

Response from Richard Chubb , EHO with a passion for fuel poverty and insulation - Allocation of voluntary redress payments in the context of enforcement cases consultation

Question 1:

Do you agree with our objectives for the allocation of voluntary redress? If not, please explain why.

- I agree companies should have no influence over where fines/ penalties. Should have no benefit from PR
- Burden should not be on OFGEM. I agree Councils and charities should bid for cash and report themselves on outcomes. I think enough targeting of the vulnerable has occurred and we should aim for the working families a level above this. ECO covers the most vulnerable anyway.

Question 2:

Are there any additional objectives or criteria we should consider when making a decision on our forward approach to voluntary redress? Are there things our approach should definitely include or absolutely avoid?

- Time to invest in long term energy efficiency, forget about replacement boilers. Invest in EWI and IWI of solid walled homes and HTT cavity homes, insulation above boilers.

Question 3:

What are your views on 'Option 1: Current process with enhanced principles'? Are there any other advantages, disadvantages, risks or costs relating to this option that we should consider?

- The number of charitable recipients should be proportionate to the size of the penalty. Yes agreed - to reduce admin costs
 - *The allocation of voluntary redress payments to charities or trusts that were established by the company under investigation and/or whose name contains a reference to that company should be precluded.* Strongly agree.
 - *An open bidding process should be used to select recipients.* Disagree - limited to NEA type charities and Councils.
 - *Money should be used to support vulnerable energy consumers (with a specific focus on supporting their energy-related needs).* Insulation and efficiency only. Target the young/ disabled also. Not just elderly.
 - *Recipient organisations, including indirect recipients, should be told that the money they receive is a result of enforcement action.* Yes –though they probably don't care.
 - *Potential recipients must demonstrate they can and will monitor and regularly report on the impact of the funding they receive.* Yes and return it if they don't report. No point over reporting though.

Question 5:

What are your views on 'Option 2: Responsibility given to a third party with appropriate expertise'? Are there any other advantages, disadvantages, risks or costs relating to this option that we should consider?

- Yes agreed with some monitoring of how and to whom they allocate funding. Always a risk of favouritism to members of NEA etc. Risk that if only Councils bid for it, those Councils that are already stripped to the bone and don't have time/ resources to bid, may not benefit. Would be good if each County is allocated funding and its split according to capita in deprivation in private housing.

Question 6:

How should the costs of the third party associated with allocating redress be funded?

- It should be minimal as the responsibility for monitoring should be passed to the LA who receive money.

Question 7:

Should the company that made the redress payment have an input into the approval of recipients under this option?

- No it shouldn't. When I receive a speeding fine I don't get to select a friend to receive my fine. Why should they?

Question 8:

How can we ensure that smaller potential recipients can bid and are not disadvantaged compared to larger potential recipients?

- If they are small and can demonstrate cost effectiveness, then they should be on equal footing. If they use purchasing organisations and aren't overly bureaucratic then this should be possible.

Question 9:

What are your views on this 'Variation on Option 2 – Voluntary redress payments go to a charitable trust set up by Ofgem'? Are there any other advantages, disadvantages, risks or costs relating to this option that we should consider, particularly in relation to the DAF provider model set out above?

- Better control over overheads. If run correctly it could be better and have more control over this than NEA type charities. Charities have a tendency to become top heavy. With Chief execs receiving far more than they are worth. Should be based outside of London.
- Risks are always that this is replicating what existing charities already do, set up costs, secondments are all time consuming to start. I think NEA have been doing good job, Costs just need to be controlled and reporting given to those spending.

Question 10:

How should the costs of running a charitable trust set up by Ofgem be funded?

- Central funding. It doesn't need to be a massive organisation. Maybe 4 people working part time.

Question 11:

What are your views of the idea of using part of voluntary redress payments to support specific schemes? What are the advantages, disadvantages, risks or costs relating to this idea? What existing schemes could be considered under this approach?

- Should be used primarily as capital for measures to improve energy efficiency.

Question 12:

Which of the options in this consultation do you think should be used and why?

- Set up arm's length charity using people seconded from the NEA. Base it in the Midlands/ North preferably near a mainline train station.
- Fines/ enforcement action must be cut away from influence from the energy companies. Insulation should be the primary aim.

Question 13:

Should any other options be considered? If so, please provide an outline explanation of your suggested alternative option(s). Please also outline any associated benefits and costs with the alternative option(s).

- Give money directly to the Association of Local Authority Officers.
- They are relative experts and could monitor this money and its outcomes.
- Benefits- local knowledge, low cost, local spend. Good leadership.