



Warm Front Scheme

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The Warm Front scheme in England was a programme designed to help vulnerable households, including those in fuel poverty, to benefit from energy efficiency improvements such as home heating and loft insulation measures.

A total of 2.3 million households received assistance from the Warm Front scheme since it was launched in 2000. Following the October 2010 Spending Review, the funds available for Warm Front were reduced from £345 million in 2010/11 to £110 million in 2011/12 and £100 million in 2012/13. From April 2011, the eligibility criteria were tightened to target the most vulnerable households and those living in the more poorly heated and insulated homes.

Warm Front was criticised before its re-launch for not being sufficiently focused. The eligibility criteria were targeted towards more vulnerable households and poorly heated and insulated properties but the reduction in funds meant that fewer households could be assisted. The Green Deal has now replaced CERT, CESP, and Warm Front and ended the use of taxpayer-funds for energy efficient measures as all energy customers pay for the Green Deal through their energy bills.

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1 Introduction

There are separate schemes in England, Scotland, Wales and Northern Ireland to help meet fuel poverty targets by enabling vulnerable households to benefit from the installation of heating systems and associated insulation measures. Details of each of these schemes can be found in the [Energy Efficiency Schemes](#) Standard Note.

The Green Deal which has now replaced the Warm Front is underpinned by an ‘energy company obligation’ (ECO); the ECO provisions within the Green Deal commenced in March 2013. The “Affordable Warmth” element of ECO aims to focus on hard-to-treat homes, the vulnerable and the fuel poor and is now the main scheme for help towards replacing boilers. For more information, the library has a [standard note](#) on the Green Deal and the [eligibility criteria](#) can be found on the gov.uk website.

2 Warm Front

The Warm Front scheme was first launched in June 2000. It was funded by the Department of Energy and Climate Change (DECC) and aimed to tackle fuel poverty by improving energy efficiency in privately owned and private rented properties in England.¹

It was developed from the Home Energy Efficiency Scheme (HEES) which began in 1991. HEES was contracted out since then and was run by eaga Ltd. Carillion Energy Services then acquired eaga Ltd as the contractor to DECC in May 2011.²

2.1 Eligibility for the Warm Front scheme

The revised eligibility criteria from April 2011 were aligned to those that determine qualification for Cold Weather Payments (CWPs). This means that provision of Warm Front assistance was exclusively based on means tested benefits, but still targeted support at the main fuel poverty vulnerable groups.³ CWPs are targeted at those most vulnerable to the cold i.e. disabled adults and children, the elderly and families with young children who are in receipt of an income related benefit. The Government says that these are groups who spend more time in doors and often have restricted mobility because of age or disability.⁴

Eligible customers were all those awarded:

- Pension Credit or;
- income-related Employment and Support Allowance that includes a work-related activity or support component (this includes contribution based ESA customers in the support group who get an income related top up because they automatically qualify for the enhanced disability premium payable with income related ESA).

And those awarded:

- Income Support or;
- income-based Jobseeker’s Allowance, or;

¹ DECC, [Warm Front website](#); 16 February 2012

² Carillion Energy Services, [press release](#); May 2011

³ DECC Impact, [Assessment Amendments to the eligibility criteria for the Warm Front scheme](#); 10 March 2011

⁴ DECC, [Government Response to the Consultation on Amending Reference to the Warm Front Scheme Eligibility Criteria](#); 21 March 2011

- income-related Employment and Support Allowance in the assessment phase (first 13 weeks of the claim)

Who *must have also* had one of the following:

- a pensioner premium, or;
- a disability or severe disability premium, or;
- an award of child tax credit that also includes an element for a disabled, or severely disabled child or young person, or;
- a child under the age of five living in the house with the applicant

Assuming the applicant qualified, then the current energy rating of the home was measured using a Standard Assessment Procedure (SAP). To be eligible for Warm Front, the home must have had a SAP rating of 55 or below. A SAP score of 55 is at the very bottom of energy efficiency rating band D in the Energy Efficiency Rating chart of A to G. In 2009 an estimated 54% of all private sector dwellings in England had an energy rating of below D.⁵

2.2 What did the Warm Front offer?

Qualifying households could get improvements worth up to £3,500 (£6,000 where oil central heating and other alternative technologies were recommended).⁶

Grants were available for improvements such as:

- loft insulation
- draught proofing
- cavity wall insulation
- hot water tank insulation
- gas, electric, liquid petroleum gas or oil heating
- glass-fronted fire - the Warm Front scheme could be used to convert a solid-fuel open fire to a glass-fronted fire

Eligible applicants did not have to pay anything as long as the work did not cost more than the grant available. If the cost of the work was more than the grant available, applicants would have had to make a contribution to enable work to go ahead. Work would not have started without making sure applicants were willing and able to pay the difference.

2.3 Consultation over new eligibility criteria: February 2011

The consultation on the new eligibility criteria for Warm Front ended in February 2011.⁷ Consumer Focus warned in December 2010 that the:

Freeze on applications for the Government's Warm Front scheme announced at that time, and the funding cuts for the scheme, could deprive thousands of vulnerable households of the help they need to make their homes warm and cut their energy bills.⁸

⁵ *English Housing Survey Housing Stock Summary Statistics Tables 2009*, DCLG. Table SST7.1

⁶ Direct.gov.uk, [Warm Front website](#); 16 February 2012

⁷ DECC, [Government Response to the Consultation on Amending Reference to the Warm Front Scheme Eligibility Criteria](#): 21 March 2011

⁸ Consumer Focus press release, [Energy efficiency freeze leaves poorest households without help](#); 15 December 2010

Consumer Focus said it was very concerned that 50,000 of the poorest households were already on a waiting list for the scheme given that funding was to be drastically reduced. Consumer Focus said the Government needed to take a number of steps;

To help mitigate the funding shortfall now, money from the energy supplier-run Carbon Emissions Reduction Target (CERT) scheme should be used to pay for the energy efficiency measures currently carried out under Warm Front.

Consumer Focus recommends that reduced Warm Front funding is used to concentrate on heating repairs and installation.

If energy firm-run schemes are to take over responsibility for energy efficiency measures for low income households these schemes must be subjected to much greater levels of scrutiny and accountability. The amount of money from energy firm run schemes ring-fenced for low income customers must be increased dramatically.⁹

National Energy Action (NEA) also had concerns.¹⁰ In January 2012, Consumer Focus pointed to the £30m under spend on Warm Front in 2011/12 which it attributed to a lack of marketing and a milder winter.¹¹

2.4 Take up of the Warm Front scheme

From 2000 to the end of March 2012, a total of 2.3 million households in England, or 11% of all households received assistance. The most common types of assistance were loft insulation (0.7 million), draft proofing (0.6 million), cavity wall insulations and replacement boilers (both 0.5 million). Trends in households benefiting and spending are given below.¹²

Warm Front beneficiaries and spending, England, 2000-2013

		Number of households receiving assistance	Expenditure (£ million)	
			Cash	2011-12 prices ^a
2000/01	outturn	97,600	72	93
2001/02	outturn	307,700	197	250
2002/03	outturn	219,300	163	202
2003/04	outturn	189,000	152	184
2004/05	outturn	208,100	165	194
2005/06	outturn	173,200	190	219
2006/07	outturn	253,100	315	353
2007/08	outturn	268,900	350	383
2008/09	outturn	233,600	395	420
2009/10	outturn	213,000	369	387
2010/11	outturn	127,900	366	374
2011/12	outturn	33,100	109	109
2012/13	forecast	35,000	70	69

a) Adjusted using March 2013 HM Treasury GDP deflators and OBR forecasts

Sources: HL Deb 17 May 2001 c324WA; HC Debs 14 February 2911 c545W, 20 December 2010 c982W, 24 November 2008 c1105W, 11 November 2008 c1146W; 18 June 2012 c829W; 6 September 2012 c416W; 28 January 2013 c609-10W; 11 February 2013 c454W

⁹ Ibid

¹⁰ National Energy Action consultation response to [The UK Fuel Poverty Strategy 2001 Consultation on Amending Reference to the Warm Front Eligibility Criteria](#); December 2010

¹¹ Consumer Focus [Warm Front – use it or lose it](#); 31 January 2012

¹² DECC and Carillion Energy Services, [The Warm Front Scheme Annual Report](#); 2011/12

The following shows more details of the measures installed over the lifetime of the scheme:

Measures installed under Warm Front in England, to end March 2012

Loft Insulation	722,295
Draughtproofing	577,913
Cavity Wall Insulation	491,242
Hot Water Tank Jackets	157,957
Boiler Replacements	479,234
New Gas Central Heating	190,694
Heating Repairs	121,476
Electric Central Heating	75,586
Gas Wall Heaters	24,752
Factory Insulated Dual Immersion	
Hot Water Tank	8,767
Oil Central Heating	4,383

Source: DECC and Carillion Energy Services The Warm Front Scheme Annual Report 2011/12

The number of households assisted by Warm Front by constituency and by year can be found in a [deposited paper](#) from early 2012.

Information from DECC shows that a considerable number of applications were rejected as well as accepted by the scheme contractors. The drop in numbers as a result of the new eligibility criteria and energy rating test and the reduced funding led to a drop in applicants to the scheme. In 2010-11, 227,000 households applied and 123,000 were successful.¹³ In 2011-12, 72,000 applied and 43,000 were successful.¹⁴

2.5 Funding

As table 1 above shows, spending fell drastically after 2010/11. The October 2010 Spending Review announced that funding for Warm Front would be considerably reduced and would be phased out as the Government's new Green Deal came into force:

DECC will fund a smaller, targeted Warm Front programme for the next two years with a budget of £110 million in 11/12 and £100 million in 12/13. From 2013, support for heating and insulation for the most vulnerable will be delivered through the Green Deal for energy efficiency and a new obligation on energy companies.¹⁵

On 15 December 2010 the Government announced that it was temporarily halting the scheme as applications were expected to exceed the budget available for 2010-11.¹⁶ The scheme was re-opened to applicants on 14 April 2011 following new rules on eligibility (see below).

DECC added £25 million in 2011-12 to the £110 million settlement from the Spending Review to complete outstanding work from the previous year. A further £10 million was

¹³ HC Deb, 2 February 2012; [c751W](#)

¹⁴ HC Deposited Paper 2012/944

¹⁵ Department of Energy and Climate Change, [HMT Spending Review Press Release](#); 20 October 2010

¹⁶ HC Deb, 15 December 2010; [c103WS](#)

added from the Department of Health. Actual expenditure was £108.6 million before a rebate of almost £14 million from Carillion Energy Services to offset expenditure in 2011-12.¹⁷

The budget for 2012/13 was set at £100 million, but forecast spending, including commitments for applications approved by the closing date, but not carried out, was £70 million around the time the scheme closed. The £30 million difference was used to support local authority projects to improve energy efficiency of homes.¹⁸ This was confirmed in a written answer on 12 February 2013 which can be seen below:

- **Steve McCabe:** To ask the Secretary of State for Energy and Climate Change what plans his Department has for the estimated £50 million underspend from the Warm Front scheme. [142367]
- **Gregory Barker:** Although there is inherent uncertainty, the Department closely monitors spend and activity under the Warm Front scheme using information from the scheme manager (Carillion Energy Services) on the level of demand for the scheme and the delivery times experienced. Our monitoring suggests that spending on Warm Front applications made in 2012-13 could amount to some £70 million. The fuel poverty capital budget for 2012-13 is £100 million. In order to maximise the use of this budget, we have established a Local Authority Fuel Poverty Competition. Through this, £30 million has been awarded to local authorities across England to improve the thermal efficiency of dwellings for low-income and vulnerable local residents, for example through installation of efficient central heating systems and insulation.¹⁹

3 Reviews of the Warm Front scheme

There were reviews of the Warm Front scheme by the National Audit Office (NAO) and the Energy and Climate Change (ECC) Committee in 2009 and 2010.

The NAO's report in February 2009 found that:

...nearly 75 per cent of households who would qualify [for support under the Scheme] were not necessarily in fuel poverty [and that] over 236,000 grant recipients between June 2005 and March 2008 (37 per cent) received only non-means tested benefits, but under Scheme regulations eaga [the company which delivers the Scheme] were not required to check whether those recipients were in fuel poverty.²⁰

The report makes the point that a large number of the households in receipt of assistance which were not in fuel poverty may have otherwise fallen into fuel poverty or be 'near' fuel poverty. The NAO also found that 18% of households that had received assistance under the scheme between June 2005 and March 2008 already had a SAP rating above 65, meaning they were less likely to have been fuel poor.

The energy rating criteria introduced in April 2011 met this criticism as only properties with a SAP rating below 55 qualified for assistance. At the same time the tightening of the eligibility criteria focused assistance on the most vulnerable households.

¹⁷ HC Deb, 6 September 2012; c415-6W

¹⁸ HC Deb, 16 January 2013; c47WS

¹⁹ HC Deb, 12 February 2013; c616W

²⁰ National Audit Office, *The Warm Front Scheme*; 4 February 2009

The ECC Committee commented that:

...many people who are fuel poor are not eligible for or do not claim the “passport” benefits which would allow them to access measures designed to assist those in fuel poverty.²¹

The NAO told the ECC Committee that the Warm Front Scheme at the time was only available to approximately 43 per cent of vulnerable households (classified as families with children, the elderly or occupants in long-term ill health) in fuel poverty, and 35 per cent of all households in fuel poverty.

The NAO also told the Committee that:

...one of the reasons is that many people do not claim benefits to which they are entitled. The Department for Work and Pensions has calculated, for example, that at least a third of people eligible for pension credit did not claim it in 2006-07. The Scheme has tried to account for this effect through offering a benefit entitlement check to all applicants, to determine whether they are eligible for additional benefits they are not currently claiming, which may make them eligible for the Scheme.²²

²¹ Energy and Climate Change Committee, *Fuel Poverty* HC424; 30 March 2010

²² Ibid