



Introduction

The Fuel Poverty Coalition Cymru (FPCC) is a coalition of organisations who want to see an end to the misery and suffering caused by cold homes. The FPCC campaigns for improvements to policies and programmes to assist households in Wales struggling to afford to keep their homes warm.

The FPCC is led by NEA Cymru and Citizens Advice Cymru and supported by a steering group made up of a range of key organisations working to take forward the fuel poverty agenda in Wales including Age Cymru, Care & Repair Cymru, Community Housing Cymru, Children in Wales, Friends of the Earth Cymru, Oxfam Cymru, Shelter Cymru, Disability Wales, Cynnal Cymru, North Wales Energy Advice Centre and Warm Wales.

In response to specific questions in the consultation, the Coalition has outlined the following response:

Question 1 - Do you agree with the proposed support to be offered by the new scheme? Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.

The FPCC agrees with the proposed support offered by the new scheme which should include the provision of a free one stop shop advice service for all households in Wales to access advice and support if they are worried about their energy bills and free energy efficiency measures for eligible households.

Additionally the FPCC believes that the provision of in-home advice should not only be limited to those eligible for measures through the scheme. Home visits should be offered to all households who call the Nest advice line for assistance including those not eligible for measures because they are equally in need of assistance.

Households in fuel poverty can benefit from a range of advice. This can include energy efficiency advice, benefit entitlement checks, income maximisation via fuel switching advice, referrals to the Warm Home Discount Scheme, specialist fuel debt advice and applications for trust funds to assist with fuel debt, the Priority Services Register, as well as how to use heating controls to best effect.

No one organisation is best placed to provide such advice but it is important that advice is independent and impartial. Indeed a wide range of organisations are currently engaged in providing this type of advice including local authorities, voluntary and third sector organisations, as well as energy suppliers.

Partial Grants

The FPCC feels that there was inadequate information on the decision to remove partial grants. Indeed a number of stakeholders who provide in-home energy efficiency advice were not aware that partial grants existed, what they were for, or how to refer clients to Nest to access them.

As a result stakeholders felt that the low take up could in part be due to a lack of awareness that partial grants existed in the first place and rather than removing their provision more clarity was needed on the criteria for accessing them.

Question 2 - Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.

The FPCC fully supports the original aim of the scheme to offer a whole house approach to energy efficiency measures. However, the evidence suggests that this aim has not materialised. The Nest evaluation report notes that whilst some households received up to four separate measures the overwhelming majority (84%) of households received only one measure with gas boilers accounting for 62% of the measures.

It is therefore unclear whether the new scheme offer of a whole house approach will follow a similar pattern and what mechanisms will be put in place to ensure this does not happen.

Question 3 - Do you agree energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do you suggest we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer. Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.

The original objectives of the Nest scheme was to remove as many households as economically practical from fuel poverty and improve the Standard Assessment Procedure (SAP) rating of a house to the C band where possible.

Unfortunately, it is unclear whether the spending caps in place and which are proposed to continue within the new scheme have acted as a barrier to enable

households to be removed from fuel poverty and improved to the C band SAP rating. According to the Nest evaluation report only 31% of properties receiving a measure were improved to SAP ratings C or above, thereby suggesting that the spending caps might be acting as a barrier to meet the original objectives of the scheme.

Further information is needed on the number of households who have not been assisted because of the spending caps in place under the current scheme and how the caps have impacted on the ability to raise the properties to the required C rating.

The FPCC is unclear how the spending caps have impacted on the ability to tackle fuel poverty in both urban and rural areas. Further information is required on the average on gas and off gas intervention cost to enable a whole house approach to be realised and how many households are likely to be affected by the spending cap.

Question 4 - Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme? If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.

The FPCC welcomed the recognition within the consultation of the link between cold homes and ill health and that the new scheme will target some households with health conditions. However, the FPCC is concerned that the new proposed eligibility criteria will leave significant gaps for a range of groups who will be ineligible for assistance.

In particular it was felt the criteria was too narrowly focused and needed to be extended. The criteria would exclude low income working families with children over 5, those with mental health conditions, disabled adults and a large pool of low income pensioners. It was unclear why the new criteria was only targeting those aged 75 and over when the Centre for Sustainable Energy's research 'Understanding the characteristics of low income households most at risk from living in cold homes' had identified a wider range of groups vulnerable to living in cold homes including older adults aged 65 years and over, children, disabled people and those with a long term health condition, and those with mental health conditions.

The FPCC believed that the new criteria will drastically reduce the number of people eligible and would ultimately impact on the ability for organisations to target and refer clients.

It was felt that the new criteria would not enable a sustainable approach to tackling fuel poverty in the long-term.

Question 5 - Do you agree that we should continue to provide support to the private rented sector for those whose properties that are used to address homelessness, but that all other private landlords should be encouraged to

improve the energy efficiency of their properties through the provision of repayable low-cost loans?

The private rented sector represents some of the least energy efficient housing stock in Wales and the sector contains a significant proportion of low income households including households with children.

The consultation notes that the Welsh Government has requested CSE to undertake some additional work to assess the impact of removing the private rented sector from the scheme. The FPCC believes that the proposal to remove the private rented sector should be delayed until this report and its recommendations are published.

The FPCC also recommends that a proper assessment of the impact of removing the private rented sector is undertaken as we believe this proposal will ultimately trap people in fuel poverty in the private rented sector.

The impact of the changes will inevitably impact on local authorities environmental health functions to enforce improvements to housing conditions via the housing health and safety rating system standards. This is likely to lead to increase pressure on local authority resources to respond to potentially increased demand as a result. More clarity is needed on what plans the Welsh Government has in place as an alternative for fuel poor tenants in the private rented sector.

Question 6 - Do you agree with the proposed methods for demonstrating eligibility for the following households: Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years. Households on a relative low income with a member suffering with a respiratory or circulatory disease? If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.

Demonstrating eligibility for means tested benefits is identified as the same as the current scheme ie via proof of benefit letter. This seems a sensible approach.

There were concerns that if a small number of pre-approved third parties were only allocated to refer those with respiratory or circulatory conditions to the scheme then there would be a risk that people who are not in contact with the pre-approved organisations might not get support. It might also affect referrals from other agencies.

Any proposals for demonstrating eligibility needed to be cost effective so as not to increase the administrative costs of the scheme and eligibility needed to be easy to understand for those organisations referring into the scheme as well as to enable vulnerable households to provide the necessary evidence.

Question 7 - Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory

condition? How could individuals demonstrate they have a qualifying health condition? How do you think a referral system might be funded?

FPCC welcomes that the new schemes recognises the detrimental health effects of living in cold homes and suggested a range of organisations which could act as referral partners, many of which are currently engaged with low income clients. These include local authorities, voluntary and third sector organisations, but also health and social care professionals, as well as Welsh Government tackling poverty programmes and schemes for example.

Whilst there are a number of organisations who currently refer into the Nest scheme, a more co-ordinated and joined up approach is needed. The 2015 Fuel Poverty Monitor highlighted the key role that local authorities can play with local delivery partners often best placed to tailor support to local needs.

Stakeholders recommended that a health condition could be demonstrated by a supporting GP letter although in practice there were varying degrees of success with this approach. Stakeholders were also concerned about the onus and responsibility of any third party to get proof of the health condition and whether a level of discretion could be applied.

Whilst a number of organisations are already referring clients to Nest via other funding streams it is suggested that support with administrative costs could be one option or alternatively grants for signed up referral partners.

Question 8 - Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?

A suggestion on how to best target those with respiratory or circulatory conditions was through the primary care services via a GP referral or alternative health care professionals visiting the home. A medical diagnosis from a physician would suffice as evidence of a respiratory or circulatory condition. However, this would need a co-ordinated and joined up approach to ensure all GP practices were engaged with the scheme and could refer eligible clients either directly or through a third party. Further discussions with Local Health Boards was needed to investigate the potential for including such a stipulation in the contract terms and conditions with GP practices in Wales.

Question 9 - We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them.

The Fuel Poverty Coalition Cymru (FPCC) has previously commended the investment the Welsh Government has made through its energy efficiency programmes Nest and Arbed despite the difficult economic climate Wales has faced over the past 5 years, and will potentially continue to face in the light of Brexit, in the foreseeable future. For households who have benefited from home heating and insulation

improvements via the Nest and Arbed schemes, it has clearly had an impact on their health and wellbeing.

The FPCC also welcomes the new fuel poverty figures (published in July 2016) which estimates that fuel poverty levels have decreased by 6% since 2012 to current levels of 23% (291,000 households) in 2016, primarily as a result of the installation of home energy efficiency improvements via Welsh Government and GB wide schemes.

Scale of the Challenge

The Welsh Government has a statutory duty under the Warm Homes and Energy Conservation Act 2000 to do everything reasonably practicable to eradicate fuel poverty by 2018. With two years to go to the 2018 target it is clear that this target will not be achieved. The FPCC remains concerned that the Welsh Government's policy direction appears to have shifted from a focus on eradicating fuel poverty to the reduction of fuel poverty as outlined in the portfolio responsibilities for the Cabinet Secretary for Environment and Rural Affairs.

The FPCC is also concerned that there is no long-term strategy for addressing fuel poverty with the current 2010 Fuel Poverty Strategy now well out of date. Over 6000 low income households received home energy improvements via Nest in 2015-16¹ and if the scheme were continue to assist similar numbers each year, it would take 48.5 years to eradicate fuel poverty in Wales at current rates. Being able to afford a safe, warm home should be a basic human right, yet for 291,000 households in Wales this is not the reality and it is clear that the current investment in energy efficiency schemes is having a limited impact. It is now time for a new approach.

In its Manifesto 'Ending Wales' Cold Homes Crisis' the FPCC has called for a new and ambitious fuel poverty target based on improving a number of low income homes to a minimum standard of EPC C each year. This should be set out in a new fuel poverty strategy for which stakeholders and the wider public can hold the Welsh Government to account; and which clearly sets out the scale of resources and investment being deployed to tackle the issue over the next 5 years and beyond, driven by new housing stock data, and annual reporting on fuel poverty levels and the impact of energy efficiency schemes to ensure we are on the right track.

Clarity is needed on a number of specific areas which is key to tackling fuel poverty sustainably and ensuring that the aspirations set out in the Future Generations Act to protect future generations are realised. These areas are:

- Clarity on the Welsh Government's strategic direction and plans for eradicating fuel poverty in Wales
- Clarity on the scale of resources being earmarked specifically for fuel poverty with a clear demarcation on funding from the Welsh Government, European funding and funding from other sources eg the Energy Company Obligation

¹ Nest Annual Report 2015-16. Welsh Government. Available from: http://nestwales.org.uk/sites/default/files/Nest-Report_2016_English_04%20Final.pdf

- Targets for the number of households being assisted each year
- Clarity on the Welsh Government's current fuel poverty activity and related services
- Annual reporting on fuel poverty figures
- Assessment and annual reporting on how the Nest and Arbed schemes are removing households from fuel poverty
- Assessment on the impact of advice provision via Nest in removing households from fuel poverty

Resources

The FPCC has previously outlined a number of recommendations on how greater resources can be directed to fuel poverty. The Coalition recommends that domestic energy efficiency be made an infrastructure priority utilising any new tax and borrowing powers.

Welsh consumers contribute a significant amount to the UK Treasury from levies on their energy bills and the Welsh Government should press the UK Government to return this revenue to be directly spent on expanding resources for energy efficiency programmes to help more households in need.

The Welsh Government should also investigate the potential of using its new borrowing powers to substantially increase resources directed at energy efficiency improvements.

Energy Company Obligation (ECO) funding

The Nest evaluation report identified that Nest had not always made the most of working in partnership with other schemes such as ECO and Arbed funding or other local initiatives, to ensure households received a full package of measures. The Welsh Government must ensure that the new scheme makes the most of opportunities to utilise ECO resources from all obligated energy suppliers and works constructively with them to maximise resources coming into Wales.

Emergency Heating Fund

The FPCC has also called on the Welsh Government to ensure vulnerable households in Wales have access to a Wales wide crisis fund for emergency heating. It is vital that crisis heating support is provided to vulnerable households to ensure that their health is not endangered if the heating system breaks down, or if they are unable to be discharged from hospital because their home is too cold. An example of such a scheme is provided by the Flintshire Affordable Warmth Programme, which provides a crisis fund for people who cannot afford to heat their homes and need immediate support. The Welsh Government should integrate a crisis fund for emergency heating into the Nest scheme.