



Action for Warm Homes

FUEL POVERTY AND ECO

Lesley Tudor-Snodin

Project Development Co-ordinator, National Energy Action





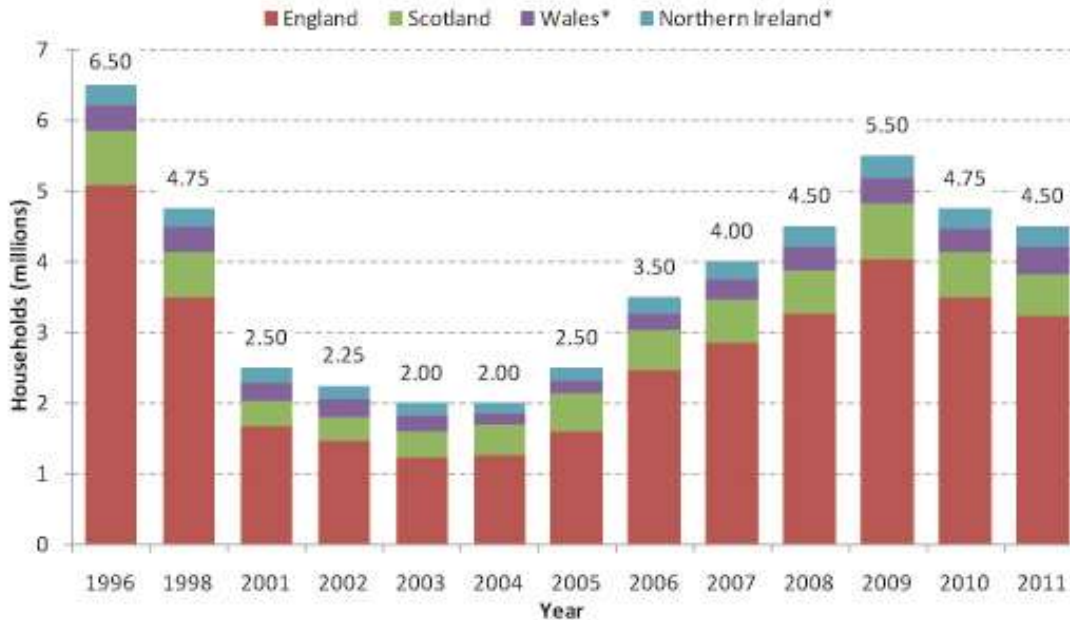
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Fuel Poverty Update



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Fuel poverty in each country in the UK, 1996 to 2011



In 2011, the number of fuel poor households in the UK was estimated at around 4.5 million

*Fuel poverty figures have been estimated for: Northern Ireland for 2010; Wales for 2009, 2010 and 2011

This represents 17 per cent of all UK households.

Number and proportion of fuel poor households by nation

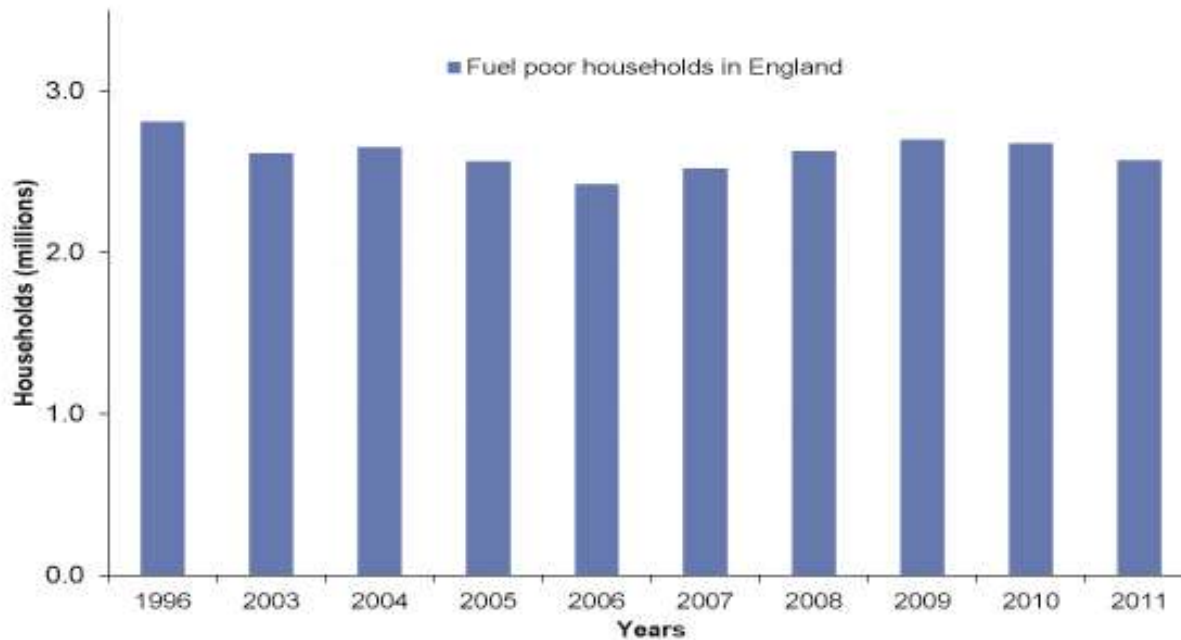
Country	Number of fuel poor households (millions)	Proportion of the population fuel poor (%)	Year of estimate
England	3.20	15%	2011
Scotland	0.58	25%	2011
Wales	0.37	29%	2011
Northern Ireland	0.29	42%	2011

What are the current levels of Fuel Poverty?

Fuel poverty in England- low income high costs, 2003 to 2011



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Fuel poverty in England under the low income high costs measure, 2003 to 2011.

Fuel poverty	1996	2003	2004	2005	2006	2007	2008	2009	2010	2011
England (millions of households)	2.81	2.61	2.65	2.56	2.42	2.52	2.63	2.70	2.67	2.57
Fuel Poverty Gap (£millions) 2011 Prices	1,061	660	704	819	966	999	1,051	1,173	1,130	1,152
Fuel Poverty Average Gap (£)	378	253	266	319	399	396	400	435	422	448

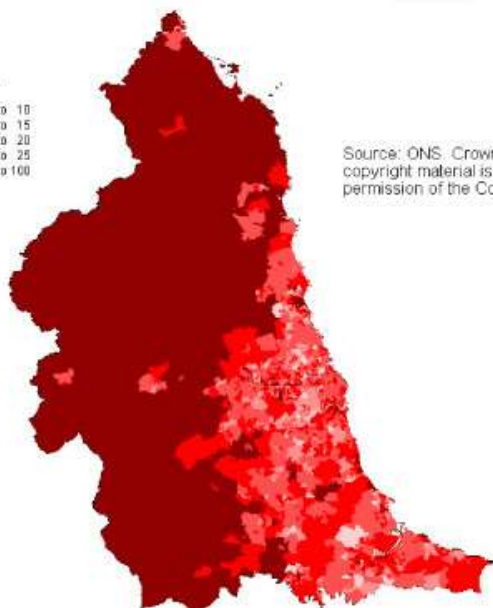
Fuel Poverty the Hills Definition



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Percentage of households in fuel poverty at LSOA level, North East, 2011

Key



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Parliamentary Constituency Name	GOR	Estimated number of households	Estimated number of households in fuel poverty	% of households fuel poor
Newcastle upon Tyne Central	North East	39,229	9,006	23.0%
Newcastle upon Tyne North	North East	36,318	6,289	17.3%
Newcastle upon Tyne East	North East	37,835	8,638	22.8%

Fuel Poverty in the North East, 2011

Percentage of households in Fuel Poverty by Lower Super Output Area (LSOA)

Domestic energy prices 2013

Supplier	Current bill	New bill	Effective from
British Gas	£1,260	£1,336	Nov 16 2012
EDF Energy	£1,202	£1,332	Dec 7 2012
E.ON	£1,260	£1,370	Jan 18 2013
npower	£1,244	£1,356	Nov 26 2012
ScottishPower	£1,349	£1,368	Dec 3 2012
SSE	£1,235	£1,354	Oct 15 2012
Average	£1,258	£1,352	

More Stats



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- **Winter 2012-13 led to domestic fuel consumption rises between 18% and 30%**
 - **This has added an estimated £150 - £200 to this year's annual gas bill for households.**
- **Ofgem, has also released figures that found a typical annual dual fuel bill stands at £1,420, reflecting a 29% increase since April 2010.**
- **Reports suggest there are now 5 million households in debt to their energy suppliers with an average debt of £637.**

Fuel Debt



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- Provisional figures, which are subject to further checks by Ofgem, show there were: 81,798 measures installed under ECO up to the end of April (measures data takes longer to report and there is therefore an additional lag of one month),
- The majority of these were for:
 - loft insulation (56 per cent of all ECO measures),
 - cavity wall insulation (33per cent) and;
 - boiler upgrades(10per cent)
- 131million worth of contracts had been let through ECO brokerage up to 16 June
- 206 GD Assessor Organisations and the 1,798 GD Advisors they employ had been accredited up to 16 June
- Not one measure or plan has been finalised under the rural safeguard.

ECO Update (June)



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Fuel Poverty – Workshop Questions

“Cold, damp, thermally inefficient houses which people cannot afford to heat sufficiently to protect their health are a peculiarly British public health scandal.”

Dr Noel DL Olsen MSc, FRCP, FFPHM





- ? Direct involvement
- ? Professional involvement
- ? How did it go – according to plan/ smoothly?
- ? Positive feedback
- ? Negative feedback
- ? Do you feel people have missed out at all? Who?

What have your experiences of delivering ECO to fuel poor households been so far?



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- ? What would need to change to overcome them?
- ? Have you managed to get anyone into the system?
- ? Was the offer un/suitable?
- ? Were householders interested?

ECO barriers - how can we overcome them?



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- ? **What solutions we want to recommend to overcome these barriers.**
- ? **If it's something you aren't working on or no one is taking up what else is going on?**
- ? **What are you or others offering?**
- ? **How do we get this rolled out into rural areas.**
- ? **What else do you suggest we should do?**

What mechanisms are in place or should be in place to enable householders to benefit from advice and guidance



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Feedback



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- ECO is much more complicated than CERT/CESP
- Too much paperwork
- Offer time too long
- Audit and monetary commitment a problem
- Due to the success of CERT and CESP the 'easy' stuff has already been done. ECO should be tackling the 'hard' stuff – this is not the case so far.
- A lot of the 'big 6' have already allocated their ECO funding and measures to bigger partnerships
- Hard to actually find suitable clients
- Most councils will not have any money to support top-ups
- I am sending referrals directly to energy suppliers rather than ESAS as they lack the understanding needed for such a complex scheme – should really be a local service
- Variations in referral fees for ECO eligible households
- Eligibility Criteria does not include 'old benefits' like incapacity benefit which some households are still on & doesn't include 'new benefits' under welfare reform
- The average cost able to be claimed for HHCRO Energy Co boiler manufacturer scheme is £1500 for a boiler swap, which doesn't fully fund most cases.
- Boiler straight swap or installation not always 'straight forward' – new regs on flu type; boiler access and placement, new pipes – many companies walking away as they would make a significant loss.
- We are finding a difference in costs across different localities
- The Energy Co's operating HHCRO through boiler manufacturers in the early part of the scheme will not pay for radiator/pipe upgrades
- Suppliers are pulling out and not replying to calls/emails

What have your experiences of delivering ECO to fuel poor households been so far?



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- Finding customers for CSCO is more challenging than HHCRO –
 - DECC databases don't cover smaller pockets of derivation
- Too many households are being asked for top-ups
- Unsure how we find out whether any of our residents are eligible for rural CSCO element?
- There is no funding available for fuel switching – eg those in urban areas who are not connected to mains gas.
- No boiler replacement schemes for oil boilers (or anything other than gas)
- The early HHCRO Boiler Manufacturer schemes are only interested in boiler swaps
- HHCRO does not pay for 'extras' – asbestos removal; loft clearance; removal of redundant Electric/warm air systems
- The level of evidence that is required to be collected to prove the 'benefits' that the residents are on is onerous and sometimes impossible
- Renationalise
- Managing customer expectation may be an issue in practice.
- Complete rethink of ECO needed to ensure fuel poor households are the ones being targeted
- Need to ensure solid wall insulations are taking place as expected, not just boiler/cavities and loft.
- Let councils and other RSLs onto the Brokerage
- Levy energy suppliers and distribute locally via councils
- Do the difficult measures first
- Make a budget for rural areas part of the scheme. For example if 30% of the areas stock is rural then 30% must be allocated and spent there.
- Local targeting and supply needed – Give LAs the money to distribute in their area with their contacts in a way they know works
- Regional levies and a tax on energy bills to fund schemes

ECO barriers - how can we overcome them?



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- Local advice services are needed, not one central one. BRING BACK EEACS
- Get back to taxpayer funded schemes
- Oil-buying groups in rural areas
- Closer work with RCCs with them administering funding to rural households
- There is a need for more time to be spent individually with householders – giving them one on one advice that suits their property and lifestyle – a generic roll-out does not work effectively and is not good value for money
- There is a need for education for children and young adults to be aware of energy use and cost from a school age
- There is still a stigma attached to fuel poverty – people still think it is something they just need to get on with and don't ask for help
- Customers need to be more aware of the help available to them and suppliers need to make more of an effort to do this
- The media needs to be better informed about the schemes people are getting in touch quoting from certain papers that they can get a free boiler when this isn't the case
- There is not enough advice in place as ECO is too complicated and people do not want to advise in case of mis-information

What mechanisms are in place or should be in place to enable householders to benefit from advice and guidance



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End of workshop