

**EXPLANATORY MEMORANDUM TO
THE HOME ENERGY EFFICIENCY SCHEME (ENGLAND) (AMENDMENT)
REGULATIONS 2012**

2012 No. 2140

1. This explanatory memorandum has been prepared by the Department of Energy and Climate Change and is laid before the House of Commons by Command of Her Majesty.

This memorandum contains information for the Select Committee on Statutory Instruments.

2. **Purpose of the instrument**

- 2.1 This explanatory memorandum has been prepared for The Home Energy Efficiency Scheme (England) (Amendment) Regulations 2012 ('the Regulations') which amend the existing Home Energy Efficiency Scheme (England) Regulations 2005 (S.I 2005/1530) ('the principal Regulations').

- 2.2 The principal Regulations provide the legal basis for the payment of grant for the provision of energy efficiency measures, known as the 'Warm Front' scheme. The Warm Front scheme enables the administering agency to accept applications for the payment of grants for energy efficiency assistance from people who are entitled to certain benefits (and who are considered to be vulnerable to fuel poverty), and to install heating and insulation measures that will improve the thermal efficiency of their homes.

- 2.3 These amendments will broaden the Warm Front eligibility criteria, aligning the income-based criteria with those used for the Affordable Warmth group of the forthcoming Energy Company Obligation and aligning the thermal efficiency criteria with the average level for social housing, thereby increasing the pool of eligible households. The amendments will also allow for customers living in mobile homes to be assisted under the scheme and will enable the closure of the scheme to new applicants later in the year.

3. **Matters of special interest to the Select Committee on Statutory Instruments**

- 3.1 The Regulations will enable the approval of applications from people who, as a household, receive a certain set of targeted income-related benefits and who live in less energy efficient properties with a Standard Assessment Procedure (SAP) threshold of 63 or less. The changes to the eligibility criteria will broaden the potential pool of eligible households in England from 0.95m households to 2.0m households. In addition to the change in eligibility criteria, the amendments will also allow for customers living in mobile homes to be assisted under the scheme. This will

be achieved by exempting applicants who live in mobile homes from the requirement to meet the minimum SAP threshold to qualify for assistance.

4. Legislative Context

4.1 The principal Regulations, most recently amended by The Home Energy Efficiency Scheme (England) (Amendment) Regulations 2011 (S.I. 2011/833) are made under Section 15 of the Social Security Act 1990 (c.27) and provide for the payment of grant to improve the energy efficiency of eligible households. The consent of HM Treasury has been sought and obtained in accordance with section 15(8) of the Social Security Act 1990.

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 Warm Front is part of a package of key programmes for tackling fuel poverty in the private sector in England. Originally launched as the Home Energy Efficiency Scheme, it was re-branded in February 2001 as Warm Front. This rebranding is relevant only in so far as it is the public name given to the scheme as implemented by the Regulations.

7.2 Warm Front provides insulation and heating measures to eligible households in receipt of the benefits and credits specified in regulation 4 of the principal Regulations. Following an application, an assessment is carried out to establish whether the applicant is eligible for assistance. If eligibility is confirmed, suitable insulation and/or heating measures as appropriate are installed.

7.3 The Spending Review 2010 committed funding for a smaller, targeted Warm Front scheme for the final two years of the scheme to March 2013. The scheme will continue until towards the end of 2012/13 by which point the Energy Company Obligation (the ECO), which will work in tandem with the Green Deal, will be in place. The ECO is expected by Government to play a greater role than previous obligations on energy suppliers in supporting vulnerable households to heat their homes adequately.

8. Consultation Outcome

8.1 The Department did not consult on these Regulations. The Department consulted on changes to the eligibility criteria for the Warm Front scheme in 2010/11. The Department is not required to consult further on the changes made within these Regulations.

9. Guidance

9.1 The Department intends to notify relevant stakeholders of the new eligibility criteria introduced by these Regulations.

10. Impact

10.1 The amending instrument will not impact on business, charities, voluntary bodies or the public sector. An impact assessment is not required for these amendments.

11. Regulating small business

11.1 The legislation does not regulate small business.

12. Monitoring & Review

12.1 The Warm Front scheme will close no later than the end of the 2012/13 financial year. A subsequent amending statutory instrument will be laid in Parliament to revoke the majority of the provisions of the principal Regulations. Certain existing provisions, and some new provisions, are likely to be required to provide appropriate 'aftercare' for the energy efficiency improvements to properties that have been made under the Warm Front scheme.

13. Contact

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