



## Boiler scrappage scheme

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This note sets out information about the boiler scrappage scheme (Greener Boiler Incentive) for those living in England announced in the Pre-Budget Report 9 December 2009. It was open for application between 5 January and 26 March 2010.

Some energy companies operate a similar scheme beyond 26 March 2010, but constituents are advised to obtain quotes from a range of sources, including local independent boiler fitters, to ascertain which provides the best value.

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### **1 Introduction**

In the Pre-Budget Report, 9 December 2009,<sup>1</sup> the Chancellor announced the introduction of a boiler scrappage scheme, properly called the Greener Boiler Incentive scheme.

The Pre-Budget Report states:

Installing an efficient heating system can be another cost-effective way to cut household energy bills and carbon emissions, as domestic heating accounts for 13 per cent of UK greenhouse gas emissions. Replacing an older boiler with the latest efficient models can reduce a household's energy bill by around £230 a year. The Pre-Budget Report announces a £400 incentive to help up to 125,000 households upgrade their boiler, available to those who buy a new boiler or renewable heat unit to replace a working G-rated boiler. The Government will work with industry to launch the scheme at the earliest opportunity in 2010.<sup>2</sup>

In his statement to the House of Commons, the Chancellor explained that inefficient domestic boilers add over 1 tonne of carbon to the atmosphere each year. He added that the new boiler incentive would "build on the successful car scrappage scheme."<sup>3</sup>

These statements indicate that the scheme is likely to operate like the car scrappage scheme.

The Pre-Budget Report failed to provide details of how individuals could apply, when the scheme would start, or whether it would be extended once the budget allocation of £50m runs out.

It appeared that residential households and privately-rented homes would be the main beneficiaries and that it would not be means-tested. It was reported that consultations were underway with the boiler industry.<sup>4</sup>

### **2 Initiation and operation of the Government scheme**

On 5 January 2009 the Government initiated the boiler scrappage scheme for England. Decisions on the implementation of similar schemes in Scotland, Wales and Northern Ireland are the responsibility of their governments and assemblies (see below).

A press notice set out further details about the scheme:

The Government's Boiler Scrappage Scheme has already triggered some companies to complement, and in some cases match, the offer and it is expected others will follow suit. This will extend the scheme to many more householders and safeguard work for

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<sup>1</sup> Cm 7747

<sup>2</sup> Para 7.36 Cm 7747

<sup>3</sup> HC Deb 9 December 2009 c365

<sup>4</sup> "Thanks, Darling - but after boilers and bingo what else is there?" *Observer*, 13 December 2009 p10

the heating industry. People are advised to shop around to find the best deal which suits them before applying to the Scheme.

The Government's Boiler Scrappage Scheme will:

-Help sustain work for the 130,000 installers and over 25 UK-based boiler manufacturers throughout the economic recovery.

-Save money. A household's energy bill could be cut by between £200 to £235 a year.

-Save carbon. Replacing 125,000 G rated boilers should save in the region of 140,000tCO<sub>2</sub> per year - equivalent to taking 45,000 cars off the road.<sup>5</sup>

From 5 January-26 March 2010 householders in England with G-rated boilers, or worse, could apply through the Energy Savings Trust for a voucher which will entitle them to £400 off the price of a new, modern, A-rated boiler or a renewable heating system like a biomass boiler or a heat pump.

The efficiency rating of boilers is set out on their label, or can be ascertained by visiting [www.sedbuk.com](http://www.sedbuk.com), which has a database of information on most boilers in the UK.

The cost of a new energy-efficient boiler is likely to be about £2,000 or more. Installation costs would be additional. Some properties may need significant extra pipe work and radiator improvements which could increase the usual costs significantly.

The EST online application webpage gave more information:

#### **Who was eligible for the scheme?**

The scheme was open to 125,000 householders in England living in an owned or privately rented home.

Please note:

i) If you are a householder (including tenants) under 60 you can only apply for the scheme if the boiler you are scrapping is in working order and is the main boiler used to heat the home.

ii) If you are a householder (including tenants) and 60 or over you can apply for the scheme regardless of whether the boiler you are scrapping is in working order. However, it still needs to be the main boiler used to heat the home.

Only householders and landlords who privately own and rent dwellings were eligible to apply for a voucher. Boiler installers and manufacturers, local authority registered social landlords, and housing associations were not eligible to apply

#### **Why wasn't this scheme running in Wales, Scotland and Northern Ireland?**

The devolution of power to Wales, Scotland and Northern Ireland means that their assemblies and governments will take decisions on whether they want similar schemes.

#### **How can you tell if your boiler is G-rated?**

A good quick test for gas boilers is to see if it has a permanent pilot light -if it has then it is very likely to be a G-rated boiler. If it is gas fired and over fifteen years old it is

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<sup>5</sup> DECC press notice, "Boiler scrappage to benefit jobs, climate and bills", 5 January 2010

likely to be eligible. If it is oil fired and over twenty five years old, it is likely to be eligible.

For a better idea, why not see if your boiler make and model is listed as G-rated or worse by clicking [here](#).

Alternatively, you can ask your nominated installer to assist you in determining whether your boiler is eligible.

### **3 Closure of the Government scheme**

The £50m funding for up to 125,000 households to upgrade eligible heating systems was fully allocated and the scheme closed to new applicants on 26 March 2010.

Successful applicants have up to 12 weeks after receiving their voucher to have the work done and claim the £400 off the cost of installation

Lord Hunt, Energy and Climate Change Minister, said:

"The scheme's been a great success and is already helping people cut down on their fuel bills. An 'A-rated' energy efficient boiler can help save around £200 a year off fuel bills and reduce emissions.

"The scheme has also provided a much needed boost to England's plumbers and boiler manufacturers, helping to sustain work for the 130,000 installers and up to 25 UK-based boiler manufacturers throughout the economic recovery.

"As a result of the scrappage scheme, we've seen other companies backing the scheme and giving their own discounts as well."

Some energy suppliers will continue to run their own promotional schemes. Over the past two months, all the major energy companies which sell and install boilers (British Gas, E.On, npower and Scottish & Southern) have matched the Government's offer, giving householders potentially a total of £800 off the cost of a new efficient boiler and some boiler manufacturers are also offering deals.<sup>6</sup>

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<sup>6</sup> DECC press notice, *Boiler scrappage scheme reaches target*, 26 March 2010