

The UK Fuel Poverty Strategy 2001

Government Response to the Consultation on Amending Reference to the Warm Front Scheme Eligibility Criteria



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The consultation and supporting documents can be found on DECC's website:
http://www.decc.gov.uk/en/content/cms/consultations/warm_front/warm_front.aspx

Published by the Department of Energy and Climate Change

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General Information

Purpose of this Document

This document sets out the Government response to the consultation seeking views on:

- Proposed changes to the Warm Front scheme eligibility criteria and how it is referred to in the UK Fuel Poverty Strategy 2001, paragraph 4.51.

The consultation was aimed at fuel poverty stakeholders, consumer groups and organisations representing the interests of households at risk of fuel poverty. A list of the organisations that responded can be found at Annex B.

Consultation was issued: 15 December 2010

Closed on: 9 February 2011

Consultation reference:

http://www.decc.gov.uk/en/content/cms/consultations/warm_front/warm_front.aspx

Territorial extent:

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

Additional copies:

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http://www.decc.gov.uk/en/content/cms/consultations/warm_front/warm_front.aspx

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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:

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Executive Summary

Background

1. The UK Fuel Poverty Strategy was published in November 2001¹. 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). 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.
2. 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 Government is also working to introduce the Warm Home Discount scheme which will provide benefits to more of the most vulnerable and low income customers².
3. 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. The Spending Review 2010 committed to fund a smaller, better targeted Warm Front scheme for the next two years. We expect the Green Deal to be in place from the end of 2012 and the new Energy Company Obligation (ECO), to take over from the current CERT and CESP schemes when they expire at the end of 2012. ECO will run in parallel with the Green Deal, and 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. Further details on how the ECO and the Green Deal will benefit the fuel poor will be set out by Government over the coming months.
4. As part of the Spending Review 2010 Government announced its intention to initiate a Fuel Poverty Review. The fuel poverty target and definition will be reviewed in the context of our commitment to focus available resources where they will be most effective in tackling the problems underlying fuel poverty. Details on the terms of the Review and the Reviewer were announced on 14 March.

¹ Fuel Poverty Strategy 2001, available at:
http://www.decc.gov.uk/en/content/cms/what_we_do/consumers/fuel_poverty/strategy/strategy.aspx

² Further information on the Warm Home Discount scheme can be found via:
<http://www.decc.gov.uk/en/content/cms/consultations/warmhome/warmhome.aspx>

Consultation Proposals

5. The consultation on amending reference to the eligibility criteria for the Warm Front scheme in England, as set out in the UK Fuel Poverty Strategy, was published on 15 December 2010 and ran for 8 weeks to 9 February 2011. The consultation set out the Government proposals for amending the Warm Front eligibility criteria and the reference to this in the UK Fuel Poverty Strategy.
6. The consultation did not focus on the scheme's delivery structure or what type of assistance will be offered during the next two years of the scheme. A number of respondents did ask for clarification on the scheme's delivery and this consultation response has therefore addressed, as far as possible, any wider issues raised within responses.
7. The key theme of the consultation was to propose possible revisions to 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. We proposed to revise the eligibility criteria to better focus Warm Front assistance in England at households including 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. We also proposed to target households where the thermal efficiency is low. It was suggested that a Standard Assessment Procedure (SAP)³ criteria could be introduced, alongside the other eligibility criteria, to target Warm Front assistance at homes with a poor energy rating.

The consultation document proposed:

- 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 are in receipt of one of the listed income related criteria.
8. We proposed that to encompass the recommended eligibility changes the reference to the Warm Front scheme in the existing UK Fuel Poverty Strategy 2001 should be revised to say:

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.

³ 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. The higher the SAP number the better the energy efficiency performance of a dwelling.

Summary of Responses to the Consultation

9. The consultation invited all interested parties to comment on the proposals for amending the eligibility criteria and the associated amendment to the wording within the UK Fuel Poverty Strategy 2001. The consultation was available on the Department of Energy and Climate Change (DECC) website and a paper version of the consultation document was made available on request. During the consultation period the Warm Front team made themselves available for further discussion on the consultation questions and went to meetings on request to explain the consultation proposals and listen to feedback.
10. A total of 56 written responses were received from a range of respondents including delivery agencies, local authorities, installers, organisations and individuals with an interest in fuel poverty. All responses were sent electronically. The collation and summary of responses has been prepared by DECC.
11. There was general support for the proposal that the eligibility criteria needs to be better focused. This was on the basis that:
 - With a reduced budget the scheme needs to better target resources at those most vulnerable to fuel poverty.
 - The current Warm Front eligibility criteria does not always focus on the most vulnerable to fuel poverty and the proportion of households eligible for the scheme that are fuel poor could be higher.
 - Using a SAP threshold will help ensure the scheme will focus on the homes where thermal efficiency is relatively poor.
12. A majority of respondents were broadly in agreement with the Government's proposals to tighten the focus of the eligibility criteria, using both a range of income-related benefits and introducing a threshold of SAP 55. A quarter of respondents specifically expressed support for policy option 2, the preferred option, which proposed using the income related benefits that determine eligibility for the Cold Weather Payments. No other approach was identified as a clear alternative. The majority of respondents also agreed with the proposed revisions to paragraph 4.51 in the UK Fuel Poverty Strategy 2001.
13. Concerns were raised about a number of areas of the proposed eligibility criteria and how it would impact on the administration of the scheme:
 - There were concerns that the proposed changes to the eligibility criteria, under policy options 2-6, would not provide sufficient coverage for children under 16, those that are severely disabled or have terminal illnesses, and that the removal of council tax benefit and housing benefit reduces the possibility of locally targeting the scheme.
 - The proposed eligibility criteria focuses too much on identifying an eligible group that has a high proportion of households that are expected to be fuel poor instead of an eligible group that would be larger and enable broader coverage of households most vulnerable to the effects of fuel poverty.
 - A number of respondents, some in agreement with the SAP proposals and others not, questioned how the energy efficiency assessment would be carried out and whether it would be too difficult to administer from the perspective of the scheme manager and the customer.
 - Whilst the majority of respondents agreed that the proposed revisions to the wording in the UK Fuel Poverty Strategy appropriately reflects the Government's intentions to

better target Warm Front, there were a few concerns around the balance between improving the targeting of eligibility and narrowing the group eligible to benefit from Warm Front.

14. Other issues were raised that are outside of the scope of this consultation. These are summarised below and addressed more fully later in this document.
- The reduced budget was mentioned by the majority of respondents as cause for concern and that the demand for Warm Front measures would continue to outstrip the supply.
 - Benefit Entitlement Checks were raised by some respondents seeking clarity whether they will continue to be part of the scheme and praising the results achieved so far.
 - The £300 Heating Rebate Scheme was considered by a few respondents as an element of Warm Front that could be discontinued.
 - There was concern about legacy issues and how Warm Front can provide for those who may have had a boiler installed under the scheme over 10 years ago. There were suggestions that previous assistance under Warm Front should be discounted once the scheme reopens in 2011.
 - There was the suggestion that Warm Front monies should focus on heating measures only with insulation measures provided through the Carbon Emission Reduction Target (CERT) mechanisms.
 - It was also suggested Warm Front should move towards providing renewable energy systems.
 - It was also proposed that monies available for fuel poverty and energy efficiency programmes would be better utilised if dispersed to a local authority level.

Summary of Government Response to the Consultation

15. The chapters that follow contain the detailed Government response to the consultation. After taking account of consultation responses and other evidence, Government has decided:
- That given the resources available, policy option 2 strikes the most effective balance between the targeting of fuel poor households and coverage of vulnerable groups as identified in the Fuel Poverty Strategy.
 - To adopt a SAP threshold of 55. Government recognises that the proposals did not provide enough detail on how the SAP threshold would be established and the practicalities of doing this and the response below provides details on these areas.
 - To amend the UK Fuel Poverty Strategy 2001, paragraph 4.51, as per the consultation document.

Next Steps

16. Following the publication of this consultation response, the Secretary of State will amend paragraph 4.51 of the UK Fuel Poverty Strategy. Government will then lay amendments to the Regulations governing the scheme in Parliament. The scheme will come into force on the day after the Regulations are made.

Responses to the 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.

17. The majority of respondents recognised that with a smaller budget the scheme needed to better target the resources and that previous evaluations of the scheme had suggested it could be better focussed on the fuel poor or those most vulnerable to it. A quarter of respondents specifically expressed support for policy option 2, which proposes using the income related benefits that determine eligibility for the Cold Weather Payments.
18. About a third of respondents were not in agreement that policy option 2 should be used to determine eligibility for the scheme going forward, but no other approach came through as a clear alternative. The concerns raised were based on a combination of reasons that are covered in the points below.
19. There was some support for policy option 3 given (when accompanied by the SAP threshold of 55) it would enable another 345,000 households to be eligible for the scheme, whilst reducing the fuel poverty hit rate by 3 percentage points compared to policy option 2. There were concerns from some respondents about the coverage of vulnerable groups under policy option 2, where it was suggested that families with vulnerable children under 16 and above 5 should be eligible for the scheme. Some agreed policy option 3 would enable vulnerable families with children up to the age of 16 to be eligible for Warm Front assistance. Respondents who support policy option 3 also queried why it was not the preferred eligibility criteria by Government given it mirrors that used to identify the Super Priority Group eligible for CERT.
20. A few respondents considered amending the criteria in any way would make the scheme too restrictive. This was also added to by respondents that considered the removal of Council Tax Benefit and Housing Benefit would disproportionately affect the over 60s who are not claiming a state pension.
21. A small number of respondents suggested that by removing Council Tax Benefit and Housing Benefit from the Warm Front scheme eligibility criteria there would be an end to locally determined benefit receipt as part of the qualifying criteria.
22. Some respondents highlighted concerns that the proposed criteria does not take into account any underlying health issues that may be exacerbated by cold or damp living conditions and would not provide specific assistance for the terminally ill. A small number of respondents thought there should be provision for adults and children who receive higher rate care component for Attendance Allowance (AA) or the higher rate mobility and care component for Disability Living Allowance (DLA). There was also a suggestion that

families with children who receive DLA should be eligible for the Scheme on this basis and not the basis of their parent's income.

23. A few respondents suggested alternatives to the proposed criteria which included: the creation and use of means testing for individual households applying to the scheme though the use of a property asset test with a disposable income assessment for pensioners. There was also a suggestion that the scheme could use an income or savings threshold instead of using Employment Support Allowance (ESA), income based Job Seekers Allowance (JSA) or income support
24. Some respondents made the point that, where possible, Warm Front should aim to work with other schemes that help the fuel poor, such as Government energy efficiency programmes, benefit take up and offers available from energy providers and regulators such as gas connections and energy efficiency measures and advice.

Government Response to Question 1

The Government welcomes the level of support for revising eligibility under the Warm Front scheme to ensure that the help available is better targeted at vulnerable and fuel poor households. The Government is committed to tackling fuel poverty and supporting vulnerable consumers to heat their homes at an affordable cost.

The Government appreciates that there are a range of vulnerable groups that could be covered by the revised Warm Front eligibility criteria, but also recognises that there is a balance to be struck between coverage of vulnerable groups and focusing support under the scheme on those households most in need. This is particularly important in light of the scale of the funding available in the future, as set out in the Spending Review announcement in October 2010.

The Government believes that improving the targeting of Warm Front will help to focus the resources available on those that need them most, and this will require restricting eligibility to a smaller group of households with a high propensity to fuel poverty. The reduced funding for the scheme means that Warm Front will be able to assist a smaller number of households over the next two years relative to previous years.⁴ While Government recognises that revising the scheme's eligibility criteria will reduce the number of households eligible for assistance under Warm Front, a better targeted criteria should result in a greater proportion of those households that do receive support being fuel poor than under the scheme's current criteria⁵.

The Government has considered the issues raised during the consultation in relation to the choice of policy option consulted on, and the inclusion of alternative qualifying benefits. On balance Government continues to believe that, given the resources available, policy option 2 strikes the best balance between the targeting of fuel poor households and coverage of vulnerable groups as identified in the Fuel Poverty

⁴ The number of households that the scheme will be able to assist may vary over time if the cost of delivering measures changes. At present, it is estimated that the scheme will be able to assist over 90,000 households. This estimate is lower than during the consultation, due to updated information on funds available for measures under the scheme and the average cost of installing measures.

⁵ See Table 4 of the Accompanying Impact Assessment, available at: http://www.decc.gov.uk/en/content/cms/consultations/warm_front/warm_front.aspx

Strategy.

The Government appreciates that policy option 3 would provide a broader coverage of vulnerable groups relative to policy option 2 (through extending eligibility to a larger number of households with children between the ages of 5 and 16) and would expand the eligible group. However, Government continues to believe that policy option 2 is preferable for the following reasons:

- The additional households eligible under policy option 3 tend to be on higher incomes than those eligible under policy option 2⁶;
- This reduces the proportion of households that would be eligible for the scheme and that are fuel poor. This increases the risk of the reduced resources available under the scheme being used to assist non-fuel poor households;

The Government acknowledges the possible benefits of adopting consistency between the eligibility criteria of the Warm Front scheme and other work programmes highlighted by respondents, in particular the CERT Super Priority Group⁷. In relation to the CERT Super Priority group, energy suppliers participating in CERT are expected to have a significantly larger level of expenditure available to deliver measures to the Super Priority Group than that available for Warm Front; this also means the Super Priority Group can be bigger in size than that proposed for Warm Front. Considering the relatively smaller funding available to Warm Front, Government believes that it is appropriate to select a more focused set of revised eligibility criteria, to help ensure that the resources available are targeted in a way that balances the assistance of fuel poor households with coverage of vulnerable groups.

The Government recognises the vulnerability of recipients of the higher care component for Attendance Allowance or the higher rate mobility and care components of Disability Living Allowance, but believes there are more suitable proxy benefits, that are means-tested, for targeting vulnerable households with a high propensity to fuel poverty. Given the strong relationship between low income and fuel poverty (89% of fuel poor households are in the bottom three income deciles⁸), and the reduction in available resources for Warm Front, it is considered appropriate to exclude non means-tested benefits from the scheme's eligibility criteria, ensuring that resources are targeted at those who have a high propensity to be fuel poor.

Government has considered whether the removal of Council Tax Benefit and Housing Benefit would disproportionately affect the 60 and over group. On balance, the Government believes that policy option 2 provides good coverage for vulnerable and fuel poor households aged 60 and over. This group is estimated to make up 78% of the eligible group, and the inclusion of Pension Credit, is considered to be a good proxy for identifying low-income households in this age group. The Government also notes that a significant proportion of eligible households under policy option 2 is also estimated to claim Housing Benefit or Council Tax Benefit – around 60% of households eligible under policy option 2 are estimated to also be in receipt of Housing Benefit, and around 56% of eligible households receive Council Tax Benefit.

⁶ See Tables 1 and 7 of the accompanying Impact Assessment available at: http://www.decc.gov.uk/en/content/cms/consultations/warm_front/warm_front.aspx

⁷ Paving the way for a Green Deal – extending the Carbon Emissions Reduction Target supplier obligation to December 2012, Impact Assessment available at: http://www.decc.gov.uk/en/content/cms/consultations/cert_ext/cert_ext.aspx

⁸ Annual Report on Fuel Poverty Statistics 2010, available at: http://decc.gov.uk/en/content/cms/statistics/fuelpov_stats/fuelpov_stats.aspx

Government recognises concerns that the removal of Council Tax Benefit and Housing Benefit will eliminate the locally determined elements of the eligibility criteria. However, as stated above, given that around 60% of households eligible under policy option 2 are estimated to be in receipt of Housing Benefit, and around 56% of eligible households receive Council Tax Benefit Government considers there still to be a reasonable level of help available to these groups.

Suggestions about amending the approach used to identify eligibility groups have also been considered, such as establishing an income threshold or a property asset test. However, Government intends to adopt an approach that uses agreed, established criteria, such as the income related benefits. In using already established criteria the scheme can be easily understood and applied by both the customer and scheme manager. This will ensure decisions about successful applicants can be delivered in a consistent manner and that the processes used to approve an application are cost effective.

Whilst recognising the concerns raised as part of the consultation, Government proposes to pursue policy option 2 in amending the eligibility criteria for Warm Front. The option focuses eligibility on a combination of income related benefits that should better target available resources on low-income, fuel poor households.

Consultation Question 2

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

25. The majority of respondents were in agreement with the principle of applying a thermal efficiency threshold to households applying to the Warm Front scheme. Those that agreed with a SAP threshold considered better targeting of the smaller Warm Front budget could be achieved through assisting the most vulnerable households identified using income related benefits and a test to identify households with poor levels of thermal efficiency.
26. A few respondents in agreement with the SAP proposal questioned why a threshold of 55 for households had been suggested when the average SAP rating for a priority group before Warm Front assistance is currently SAP 33. Some also queried why SAP 55 was considered an appropriate level to set when previously under National Indicator 187 SAP 65 was the upper level reported against.
27. There was also a suggestion that the scheme should set a target for improving the final energy efficiency outcome of a property and that this could be set at SAP 70 or 81. (At the moment the scheme raises the majority of households to at least SAP 65.)
28. Several respondents were particularly concerned that the proposed SAP level would exclude particular properties or living circumstances. A number of respondents suggested that exceptions to the SAP threshold of 55 ought to be introduced for certain types of property for example flats, single occupant properties, older properties and properties with

high heating costs as a result of individual heating needs (such as the elderly or those with a disability).

29. Less than a third of respondents were not in agreement with a maximum thermal efficiency level being applied to Warm Front applications and considered the proposals would not target the most vulnerable households in fuel poverty. For most respondents in this group their response was based on a combination of reasons as detailed below.
30. Most respondents not in agreement considered the SAP proposals would add a level of complexity to the scheme and increase the administration costs both at the point of initial contact with the customer and at survey. There was also concern that at the survey stage a number of properties would be identified as over SAP 55 and this would mean wasted resources.
31. About half of respondents, including some in agreement with applying a maximum thermal efficiency level and others not, questioned how the SAP proposals would be administered. Concerns were raised regarding the practicalities of implementing the proposed SAP criteria, including how the SAP assessments would be carried out and whether Energy Performance Certificates (EPC) would be accepted. Several respondents suggested the use of clear guidance for applicants to assess their eligibility and the possible use of an alternative rating system for defining the thermal efficiency of a property.
32. A few respondents raised the concern that the use of SAP may confuse applicants and deter them from applying. It was also suggested the use of a thermal efficiency level would add uncertainty to the customer regarding whether their application would be progressed as they may find at survey they have a SAP higher than 55 and are no longer eligible for the scheme.
33. A few respondents suggested that the Housing Health and Safety Rating System (HHSRS)⁹ Category 1 Hazard for Excess Cold should be used to improve the thermal efficiency of rented properties. Using the HHSRS was also suggested as a means to remove rented properties from being eligible for Warm Front.
34. It was suggested that to help customers that are identified as living in households where the SAP is above 55, and it is identified that they require insulation measures, their details could be passed to a CERT supplier.

Government Response to Question 2

The Government welcomes the support that the suggestion of a thermal efficiency threshold has received. It recognises that the proposals could have provided more detail on how the SAP threshold would be established and the practicalities of doing this. Government has decided to adopt a SAP threshold of 55, the explanation for this and details on how it will be administered are set out below.

⁹ The Housing Health and Safety Rating System (HHSRS) is a risk based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. Further information can be found at: <http://www.communities.gov.uk/publications/housing/hhsrsoperatingguidance>

The scheme manager currently asks questions at the point of customers' applications that establish an approximate guide to the SAP rating of their house. The questions include details of the house age, current energy efficiency measures and condition of the heating system. The scheme manager uses Reduced Data Standard Assessment Procedure (RD SAP) as part of the technical survey.

The RDSAP is a sub-set of the full SAP assessment. RDSAP is designed to comply with the UK Building Regulations 2000 Part L1B for existing dwellings and is the methodology used for producing the Energy Performance Certificate (EPC) recognised by the Building Research Establishment. The RDSAP software is used by qualified Domestic Energy Assessors (DEAs) to provide an EPC. It is a user friendly method on average and takes no more than 30 minutes to complete. In contrast the full SAP assessment would take about half a day and is considered too costly and time consuming.

The already established processes mean the scheme manager is well prepared to help vulnerable customers through technical questions and that the process will not incur the scheme an additional cost. It is proposed to carry out the same assessment on each house surveyed using the RDSAP process. The scheme will not accept previously completed SAP assessments or Energy Performance Certificates (EPC) as evidence of SAP rating as the SAP rating of a household could have changed since the last assessment was performed.

The comments made in relation to a SAP threshold creating a layer of uncertainty for customers has been noted. However it is considered that the questions at the application stage should establish the approximate SAP and that customers will be made aware this can only be finalised at survey. It should be noted that the income based eligibility criteria is also only confirmed at survey stage.

At present the average SAP level of a household assisted by Warm Front starts at about SAP 33. We considered applying a similar level, SAP 38, to the proposed eligibility criteria set out in policy option 2, however the number of households that would be eligible is low at around 537,000. This presents a narrow coverage when compared to policy option 2 and SAP 55, which would have around 1.5million eligible households. It should be noted that we will continue to try and improve the SAP of all households that benefit from Warm Front to a high standard, however there will not be specific targets for this, as this is very dependent on the property type.

The Government has considered the suggestions about developing alternative SAP thresholds depending on particular household circumstances. The Government has decided that a household that meets the income related eligibility criteria will also have to have a SAP of 55 or below in order to qualify for a Warm Front grant. The SAP threshold of SAP 55 has been chosen on the basis it will ensure the majority of households without a working heating system will be eligible for the scheme and it ensures there is no ambiguity about how the thermal efficiency test will be applied.

A number of respondents referred to the possibility of using the Housing Health and Safety Rating System Category 1 Hazard for Excess Cold to enforce private landlords to adequately heat their properties. It is recognised that there are a number of private tenants that benefit from a Warm Front Grant who should be able to seek assistance from their landlords. It is also recognised that in some circumstances landlords may try to use the Warm Front scheme to their benefit. However evidence shows it can be difficult

to enforce the HHSRS and that while this remains the case it is proposed that private rental properties should remain eligible for Warm Front. To ensure the scheme continues to benefit those most in need Government regulations will only agree grants for persons who have not benefited from the scheme in the last 12 months with relation to another dwelling.

Government also welcomed the suggestion that to help customers who are identified as living in households where the SAP is above 55 and it is identified that they require insulation measures, their details could be passed to a CERT supplier. It has been agreed that where this is the situation customers will be strongly encouraged to approach a CERT supplier for advice on receiving insulation measures.

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.

35. The vast majority of respondents that answered this question were in agreement that the revised wording to the UK Fuel Poverty Strategy appropriately reflects the Government's intention to amend the eligibility criteria. A few respondents disagreed with the proposed wording arguing that the amendments would restrict Warm Front eligibility rather than better target the scheme.
36. There were a few individual suggestions that proposed the wording could be revised so the scheme could also provide solutions to electrical energy issues; highlight that the scheme is aimed at privately owned properties; to stress it the scheme will bring homes up to a decent thermal standard; and that the scheme would offer little if any efficiency improvements if a household is found to be fuel poor due to poor energy efficiency behaviour and not the fabric of a property.
37. Finally, it was requested in response to this question that the UK Fuel Poverty Strategy be reviewed to recognise the local circumstances that can lead to fuel poverty, and the further role that councils could play in assisting their local residents.

Government Response to Question 3

The Government welcomes the level of support expressed for the proposed amendment to the wording of the UK Fuel Poverty Strategy 2001.

Having analysed responses provided against this question, paragraph 4.51 of the fuel

poverty strategy will be amended as set out in the consultation document:

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.

Respondents' concerns on the targeting of assistance under the scheme have been addressed in detail in the Government's response to Questions 1 and 2 above.

Responses to issues raised outside of the scope of the consultation

38. There were a number of points raised by respondents that were outside of the scope of the consultation. These are listed below and the Government has, where possible, addressed the following:
- The reduced budget was mentioned by the majority of respondents as cause for concern and that the demand for Warm Front measures would continue to outstrip the supply.
 - Benefit Entitlement Checks were raised by some respondents seeking clarity whether they will continue to be part of the scheme and praising the results achieved so far.
 - The £300 Heating Rebate Scheme was considered by a few respondents as an element of Warm Front that could be discontinued.
 - There was concern about legacy issues and how Warm Front can provide for those who may have had a boiler installed under the scheme over 10 years ago. There were suggestions that previous assistance under Warm Front should be discounted once the scheme reopens in 2011.
 - There was the suggestion that Warm Front monies should focus on heating measures only with insulation measures provided through the Carbon Emission Reduction Target (CERT) mechanisms.
 - It was also suggested Warm Front should move towards providing renewable energy systems.
 - It was also proposed that monies available for fuel poverty and energy efficiency programmes would be better utilised if dispersed to a local authority level.

Government Response to issues raised outside the scope of the consultation

The Government welcomes the comments and suggestions set out by respondents with regards to wider elements of the scheme. The consultation was not seeking views on how the Warm Front budget will be utilised in terms of measures offered and

management of the scheme. However Government would like to take this opportunity to provide a response to the issues raised and has set out below key changes to the delivery of the Warm Front scheme as a result of policy decisions and the discussions about Warm Front delivery arrangements after April 2011.

Government recognises concerns about the level of funding going forward and has taken policy and contractual decisions that will make best use of the budget available. It has decided that the Warm Front scheme will continue to operate using the same approach as 2010/11, taking applications until all funds available in a given financial year have been allocated. Once the funds are allocated the scheme will then temporarily stop taking new applications until the following financial year.

Government also decided that in order to ensure that as much of the funding as possible is spent directly on measures that will most significantly improve the thermal efficiency of a house, the scheme will no longer offer Benefit Entitlement Checks, the £300 Heating Rebate Voucher or compact fluorescent light bulbs.

Government also decided that best value for money can be achieved under the scheme by using the current CERT interaction arrangements to deliver cavity wall and virgin loft insulation wherever possible, moving to a 10% inspection rate on new or replacement gas and oil heating systems and moving from two years of aftercare to one year which will include 12 months breakdown cover and one Annual Service Visit on new gas heating systems. Government has also decided that, with the exception of repair jobs that can be completed at the point of survey, all jobs will be allocated using the e-bid process.

Government has considered the suggestion that previous successful applications to Warm Front could be discounted and the grant available for each house start again at the full amount. Government has decided that due to the potential overlap with existing and previous customers this would not be the best use of funds. It is also expected that the legacy issues for customers who had heating systems installed up to 10 years ago will in part be addressed through the increased grant maxima in 2009.

Finally, Government would like to acknowledge the support the Warm Front scheme receives at a local level. Local authorities and partners are integral in signposting and supporting customers through the Warm Front scheme process. Government does not intend to allocate Warm Front funding at a local level and instead will continue to focus delivery of measures to those vulnerable to fuel poverty by directly targeting eligible groups.

ANNEX A – 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. |

ANNEX B – List of organisations responded to the Consultation.

In addition to the organisations listed below, 4 members of the public emailed responses to the consultation.

| Organisation | Organisation |
|---|--|
| Age UK | Kent Energy Efficiency Partnership (KEEP) |
| Association for the Conservation of Energy | Lancashire Home Energy Group |
| Association of Greater Manchester Authorities (AGMA) | Leeds City Council |
| Borough Of Poole Housing | Local Government Association (LGA) |
| Bournemouth Affordable Warmth Partnership | London Borough of Barking and Dagenham |
| Brigstowe Project | Middlesbrough Affordable Warmth Steering Group |
| Calderdale Council | National Aids Trust (NAT) |
| Chartered Institute of Environmental Health | National Carbon Action Network (CAN) |
| Cheshire East Council | National Energy Action (NEA) |
| Citizens Advice | National Grid |
| Consumer Focus | Pendle Borough Council |
| Derby City Council | RWE npower Ltd |
| Devon Private Sector Housing Group | Salford City Council |
| Dorset Energy Advice Centre | Scottish and Southern Energy plc (SSE) Bottom of Form |
| Durham County Council | Somerset West Partnership |
| E.ON | Stockton-on-Tees Borough Council |
| EC Harris LLP | Sunderland City Council |
| ELEXON | Swindon Affordable Warmth Partnership Group |
| End Fuel Poverty Coalition | The Footprint Trust |
| EST advice centre, Greater Manchester | Warm Front Delivery Advisory Board |
| Foundations | West Sussex Local Authorities |
| Fuel Poverty Advisory Group (FPAG) | Westminster City Council |
| Grant Aided Heating Installers Network (GAIN) | Wirral Council |
| Greater Manchester Directors of Public Health Group | |
| Hambleton over Fifties Forum/ Richmondshire Senior Forum | |
| Hastings Borough Council | |
| Homewise | |
| Independent Age | |
| Islington Council | |

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