

The Future of the Energy Company Obligation Consultation

Response to DECC consultation from Action with Communities in Rural England (ACRE)

1. Introduction

1.1 Action with Communities in Rural England is the national umbrella body for the 38 Rural Community Councils who make up the ACRE Network and work at a local level in support of rural communities across the country.

1.2 Our vision - to be the voice of rural communities - is supported by the wealth of evidence and intelligence on rural matters that we collect from our members. We use this evidence to influence national policy on rural issues, from housing, health and transport to broadband, services and fuel poverty.

1.3 We have a strong track record of speaking up for rural communities on the national stage and delivering multi-million pound projects that enable rural communities to find innovative solutions to the challenges they face.

1.4 Our rural community councils - some of whom date back 90 years - have a long and fruitful history of making a difference at grassroots level. ACRE was formed in 1987 to bring them together under one umbrella and we harness the strength of their experience to support our national work.

1.5 Examples of the work of the ACRE Network can be found in [***Making a Difference in rural communities throughout England***](#) - published jointly by ACRE and Defra in the autumn of 2013.

1.6 As the leading national rural proofing organisation, our response is determined by the evidence we have gathered and analysed from our regular 6 monthly Network survey.

1.7 We surveyed our Network on the issues of Green Deal and ECO in October 2013 and March 2014. The intelligence is derived from frontline workers involved with all aspects of rural community action. We are therefore able to present our findings on a number of the points within this consultation. We would argue that these findings represent one of the best available assessments across England of the perception of

Green Deal and ECO by residents in rural communities. We would be very happy to discuss the findings in more detail with DECC.

1.8 ACRE has just completed two pilot schemes (over a period of 9 months) for one of the Big Six energy companies, to explore delivery of their share of ECO. These pilots required our Network members to deliver leads to help meet the ECO targets (cavity wall and loft insulation) to 'hard-to-reach' residents in specific rural areas (solid wall insulation was considered too costly by the energy company).

2. Summary – general feedback from our Network produced some very strong messages

- *Public awareness and communications* - A general lack of awareness about the scheme and what it might offer. Plus challenges in reaching the hardest to reach customers and those in greatest need.
- *Access to ECO (and Green Deal)* - accessing the scheme is considered to be too complex, with multiple players and complex criteria; a general mistrust of energy companies in general.
- *Improving ECO* –exploring how the funding could be directed through appropriate third party organisations to ensure that there is adequate resource to reach and engage with vulnerable households in rural areas. What is needed is a targeted approach aimed at reaching hard to treat homes and households that are in fuel poverty.

3. Public awareness and communications

3.1 Key messages received from our Network survey stated that there was still much confusion over what the schemes represent and who they are relevant to. **"A lack of promotion leading to a huge lack of knowledge and awareness and a variety of different companies and organisations involved at different levels, each with their own agenda, leading to a lack of trust/confidence in the schemes."** (Action with Communities in Cumbria).

3.2 More than half of our Network members reported low levels of knowledge about the both Green Deal and ECO in rural communities and criticised the lack of marketing and publicity from DECC and the energy companies. Where people were aware of it, both Green Deal and ECO were considered to be very complex processes and this was seen as a real deterrent to take-up of the offers. **"There continues to be a gap in support for (particularly) vulnerable people in supporting them through the minefield of energy advice solutions. Some of the common themes picked up by delivering our energy advice sessions was that people had not really heard of ECO and what it entailed and also had little knowledge of the Green Deal and the various insulation and energy**

efficiency measures that are on the market at the moment.” (Cornwall Rural Community Council)

4. Take up of ECO

4.1 Issues mentioned were the practical problems associated with insulating/retrofitting hard to treat homes and older houses and a resistance to making changes to a property; the high cost of external cladding which means householders are often required to make a contribution themselves.

5. Access to ECO

5.1 – ACRE welcomed the inclusion of the minimum 15% of all activity to be in identified rural areas. However, this has not resulted in the take-up of the schemes in any great numbers in these identified rural areas. Our experience of delivering across two counties in England was that the ‘products’ and the process of delivery were very off-putting to the hard to reach households they were designed to target. Our experience consistently shows that it is very difficult to engage with certain parts of the demographic in tight-knit rural communities and convince them that what is ‘free’ actually is. Whilst

5.2 An interesting output from our survey was the issue of ‘rural pride’. Some households in these tight-knit communities did not want to be identified as poor by applying for ECO and are generally not in a financial position to take out a loan for Green Deal. **“Rural households are generally reluctant to declare themselves as ‘poor’ or vulnerable which deters them from taking part in schemes which highlight this.”** (Community Council of Staffordshire).

5.3 Tenants of rented properties were reluctant to approach their landlords as there was a genuine fear that the rent would be increased as a consequence of improvements being made.

6. Improving ECO

6.1 ACRE has always advocated that the investment in energy efficiency measures should not be in the hands of the energy companies themselves. Our members have an excellent track record of engaging the ‘hard-to-reach’ households in rural areas. Our experience of running two pilots for one of the Big Six companies demonstrated a clear mistrust by most households that the products were ‘free’. There were also considerable difficulties with the customers’ journeys once they had been put in touch with the energy company.

6.2 ECO funding changes in December impacted heavily on the ability to achieve meaningful improvements to thermal efficiency of properties and have left many people confused and lacking in confidence in the scheme. Effectively a year’s work was wiped out by the inclusion of standard cavity wall insulation as a primary measure under the Carbon Emission Reduction Obligation (CERO) because the focus on hard-to-treat has evaporated, and will not be reinstated under the new targets for ECO funders. It has also brought about a hiatus in funding streams. With Home Heating Cost Reduction Obligation (HHCRO) funding in 2013 having been almost

entirely directed towards gas boiler replacement, and Carbon Saving Community Obligation (CSCO) qualifying areas only being urban in nature, predominantly rural districts, where we have a high proportion of fuel-poor, are once again missing out on funding support.

The focus on loft and cavity wall insulation as a priority over solid wall insulation does little to benefit rural communities where many of the properties are solid wall.

6.3 As it stands, we would predict that vulnerable rural households will lose out considerably if the Government continues with the current approaches and schemes. We would advocate exploring how the funding could be directed through appropriate third party organisations to ensure that there is adequate resource to reach and engage with vulnerable households. We have more information on our approaches and the difficulties with promoting the products should DECC wish to be informed.

7. Evaluation and monitoring

7.1 ACRE has not been approached formally by DECC to undertake any monitoring or evaluation of the schemes. ACRE sits on a number of groups within DECC:

- Big Energy Saving Week
- Big Energy Saving Network
- Ministerial Roundtable on Heating Oil and LPG
- Advisory Group on Heating Oil and LPG

ACRE would welcome the opportunity to be more involved in the development of energy efficiency policy and measures.

Further information

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