

Social Action Plan Newsletter

Gas network extended!



From l to r: Virginia Graham - Ofgem, Robert Wallace and Nick Clark - E.S. Pipelines

Virginia Graham, Ofgem's Director of Social and Environmental Affairs, officially switched on the gas supply in a ceremony at Staithes Village Green earlier this month, making gas available to residents of the village of Staithes in Yorkshire for the first time.

She joined Nick Clark and Robert Wallace of E.S. Pipelines (an independent gas transporter) and Gerry McLaughlan of United Utilities Energy Solutions at the site.

The extension of the network will help residents cut their expenditure on energy. It also has important environmental benefits.

Commenting on the gas connection, Virginia said, "I am delighted that the residents of Staithes can now connect to mains gas, and that work will soon be completed to provide a more affordable

form of energy to the area. This will be especially important for those on low income"

United Utilities and E.S. Pipelines plan to extend the gas supply further to other nearby areas. In total approximately 1500 homes will be able to connect to the mains gas network.

Residents are being offered a connection for £330 in the initial phase, though annual savings on their bills should soon more than make up for the outlay.

Message from the editor

After a short break to publish our Annual Report on the Social Action Plan, the SAP newsletter is back in business. The Annual Report was published at the end of March and reflected on what we have been up to in the past year and what lies ahead for this year.

We have also issued a factsheet on fuel poverty, described by no less an organ than the Public Utilities Access Forum Information Bulletin (PUAF) as "handy". Both documents are available from the usual sources (see back page).

Just before going to press, the latest Social Action Plan Review Group meeting was held. Chaired by Callum McCarthy, and attended by top executives from suppliers, and representatives from energywatch, PUAf, and DTI, the group looked at issues including the future of the Energy Efficiency Commitment and the current joint energywatch/Ofgem debt prevention project.

Members of the Authority met with the former Energy Minister Brian Wilson and Environment Minister Lord Whitty

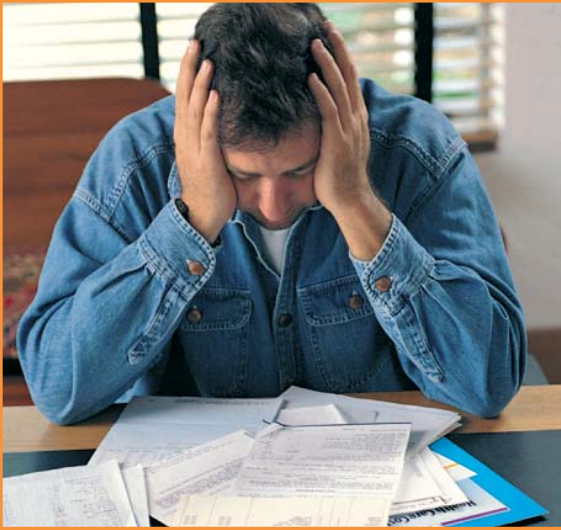
in June to discuss matters arising from the White Paper and the government's new guidance. The government's new guidance is currently circulating in draft form and will be published soon.

We have a busy summer ahead of us, with work on a variety of projects described herein.

At the next time of writing, our new Chairman Sir John Mogg will be in post and our new CEO will, hopefully, have been appointed. Exciting times ahead...

Graham

- Graham Knowles



Suppliers act to prevent debt

As reported in the last Social Action Plan newsletter, energywatch and Ofgem have invited domestic suppliers to prepare and implement debt prevention strategies, focussing on improvements in **five key areas**.

As reported in the last Social Action Plan newsletter, energywatch and Ofgem have invited domestic suppliers to prepare and implement debt prevention strategies, focussing on improvements in six key areas.

These cover: accuracy and frequency of billing; use of incoming calls; using customer records to help customers in difficulty; flexibility in debt recovery; working with others to offer sustainable solutions to customers in severe difficulties; and helping customers who are unable to manage their own affairs.

All suppliers have responded positively, acknowledging that their performance in these areas identified is crucial to preventing customers getting into debt and also helping customers who are in debt avoid getting into serious difficulty and facing disconnection.

Most suppliers are now in the process of implementing their debt prevention strategies.

These include a variety of initiatives, some of which are shown below:

- Improving **training programmes** to help staff provide a service that recognises individual needs and identifies those customers who would benefit from additional help such as energy efficiency advice,
- Piloting **specialist advice lines** and advice packs offering guidance on debt related services,

- Reviewing **call strategies** to optimise the chance of contacts and varying debt recovery techniques and timescales according to a customer's payment history,
- Improving **meter reading** processes for new and existing customers and providing incentives to meter readers to maximise the chance of getting an actual meter reading,
- Targeting **energy efficiency calls** and mailshots to customers in debt, offering energy efficiency measures as an incentive to customers to take up advice and considering other ways of using IT systems to target help

In their strategies, suppliers have also recognised the need to work with advice agencies to help customers who have more serious and wider debt problems. Many suppliers are using the opportunity to develop their relationships with advice agencies and set up links with Trust Funds, which can provide sustainable packages of benefits to customers in severe difficulty.

What next?

Ofgem and energywatch have just started a process of visiting all suppliers over the next few months to discuss the implementation of their strategies. Ofgem and energywatch will review how strategies have impacted on the measures shown below towards the end of 2004.

Warmth for all

The first stage of the Community Energy Awareness Programme, which aims to work with people from black and minority ethnic communities across the London Borough of Camden, is now underway.

The purpose of the pilot is to offer Energy Awareness training to people who then become volunteer Community Energy Advisors within the 'Warmth for All' programme. It is seeking people who can speak English and a community language to provide the necessary knowledge and information via the training programme, so that the volunteers can take the information and advice back to those people in their community who can benefit from this.

Ofgem is supporting the pilot by providing literature on switching and saving energy for trainers to distribute, and

helping to finance the evaluation and dissemination of results so that other local authorities can learn from Camden's experience.

The training for the City and Guilds in Energy Awareness course is being provided at the Working Men's College in Camden. Students signed up so far come from Somalia, Zaire and Ethiopia. There is full language support from an ESOL (English for speakers of other languages) tutor. This means that students have the opportunity to improve their English language skills at the same time as studying for a nationally recognised qualification. One of the students recently said, 'This is a beneficial course, very advantageous; useful for me and the community'.

The course will be running again in September 2003. For further information, please contact Helen Casey, Community Energy Awareness Programme Manager Tel 020 7974 5059 or email helen.casey@camden.gov.uk

Are suppliers services **any good?** Its a mystery!



Ofgem's Social Action Plan team are undertaking two projects to check on suppliers' special needs and advice services.

The first is a new project examining the services provided to elderly disabled and chronically sick customers under the Priority Service Register (PSR).

The project involves an evaluation of the services provided, including a **mystery shopping exercise** to see how suppliers are performing, and interviews with customers eligible for the PSR to see what their views are and what services they value.

We are looking at the operation of the free gas safety check that suppliers must provide to eligible customers who request it, and what customers who have had a free check thought of it.

We will also be looking at how distributors and transporters treat their

elderly and disabled customers.

The second project, following on from last year's mystery shopping exercise of suppliers' energy efficiency advice services, will be looking to see if suppliers have made improvements to their energy efficiency services, since the last study carried out in the winter of 2001/2.

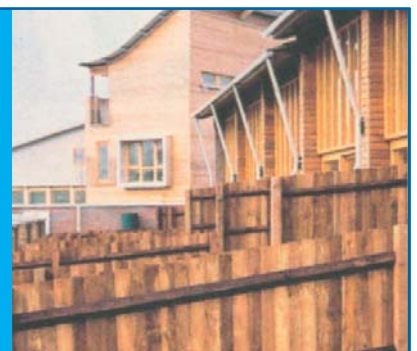
Since that time, Ofgem has issued best practice guidelines for suppliers and the companies who were marked poorly in the first report have vowed to make improvements. The report is due to be published in December, and customers can see what progress their suppliers have made.

On the subject of energy efficiency, the **Energy Efficiency Partnership** for Homes is soon to launch its **code of practice** for advice providers. The code will cover all aspects of advice provision and will be applicable at different levels, from specialist advisors who provide detailed advice in the customers' home to high street shops who sell energy efficient goods.

A number of energy suppliers have expressed interest in signing up to the code, which will provide a form of quality charter mark. Ofgem hopes that eventually all suppliers will do so.

Affordable **housing** within 'Reach'

Early May saw a visit by members of Ofgem's Social and Environmental directorate to Gallions Eco Park, at Gallions Reach Urban Village in East London. Gallions Eco Park is a project to provide ultra energy efficient, environmentally sustainable social housing.



The scheme is run by Gallions Housing Association and involves newly built houses with energy efficient features including extensive insulation, an efficient combi-boiler, low energy lighting, and an innovative 'sun space' at the front of each house which can provide free heating courtesy of the sun (when it shines). The 39 homes include two, three and four bedroomed

properties and have been allocated to families on the housing association waiting list.

During the tour, Ofgem staff were shown the "naked house" - a demonstration house that illustrates all the sustainable and energy saving features. There was particular interest in the monitoring that will be carried out

over the first year of the project. This will, among other things, track energy usage. Gallions anticipate that the properties will use far less energy than average. They also hope that other social housing providers will copy their model.

**For further information,
Gallions have a website at
www.gallionsecopark.co.uk.**

EEC - one year and two more to come

The **three-year EEC programme** sets targets on energy suppliers to provide energy efficiency measures to households across GB.



In the first year of the programme, suppliers have achieved around 30% of the overall energy saving target. Insulation measures account for 60% of this work leading to **energy savings, cost savings and improved comfort** for households.

An important feature of the target is that suppliers must achieve 50% of the total energy savings in Priority households, those receiving income related benefits and tax credits.

Over the first year of the programme, 45% of the energy savings have been met within the priority group. Suppliers have indicated that they are planning to deliver around 40% of their energy savings through partnerships with social housing providers, mainly to provide insulation to priority households.

These partnerships enable suppliers to locate priority households and get additional funding so these customers don't have to pay anything. The current shortfall in assisting the priority group is due to the time taken to set up the partnerships, but they should soon begin to deliver.

Ofgem has assessed over 100 scheme proposals in the first year of the EEC, involving a mixture of insulation, heating, lighting and appliances. As well as working with social housing providers, many suppliers are also working with retailers and charities to promote energy efficiency measures.

Ofgem's quarterly 'EEC Update' details the progress in delivering the EEC. If you wish to be included on the mailing list for the EEC Update, please email your details to eec@ofgem.gov.uk

Pension Credit arrives

Ofgem met with the Department for Work and Pensions (DWP) in May to discuss the introduction of Pension Credit.

This replaces Income Support and Minimum Income Guarantee for people over 60 from October this year. The Government is very keen that all those eligible should benefit from Pension Credit, and has launched a publicity campaign to encourage people to claim.

Those receiving **Pension Credit** will remain eligible for **Fuel Direct**, and it is important that fuel suppliers are aware of the changes. Pension Credit will be administered by the Pension Service of DWP, who will be responsible for processing Fuel Direct applications. Working with suppliers, Ofgem will be helping to monitor the arrangements.

Further changes are likely as a result of the introduction of the new Child Tax Credit. Unlike Pension Credit, this will be operated by the Inland Revenue, and therefore Fuel Direct will not be available.

Because people will be better off on tax credits, DWP estimate that some 70,000 claimants will no longer receive Income Support or Job Seekers' Allowance. Ofgem has asked fuel suppliers to ensure that where Fuel Direct is terminated in these circumstances, the rate of debt recovery is continued at equivalent to the Fuel Direct level.

Social Issues



Team contact details

If you would like to receive a regular copy of the newsletter or have a general social action plan query, please email:

sap@ofgem.gov.uk

To request Ofgem's consultation documents, please email:

distribution@ofgem.gov.uk

For further information you can also visit our website on:

www.ofgem.gov.uk

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