

Policy Update

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National Energy Action



Action for Warm Homes

Wales update

Nest Annual Report 2016-17



- **Funding** - In 2016/17, the Welsh Government provided £19.5m for Nest and a further £3.9m has been levered in through the GB-wide Energy Company Obligation.
- Over 5,500 households received free energy efficiency measures in 2016-17 and the average annual energy bill savings for these households are estimated at £410.
- 264 households benefitted from new or additional benefits, with an average increase in household income of over £1,800 per household per year
- 382 households benefited from a Warm Home Discount rebate of £140 off their electricity bill
- 79% of households contacting Nest were living in fuel poverty



2017 UK Fuel Poverty Monitor

What is it?

- Annual report which evaluates & examines the different approaches, policies and programmes to address fuel poverty across Wales, England, Scotland & Northern Ireland
- Produced by National Energy Action & Energy Action Scotland

This year's focus

- **Fuel poverty & health** - impact living in cold, damp conditions has on the most vulnerable members of our society



Risk to Health



Cold homes can:

- Increase the risk heart attacks and strokes
- Exacerbate respiratory illnesses (eg Chronic Obstructive Pulmonary Disorder) and asthma
- Increase arthritic, rheumatic conditions or propensity to falls
- Worry about high fuel bills and fuel debt also continues to significantly damage mental health
- 30% of winter deaths are caused by cold housing (WHO's estimates)
- Last winter 540 frail and vulnerable people across Wales died needlessly through the winter



KEY OBSERVATIONS IN WALES



- Whilst there has been a small decrease in fuel poverty in 2016 compared to 2015, the 2018 target to eradicate fuel poverty won't be met
- There has been a welcome continuation of resources to fund energy efficiency schemes but investment in national programmes needs to be expanded alongside leveraging in further funding from outside Wales
- Recognition of the impact of cold homes on health with a new Nest scheme offering assistance for low income groups with certain health conditions
- A new long-term strategy for addressing fuel poverty and a new ambitious fuel poverty target are required



WALES RECOMMENDATIONS



- The new Public Service Boards should outline how they intend to address cold homes and fuel poverty in their first Local Well-being Plans next year
- The Welsh Government should protect vulnerable households with a crisis fund for emergency heating that fall outside of the Nest scheme when their health is at risk



Climate Change, Environment and Rural Affairs Committee

Consultation on low carbon housing

Terms of reference

- To assess the Welsh Government's progress in relation to low carbon housing and to consider what needs to be done to ensure the Welsh Government achieves its commitments to meet energy efficiency and emissions reductions targets.
- What role can housing play in Wales' low carbon transition, including the potential positive impacts on greenhouse gas emissions?
- The development and availability of technology needed for highly energy efficient housing;
- What changes are needed to ensure that existing housing stock is as energy efficient as it can be?
- Whether it is possible and feasible to deliver low carbon, energy positive, affordable housing at scale in Wales and, if so, how this can be achieved;
- What are the barriers to delivering transformative change in house building in Wales?
- What is the role of Ofgem and the national grid in enabling grid evolution to accommodate new types of housing, and what are the challenges presented by decentralised energy supply?
- Whether Wales has the requisite skills to facilitate and enable change in the housing sector;
- What changes are needed to Building Regulations in Wales to accelerate progress towards 'near zero' energy standards and beyond?
- How communities can be planned and shaped to be more energy efficient and low carbon (including examples of good practice in Wales and further afield).
- **Consultation Closes** - 23 November 2017.



Cross Party Group on Fuel Poverty and Energy Efficiency

- A new Cross Party Group on Fuel Poverty and Energy Efficiency has been established
- The Cross Party Group (CPG) was formally launched at a reception for AMs and stakeholders on 20th June 2017
- AM Mark Isherwood will chair the new CPG.
- AMs who have agreed to be members of the new CPG are:
- Vikki Howell AM, Labour; Mike Hedges AM, Labour; and Simon Thomas AM, Plaid Cymru.
- First meeting held on 10th October considered energy price caps and rebates



Welsh Housing Quality Standard

- 86% of all social housing dwellings met the Welsh Housing Quality Standard (WHQS) by 31 March 2017 - a rise of 7% on the previous year
- The WHQS aims to ensure all homes provided by local authorities & housing associations are safe and secure and offer modern amenities.
- The WG provides £108 million each year to help all social landlords meet the WHQS by 2020.
- expenditure of £702 million with 82% re-invested in Wales
- Helped over 1407 people into employment or training, and provided the equivalent of 36,983 weeks of training



NEA Policy Update



Action for Warm Homes

Agenda

- Key policy activities since last Forum
- NEA's impact in 2016-17
- Conference calls for a “Fairer energy future for all”
- NEA publishes early findings from HIP
- NEA appoints a new Chief Executive
- Update on Clean Growth Plan and National Infrastructure Commission
- Heat decarbonisation debate warms up
- New vision for an energy efficiency delivery plan
- Update on the Private Rented Sector
- Update on price cap and warrant charges for PPMs
- Upcoming priorities for the Budget
- NEA Campaigns/Awards/Events/Activities



Key policy-led activities since last Forum [1/2]

- Meetings with Labour energy team re implications of Brexit on fuel poverty and energy affordability
- Reconstituted the APG and launched a new cross-party group in the Wales Assembly
- Worked with the DUP to get the Tories to drop means-testing WFP and reinforce EE as key infrastructure priority
- Worked with Ofgem to develop their plans for a new price cap for more vulnerable consumers and capping of warrant charges for PPM customers
- Highlighted in national press depth of fuel poverty in rural areas



Key policy-led activities since last Forum [2/2]

- Informing new intake of MPs and attending main party conferences
- Working with the Energy Efficiency Infrastructure Group to launch a detailed action plan for domestic buildings as an energy infrastructure programme
- Launched our heat decarbonisation and social equity report
- Engaged key stakeholders including BEIS to discuss future of ECO
- Engaging on WHDS in time for consultations early next year
- Pushing for the new PRS requirements to be fit for purpose
- Agreeing key theme for WHC & position paper on low household incomes
- Submitting key ask to HM Treasury ahead of November's Budget



NEA's key impacts in 2016-17 [1/2]

NEA's year in numbers ...

496

mental health service users and carers provided with tailored energy advice and support through our Warm Minds project



712

children singing energy-themed songs at NEA's Big Sing



At least
45,000
people given direct advice through NEA projects



22 Warm and Healthy Homes Fund projects delivered heating and insulation measures to **2,319 households**

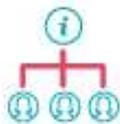


57 stakeholder events to put policy into practice



4.97 million

people reached through Twitter via #FuelPovertyAwarenessDay



420,000 vulnerable and hard-to-reach householders received information, advice and support about smart meters, via the Smart Energy GB In Communities programme

32

consultation responses submitted to UK Government and devolved administrations

NEA's key impacts in 2016-17 [2/2]

£18 million



awarded in grants to support new and innovative approaches to tackling fuel poverty in local communities

44

projects trialling new and innovative technologies to 2,166 households



5,325 people trained

110

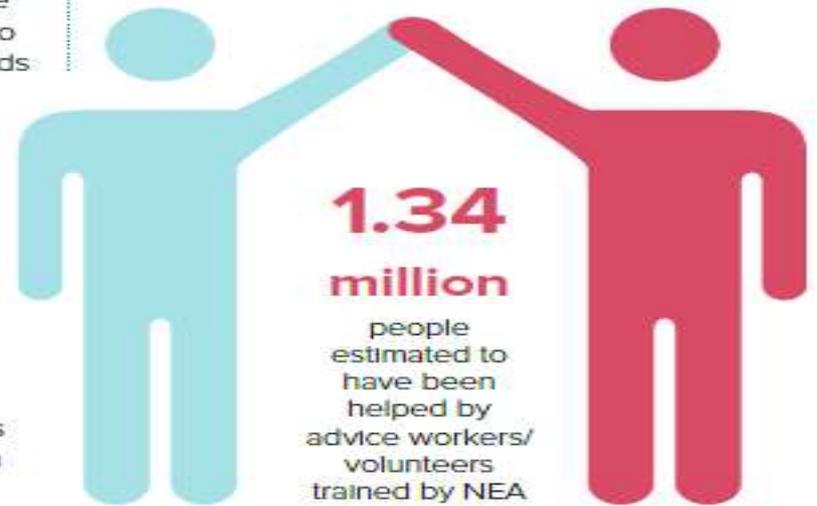
Funding and support from NEA for **110 extra Big Energy Saving Network champions** matching BEIS funding



And **3 cold little pigs** saved from 1 hungry wolf (with a bit of quick thinking and some DIY insulation)

15

Heat Heroes achievements recognised in Parliament



1.34 million

people estimated to have been helped by advice workers/volunteers trained by NEA



4,303

households received energy efficiency measures via Warm Zones etc.

To read the full impact report go to www.nea.org.uk and follow the link on the



Action for Warm Homes

Conference calls for a “fairer energy future for all”

- NEA Annual Conference September in Nottingham with over 350 delegates including 42 funded through our bursary scheme
- The main theme was how to encourage a fairer energy future for all and other key themes included:
 - Making the fuel poverty & carbon targets a reality
 - Treating customers fairly and acting on vulnerability
 - Innovation and new approaches to tackling fuel poverty and an overview of our Technical Innovation Fund
 - Maximising income, improving housing standards and tackling inequalities
 - Transforming our energy systems



NEA publishes early finding from HIP

- £26.2 million to address fuel poor and vulnerable households in England, Scotland and Wales
- Launched April 2015; designed and administered by NEA as part of an agreement with Ofgem and energy companies to make redress for non-compliance of licence conditions/obligations
- Largest GB-wide programme implemented by a charity which puts fuel poverty alleviation at its heart
- The programme comprised 3 funds: [Warm and Healthy Homes Fund](#), [Technical Innovation Fund](#) & [Warm Zones Fund](#)



HIP key achievements at 31 March 2017

- **8,700** households received at least one measure (forecast to increase to over **9,000** during 2017/18; 36% over target)
- **10,603** measures installed
- **70** grants awarded
- **1,448** frontline workers trained, with the potential to reach **450,240** people per annum
- **2,090** people advised through community engagement activities
- **£5.3** million additional income confirmed as secured for WZF clients following benefits entitlement checks, and forecast to exceed **£6m** per annum in 2017/18
- Significant improvements in residents' comfort, wellbeing, and energy affordability

The interim evaluation reports can be found at

<http://www.nea.org.uk/hip/>



Action for Warm Homes

NEA appoints a new Chief Executive

- After 30 years at the charity Jenny Saunders, Chief Executive of NEA, will step down at the end of December 2017
- The recruitment process for her successor was recently completed and Adam Scorer has been appointed and will join NEA on 1st December 2017



NEA

Action for Warm Homes

Update on Clean Growth Plan and National Infrastructure Commission (1/2)

- On the 12 October, the UK Government published the long awaited Clean Growth Strategy. Click [here](#) to read it.
- The report reiterated the Conservative manifesto commitment to get all fuel poor homes up to Band C by 2030 and also committed to ECO being extended to at least 2028 (with a review in 2022).
- The Government also noted they were aiming to get the Private Rented Sector (PRS) up to Band C by 2030, looking at how the social sector can meet the same standard and consulting on making the PRS regs more effective.
- The report also confirmed that the Energy Saving Advice Service (ESAS) helpline is being reviewed and the Government are considering offering an online service and other opportunities to tailor advice on improving energy efficiency of homes
- The UK Government also announced further trials aimed at building a market for energy efficiency, issued a consultation on reforming the Green Deal framework and released a [BEIS - Consultation outcome: Heat in Buildings - The Future of Heat \(Updated\)](#).



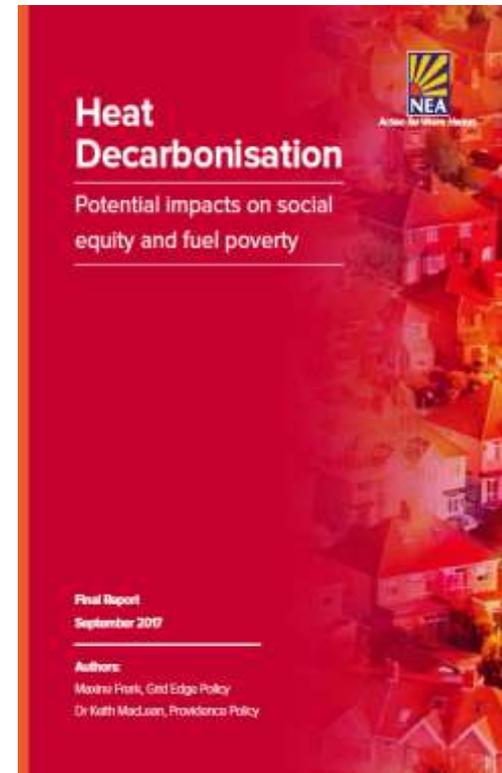
Update on Clean Growth Plan and National Infrastructure Commission (2/2)

- The following day (13th Oct), the National Infrastructure Commission launched its consultation on its draft National Infrastructure Assessment.
- In a hugely welcome development, the document stated that one of the key priorities for achieving low-cost, low carbon is clear; to improve domestic energy efficiency.
- The Commission will undertake a bespoke study for April which will consider how to develop an ambitious programme of energy efficiency improvements.
- NEA will continue its advocacy to ensure the UK Government now declares energy efficiency a national infrastructure priority to help unlock much needed resources to fund energy efficiency programmes overall.
- NEA also intends to meet with NIC to ensure this momentum is maintained. To read the NIA summary document click [here](#).



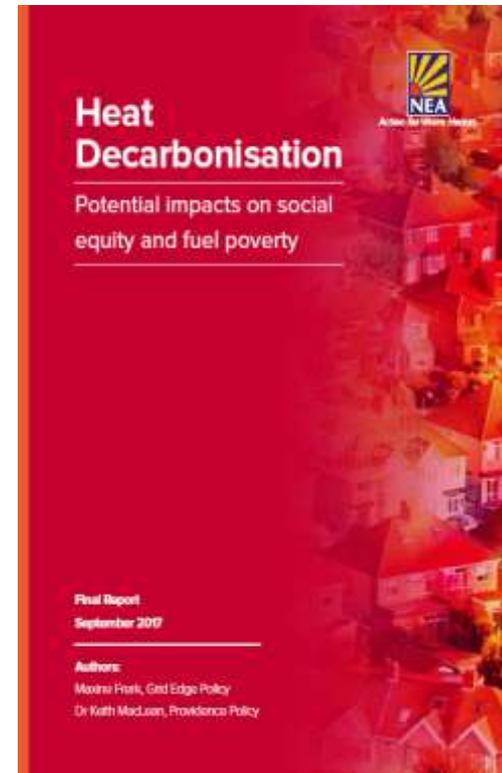
Heat decarbonisation debate warms up [1/2]

- Decarbonising domestic heating will require retrofitting an average of 20,000 properties each and every week for 20 to 25 years
- Report reviews a number of potential approaches, all of which could involve significant investment
- The costs could be socialised across energy bills and/or taxation
- The additional total costs from heat decarbonisation could create an extra 0.6 million to 2.6 million fuel poor households in GB (on the 10% measure)



Heat decarbonisation debate warms up [2/2]

- With the high costs of decarbonisation we need to consider options for mitigating the impacts on fuel poverty
- The main recommendation is to move now on no regrets “win-win” solutions targeting fuel poverty reduction and wider energy efficiency deployment



To read the full report go to <http://www.nea.org.uk/wp-content/uploads/2017/09/Heat-Decarbonisation-Report-2017.pdf>.



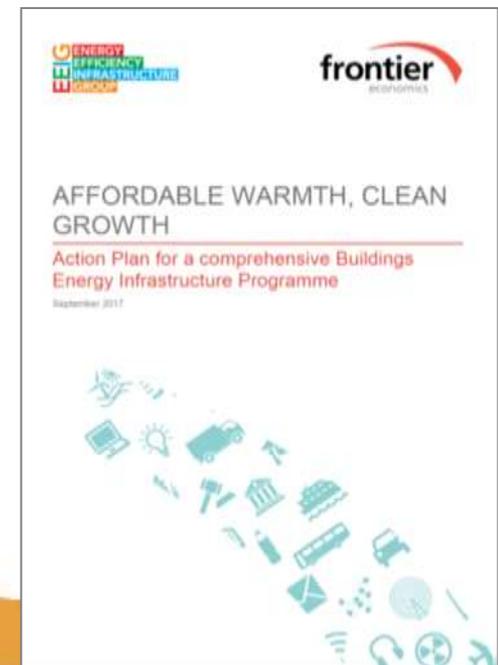
Action for Warm Homes

New vision for an energy efficiency delivery plan

A new report by Frontier Economics recommends a comprehensive Buildings Energy Infrastructure Programme to achieve major energy savings in UK homes- potentially over £7billion

Key recommendations include:

- Target for all low-income households achieving a C rating by 2030
- All homes to be brought up to C rating by 2035; new homes to be zero-carbon from 2020
- Subsidies for all low-income home owners to make energy efficiency renovations



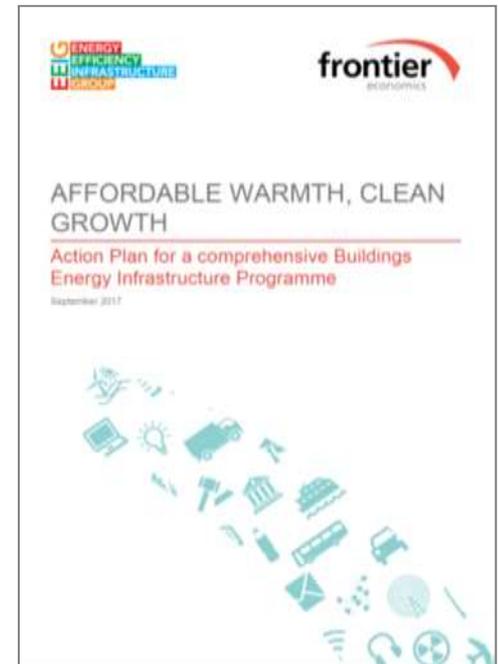
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NEA

Action for Warm Homes

New vision for an energy efficiency delivery plan

- A demonstrator programme to test e.g. zero interest loans, low interest equity loans and salary sacrifice schemes
- Changes to Stamp Duty to encourage renovations when people move home
- Tax allowances for private landlords and 50% subsidies for social landlords to undertake energy efficiency renovations



Find the report at:

<http://frontier-economics.com/documents/2017/09/affordable-warmth-clean-growth.pdf>



Action for Warm Homes

Update on the Private Rented Sector [1/2]



- NEA is a member of the PRS Coalition, we believe all PRS properties within scope of the upcoming regulations should be required to meet a minimum standard of EPC Band E, up to a maximum spending limit
- We are part of a new campaign led by charity 10:10 which is highlighting these loopholes
- The campaign kicked off 2nd October with a giant 'loophole' positioned outside BEIS, which got a number of people talking! There was also a great article by Adam Vaughan in the Guardian: <http://bit.ly/2xatXqH>



Update on the Private Rented Sector [2/2]



- 10:10 have also created a tool which allows people to put in their postcode and see how much money they would save if their home was made more energy efficient
- People can use the website to write to their MP. Please share this across your networks far and wide! <https://coldhomesloophole.1010uk.org/>
- Additionally, you can retweet

<https://twitter.com/1010/status/915195017978957824>

and share on facebook

<https://www.facebook.com/tentenuk/posts/10156118918913514>



Action for Warm Homes

Update on price cap (1/2)

- At the recent Conservative Party conference the Prime Minister announced the UK Government would introduce a new Parliamentary Bill that will give Ofgem power to introduce an SVT wide price cap.
- BEIS published the ‘Draft Domestic Gas and Electricity (Tariff Cap) Bill’ on the 12th Oct. Click [here](#) to read it. Click [here](#) to read the accompanying press release.
- The Draft Bill will “Limit the cost of standard variable tariffs (SVTs) and other default tariffs that customers are moved onto at the end of a fixed-term deal”.
- The Bill will require Ofgem to consult and impose the cap as soon as practicable after the legislation is passed.
- The publication of the Bill followed 192 MPs signing a cross-party letter calling on to the UK Government to extend current price protections to more households.



Update on price cap (2/2)

- On 11th October Ofgem also confirmed that they would extend price protection to 1 million more vulnerable households this winter.
- This new safeguard tariff would apply to customers receiving the Warm Home Discount from a supplier who is required to participate in this government scheme.
- Ofgem stated they expect that the safeguard tariff will be in place by February 2018 and provide short term relief for vulnerable customers, ahead of government plans for an energy price cap being realised.
- NEA responded to these announcements via a 5live interview and a BBC article which urged Ofgem and the Government to ensure the most vulnerable consumers get help this winter before the new Bill can be passed into law.
- To listen to the 5live interview click [here](#). To read the BBC article click [here](#). For more information please contact peter.smith@nea.org.uk



Update on warrant charges for PPMs [1/2]

- NEA commented on Ofgem's proposals and draft licence conditions on how to end high and inconsistent warrant charges for energy consumers
- NEA strongly supports the prohibition on charging consumers warrant costs in cases of vulnerability, incl. financial vulnerability
- NEA expects suppliers to use the updated Priority Services Register along with the new vulnerability principle to improve identification of vulnerability in order to apply the fee waiver
- Suppliers or a third party should provide complementary services including income maximisation and energy efficiency



Update on warrant charges for PPMs [2/2]

- When combined with the new vulnerability principle NEA is hopeful that proposed changes to the licence will facilitate improved action from suppliers to identify, respond to and protect vulnerable consumers in debt
- The new system will come into effect in early 2018

To read NEA's response go to: http://www.nea.org.uk/wp-content/uploads/2017/08/NEA-Response_Ofgem-PPMs-under-Warrant-Stat-Consul_FINAL.pdf.



Upcoming priorities for the Budget

In advance of the upcoming Budget, NEA has called on HM Treasury to undertake the following urgent actions:

- Introduce a national boiler scrappage scheme with emergency assistance to low income households
- Declare energy efficiency a national infrastructure priority to help unlock much needed resources to fund energy efficiency programmes overall
- 1 in 6 homes may be living with an unsafe gas appliance
- gas boilers condemned but not replaced has increased significantly in recent months (due to the changes to ECO)
- Disconnection of unsafe gas appliances as part of the smart meter roll-out will make the situation worse

NEA is making the case that the upcoming Budget provides a vital opportunity to address this worrying gap in support.



NEA's Warm Homes Campaign

- Last year WHC reached over 2 million people via social media
- Directly engaged 64 MPs, 1 Mayor, 1 Assembly Member & 5 Peers
- In total, the campaign had over 527 news pieces including Channel 4 News, BBC Inside Out , The Guardian, The Scotsman, and several BBC local and other radio stations
- This year our campaign will focus on the impact of low household incomes on fuel poverty levels
- Launches 22nd November 2017 and will continue until 23rd February 2018 (Fuel Poverty Awareness Day)
- Please get involved! Hold events during the campaign, highlight using communication channels, support on Twitter/Facebook
- To register interest contact sahdia.hassen@nea.org.uk



Fuel Poverty Resources

www.fuelpovertyresource.org.uk

An innovative resource hub to enable

Community Action On Fuel Poverty

Share Knowledge • Involve Communities • End Fuel Poverty



NEA

Action for Warm Homes

Heat Heroes Awards 2017-18

The awards are run in partnership with ScottishPower and aim to recognise individuals in England and Wales who have significantly helped those struggling with the effects of fuel poverty. This can be through work or through voluntary activities outside the workplace.

The deadline is close of play on Friday 20th October

For more details or to enter visit

<http://www.nea.org.uk/award-schemes/heat-heroes-awards-2017/> or contact Sahdia Hassen from NEA on 0191 269 2936, e-mail sahdia.hassen@nea.org.uk



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