

Eaga Partnership Ltd

Response to the consultation paper - Energy Efficiency Commitment 2005 – 2008  
Administration Procedures

September 2004

**Eaga Partnership Ltd – Background**

Eaga Partnership welcomes the opportunity to respond to Defra's consultation on Energy Efficiency Commitment 2005 – 2008 Administration Procedures.

In order to put our comments into context, it may be helpful to briefly outline Eaga Partnership's role in the provision of energy efficiency across the United Kingdom and Ireland.

Eaga is an employee-owned Social Enterprise working for Defra, Welsh Assembly Government, Communities Scotland and Department for Social Development in Northern Ireland, Utilities and Local Authorities. Eaga also fund the work of the Eaga Partnership Charitable Trust (EPCT) who sponsor and finance research into the area of energy efficiency and fuel poverty, including their housing and health impacts.

Eaga has been involved in the delivery of energy efficiency and demand side management programmes throughout the UK for the past fourteen years. Over 5 million households have received assistance from Eaga through our energy efficiency schemes and other programmes of work.

Eaga conceived, developed and proposed the piloting of the 'Warm Zones' concept, which is discussed within the UK Fuel Poverty Strategy. Warm Zones is one way to provide a joined up delivery mechanism to tackle the problem of Fuel Poverty. However, such solutions are costly and so, Eaga has now developed more cost effective multi-funded community interaction programmes to achieve the same or improved outputs.

Likewise, Eaga has developed and is delivering a Benefits Entitlement Check service on behalf of Defra, the Scottish Executive and shortly on behalf of the Welsh Assembly Government. We also provide this service to energy utilities with customers who are disadvantaged or vulnerable. Recent results have shown that approximately two households out of every five that receive a Benefit Entitlement Check identify that a benefit has been missed (results have shown that of those households who have taken up the offer, 50% are then able to claim a qualifying benefit). The average weekly increase where this is the case is around £22-25, which works out at £1,300 a year and can significantly increase the household income.

During this time we have also worked in partnership with Local Authorities and Public Energy Suppliers providing energy efficiency measures to domestic households under the existing Energy Efficiency Commitment.

Amongst these, Eaga manages a £150 million programme with the leading UK energy supplier, British Gas, to deliver their EEC funding to the Social Housing Sector.

This national scheme has been branded "here to *HELP*", and provides a one-stop shop approach to reducing fuel poverty in some of the most deprived areas of the UK.

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Our experience in assessing work to be carried out for low income and vulnerable households across the United Kingdom has provided Eaga with a wealth of 'hands on' experience working within this sector.

We hope that our contribution will be useful in highlighting the ways in which a 'joined up' approach can ensure that the energy efficiency commitment is given the obligation it needs.

### **Eaga Partnership's recommendations:**

#### **Compliance**

- Eaga Partnership welcomes the acknowledgement of the need to conduct customer satisfaction monitoring additional to auditing.

**Eaga believes that this demonstrates a commitment to customer service excellence.**

#### **Qualifying Action**

- Eaga has a wealth of experience in supplying free Compact Fluorescent Lightbulbs (CFLs), as well as the professional installation other energy efficiency measures, such as loft and cavity wall insulation, in the home. We have a considerable depth of knowledge in identifying and meeting the needs of the customer (particularly those within the Priority Group) in the provision of these measures, and have a wide range of customer feedback to support this.

**Eaga recommends that our substantial base of experience in this field be utilised in formulating ways to facilitate the distribution of CFLs and provision of energy efficiency measures.**

**However, we would express reservations with the proposed strategy for the distribution of CFLs, in particular in relation to their distribution at charity events and would recommend that any strategy takes into consideration the potential for administrative procedures to act as a barrier to customer take up levels.**

#### **Monitoring (Customer Satisfaction analysis)**

- Eaga welcomes the commitment to monitoring consumer satisfaction for professionally installed heating and insulation. Rigorous inspection and continuous monitoring of customer approval remain a central part of our dedication to service excellence, and stands as one of our core values as an organisation.

However, the terms of the document indicate that not all measures would be subject to such analysis under these proposals.

**Eaga therefore appreciates the desire to implement comprehensive monitoring of consumer satisfaction, but we would go further and urge that all measures be subject to full monitoring, in order to underline and reinforce consumer confidence.**

## Specific points from the consultation

### Section 4, Para 4.5, p.16

Eaga Partnership notes the intention to take account of the factors set out in Chapter 6 of the document in order to determine whether a proposed action would result in an improvement in energy efficiency.

**Whilst we welcome the move to specify concrete criteria, we would urge that other factors are considered; such a judgement must be backed up by a number of other informed sources within the energy industry.**

### Section 4, Para 4.17, p.19

Eaga recognises the need for close monitoring of improvements in energy efficiency as a result of a supplier's actions. As part of our management of the Warm Front grant, we are continuously scrutinised, internally and externally, as to how the measures installed serve to improve energy efficiency in homes throughout the country.

**We would recommend that mechanisms be established to ensure independent monitoring.**

### Section 4, Para 4.27, p.22 – Annual reports

Eaga welcomes the provision made for accountability through an annual reporting process. However, whilst the wording given here is that '*suppliers are encouraged [our emphasis] to produce reports on their progress*', we would advocate a firmer stance – continuous reporting must be a stated obligation.

We would suggest that due to the programme dealing with the priority group, many of those involved will be vulnerable and hard to reach – one can not simply assume that a certain number amongst this group are benefiting from these measures; as such a robust reporting process is therefore highly desirable.

Finally, we would recommend that any reporting process be given a standardised format by a recognised authority; for example the Energy Savings Trust. This would ensure that all suppliers are obligated to provide specific and standardised information – again this would improve accountability and increase effectiveness.

**Eaga therefore recommends that a standardised, thorough and compulsory reporting process be implemented.**

**Section 5, Para 5.13, p.25 – Auditing**

Eaga welcomes the move to appoint an independent auditor. We would suggest that if the EEC programme is also scrutinised by both the National Audit Office and the Public Accounts Committee, then this would boost consumer confidence and increase accountability.

We are happy to share the manner in which our Warm Front work is audited in order to provide a model that may be of use.

**Section 5, Para 5.14, p.25 – Auditing**

Eaga Partnership welcomes the acknowledgement of the need to conduct monitoring additional to auditing.

**Eaga therefore strongly recommends that methods such as mystery shopping be implemented, as a means of making a tangible commitment to high standards of customer service.**

**Section 6, Para 6.9 (ii) (b), p.29**

Eaga has concerns over the intention to ask consumers for full names and addresses in the process of administering CFLs. This measure may be likely to put the consumer off, and we would suggest that research be carried out to assess whether this is a potential barrier for the priority group in particular.

**Whilst we fully appreciate the need to validate applications and track the process, we would suggest that there is a need to ensure that the confidence of the priority group in accessing EEC are not lost within such administration.**

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**Section 6, Para 6.9 (vii) (b), p.32**

Eaga welcomes the recognition of the opportunity to work in conjunction with other government programmes, such as Warm Front, and we would agree that steps should be taken to clarify the issue of payments.

However, we would ask that further definition be provided over exactly how this will work in practice – in particular whether the intention is to deal with the claiming of retrospective payments or the installation of additional measures not available under another scheme.

### Section 6, Para 6.10, p.34 – The Priority Group

Eaga has concerns over how one defines ‘the Priority Group’. The option chosen here is to define the Priority Group as *‘those households in receipt of at least one of the qualifying benefits or credits detailed in the schedule to the draft Order’*.

Whilst Eaga welcomes the continued focus on helping low-income consumers and specifically those in receipt of certain welfare benefits, we must also make clear that those on low income and/or in receipt of benefits do not necessarily equate with the most in need. We would support a focus on the former, but would welcome higher priority being given to the identification of such groups. Research, alongside Eaga’s own experience, has shown that many low-income groups may not be claiming their full benefit entitlement in terms of income related, disability or tax benefits.

Evidence of this can be found in a report by the Trade and Industry Select Committee, who in reference to our Benefit Entitlement Check mentioned earlier, said that *“20% of applicants who go through the benefits health check process are able to claim an additional benefit [providing] an average additional income of £25 per week”*.<sup>1</sup>

Our Benefit Entitlement Check and Warm Front experience means that we have built up a large database of clients who fall into the definition of low income households; significantly, we also know how to reach those clients who may not be aware that they are part of this vulnerable group.

**However, we worry that one group of customers are effectively being ‘chased’ by a number of sources – for example Warm Front and EEC – and wonder if this is the best use of resources. We would also question whether this is effective for the specific needs of the Priority Group.**

### Section 6, Para 6.10, p.34 – The Priority Group

Eaga notes the aim of ascertaining whether an individual householder may be in the Priority Group at the time of the home visit. We also note the intention to check benefit books and tax credit entitlements at the time of the visit.

As part of the Warm Front process, we have a full staff of trained home assessors who carry out home visits of this nature on a daily basis. They are experienced in dealing with the Priority Group and identifying proof of benefits and tax credits in a sensitive manner. Eaga are more than happy to share our experience in this field to help others come to an understanding of how such visits may be carried out in a manner that achieves all objectives and satisfies the customer.

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<sup>1</sup> GREAT BRITAIN, Parliament, House of Commons, [Fuel Poverty](#): Sixth report from Trade & Industry Select Committee Report, Session 2001-02, (HC 814). NB – the quote refers to a ‘benefit health check’, which has since been renamed Benefit Entitlement Check.

**Section 7, Para 7.23, p.44 – DIY Loft Insulation**

Whilst the aim of restricting DIY loft insulation schemes to domestic consumers as opposed to builders or insulation contractors is a laudable one, Eaga has reservations over how realistic and achievable this would prove in practice.

**Section 7, Para 7.27, p.45 – DIY Loft Insulation**

Eaga observes the premise that *‘a consumer will return any unwanted, whole rolls of insulation material to the retail store for a refund’*. Again, we would express reservations over how attainable this commendable aim would be in reality.

**As an alternative to this, Eaga would recommend that the return of this material be actively encouraged, by making the consumer aware that it allows environmental monitoring to be accurate and has a real and tangible purpose.**

**Section 7, Para 7.52, p.51 – Direct CFLs**

Eaga has doubts over the need for such a system to limit the provision of CFLs to four per household. For example, if a supplier were to cross check the amount of CFLs received with address information, this does not take into account the possibility that other suppliers could be providing CFLs through other routes or promotions. This would make it extremely difficult for the initial supplier to confirm the accuracy of the initial figure.

Moreover, we would point out that attempts to limit other households to one CFL per household are also questionable – surely to provide four CFLs for these households would still be much more environmentally beneficial?

**Section 8, Para 8.2, p.58**

Eaga welcomes the intention to adopt appropriate quality standards before commencing projects. Our wide ranging experience in technical monitoring, garnered through our Warm Front work in particular, has given us a broad knowledge base in this area, which we would be happy to share. Additionally, we would be happy to use our experience of devising and maintaining the technical guidelines for the Warm Front scheme in order to offer support in the revision of the Technical Guidance for the current EEC.

**Eaga also recommends that the monitoring of consumer satisfaction be considered a necessity at each stage of the process, rather than solely after the end result.**

**Section 8, Para 8.6, p.59 – Standard monitoring questions**

Eaga welcomes the move to set standard monitoring questions in order to ensure consistency between suppliers and attain clarity of administration. However, given the importance of the subject and the potential pitfalls in putting this together, we would strongly welcome consultation on this issue.

**Section 8, Para 8.16, p.61 – Hot Water Tank Jackets**

Eaga welcomes the commitment to monitoring consumer satisfaction for professionally installed heating and insulation. Rigorous inspection and continuous monitoring of customer approval remain a central part of our dedication to service excellence, and stands as one of our core values as an organisation.

However, the terms of the document indicate that not all measures would be subject to monitoring under these proposals. Those measures not currently down for monitoring (such as hot water tank jacket and radiator panels) would require very little time to inspect, and the benefits of increased consumer confidence would by far outweigh any additional burden on resources.

**Eaga therefore recommends that all measures be subject to full monitoring, in order to underline and reinforce consumer confidence.**

**Section 8, Para 8.29, p.63 - CHP**

We refer to our previous answer in detailing why we feel it would be necessary to provide comprehensive monitoring of a CHP installation.

**Appendix 4 Glossary, p.74**

We refer to our previous answer regarding definition of Priority Group.