



# The 50plus



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## **Boiler replacement scheme (as of January 2010)**

Can I benefit from the Government boiler scrappage scheme? Here's the checklist.

**1. How much can I save?** On the boiler scrappage scheme £400 and if you use a supplier who matches the government incentive up to £800. Some companies are also offering free maintenance or other benefits such as free radiator controls to increase the value of the package. The main saving is long term through spending less on fuel, perhaps by £200 or more per annum.

**2. What are the costs?** Cost will depend both on your installation and where you live as labour costs vary. A modern energy efficient boiler can be purchased *from* around £650. Add to this installation and profit for the installer, changes that may be needed to e.g. the flue (and possibly its position) any changes to the system outside the boiler and possibly servicing of parts of the system. It is of note that you have to part with the cost of the works first; the £400 is then rebated. The average cost of replacing a boiler is £2,500 (source the Heating and Hot water Industry Council (HHIC)).

**2. Can I buy from anybody?** Yes as long as they are qualified to install a new boiler. First obtain a quotation from your chosen installer; then apply for the scheme starting at <http://www.governmentboiler-scrappagescheme.info/>.

**3. Am I eligible?** Yes if you are a householder (including tenants) but not if you are a landlord. If you are under 60 you can only apply for the scheme if the boiler you are scrapping is in working order and is the main boiler used to heat the home. If you are 60 or over you can apply for the scheme regardless of whether the boiler you are scrapping is in working order.

**4. What rating does my old boiler have to have?** G or X. That's less than 70% efficiency. The replacement A rated boiler will be 90% efficient or better, meaning it will use less fuel, resulting in lower CO2 emissions and running costs.

**5. How can I check my boiler rating?** It's simplest to do this on the web. Use the reference address at (3) above. Alternatively Contact the Energy Savings Trust on 0800 512 012. Quick indicative tests for gas boilers are permanent pilot lights or an age of over fifteen years. Oil fired boilers over twenty-five years old are likely to be eligible.

**6. Can everyone benefit?** No. The scheme is currently limited to 125,000 boilers (a budget of around £50m). It is estimated there are 4.5 million boilers in the UK, which are less than 70% efficient.

**7. Will this cost us the taxpayers money?** No. If the £50m funding is taken up the sector will gain revenues of around £313m based on the average price of buying and installing a boiler being £2,500. This would allow the Government to make a profit of £4.69m through the programme, because it would receive VAT of £437.50 on each boiler sale and installation.