



What did we achieve?

We are pleased to have been able to lift 42 of our Challenge 100 families out of fuel poverty. However, we knew from the start that as an energy supplier, we don't have all the answers to tackling fuel poverty. The project's results have confirmed this by showing we couldn't eradicate fuel poverty from all the households that took part.

We found that improving the energy efficiency levels of the property, and changing the behaviour of those living there, had the most impact in terms of eradicating fuel poverty during Challenge 100. By improving the properties' energy efficiency ratings, we could ensure a long-term reduction in the householders' energy costs. We drew on our in-house expertise and experience to deliver these measures efficiently and to make sure our Challenge 100 families were happy with the work we carried out.

We found that it's critical to give householders energy efficiency advice and information about changing their energy using behaviour, if the projected savings from energy efficiency installations are to become real savings on householders' bills. We used our in-house expertise, through our One Stop Shop advisors, to deliver these supporting measures both face to face and over the phone. We also recruited Community Energy Volunteers to provide additional on the ground support. As an energy supplier, providing energy efficiency advice is a crucial part of our customer offering.

We also learnt that community engagement is key to running a successful fuel poverty programme. Where we were able to work closely with the local authority, and householders could speak to a local point of contact, we found that the project ran much more smoothly and often, neighbouring householders wanted to join the programme too.

Working in partnership with:

- Age UK
- Birmingham City Council
- Citizens Advice
- Durham County Council
- Energy Saving Trust
- Experian
- Loughborough University
- Luton Borough Council
- Manchester City Council
- Money Advice Trust
- National Energy Action
- South Staffordshire Council

To find out more about Challenge 100, you can read the full report at eon-uk.com/media or email cr@eon-uk.com



Challenge 100

Tackling fuel poverty for 100 families,
in 100 homes, in 100 days

Challenge 100 facts:

- We've eradicated fuel poverty for 42 families.
- We helped families in Birmingham, Manchester, Luton, County Durham and South Staffordshire.
- We've actually helped 102 families in 100 days.
- We installed external wall insulation in 78 homes.
- We installed or topped up loft insulation in 39 homes.
- We worked with universities, councils, charities and government bodies.
- We struggled to help those families who needed more than energy efficiency measures and advice to take them out of fuel poverty.
- Some people didn't want to talk to us about their finances, or were happy with their current energy tariff/payment method.
- Sometimes the right energy efficiency measures weren't available under the Government's frameworks.



Why Challenge 100?

The latest fuel poverty statistics show that around 4 million households in the UK are living in fuel poverty. This is despite huge investment from energy suppliers and the Government in schemes designed to tackle the problem. We set-up Challenge 100 to help us understand how we could make a difference to fuel poverty levels and whether the current system allowed us to do this.

In particular, we wanted to find out:

- where we're best able to tackle fuel poverty alone
- where we need to work with partners
- where the Government needs to make policy changes to enable households to be lifted out of fuel poverty as effectively and quickly as possible.

What is Challenge 100?

The Challenge 100 project tackled fuel poverty for 100 families, in 100 homes, in 100 days. We worked closely with a range of partners to deliver the support and advice that our families needed to help them heat, light and power their homes as effectively and affordably as possible. Our case study approach allowed us to gather real practical insights into the experiences of families in fuel poverty.

We gave our Challenge 100 householders access to a range of free services to help make their energy bills easier to manage. These included energy efficiency measures such as loft, cavity wall or external wall insulation, new central heating systems or boiler replacements and draught proofing. We also provided simple energy efficiency advice to further reduce their bills and a benefits checking service to help maximise their income. The householders taking part were not always E.ON customers.

We wanted to see how effective the current system was for tackling fuel poverty, so we only offered measures that are currently available through the Government's energy efficiency programmes. These are the Carbon Emissions Reduction Target (CERT) and the Carbon Emissions Saving Programme (CESP). Because we followed the rules for these two frameworks, there were some restrictions around the measures we could offer to each family, for example, rural areas don't qualify for CESP funding.

We also recognised that it can be hard for householders to navigate through the wide range of support currently available and this makes the existing approaches less effective than they should be. To keep things simple, we trialled a 'One Stop Shop' approach to tackling fuel poverty. This provided the full package of measures that are needed to help a family living in fuel poverty.

We brought together a coalition of 12 expert partners that worked in three urban areas (Birmingham, Manchester and Luton) and two rural areas (South Staffordshire and County Durham). In each area, the relevant local authority helped to identify households that might be fuel poor and to gain their trust to carry out the fuel poverty assessments and the whole house measures that were needed. As well as local authorities, our expert coalition also included Experian, Money Advice Trust, Age UK, National Energy Action, Energy Saving Trust and Citizens Advice. These partners shared their experience and expertise of working with people living in fuel poverty and helped us provide support to our householders through the One Stop Shop. Loughborough University was our academic partner for the Challenge 100 project.

What problems did we find?

For the families that we couldn't lift out of fuel poverty, we found this was often due to a very low annual income, averaging between £6,000 and £7,000 across our urban areas. The energy efficiency measures installed and the advice provided, helped these householders feel warmer in their homes and save money on their energy bills. But these measures alone weren't enough to reduce their energy spend to below the fuel poverty threshold.

We did offer an income maximisation package as part of Challenge 100, but many householders declined this. Some families refused the package because they were satisfied with their household income, or because they knew which benefits they were entitled to. But some householders just didn't want to talk to us about their finances.

We also offered all householders advice on their energy tariff and payment method. As many of the householders weren't E.ON customers, it was sometimes hard to give detailed tariff advice because we had limited information about their existing tariffs. We also found that many householders were happy with their tariff or payment method, even if this wasn't the most cost-effective solution.

Finally, there were some households where we couldn't install the energy efficiency measures or technologies that might have had the greatest impact on reducing fuel poverty. This was because the CERT and CESP frameworks didn't cover the measures that some households needed. Also, in some cases, the families would be asked to make a significant contribution to the cost of the measures. Although we covered these during Challenge 100, using our CaringEnergy fund, the extra costs will have to be factored into any national scheme if the fuel poor are to truly benefit.

Results and recommendations

We believe Challenge 100 has given us important insights into three key areas.

1. What needs to be done to tackle fuel poverty.
2. How fuel poverty programmes can make sure they provide effective and efficient help.
3. Where special focus is needed to eradicate fuel poverty in certain areas.

We've based the recommendations outlined below on our findings in each of these areas.

1. What needs to be done?

Changing the condition of the home and the behaviour of the family, through energy efficiency measures and advice, is the most sustainable way of reducing fuel poverty.

Recommendations

- The Government must design a fuel poverty strategy which meets the specific needs of the fuel poor and is based around improving the energy efficiency of their homes.
- Targeting energy suppliers' social spend commitments on energy efficiency measures will enable the fuel poor to benefit from programmes such as the Green Deal and from future supplier obligations.

Existing energy efficiency programmes such as CERT and CESP aren't flexible enough to support those living in fuel poverty.

Recommendations

- Any scheme(s) replacing or succeeding CERT and CESP should allow suppliers to provide a wider range of energy efficiency measures so they can meet the needs of their most vulnerable customers.
- Energy efficiency programmes must also include 'make good' costs for solid wall insulation and similar measures if they're to be suitable for fuel poor customers. The Government should ensure these costs are included in the programme structure.

For some householders, energy efficiency measures alone aren't enough to take them out of fuel poverty.

Recommendation

Whilst energy suppliers can play a role in this area, we don't have the expertise to provide the comprehensive financial support that these customers need, such as debt management services or an in-depth benefits entitlement check. We believe suppliers should be able to refer their most vulnerable customers to a government-supported money advice service. The cost of this referral scheme should be recoverable under the supplier's social spend commitments.

2. How can fuel poverty programmes be effective and efficient?

Any fuel poverty programme must be simple for householders to access. It must provide a full package of support at a single point of contact, and include after-care services.

Recommendation

Green Deal energy efficiency assessors should be able to make referrals from the Green Deal to a fuel poverty programme to make sure vulnerable customers don't miss out on accessing vital means of support. The full benefits of this support must be explained in a way that the customer can both understand and appreciate.

Community engagement, tailored to local needs, is critical to ensure take-up and involvement of vulnerable householders in energy efficiency schemes.

Recommendation

The Government's approach to fuel poverty should encourage local authorities and energy suppliers to work together to deliver tailored and effective schemes. Companies delivering fuel poverty programmes should provide a clear, local point of contact for communities.

3. Where is special focus needed?

Fuel poor customers living in rural areas require a special focus and additional attention. This is because their properties often need more expensive measures than those in urban areas.

Recommendation

The Government must recognise the specific needs of the rural fuel poor by incorporating measures aimed at solid wall and off-gas properties into its fuel poverty programme and into any future supplier obligations. This package must include microgeneration and low carbon heating systems.

Next steps

As a result of Challenge 100, we're going to overhaul the way we support our customers who might be living in fuel poverty. Previously, we've dealt with the issue in two separate ways:

- by providing obligated support through the CERT priority group, CESP and our social programme spend
- by managing those customers that were in debt.

We hope to share more information on how we'll change our business as a result of Challenge 100 in the coming months.

In addition, we believe the Government needs to consider these recommendations and the practical findings from Challenge 100 when it designs energy efficiency programmes and supplier obligations for the future. By doing this, it will make sure these really make a difference to the fuel poor. We want to see a clear commitment from the Government that the fuel poor won't be prevented from accessing the benefits of the Green Deal.

E.ON has learned a considerable amount from Challenge 100 and we've already started to incorporate this new knowledge into our business practices. We hope we'll keep learning more as we go forward. Above all, we hope the Government will incorporate our learnings into the Green Deal, so it becomes a fair deal for fuel poor customers.