Department for
Business, Energy
& Industrial Strategy

WARM HOME DISCOUNT SCHEME 2018/19

March 2018

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The consultation and Impact Assessment can be found on the BEIS section of GOV.UK: https://www.gov.uk/government/consultations/warm-home-discount-scheme-2018-to-2019

Any enquiries regarding this publication should be sent to us at: warmhomediscount@beis.gov.uk

Contents

General information

Purpose of this consultation:

This consultation proposes a number of changes to the Warm Home Discount Scheme for winter 2018/2019. Government is also considering the possibility of issuing regulations which would cover the scheme until 2020/21. A reform of the scheme eligibility in future years would not be inhibited by this. The consultation is aimed at all those with an interest in fuel poverty policies, especially those interested in the Warm Home Discount. In particular we seek views from affected individuals, energy suppliers and organisations that represent low income and vulnerable households.

Issued: 30 March

Respond by: 29 April

Enquiries to:
Warm Home Discount team
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London

Email: warmhomediscount@beis.gov.uk
Consultation reference: Warm Home Discount Scheme 2018/19

Territorial extent:

England, Wales and Scotland

How to respond:

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Your response should be submitted online using the dedicated online portal:
https://beisgovuk.citizenspace.com/home-local-energy/warm-home-discount-2018

Alternatively, e-mail your responses to: warmhomediscount@beis.gov.uk

Hard copy responses should be sent to:

Warm Home Discount team
1 Victoria Street
SW1H 0ET
London

Additional copies:

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Other versions of the document in Braille, large print or audio-cassette are available on request. This includes a Welsh version. Please contact us via the above details to request alternative versions.

Confidentiality and data protection:

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on the GOV.UK website. This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

Quality assurance:

This consultation has been carried out in accordance with the Government's Consultation Principles.

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

Email: beis.bru@beis.gov.uk

Executive Summary

Since 2011, the Warm Home Discount has helped over 2 million low income and vulnerable households each year by reducing their energy bills at the time of year when it is most needed. In 2015, the Government committed to continuing the scheme until 2021 at a cost of £320m per year rising with inflation. In line with the Industrial Strategy, the Warm Home Discount helps to create an economy and a society that works for everyone, contributing to healthier homes and making energy bills more affordable for low income and vulnerable people. And, through Industry Initiatives the Warm Home Discount is encouraging more innovative solutions to support vulnerable households with their energy bills.

Under the current scheme, around 1.2m low income pensioners in receipt of Pension Credit Guarantee Credit receive the Warm Home Discount as an automatic rebate on their energy bills, and over 1m low income and vulnerable households received the rebate following an application to a participating energy supplier.

From 2019/20, we want to build on the success of the scheme, simplifying the way it is delivered and targeting it more accurately at households most likely to be in fuel poverty. We want to expand the successful data matching process we currently use for people on Pension Credit, so that in future all energy bill rebates will be provided in the same way, removing the need for consumers to apply. And, we want to improve the targeting of the scheme to better reach households who are on low incomes living in homes which are expensive to heat. In order to do that, we would be using new primary legislation which will allow wider data sharing between Government and energy suppliers. The regulations under the Digital Economy Act which will enable access to the relevant data are expected to come into force in spring this year. Government plans to consult formally later in 2018 on proposals for a WHD scheme from 2019/20 onwards utilising wider data matching and improving the targeting of the scheme.

Until then, we are proposing to maintain stability while making some smaller scheme improvements for 2018/19. We are proposing to maintain the current supplier participation threshold of 250,000 domestic customer accounts and to keep the Core Group the same for 2018/19. That would mean that all eligible pensioners on Pension Credit Guarantee Credit would continue to receive £140 off their bills. We are proposing only small changes to the Broader Group by updating the standard eligibility criteria to include Universal Credit recipients in work and to reflect welfare changes.

We are proposing more significant changes to Industry Initiatives where we believe there is more room for more innovative projects to identify fuel poor households and provide the most suitable package of advice and measures. We are proposing to increase the spending cap on industry initiatives from £30m to £40m; (to continue to reduce the cap on the spending allowed on debt write-off from £12m to £10m (or 25% of the increased cap) and to continue to reduce it in future years; and to expand the list of activities allowed under Industry Initiatives to include the provision of financial assistance with energy bills for households that are particularly at risk of fuel poverty up to £5m overall. Finally, we are proposing that households identified by local authorities under the Energy Company Obligation (ECO) flexible eligibility will automatically qualify as being “wholly or mainly in fuel poverty” and therefore eligible for support under industry initiatives.

In addition, we are proposing to make small operational changes this year, including adjusting scheme timings and providing some additional flexibility for requests to transfer non-core obligations into Industry Initiatives.

Government is considering the possibility of issuing regulations which would cover more than one scheme year. A reform of the scheme eligibility in future years would not be inhibited by this, as eligibility for the scheme could be set outside of Regulations. We would expect to consult on any changes to eligibility for later scheme years.

The current scheme

1. The Warm Home Discount (WHD) is a key policy in alleviating fuel poverty and the burden of energy bills on vulnerable and low income households. Since April 2011, the scheme helps over 2 million low income and vulnerable households each year with their energy costs. Over the past seven years of the scheme, over £2 billion of direct assistance was spent by participating energy suppliers on their eligible customers.

2. Suppliers with over 250,000 domestic customer accounts are required to participate. In its first 2 years, only the 6 largest energy suppliers were part of the scheme, whereas now in 2017/18 there are 15 obligated and 3 voluntary suppliers participating. This illustrates the increased level of competition in the domestic energy supply market and overall provides more consumer choice for people who qualify for the scheme.

3. The regulations which underpin the WHD were amended in 2016 to extend the scheme to 2017/18. Now in its seventh year, the scheme continues to provide £140 off electricity bills to over 2m households.

4. The WHD is made up of three elements:
    - The Core Group – people in receipt of Pension Credit Guarantee Credit (this includes customers who also receive Savings Credit). Suppliers provide £140 off electricity bills to their eligible customers.
    - The Broader Group – suppliers provide £140 off electricity bills to low income and vulnerable customers who met the eligibility criteria and successfully apply.
    - Industry Initiatives – suppliers provide a range of measures including debt assistance, benefit entitlement checks and energy advice to domestic customers in or at risk of fuel poverty.

5. Rebates are provided to customers regardless of payment type. Direct debit and credit customers receive the rebate directly off their bill. Prepayment meter customers receive the rebate in a variety of ways depending on their supplier, usually being sent a voucher or having their prepayment card/key topped up when they add credit at their usual outlet. Since scheme year 6, for customers with a dual fuel account, participating energy suppliers can, at their discretion and if requested by the customer, credit customers' gas accounts rather than their electricity accounts.

Rationale for energy bill rebates

6. The effects of rising energy prices are felt most by those with the lowest disposable incomes, and particularly those who have the overlapping problem of high energy requirements for whom spending on energy necessities already accounts for a disproportionately high share of their annual outgoings.[1]

7. The long-term solution to reducing energy bills, alleviating fuel poverty and helping offset the impacts of price rises is to make the homes of low income households more energy efficient, primarily by improving the building or the heating system in it. Through the Energy Company Obligation (ECO), households are able to get access to different types of insulation and more efficient heating systems. Energy bill rebates however can work effectively alongside other policies to directly reduce energy costs. The 2015 Fuel Poverty Strategy for England showed that energy bill rebates have a role as part of a cost-effective mix of measures to tackle the long-term, structural problem of fuel poverty. Rebates are especially important while a significant proportion of our housing stock remains inefficient, and upgrading it takes time.

8. As well as reaching millions of people each year, rebates are simple to deliver and consumer friendly. Under the WHD, eligible households can get money off their bills at the time when they need it most, having to take no or very little action to receive them.

9. The WHD is also consistent with a competitive energy market. By having transparent and consistent rebates, it does not interfere with prices and is simpler for consumers to understand than the system of discounted tariffs that preceded it. Though the cost of the scheme is passed on by suppliers to domestic energy consumers, on average, the impact across all energy bills is almost zero. The WHD has positive distributional benefits because it is targeted at low income households

Scheme funding until 2020/21

10. The scheme is funded by participating energy suppliers. There is an advantage to the WHD being supplier-delivered as the recipients receive a direct reduction in their energy bills which has a greater impact on alleviating fuel poverty than increasing incomes by the same amount. However, as a result of this funding method, suppliers pass the costs on to their

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[1] Estimated impact of energy and climate change policies on energy prices and bills, DECC, 2013 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/172923/130326_-_Price_and_Bill_Impacts_Report_Final.pdf

customers. We estimate that this adds around £13 to the average annual domestic energy bill[2].

11. Government announced in the 2015 Spending Review that the Warm Home Discount scheme would be extended to 2020/21 at levels of £320m per year, rising with inflation, to help households who are at risk of fuel poverty with their energy bills. The spending target for 2018/19 will be £340m.

12. Table 1 below sets out the expected spending target over the next three years of the scheme although the spending profile for future years will depend on expected levels of inflation at the time of setting future years' targets and on the level of under and overspending in each scheme year.

Table 1: Spending Target: 2016/17 – 2020/21

	2018/19	2019/20	2020/21
Spending Target (£millions)	£340	£347	£354

The Core Group

13. The WHD Core Group consists of households in receipt of the Guarantee Credit element of Pension Credit, including those who receive Savings Credit. Under the Core Group, around 700,000 households received a £120 rebate in the first year of the scheme and this has increased to around 1.2m households, who now receive £140 each year, in winter.

14. A qualifying date is set each year for the Core Group – usually in mid-July. All participating energy suppliers are required to provide rebates to all of their Core Group customers, who are their customers on that date and who meet the eligibility criteria. Smaller suppliers who are not yet obligated to participate in the scheme, can volunteer to offer rebates to their Core Group customers. Once they volunteer for a scheme year, they are obligated like other suppliers to provide the rebate to their Core Group customers.

2 Estimated impacts of energy and climate change policies on energy prices and bills 2013, DECC, 2014 https://www.gov.uk/government/publications/estimated-impacts-of-energy-and-climate-change-policies-on-energy-prices-and-bills

15. Through a system of data matching, as described below, the DWP informs suppliers which of their customers should be paid a Core Group rebate. As a result, more than one million low income pensioners currently receive an automatic energy bill discount each winter, without the need to fill out an application and with very low costs for suppliers. Data matching works by taking Government name and address data for households in receipt of Pension Credit Guarantee Credit (held by DWP) and matching this with energy supplier customer records. DWP informs the suppliers which of their customers meet the eligibility criteria, and the suppliers then automatically provide these customers with energy bill rebates.

16. This system of data matching means that most households eligible under the Core Group receive their rebate without having to take any action. As well as providing excellent customer service, this is also a very cost-effective process which ensures the rebate reaches those (particularly the most vulnerable) who might otherwise miss out because they fail to apply.

17. The data matching which takes place under the WHD Core Group is almost universally popular with stakeholders and we are keen to extend its use. Current data matching under the WHD is limited to people on Pension Credit due to the Pensions Act 2008 which underpins it.

18. The vast majority of Core Group customers receive a letter telling them their data has been matched and they will receive a rebate by the 31st of January without having to take action, although in many cases it will be paid earlier.

19. Not all pensioners in receipt of the qualifying benefit are eligible or receive the rebate automatically as described above. Firstly, customers who are not with a participating supplier or who are not named on the electricity account are not eligible. Secondly, there are instances where customers are eligible for the rebate but are not identified in the data matching process, because the name and address details held by DWP and the energy suppliers are different. To try and capture this second group of people, Government sends letters to everyone who has not been matched but is in receipt of the qualifying benefit. This letter requests that they call the WHD Helpline in order to verify their eligibility. Once this process has been completed successfully they too receive a rebate, usually before 31 March. Around 67,000 customers received the rebate as a result of this process.

20. All eligible Core Group participants identified on the qualifying date as part of the two processes described above are entitled to a rebate and their participating supplier is obliged to provide it to them.

Broader Group

21. The Broader Group forms part of the 'non-core' spending obligation and is the second largest element of the WHD scheme. It is administered by obligated energy suppliers who determine the eligibility for groups of households in or at risk of fuel poverty subject to them meeting the Government's standard eligibility criteria. Suppliers who volunteer to participate in the scheme are not included in the non-core obligations. Suppliers are required to spend a minimum amount on the Broader Group; the minimum is set by Ofgem based on suppliers' market share, once the size of the Core Group obligation has been set. Suppliers often spend beyond this required minimum and are permitted to adjust their spend on other non-core spending (Industry Initiatives) or simply spend beyond their obligation.

22. There are a set of standard eligibility criteria that all participating energy suppliers have to adopt for their Broader Group schemes making it more easily accessible to people most likely to be in fuel poverty. Alongside this, energy suppliers are permitted to have additional criteria, subject to Ofgem approval.

23. The standard criteria are based on a variation of the Cold Weather Payments group and low income working families in receipt of in work benefits and with a child under 5 or a disabled child.

Table 2: The current standard eligibility criteria for the Broader Group

Means-tested benefits (must receive one or more of the following)
• Income Support or Income-based Jobseeker's Allowance, with any of following: o a disability premium, a severe or enhanced disability premium o a pensioner premium, higher pensioner premium or enhanced pensioner premium o a disabled child premium o Child Tax Credit that includes a disability or severe disability element o parental responsibility for a child under 5 years living with them
• Income-related Employment and Support Allowance (ESA), which includes a support or work-related component with any of the following: o a disability premium, a severe or enhanced disability premium o a pensioner premium, higher pensioner premium or enhanced pensioner premium o a disabled child premium o Child Tax Credit that includes a disability or severe disability element o parental responsibility for a child under 5 years living with them
• Universal Credit, and is not in work or self-employed, and with any of the following: o the limited capability for work element, with or without a work-related activity element o the disabled child element o parental responsibility for a child under 5 years living with them
• In receipt of Child Tax Credits based on a total household annual income of no more than

£16,190 and with either:

- parental responsibility for a child aged under 5 years living with them
- a disabled child premium or Child Tax Credit that includes a disability or severe disability element

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Data matching is not applied to the Broader Group. Customers have to apply to their electricity supplier for the WHD rebate each year, as, data matching is not applied.

Industry Initiatives

24. Within the non-core obligation, obligated suppliers can spend a maximum of £30m cumulatively on other forms of support to benefit fuel poor and vulnerable households; they are not restricted to helping their customers. This element is called Industry Initiatives.

25. The WHD Regulations set out that energy suppliers are able to carry out a series of activities under the Industry Initiatives section of the scheme which include:
    - Payments to organisations for referrals
    - Benefit entitlement checks and or assistance to claim
    - Provision of energy, thermal efficiency measures, energy efficient appliances or micro generation
    - Provision of Energy Efficiency Advice
    - Funding training to provide Energy Advice
    - Provision of assistance to reduce or cancel energy debts as part of a package
    - Rebate payments to eligible occupiers of mobile homes
    - Provision of energy efficiency advice and/or measures to customers:

      i. In off-gas grid homes

      ii. In households with a person who has a significant health problem or disability

      iii. in communities wholly or mainly in fuel poverty

26. Energy suppliers are given the flexibility to work with other organisations, such as charities, to deliver this element of the scheme, as long as the activities remain within the scope of those set out in the Regulations. Suppliers must obtain approval from Ofgem before commencing activities in order that their industry initiatives spending counts towards their obligations.

27. In recent years, as a result of action taken by Government and Ofgem, more innovative projects providing a more holistic, longer-lasting help to households have been funded. We will continue to work with Ofgem, energy suppliers and third parties to encourage more such projects under Industry Initiatives.

Proposals for 2018/19

28. This chapter sets out proposals for changes to the Warm Home Discount (WHD) scheme for winter 2018/19, most of which are changes to the Industry Initiatives element of the scheme.

Industry Initiatives

29. The Industry Initiatives part of the WHD scheme allows suppliers to provide additional support to fuel poor and vulnerable households, whether they are their own customers or not. Under this element of the scheme suppliers can fund a range of activities that offer support to customers who are at greater risk of fuel poverty. This includes those who have a health condition that makes them more vulnerable to the effects of living in a cold home or live off the gas grid and hence are more at risk of fuel poverty, and customers who are not on the benefits system who therefore may not receive a rebate under the scheme. We estimate that around 20% of fuel poor households in England are not on the benefits system, hence industry initiatives can help reach these customers with some support, as well as providing rebates to park homes residents who can't be reached by the Core Group and Broader Group rebates.

30. The size of the cap for industry initiatives has not been increased since the beginning of the scheme in 2011. Since then, the size of the scheme has increased (from £250m to £329m) and changes to the welfare system (such as pensionable age) have resulted in a reducing Core Group and increasing Broader Group obligation. There is an argument therefore to enable more flexibility to suppliers to achieve their non-core obligation, and increase the amount they are allowed to spend on the Industry Initiatives element.

31. We acknowledge that the overall £30m cap has not been reached in recent years, however this reflects the decision of some suppliers not to use their cap and to provide rebates to their Broader Group customers instead. Conversely, many suppliers have made full use of their allowed spending, and some have requested to transfer part of their Broader Group obligation into Industry Initiatives in 2017/18. This increase in spending, despite the introduction of a cap on energy debt write-off, suggests that suppliers are increasingly using this route to deliver support to households at risk of fuel poverty.

32. Innovative projects under the pilot projects initiative led by Ofgem, have stimulated new ideas and brought to the market innovative schemes. As a result, a wider range of projects is being delivered, in some cases providing a better way of identifying customers via referrals from third parties such as local authoritiesand charities. Following successful referral, householders have been able to get more holistic, transformative services including energy advice, energy efficiency installations, and energy switching , bringing

multiple benefits, and delivering value for money. Multi-supplier schemes have shown the potential to bring down the administrative costs of delivery of Industry Initiatives, and in some cases industry initiatives have even been able to attract third party funding, e.g. from local authorities, providing opportunities for funding to go further.

33. We propose to continue to build on the success of Industry Initiatives, and increase the amount of the ‘non-core’ spending that suppliers can spend towards Industry Initiatives from £30m to £40m. With more money available there will be further scope for companies to fund innovative ways of identifying fuel poor households and test which packages of measures most benefit them.

34. Under the proposed changes, suppliers will continue to be able to request a transfer of obligation from the Broader Group into industry initiatives, as under current rules. Ofgem would then assess the application and make a decision as to whether to allow the transfer. However, the proposed increase in the spending cap could reduce the need for such requests, with reduced administrative costs for suppliers and the administrator of the scheme.

Consultation Question

1.	Do you agree that the cap on Industry Initiatives spending should increase from £30 million to £40 million in 2018/19?

Links with the Energy Company Obligation flexible eligibility

35. We believe that it is important that energy suppliers are required to demonstrate that activities under Industry Initiatives are in addition to those they are required to carry out under the Energy Company Obligation (ECO) and are in addition to their licence obligations. However, we believe there is scope to increase the links with ECO, to support households that are identified under the ECO scheme as being in or at risk of fuel poverty, but whose home may be found not to be suitable for energy efficiency measures under ECO.

36. Under the Flexible Eligibility element of ECO, households living in fuel poverty, or with occupants on low incomes and vulnerable to the effects of cold homes, can be referred to suppliers by local authorities (LA). Under Flexible Eligibility, LAs are able to use local knowledge to target and identify fuel poor households, including those on low incomes and vulnerable to cold, and those who do not claim their benefit entitlement, who may miss out in benefit-based eligibility criteria. LAs can refer these households to suppliers using a declaration of eligibility for support (LA Flex declaration).

37. In order to facilitate the provision of support to households identified in this way, we propose that households identified under an LA Flex declaration will automatically qualify as being "wholly or mainly in fuel poverty" and therefore eligible for support under Industry Initiatives. This will only apply to households who qualify as a result of being in or at risk of fuel poverty or low income and vulnerable to cold and not those who qualify under the "in-fill" mechanism. The current ECO scheme ends in September 2018 and Government will consult on a future scheme shortly. LA declarations issued during any ECO scheme year, including the current scheme (1 April 2017- 30 September 2018), will be valid for this purpose, as long as the LA has a valid Statement of Intent publicly available. This could result in, for example, a household receiving simple energy efficiency measures as well as being guided through the process of switching supplier and how to manage their energy use.

Consultation Question

2.	Do you agree that a Local Authority declaration under ECO Flexible eligibility should count as evidence that a household is "wholly or mainly" in fuel poverty and therefore would be eligible for support under Industry Initiatives?

Debt assistance

38. Spending on debt assistance has historically been high under Industry Initiatives, reaching 72% of the total in year 5, though it only equated to 21% of the total households helped under Industry Initiatives. In order to increase the number of customers able to benefit from Industry Initiatives and widen the type of help customers could access under the Industry Initiatives, in 2016, Government took the decision to address the high level of expenditure on debt assistance by introducing a cap on the amount spent on debt write-off to 50% of the total Industry Initiative spending cap in the scheme year 2016/17 (i.e. £15m), and to further reduce it by 10% each year thereafter. In the scheme year 2017/18, the cap on debt-write off was further reduced to 40%, (i.e. £12m). The Government indicated it intended to continue to review and reduce the cap on energy debt-write off in future years.

39. Government believes that it is important that energy suppliers take all the reasonable steps needed to ascertain a customer's ability to pay and put in place affordable repayment plans for customers, as they are required to do under their licence conditions. It also believes that while debt assistance can help reduce fuel poverty, it should be limited under a

Government scheme given it can becommercially attractive, and part of their responsibilities under their licence conditions3.

40. Therefore, Government proposes to continue to reduce the cap on debt write-off. The cap would be reduced to the equivalent of 25% of each supplier's Industry Initiative maximum spend (this equates to a cap of £10 million on debt write-off within the £40m total cap on industry initiative spend) in 2018/19, and with the intention that it will continue to reduce by 5% in future years, as follows: 20% of industry initiatives spend in 2019/20 and 15% of industry initiatives spend in 2020/21 (set out in Table 3). We propose the cap will continue to cover debt write-off only, not the additional support, such as energy or debt advice provided alongside writing off customer's debt, which provides extra benefits to the customer.

Table 3: Debt write-off cap from 2018/19

	2018/19	2019/20	2020/21
Debt write-off cap	£10m	£8m	£6m

Consultation Question

3.	Do you agree that the cap on debt write-off should reduce from £12 million to £10 million in 2018/19?
4.	Do you agree that the cap on debt write-off should continue to reduce by 5% in each subsequentscheme year?

Additional activities

41. Government is seeking views on whether the list of activities allowed under Industry Initiatives should be expanded to include the provision of financial assistance to be spent towards energy bills, including rebates, to households that are particularly at risk of fuel

[3] Domestic energy suppliers have a responsibility to help support vulnerable customers through obligations in their licences and other legal requirements.

poverty, and may struggle to get support under other policies. Currently, only park homes residents can receive rebates under Industry Initiatives, as they would not otherwise qualify to claim the WHD rebate (as currently a person or their partner must be named on the electricity account in order to receive the WHD).

42. Under the proposal, additional customers who do not meet the Core or Broader Group criteria and therefore do not qualify for a rebate, but live in, or are at risk of, fuel poverty would be able to receive financial support on their energy bills. For example, this could be providing vouchers for customers in fuel poverty who are struggling to top up their pre-payment meters during winter months, or a rebate for customers with a long term health issue which increases their heating needs and makes them more susceptible to a cold home. This is not to be used to repay energy debt, which is capped, as above, but to provide support to customers who are most in need. Therefore, we propose this should be limited to groups of customers who are more likely to be most in need: i) those living off the gas grid; ii) those with long term health problems and/ or a disability; iii) communities where residents are wholly or mainly in fuel poverty; iv) customers on a pre-payment meter.

43. We propose to cap the amount that suppliers can spend on financial assistance with energy bills to ensure this new activity does not take over industry initiatives funding, similarly to energy debt write-off before a cap was introduced. We propose the cap should be set initially at £5m, or 12.5% of the overall spending allowed under industry initiatives. We will review the size of the cap in future years. We also propose to limit the size of the financial assistance per household to the amount of the WHD rebate (£140) to ensure these customers are treated equally to low income and vulnerable customers who qualify to receive the rebate.

Consultation Question

5.	Do you agree that Government should expand the list of activities allowed under Industry Initiatives to include the provision of financial assistance with energy bills, including rebates, to households that are particularly at risk of fuel poverty?
6.	Do you agree that spending on the provision of financial assistance with energy bills should be capped at £5m, or 12,5%, of industry initiatives spending? If you think an alternative cap should be set, please provide your reasons.
7.	Do you agree that financial assistance with energy bills per household should be equivalent to the amount of the WHD rebate (£140)?

Devolution

44. The current WHD is a GB scheme. On 1st December 2017 many of the powers to make regulations for the WHD were transferred to Scottish Ministers by the Scotland Act 2016. These include powers to decide rules about the eligibility criteria for the WHD in Scotland and the types of support provided, including the size of individual rebates provided to customers in Scotland. Some aspects of the WHD remain reserved to the Secretary of State, including supplier participation thresholds and spending targets.

45. The Secretary of State can continue to make GB-wide regulations for the WHD, by obtaining the consent of the Scottish Ministers. As such the proposals in this consultation apply to England, Wales and Scotland. To enable the Scottish Government to assess responses to this consultation and determine their future approach, we will share them with the Scottish Government, subject to confidentiality requests.

Multi-year Regulations

46. Government is considering the possibility of issuing regulations which would cover the scheme until 2020/21. This will avoid the need to access Parliamentary time over this period.

47. A reform of the scheme eligibility would not be inhibited by this, as eligibility for the scheme could be set outside of Regulations. We would expect to consult on any changes to eligibility for later scheme years.

48. Other aspects of the policy, including scheme funding, value of the rebate, participation thresholds for energy suppliers and non-core obligation rules, could be amended following a review and public consultation. Review clauses, listing the conditions for which amendments can be made in future, will be set in Regulations (see draft Regulations accompanying this document).

49. A decision on whether to issue multi-year Regulations, will need to take account of decisions by Scottish Ministers on the future of the WHD scheme in Scotland.

Consultation Question

8.	Do you agree that Government should issue Regulations covering the scheme until 2020/2021 with the proposed review clauses?

The Core Group

50. New data sharing powers under the Digital Economy Act (DEA)4 are expected to come into force in spring 2018 and would enable the potential expansion of the automated provision of support to low income working-age households, rather than just those in receipt of pension credits. The new powers would also enable rebates to be prioritised for those in the coldest homes using Government-held housing stock data. The timing of these powers does not allow sufficient time for us to use them to reform the scheme for rebates being paid to customers in winter 2018/19.

51. Therefore, we do not propose to make any changes to the Core Group for winter 2018/19.On that basis, we propose that the current benefits criteria for the Core Group should be retained in 2018/19, namely:

    - customers in receipt of Pension Credit Guarantee Credit (this includes customers who also receive Savings Credit).

52. Current forecasts are that the number of people in receipt of Pension Credit Guarantee Credit will slightly reduce between the current and next Scheme year – from around 1.5m to 1.4m. Of those, not everyone will be eligible, primarily because they are not electricity account holders. The process for informing households of their eligibility will remain the same.

Consultation Question

9.	Do you agree that the Core Group eligibility criteria should be retained in 2018/19 for those people in receipt of Pension Credit Guarantee Credit?
10.	Should the Government consider futher reform to the Core Group eligibility in future?

[4] Part 5 of the Digital Economy Act 2017 (“the Act”) introduces new information sharing provisions to support the delivery of better public services. Government consulted on draft codes of practice for use under the Act and on the draft Digital Government (Disclosure of Information) Regulations 2017. These draft regulations proposed specific objectives for which data can be shared under section 35 of the public service delivery provisions of the Act, and the specific public authorities which would be able to use these powers to share data. The proposed objectives included providing assistance to people living in fuel poverty to allow these public authorities to share information with each other for that purpose.

The Broader Group

53. The Broader Group part of the WHD scheme allows other low income and vulnerable households, who do not qualify under the Core Group, to apply for the same value rebate through their supplier. We do not propose to make significant changes to the eligibility for the scheme until new data sharing powers have come into force and further work has been carried out that would enable the potential expansion of the automated provision of support to eligible customers. We therefore propose to keep the Broader Group element of the scheme unchanged for 2018/19, and as a result, around 1m low income and vulnerable households will receive a rebate under this element.

54. The only change proposed is to make some adjustments to the standard eligibility criteria for the Broader Group to reflect recent welfare changes.

Welfare changes

55. The Government is introducing Universal Credit (UC), a single payment for people who are looking for work or who are on a low income. UC replaces six existing benefits with a simpler monthly payment that gradually reduces as earnings increase, making sure people are better off in work.

56. The Government is rolling-out the UC full service nationally to all claimant types, and this is due to be completed in December 2018. After the rollout process has completed, DWP will begin moving all remaining existing benefit claimants to UC. New benefit claimants, or those who are already claiming benefits and have a change in circumstances, may have to claim UC at some point before December 2018.

57. The current standard eligibility criteria for the Broader Group cover UC recipients who are not in work, but do not cover UC recipients who are in work or self-employed.

58. We want to ensure we do not penalise UC recipients who are in work or self-employed, and as more benefit recipients who are in work and on a low income come onto UC, we intend to ensure they do not fall out of the standard eligibility criteria.

59. Therefore, we propose to expand the criteria to include UC recipients who are in work or self-employed with monthly net earnings not exceeding £1,349. This earnings threshold is broadly equivalent to the annual income threshold of £16,190 used for Tax Credit recipients.5Other qualifying criteria for UC recipients (namely the limited capability for work, the disabled child element, or parental responsibility for a child under the age of 5) will apply to UC claimants who are in work.

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[5] Earnings and income definitions are different, however previous analysis we carried out showed there is typically little difference between gross income and earned income for those households that will be captured under these thresholds

60. As earnings for UC are assessed on a monthly basis, we propose that their earnings must be below the equivalent of that threshold on a monthly basis within any one of the last 12 months in order to qualify.

Consultation Question

11.	Do you agree that we should amend the Broader Group standard criteria to include UC recipients in work or self-employed with monthly net earnings not exceeding £1,349, and maintain the other qualifying criteria (i.e. in receipt of a limited capability for work element, or a disabled child element, or parental responsibility for a child under the age of 5)?

61. As a result of welfare changes introduced by the Government, the Work-Related Activity Component under the Employment and Support Allowance (ESA), and the equivalent Limited Capability for Work (LCW) element in UC, were abolished for new claimants from April 2017. Existing claimants pre-April 2017 continue to receive the work-related activity component or the LCW element and therefore would continue to be eligible for the Warm Home Discount Scheme.

62. However, while these components have been abolished for new claimants, the recipient groups, Work-Related Activity Group (WRAG) under ESA, and the equivalent element in UC, the LCW group, continue to exist.

63. We therefore propose to amend the standard eligibility criteria to ensure that income-related ESA claimants who are within the WRAG (whether or not they receive a Work-Related Activity Component) will be eligible for the WHD, if they have responsibility for a child under 5 who lives with them or are in receipt of a qualifying component (i.e. enhanced disability premium; a severe disability premium; a pensioner premium; or Child Tax Credit that includes a disability or severe disability element).

64. Similarly, we propose that new UC claimants who fall within the Limited Capability for Work Group, whether or not they receive a work-related activity element, will be eligible for the WHD, whether or not they are working or self-employed (see above for earnings threshold).

Consultation Question

12.	Do you agree that we should amend the Broader Group standard criteria for 2018/19 to include ESA recipients who are in a Work-Related Activity Group, and UC recipients in

	the Limited Capability for Work (LCW) group?

65. We do not propose to make other changes to the standard criteria for the Broader Group for 2018/19. We have sought to take a consistent approach across the benefits covered, while recognising there are differences in the way the various benefits operate.

Consultation Question

13.	Do you agree that the standard criteria for the Broader Group cover the right benefits and take the right approach across the benefits covered, but with the potential for reform from 2019/20?

Value of the rebate

66. When the WHD began in 2011, the value of the rebate was £120. It increased in the first three years of the scheme, to offset some of the impact of the increases in energy prices, and is currently £140. There has been no increase in more recent years as energy prices have remained broadly stable. Keeping the rebate constant in nominal terms has allowed more households to receive it each year.

67. Energy prices have slightly increased in the last year, by 1.8 per cent on average, with a higher increase on electricity prices (in 2017 they were 4.3 per cent higher than in 2016). However, there have been other changes affecting energy bills for WHD recipients following the CMA review into the cost of energy6.

68. On 1 April 2017 the CMA introduced a cap on the amount of money suppliers can charge domestic prepayment meter (PPM) customers, who include the most vulnerable households, and currently face bills that can be hundreds of pounds a year more expensive than for those on standard credit meters. On 2 February Ofgem extended protection to customers who receive the Warm Home Discount. Ofgem estimates this extension will save around £120 per year for a typical dual fuel customer who receives WHD. As a result of these measures, Ofgem estimates that all 2.2 million WHD recipients will either be

[6] In June 2016, the Competition and Markets Authority, in its investigation into the energy market published in, found that customers of the largest six energy companies were over paying for their energy by around £1.4bn a year. Specifically it found that the Big Six energy companies have unilateral market power over disengaged customers who are on expensive standard variable tariffs. Vulnerable consumers, most at risk of fuel poverty, are more likely to be on these expensive tariffs.

protected under the vulnerable customer safeguard tariff, protected under the prepayment safeguard tariff, or have already switched to a cheaper deal. Ofgem has also consulted on an extension of the safeguard tariff to another 2 million vulnerable customers from winter 2018/19. Alongside these measures, in October 2017, the Government published a draft bill implementing a price cap for all customers on Standard Variable Tariffs (SVTs) and other default tariffs (tariffs that customers have not actively chosen), in order to remedy the detriment suffered by these customers in the energy market. It intends to introduce the Bill into Parliament at the earliest opportunity following pre-legislative scrutiny.

69. As a result of these additional protections being introduced, we propose that the level of the rebate should remain at £140 in 2018/19. We will keep this figure under review for future years.

Consultation Question

14.	Do you agree that the value of the rebate should be £140 in 2018/19?

Participation threshold

70. The current WHD has a simple threshold; all suppliers with 250,000 or more domestic customer accounts on 31 December preceding the next scheme year have to participate. The threshold was introduced to avoid barriers to growth, recognising that smaller suppliers would be likely to have higher fixed costs per rebate provided. Smaller suppliers can volunteer to participate in the Core Group and three suppliers have done so in both of the last two scheme years.

71. The market has changed since the introduction of the current threshold, with many new suppliers entering the market. There are now over 60 energy suppliers in the domestic retail energy market, up from 13 in 2010. Independent suppliers now have 24% of the dual fuel market. The market coverage of obligated suppliers has reduced from 99%, when WHD was first developed to around 93% now.7

[7] Domestic energy market share surveys, Cornwall Insight, available at: https://www.cornwall-insight.com/documents/supply-markets/domestic-market-share-survey

72. Start-up and operating costs for recent market entrants remain higher per rebate for smaller suppliers with a smaller customer base. Similarly, economies of scale mean that the administrative burden of obligations, as well as energy market participation, are higher for smaller suppliers. Many small suppliers experience cash flow limitations, which affect their ability to pay administrative costs. This, together with the tight timescales for putting adequate systems in place for a scheme starting in winter 2018, could increase the risk of non-compliance should the threshold be reduced. Lowering the threshold may also increase the risk of market exits, either through trade sales or supplier insolvency. This could be damaging to competition, reducing consumer confidence and switching rates.

73. Suppliers only provide the WHD rebate to their own customers, so there is some detriment to those customers whose suppliers are not obligated under the scheme. A lower threshold would benefit eligible customers of newly obligated suppliers, though under a set spend envelope the total number of households benefiting from WHD would remain the same.

74. On balance, we do not propose to make any changes to the threshold for participation in WHD for 2018/19 which means that it would remain at 250,000 domestic customer accounts.

75. In the longer term, Government intends to make the scheme cheaper and easier for suppliers to deliver, significantly reducing administrative costs. In a scenario where all rebates are delivered through data matching, the composition of a supplier's customer base no longer has a bearing on how difficult it is to meet the obligation. Such changes would create a stronger case for reducing the participation threshold to benefit more customers and reduce some of the barriers to switching.

76. Any decisions on whether to lower the threshold would have to be taken in the context of broader policies which affect energy bills, such as the introduction of a safeguard tariff, and taking into consideration the impacts on competitiveness in the market. Government welcomes views and evidence on whether the participation threshold should be reduced in future, focusing on the costs and benefits of such a change.

Consultation Question

15.	Do you agree with the current supplier obligation threshold?

Operational changes

Dealing with suppliers no longer participating

77. Currently, there are circumstances when individuals who are entitled to Core Group rebates do not receive them during the obligation period because energy suppliers are not notified of their entitlement. This affects very small numbers of people and may be because of issues with their Pension Credit claim or the data matching process. Current regulations allow for Government to notify obligated suppliers after the obligation period and suppliers provide the rebates in the following scheme year. However, this does not cover the situation where energy suppliers who are participating in one scheme year are not participating in the following scheme year, for example, as a result of falling beneath the obligation threshold. Furthermore, such a situation could create confusion and disappointment for customers of the previously participating suppliers unaware that if they remain with that supplier they will no longer be entitled to the Warm Home Discount.

78. Given the rapidly changing domestic supply market, we believe this should be addressed in future. This could be done, for example, by requiring energy suppliers to provide Core Group rebates up to a set time beyond the obligation period and notify their customers of a change in their circumstances.

Consultation Question

16.	How do you think we should deal with the circumstances described above in order to provide a quality, fair service to households?

Timing of the scheme year

79. The scheme year for the WHD Scheme has been from April to March each year, except for scheme year 6 (2016/17) when it ran from July to May. For scheme year 8, as for scheme year 6, new or amended legislation for the WHD Scheme will not be complete by April 2018. We anticipate that Regulations will not come into force before July 2018.

80. Government wants to ensure that the rebate is paid over the winter period at a time when it is needed most. The automated nature of the Core Group payment should enable the rebates to be paid over the winter period before the end of March 2019, and experience from scheme year 6 shows that most of the Core group rebates were paid by the end of January.

81. For the Broader Group element of the scheme, we recognise that suppliers require a longer lead in time to set up and get approval for their Broader Group. However, given that we do not propose to make any significant changes to the Broader Group, which would remain

broadly the same as in previous years of the scheme, we expect suppliers to undertake some of the preparation and set up of the scheme before the regulations come into force.

82. We are therefore seeking views on whether the scheme should close by the end of March, as per the current scheme year, meaning all payments are made by that date. Under this option the deadline for unmatched customers to claim their rebate would be the end of January 2019. This option would be preferable from the customers' perspective and from an administrative perspective. It would take into account the experience from scheme year 2016/17, when most Core Group payments were made by the end of January, and when suppliers were able to start preparing for the Broader Group before the regulations came into force.

83. Alternatively, we could introduce some flexibility to the end of the year for both the Core Group and Broader Group elements of the scheme, so that payments can be made up to the end of April 2019, one month later than the current scheme year, to take into account the expected one month's delay in Core group data sharing with suppliers. An alternative approach would be to close the scheme in May 2019, similar to scheme year 6. This would mean closing the scheme 3 months after the deadline for Core Group customers to claim their rebate, and could result in some customers receiving the rebate beyond the winter period.

84. With the latter dates, the deadline for unmatched customers to claim the rebate would be the end of February 2019. If the scheme year end was delayed to April or May, this would require reporting deadlines to be amended. We envisage these would follow similar timings to scheme year 6.

85. We propose that the scheme year runs to the end of March 2019. In future years, the aim is to return to an April to March scheme year.

Consultation Question

17.	Do you agree that the 2018/19 scheme year should end in March 2019?

Flexibility on overspending by suppliers

86. Under the current scheme there is a provision that allows suppliers flexibility on any overspend in their non-core obligation. If suppliers spent up to 5% more than their non-core obligation in Scheme year 6 of the scheme, then their non-core obligations reduced by a corresponding amount in Scheme year 7. Government proposes to continue with this provision, therefore suppliers who overspent in 2017/18 will have their non-core spending obligation adjusted for 2018/19. The adjustments would be made by Ofgem by 30th

September 2018, or by 2 months after the scheme has come into force, whichever is the later.

Consultation Question

18.	Do you agree that if suppliers spent up to 5% more than their non-core obligation in Scheme year 7 of the scheme, then their non-core obligation should be reduced by a corresponding amount in 2018/19?

Industry Initiatives

87. Government recognises that a number of the initiatives have been running for a number of years and the later start in the scheme year will mean there could be a hiatus in the support provided by these initiatives. Government therefore proposes that in scheme year 2018/19, spending by suppliers on Industry Initiatives from the 1st April 2018 will count towards their obligations, providing the spending is subsequently determined by Ofgem to meet the scheme's requirements. Where initiatives have been approved in previous years, have been delivered well and have not changed, we would expect them to be eligible for 2018/19.

Consultation Question

19.	Do you foresee any issues or risks associated with allowing suppliers to start Industry Initiative activities before the regulations are in place?

Timings for transfer of non-core obligation into Industry Initiatives

88. Under the current scheme, obligated suppliers can submit a request to Ofgem to transfer some of their non-core obligation to Industry Initiatives, where they consider there is a risk they will not be able to meet their minimum non-core spending. Suppliers are required to submit such requests by the 15th of December.

89. Government proposes that in future scheme years, the deadline is set in relation to the end of a scheme year. This will afford additional time for suppliers to attempt to deliver rebates under the Broader Group. We propose to set the deadline to three and a half months before the end of the scheme year, so for scheme year 8 the deadline would remain the 15th of December if the end of the scheme year was the end of March, the 15th of January if the end of the scheme year was April or the 15th of February 2019 if the scheme closed in May.

Consultation Question

20.	Do you agree that the deadline for suppliers to submit a request to Ofgem to transfer some of their non-core obligation to Industry Initiatives is set to three and a half months before the end of the scheme year?

Undelivered rebates

90. Under the current scheme, suppliers are required to make a distinction between the 'provision' and 'delivery' of rebates where 'delivery' means that the customer actually benefitted from the rebates by redeeming their voucher rather than just receiving it. This is particularly relevant for PPM customers who typically receive the discount as a voucher from their supplier. Any undelivered rebates will then be added to a suppliers' non-core obligation in the following scheme year.

91. Government proposes this requirement should continue in 2018/19 and the process would work as now:
    - Suppliers' obligation for scheme year end can continue to be met by the provision of PPM rebates;
    - Suppliers will have to make at least one further reasonable effort, in addition to normal processes, to enable the PPM customer to take advantage of the rebate and retain evidence of that;
    - The total non-core spending obligation will be set at the start of the scheme year as now, based on the provision of rebates;
    - As now, for the purposes of year-end suppliers will be compliant if they provide the requisite number of rebates;
    - Suppliers will be required to report to Ofgem following the end of the scheme year the number of PPM rebates delivered (i.e. where the voucher has been redeemed etc.);
    - Using that evidence, Ofgem will increase suppliers' individual non-core spending obligations to take account of the difference between what was provided and what was delivered.

Consultation Question

21.	Do you agree that any undelivered rebates in scheme year 7 should be added to a suppliers' non-core obligation in 2018/19?

Ofgem's response to notifications

92. We propose to change the time within which Ofgem is required to approve Industry Initiatives and Broader Group applications, or request further information, from 28 calendar days to 20 working days. This change will bring the timings in line with other Ofgem administration and will avoid deadlines falling on non-working days.

Consultation Question

22.	Do you agree the timeframe for Ofgem to respond to notifications should be amended from 28 calendar days to 20 working days?

Consultation Question

23.	Do you have any other comments you would like to provide?

Scheme post 2018/19

93. Later this year, we intend to consult on future measures to make delivery more efficienct and improve the targeting of support towards fuel poor households in greatest need.

94. This will consider the potential role for new data matching powers under Part 5 of the Digital Economy Act, expected to come into force later in spring 2018, which would enable us to expand the provision of automatic rebates, through data matching, to working-age households. Government plans to consult formally later this year on proposals for a WHD scheme from 2019/20 onwards utilising wider data matching.

95. We estimate that around 17% of WHD rebates currently go to households living in fuel poverty. This is because the current scheme was designed before adoption of the Low Income High Cost indicator in England8, and therefore the way the scheme is currently targeted is not necessarily well aligned with how we now understand and measure the problem. Not enough support is directed towards those who we believe are experiencing the most severe problems, such as larger households with children and those with the lowest levels of disposable income to spend on heating.

96. Our analysis shows that WHD could be directed towards these households with far greater accuracy by designing eligibility criteria which take account of property characteristics, household income and household size. For the scheme post 2018/19, we are exploring options to use new datasets, including Government-held property characteristics, which could pave the way for rebates to be prioritised for those facing the most severe fuel poverty. We will explore using more than one income threshold, with higher thresholds for larger households, reflecting that larger households require a higher income in order to achieve the same standard of living. This is consistent with the commitments in the Fuel Poverty Strategy for England to target support at Low Income High Costs households and to do so through better use of data. Though Scotland and Wales use a different fuel poverty indicator, we will work with our counterparts in the devolved governments to ensure future proposals are suitable for the whole of Great Britain. The precision with which these people can be identified will be determined by the data held by Government, though we expect any outcome of further data sharing to be an improvement to the current operation of the scheme. Any option for the future of the WHD targeting will be subject to a future consultation.

[8] In England, a household is considered to be in fuel poverty if the home has higher than typical energy costs (e.g. for instance because of poor energy efficiency) and, were they to spend that amount on energy, they would be left with a residual income below the official poverty line. Households who meet both conditions are referred to as Low Income High Costs (LIHC).

97. In developing options, Government will consider data sharing and data protection legislation, and look very carefully at how data sharing with energy suppliers should work so that vulnerable customers can be identified while maintaining appropriate protection of sensitive data. New data sharing arrangements between Government bodies will need to be set up and systems built, which will take time. It is essential that the systems by which Warm Home Discount operate are properly tested, robust and secure, and work well so that there are no delays in rebates being received by eligible households from energy suppliers.

98. This form of data sharing could have wider benefits beyond the Warm Home Discount. The customers identified as being eligible for the Warm Home Discount could automatically be eligible under a future supplier obligation (currently the Energy Company Obligation). This would make the installation of energy efficiency and heating measures more accessible to those who need it most, reducing the burden on households, installers and energy suppliers.

Next steps

99. Following this consultation, we will consider responses and, subject to the scale of change, plan to publish a Government response setting out the final policy in May 2018. We will then lay Regulations which, subject to Parliamentary process, should come into force by the end of July 2018, when the new scheme would begin.Ofgem will also publish guidance consistent with the details of the new policy and the amended Regulations.

List of consultation questions

Consultation Questions	
1.	Do you agree that the cap on Industry Initiatives spending should increase from £30 million to £40 million in 2018/19?
2.	Do you agree that a Local Authority declaration under ECO Flexible eligibility should count as evidence that a household is “wholly or mainly” in fuel poverty and therefore would be eligible for support under Industry Initiatives?
3.	Do you agree that the cap on debt write-off should reduce from £12 million to £10 million in 2018/19?
4.	Do you agree that the cap on debt write-off should continue to reduce by 5% in each subsequentscheme year?
5.	Do you agree that Government should expand the list of activities allowed under Industry Initiatives to include the provision of financial assistance with energy bills, including rebates, to households that are particularly at risk of fuel poverty?
6.	Do you agree that spending on the provision of financial assistance with energy bills should be capped at £5m, or 12,5%, of industry initiatives spending? If you think an alternative cap should be set, please provide your reasons.
7.	Do you agree that financial assistance with energy bills per household should be equivalent to the amount of the WHD rebate (£140)?
8.	Do you agree that Government should issue Regulations covering the scheme until 2020/2021 with the proposed review clauses?.
9.	Do you agree that the Core Group eligibility criteria should be retained in 2018/19 for those people in receipt of Pension Credit Guarantee Credit?
10.	Should the Government consider futher reform to the Core Group eligibility in future?
11.	Do you agree that we should amend the Broader Group standard criteria to include UC

	recipients in work or self-employed with monthly net earnings not exceeding £1,349, and maintain the other qualifying criteria (i.e. in receipt a limited capability for work element, or a disabled child element, or parental responsibility for a child under the age of 5)?
12.	Do you agree that we should amend the Broader Group standard criteria for 2018/19 to include ESA recipients who are in a Work-Related Activity Group, and UC recipients in the Limited Capability for Work (LCW) group?
13.	Do you agree that the standard criteria for the Broader Group cover the right benefits and take the right approach across the benefits covered, but with the potential for reform from 2019/20?
14.	Do you agree that the value of the rebate should be £140 in 2018/19?
15.	Do you agree with the current supplier obligation threshold?
16.	How do you think we should deal with the circumstances described above in order to provide a quality, fair service to households?
17.	Do you agree that the 2018/19 scheme year should end in March 2019?
18.	Do you agree that if suppliers spent up to 5% more than their non-core obligation in Scheme year 7 of the scheme, then their non-core obligation should be reduced by a corresponding amount in 2018/19?
19.	Do you foresee any issues or risks associated with allowing suppliers to start Industry Initiative activities before the regulations are in place?
20.	Do you agree that the deadline for suppliers to submit a request to Ofgem to transfer some of their non-core obligation to Industry Initiatives is set to three and a half months before the end of the scheme year?
21.	Do you agree that any undelivered rebates in scheme year 7 should be added to a suppliers' non-core obligation in 2018/19?
22.	Do you agree the timeframe for Ofgem to respond to notifications should be amended from 28 calendar days to 20 working days?
23.	Do you have any other comments you would like to provide?

Department for Business, Energy & Industrial Strategy

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