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**BRITAIN'S BEST-SELLING QUALITY DAILY** 

Friday, August 18, 2006 No 47,028

**Power** 

prices

in six

By David Derbyshire **Consumer Affairs Editor** 

price increases.

last vear.

**rise 47%** 

months

MILLIONS of homes were facing their second major rise in fuel bills within six months yesterday after Powergen announced another round of

The German-owned com-

pany is increasing gas prices by 18-4 per cent and electricity bills by 9-7 per cent from Monday. It blamed the rising wholesale cost of gas, which it said had climbed by 87 per

cent since the beginning of

The increases follow similar rises by its major rivals, Brit-ish Gas, EDF Energy and

Scottish Power. Other suppliers are expected to follow suit over the next few months.

Every major supplier has imposed at least two price

Since March, gas bills for Powergen's 8.5 million custom-

ers have risen by 47 per cent

and electricity bills by nearly

30 per cent. Nick Horler, the managing

director of Powergen Retail,

said: "We take today's announcement very seriously

and we have fully considered

its impact on our customers.

The company said that more than 10 per cent of its

customers would not be

affected because they were on

The rise was announced two days after Powergen's

profits were shown to have

fallen by 26 per cent. Profits of

its parent company Eon,

based in Dusseldorf, rose by

13 per cent to £3.26 billion in

The consumer group Energywatch said that a typical

Powergen gas bill was now

£644 a year, a rise of 107.5 per

cent since 2003. The average

electricity bill was £333, up by

Adam Scorer, the organisa-

tion's director of campaigns, said: "The energy market is

stuck in a high-price rut. That means millions of people in fuel poverty, bigger bills for everyone, inflationary pres-

sures and higher interest

"Powergen, like all suppliers, may struggle to sustain its profits as a UK retailer, but it

has a strong electricity gener-

ation business and its parent

company enjoys bumper prof-

its from the inflated wholesale

Mr Scorer said that con-

sumers could still reduce their

bills by changing supplier and

that the benefits were greatest

62·1 per cent.

rates.

the first half of the year.

capped or fixed-price deals.

increases this year.

# **Tories to** convert council rent into mortgage

**By Rosie Murray-West** and George Jones

will be given the opportunity to own his or her home under a Conservative government, David Cameron announced yesterday.

He wants to create a revolution in ownership by allowing any council tenant the right to convert rental payments into a

whole new generation of the proposals. home owners," the Tory leader said. "Millions of peopass property on to future generations.'

Under the proposals, unemployed people would be able to use housing benefit to build up equity in their homes.

Michael Gove, the shadow

housing minister, said it would be "extremely difficult" for people on benefits to own a home outright through the scheme but conceded that they would be eligible.

Under the policy, the opportunity to have a mortgage instead of paying rent would be open to all council tenants and those in housing association properties.

As in current shared equity schemes, the mortgage would allow the tenant gradually to buy the property, with the rest being owned meanwhile by the council or association.

Mr Cameron said the policy which follows Margaret Thatcher's hugely successful right to buy plan - would

allow greater social mobility.

Addressing a conference examining the difficulties of first-time buyers, he said: "There is a huge gap opening up between those who have achieved the dream of owning a home and those who, although they are working and striving and earning, can't see how they are going to be able to achieve that dream."

But critics said that the scheme would worsen the housing crisis by depleting the number of affordable rented homes.

Graeme Brown, of the housing charity Shelter, said the proposal would "exacerbate the nightmare of bad housing for thousands of families suf-





fering at the sharp end of the housing crisis".

Peter Tutton, of Citizens EVERY social housing tenant Advice, said that some people who had taken up their right to buy council properties had been unable to pay their mortgages and faced being left without a home.

"For them, the dream of Mr Gove emphasised that

"In this way we can create a to buy their properties under

ual knew they were investing ple would be able to own their in their own property instead flat, own their home. Millions of paying rent, they might put of people would be able to more of their discretionary income towards the cost of

social housing was replaced as it was sold off. Councils should be able to use the capital from selling the homes

expanding the housing supply overall," he said.

The National Housing Fedand similar programmes.

"This is not going to be a solution on its own," Olivia Powis, its policy officer, said. "We do not want to see the affordable housing stock depleted any further.

scheme was introduced in the 1980s in the face of fierce Labour opposition. Labour eventually accepted it but introduced restrictions which have made it less attractive and reduced the properties available for purchase.

Labour and the Liberal resulted in only 400 sales in the 11 years before it was abolished – fewer than 40 homes a year.

Lady Andrews, the junior government minister, local said: "David Cameron's housing policies are nothing but a

"They do nothing for the thousands of first-time buyers desperate to get into the hous-

Analysis: Page 2 Editorial Comment: Page 29

owning a home has become a debt nightmare," he said.

tenants would not be required

to build new houses. "We are in favour of

eration, which represents all housing associations, said that only 32,441 homes were built in 2004 and last year to replace 59,154 homes sold off under the right to buy scheme

The Tories' right to buy

Democrats dismissed Mr Cameron's scheme, saying that it was simply a recycling of a failed policy when the Tories were last in power. Labour said the policy had

muddle

ing market."

But he said: "If an individ-

housing."

He said it was vital that

**Education Editor** THE A-level pass rate has risen for the 24th year in succession and almost a quarter of entries were awarded A grades, the exam boards

By Liz Lightfoot

announced yesterday.
Universities were able to confirm 294,576 offers of places, as a record number of candidates met their offer grades.

The proportion of entries graded A was 24·1 per cent, 1·3 percentage points up on last year. In some subjects the proportion of A grades reached more than a third.

The reduction in the amount of content candidates have to master for mathematics revived interest in the subject and led to an increase in entries of 5.8 percentage points. The proportion gain-

ing an A grade went up from

40.7 per cent to 43.5 per cent.

Overall, the pass rate rose by 0.4 of a percentage point to 96.6 per cent. Girls moved farther ahead of boys and now out-perform them at grade A in every

major A-level except modern languages. Seven state schools in *The* Daily Telegraph's league table of results broke through the



Pupils at the Queen Elizabeth's School, Barnet, north London, celebrate their A-level results yesterday. The boys' grammar was the top-performing state school

Top grade for a quarter of A-level pupils

WE'RE RICH – I didn't get good enough grades for university

barrier of 90 per cent of standards, the Government's entries at A and B grades. Curriculum advisers spent Queen Elizabeth's School, a more than £50,000 on newsgrammar in Barnet. north London, topped the table with 95 per cent of entries at the top two grades, performing better than most independent schools.

"We are delighted with the results but we do not stress achieving top grades as our main mission because we place great value on a broad range of extra curricular achievements," said Dr John Marincowitz, the head teacher.

In an attempt to deflect criti-

paper advertisements urging the public to congratulate pupils on their achievement.

Alan Johnson, the Education Secretary, has acknowledged that the high proportion of candidates gaining three or more A-grades makes it difficult for universities to choose the best candidates and is considering introducing an A\* grade. Tougher questions are also being tried out next year.

Reports: Pages 21-24 cism of "dumbing down" of Editorial Comment: Page 29

one-time bouncer turned

# Digest

## **Explosives alert** at US airport

A West Virginia airport terminal was evacuated after two bottles of liquid found in a woman's carry-on luggage twice tested positive for explosive residues, a US security spokesman said. P2

Drought 'is ending' The worst of this summer's

drought appears to be over. water industry leaders said They predicted there would be no new hosepipe bans. P3

Teacher 'admits murder' A teacher confessed to one of America's most notorious

crimes of the past decade, admitting that he "accidentally" killed six-year-old JonBenet Ramsey. P4

Another Prescott clanger John Prescott heaped yet more embarrassment on Tony Blair after a Labour MP claimed that he had described President George W Bush as a "cowboy"

whose policy on the Middle Éast

Who's Who of crime

was "crap". P6

The Illustrated Circular of Confidence Tricksters and Expert Criminals, a kind of Who's Who of swindlers by Scotland Yard, has been made public. P10

Migrant tip-offs 'ignored' The Home Office was accused of ignoring tip-offs about illegal

### A pardon for Admiral Byng? Page 15



migrants working in the black economy. P12

Charity for Poles So many Poles are living in squalor and poverty in Britain

that a Polish charity is sending staff to London to persuade them to return home. P14

### US anti-terror blow American electronic espionage operations against suspected al-Qa'eda terrorists were thrown into chaos after a judge

ruled that eavesdropping without a warrant is unconstitutional. P17 Irag runs short of petrol Iraq has the third largest oil reserves in the world but drivers were forming mile-long queues

at petrol stations, knowing that

they would spend the night before they could fill up. P19 Katrina: a year on

One of the few undisputed heroes of Hurricane Katrina, a teacher, still lives in a trailer a year after he rescued survivors of the great storm. **P20** 

# Pakistan in charge

England were bowled out for

173 on the first day of the fourth Test at The Oval. Úmar Gul and Mohammad Asif each took four wickets. Pakistan replied with 96 for one. S1-S4

### **BUSINESS** Security plea

Virgin Atlantic is lobbying the Government to pay for all future security measures at the country's major airports. B1

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DOW JONES 11335 + 7.9

for people who had not switched before. Mervyn Kohler, of Help the Aged, urged the Government and energy suppliers to make helping struggling pensioners a priority.

Tony Herbert, of Citizens

price of gas."

Advice, said: "We are starting to see evidence of people struggling to pay their gas and electricity bills and we expect that this will grow massively over the winter months.'

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