@nea.org.uk)



# Other Government-led Initiatives

## Targeting Tools

Fuel Poverty Framework (published in July 2013) stated that would be working to develop targeting tools based on the new fuel poverty indicator.

DECC would like to draw on your expertise of working with vulnerable households to better understand the kinds of tool you have found helpful or unhelpful in the past and why.

If you wish to share your experiences with DECC please drop them a line at [fuelpovertyfeedback@decc.gsi.gov.uk](mailto:fuelpovertyfeedback@decc.gsi.gov.uk)



# Partnerships in Practice



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# Workshop Session 1: Potential Barriers to Delivery



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# Workshop Session 2: Looking at Solutions



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# Summary & Next Steps



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# Next Step

- Outputs from this and other workshops held at all NEA Fuel Poverty Forums will be collated and reported back to you at the next Fuel Poverty Forum.





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