

**From:** Mervyn Kohler  
**Sent:** 06 May 2008 10:55  
**To:** Sarah L Piggott  
**Subject:** Monitoring and reporting social initiatives.

Sarah,

Thank you very much for Maxine's letter about Ofgem's activities in the monitoring and reporting of suppliers' social activities to help vulnerable customers.

It seems to me that Ofgem has a role to play in five areas, some of which overlap:

1. the existing raft of social initiatives;
2. the analysis of social tariffs;
3. the tariff structure in general;
4. the uses to which the 'new' money is put;
5. and in the context of monitoring CERT, how these activities supplement or add to CERT obligations.

The work done over the last year or so has developed a very helpful framework for (1) and (2). However we must move on from what is a rather dry analytical set of reports. If, as BERR is urging, suppliers should be innovating and indeed competing in these areas, the information needs to be presented in a way which is more meaningful to the general public, so that people can use it in forming opinions about the different suppliers' offerings, and also use it to influence their actions as consumers. Perhaps it is not Ofgem's role to provide opinions, but a presentation of the material in such a way as to allow other players - in particular the media - to explore and promote the findings should be the next development. The reports of June, August and October last year were all noted by the organisations close to the consumer movement, but there was not much useful comment in the public domain.

Other regulators, such as the Audit Commission or Ofsted, publish comparison tables, which regularly attract attention, and this might be worth considering. Another issue in the energy sector is the nomenclature and the eligibility criteria, and some pressure from Ofgem to develop more standard terminology would help the public to appreciate what was available from the different suppliers.

The tariff structure in general (3) remains incredibly opaque, and must militate against decisions to switch suppliers (or even switch tariffs from the same supplier) - a strategy which is central to the messages from Government, Ofgem and energywatch. There is a lot of concern about the increasing divergence between the cheapest and the most expensive tariff available, and the Ofgem work on social tariffs could be developed to report more conspicuously on the general tariff structure.

It is early days both for CERT (5) and the 'new' money (4) promised as a result of discussions around the Budget. In Help the Aged's view, the new money might add to the social programmes already in place, but just as usefully could be used to add to the activities directed towards the priority group in the CERT programme. It is well attested that programmes of this kind (and it applies to Warm Front too) do not always succeed in raising a dwelling to a SAP of 65, or taking a household out of fuel poverty. I cannot offer you a methodology to address this, but it would certainly involve a more robust process of surveys and more comprehensive reporting on what has been achieved by any intervention.

This would also be a sine qua non if the current discussions on data sharing bear fruit, and the DWP provided access to householders in the vulnerable category. In principle, Help the Aged would be happy to see more data sharing if it enabled suppliers to make their contribution to alleviating fuel poverty more successful, but the standards of reporting would need to be more rigorous than at present. Beneficial results would have to meet a higher standard of proof. I anticipate that Ofgem is developing its thinking in this respect.

I hope this helps, and shall look forward to the formal consultation.

Mervyn Kohler