



## **Consultation response: Achieving our low-carbon pathway to 2030**

### **About National Energy Action (NEA)**

NEA is a charity working throughout Wales, England, and Northern Ireland to end the misery and suffering caused by cold homes. Across the UK, 4.5 million households are living in cold, damp homes which they cannot afford to heat, and which are damaging to their health and wellbeing. In Wales nearly 1 in 4 (291,000) low income and vulnerable households are in this dire situation.

As well as championing further ambition on energy efficiency programmes nationally, a key focus of NEA's work is to deliver practical solutions to improve the quality of life for those living in cold homes locally. To achieve this, we aim to improve access to energy and debt advice, provide training, support energy efficiency policies, local projects and co-ordinate other related services which can help change lives. Some of the ways NEA Cymru is assisting low income and fuel poor households in Wales include:

- Through our Empowering Communities Cymru project we are improving the resilience of deprived communities. We have established a unique fuel debt network and upskilled over 800 frontline staff and advisors throughout Wales who have gone on to assist over 200,000 vulnerable households with their energy needs; and directly supported over 500 individuals and families at community events to manage their energy bills. As a result, households in Wales have increased resilience in the face of rising energy prices and community advisors are achieving successful resolutions for their clients to free them from the burden of overwhelming debt.
- Our project work includes supporting organisations working with hard to reach consumers to enable them to be better informed about the rollout of smart meters; increasing awareness and understanding of fuel poverty amongst the forces community to help serving personnel and veterans with their energy needs; and engaging health and social care professionals to understand the impacts of fuel poverty and signpost vulnerable individuals to support.
- Through our award-winning Level 3 City & Guilds training in Energy Awareness we have trained the Nest's team of whole house assessors.
- Our wider policy and stakeholder engagement work includes hosting the only fuel poverty focused annual conference in Wales as well as our fuel poverty forums and e-fuel poverty network which collectively enabled over 1100 stakeholders from the public, private and voluntary sectors to share ideas and best practice and help tackle fuel poverty collaboratively. We also continue to build support for action on fuel poverty at a local level supporting local authority led affordable warmth partnerships.

- We provide secretariat to the Fuel Poverty and Energy Efficiency Cross Party Group, helping Assembly Members to learn about the issues facing fuel poor households and we are a co-founding member of the Fuel Poverty Coalition Cymru which brings together organisations to campaign for improvements to policies and programmes to help households in Wales struggling to keep warm.

### **Introduction to this response**

NEA Cymru welcomes the opportunity to respond to the Welsh Government's consultation on how Wales can achieve a low carbon pathway to 2030. NEA Cymru's primary focus is on those households on low incomes and in fuel poverty (defined as spending more than 10% of their household income on heating the home) and those in severe fuel poverty (defined as households needing to spend more than 20% of their household income on heating the home). Beyond helping to end the individual suffering caused by fuel poverty, delivering energy efficiency-based fuel poverty targets and improving the energy efficiency of housing overall can contribute towards achieving other important Welsh Government objectives; a successful industrial strategy, supporting small business growth and achieving major carbon emissions reductions. These key actions will also help improve local air quality, reduce health and social care costs and provide real benefits to households who are struggling financially. This response therefore concentrates on the section of the consultation which focuses on buildings with reference to buildings in the domestic and residential sector.

NEA Cymru makes the following recommendations to the Welsh Government on how Wales can achieve its low carbon pathway whilst at the same time helping to tackle fuel poverty:

### **Recommendations**

- Commit to a new fuel poverty target to improve homes to a minimum energy efficiency standard of Energy Performance Certificate Band C by 2030 at the latest
- The Welsh Government should undertake and publish within the next 12 months a comprehensive cost and benefit analysis of retrofitting all households that are in fuel poverty as recommended by the Climate Change, Environment and Rural Affairs Committee
- The Welsh Government should dramatically enhance its own investment in domestic energy efficiency programmes to tackle fuel poverty and reduce needless domestic emissions and continue to prioritise this assistance at those most in need
- Designate fuel poverty as an infrastructure priority in line with the Scottish Government and support NEA's calls by urging the UK Government to do likewise so that Wales has enhanced resources to meet the new national domestic minimum energy efficiency standards in Wales, improve the worst of the Private Rented Sector in line with existing statutory commitments and ensure the whole of the UK housing stock is to be brought up to the same energy efficiency performance as a modern home<sup>i</sup> by 2035, a further aspiration contained within the UK Government's Clean Growth Strategy
- Protect vulnerable households this winter with a crisis fund for emergency heating when their health is at risk as recommended in the 2018 Fuel Poverty Monitor, supporting vulnerable households not covered by the existing Nest eligibility criteria

- The Welsh Government should pilot trials to investigate and assess the potential contribution which behaviour change can contribute to reduce household energy demand
- Urge Ofgem and the UK Government to ensure energy network companies can play a vital role in helping to support the reduction of energy demand by trialling new approaches which can directly help to alleviate fuel poverty as an alternative to network reinforcement as well as urging for an increase in targets for Gas Distribution Networks to provide gas connections for fuel poor households under the Fuel Poor Network Extension Scheme (FPNES)
- The Welsh Government should support NEA's calls for the level of the minimum energy efficiency standards cap for private landlords to be increased to £5,000 to strengthen the regulations
- The Welsh Government should set out how it will work with local authorities to ensure that enforcement of the Housing Health and Safety Rating System continues as a strategic priority within local government.
- Welsh Ministers should update the national indicators to measure progress against the wellbeing goals within the Wellbeing of Future Generations Act (Wales) 2015 to include fuel poverty levels

#### **Question 1: Name of organisation**

National Energy Action (NEA) Cymru.

#### **Question 2: Overall, to what extent do you agree with the potential actions for reducing emissions set out in this document?**

NEA Cymru is fully supportive of the potential action to develop a long-term residential retrofit programme. In its report 'Building a low carbon economy in Wales', the UK Committee on Climate Change suggested that achieving an 80% reduction in carbon emissions by 2050 will be more challenging than the equivalent reduction for the UK as a whole and recommended the Welsh Government improve the energy efficiency of the existing housing stock as a matter of urgency. They noted:

*"Improvements to the energy efficiency of the existing building stock is of major importance, in order to reduce emissions, energy bills and levels of fuel poverty, as well as to enable deployment of low carbon heating systems. This should be a high priority for the Welsh Government<sup>1</sup>".*

Beyond helping to end the individual suffering caused by fuel poverty, introducing and delivering energy efficiency-based fuel poverty targets and improving the energy efficiency of housing overall can contribute towards achieving other important Welsh Government objectives; a successful industrial strategy, supporting small business growth and achieving

---

<sup>1</sup> Building a low carbon economy in Wales: setting Welsh carbon targets. Committee on Climate Change Dec 2017. Available at <https://www.theccc.org.uk/publication/building-low-carbon-economy-wales-setting-welsh-carbon-targets/>

major carbon emissions reductions. These key actions will also help improve local air quality, reduce health and social care costs and provide real benefits to households who are struggling financially. As noted further below, there are however key actions which must be taken urgently, and domestic energy efficiency should be regarded as a hugely important infrastructure priority.

**Question 3: Please tell us if you have any ideas for how we should deliver the potential actions for reducing emissions.**

NEA Cymru would like to see the Welsh Government continue to invest in a fuel poverty energy efficiency scheme which is targeted at those households on the lowest incomes and in the least energy efficient properties. Energy efficiency measures should be free for households in fuel poverty and those households in severe fuel poverty should be a primary focus. It is imperative that the most vulnerable have access to financial support to be able to retrofit their homes.

NEA Cymru and stakeholders working in the fuel poverty field want to see a continued investment by the Welsh Government in its Warm Homes Programme which includes its demand led fuel poverty programme Nest and area-based energy efficiency scheme Arbed. 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 overall health and wellbeing as we outline in our response to Question 5.

The Welsh Government has invested more than £134 million in the Nest scheme since 2011<sup>2</sup> helping over 105,000 households through advice and support services and 33,600 households have been helped with tailored energy efficiency measures. In 2017 the Cabinet Secretary announced investment of £104m in the Welsh Government's Warm Homes schemes over the next four years to improve a further 25,000 homes. Funding for the Arbed scheme has assisted approximately 14,000 homes via funding for Phase 1 and Phase 2, and additional funding provided in 2015. Whilst this funding is welcome it is not enough to meet the scale of the challenge facing Wales. Investment to improve the energy efficiency of the existing housing stock in Wales needs to be urgently expanded to have an impact on fuel poverty in Wales and to meet the Welsh Government's decarbonisation targets. NEA Cymru has previously outlined several recommendations on how greater resources can be directed to fuel poverty schemes and has called for domestic energy efficiency to be designated as a key national infrastructure priority. During a fuel poverty debate in February 2018 this motion received cross party support and was subsequently approved.

The Climate Change, Environment and Rural Affairs Committee in their report 'Low Carbon Housing: The Challenge'<sup>3</sup> recommended that all houses in fuel poverty in Wales should be retrofitted to zero carbon in operation standards. They also recommended that the Welsh Government should undertake and publish within the next 12 months a comprehensive cost

---

<sup>2</sup> Nest fuel poverty annual report 2017-18. Available from: [https://nest.gov.wales/workspace/uploads/files/nest-report\\_2017-18\\_english\\_fi-5b4c9a0604a6c.pdf](https://nest.gov.wales/workspace/uploads/files/nest-report_2017-18_english_fi-5b4c9a0604a6c.pdf)

<sup>3</sup> Low carbon housing: the Challenge. National Assembly for Wales Climate Change, Environment and Rural Affairs Committee. Available from: <https://www.assembly.wales/laid%20documents/cr-ld11711/cr-ld11711-e.pdf>

and benefit analysis of retrofitting to zero carbon in operation all households that are in fuel poverty. And that the Welsh Government should continue to invest in and expand the current retrofitting schemes under Arbed 3.

There is also a need to better target the fuel poverty schemes and evaluate the impact they are having in lifting households out of fuel poverty. Neither the Nest or Arbed scheme has reported details of how many households were estimated to be lifted out of fuel poverty by the help they received. The latest annual report of the Nest scheme for 2017-18 indicates that 79% of households who contacted Nest were living in fuel poverty (48% in fuel poverty and 31% in severe fuel poverty) which is consistent with previous years. However, only 47.2% of households who received home energy efficiency improvements were found to be living in fuel poverty and therefore 52.8% were not in fuel poverty and yet assisted by the scheme. Moreover, the evaluation report of the Arbed scheme concluded that it was not possible to quantify the effect on fuel poverty with any degree of certainty, although verbal evidence showed that bills have been reduced and people are able to heat their homes for longer periods or at higher temperatures.

### **Other key priorities include:**

#### **Behaviour Change**

There are a number of different opinions on how household and individual behavior change can reduce harmful greenhouse gas emissions. A project run by Ymlaen Ceredigion, in partnership with Ceredigion Council and Aberystwyth University trialled a home energy coaching approach to support 40 householders to make changes in their energy use behaviours. As a result of the project 41% of participating households decreased their electricity consumption while maintaining or increasing mean living room temperature. Households who took part reduced their energy usage by an average of 16% including four households who reduced their energy usage by at least 40%.

Working collaboratively with colleagues from Ymlaen Ceredigion involved in the project, NEA has developed a new training course for frontline staff providing energy related advice to households. The course has been designed to give delegates an awareness and insight into how humans make decisions and specifically on simple techniques they can adopt to encourage people to act on the energy-related advice they receive.

#### **Community Energy schemes**

Under the Section on 'Power' within the consultation the Welsh Government is considering the potential action to accelerate the deployment of renewable generation whilst encouraging local ownership.

Earlier this year NEA Cymru responded to the Welsh Government's consultation on locally owned renewable energy. Whilst supporting the principle of local ownership of renewable energy projects we emphasised there should be a prioritisation of community energy projects using renewable resources to support the Welsh Government's ambitions to mitigate the impacts of fuel poverty. These projects can reduce energy costs for those least

able to afford them, ensuring homes are warm and more conducive to good health, whilst providing a community benefit fund which could be used to support households to become more energy efficient and encourage behaviour change.

NEA Cymru made a number of recommendations within its response to ensure low income and deprived communities can be kept warm in their homes at a more affordable cost and we reiterate these recommendations in this response which include: community benefit funds should be used to support households to become more energy efficient and encourage behaviour change; engage stakeholders working with fuel poor communities to enable better understanding of the barriers and challenges to participation in local community energy schemes and how these might be overcome; and encourage local authorities and social housing providers to take a leading role in developing community energy projects for the benefit of their disadvantaged communities.

#### **Question 4: What other ideas do you have for reducing emissions between now and 2030?**

As outlined in NEA Cymru's introduction to the consultation response we make the following recommendations to the Welsh Government on how Wales can achieve its low carbon pathway whilst at the same time helping to tackle fuel poverty:

#### **Recommendations**

- Commit to a new fuel poverty target to improve homes to a minimum energy efficiency standard of Energy Performance Certificate Band C by 2030 at the latest
- The Welsh Government should undertake and publish within the next 12 months a comprehensive cost and benefit analysis of retrofitting all households that are in fuel poverty as recommended by the Climate Change, Environment and Rural Affairs Committee
- The Welsh Government should dramatically enhance its own investment in domestic energy efficiency programmes to tackle fuel poverty and reduce needless domestic emissions and continue to prioritise this assistance at those most in need
- Designate fuel poverty as an infrastructure priority in line with the Scottish Government and support NEA's calls by urging the UK Government to do likewise so that Wales has enhanced resources to meet the new national domestic minimum energy efficiency standards in Wales, improve the worst of the Private Rented Sector in line with existing statutory commitments and ensure the whole of the UK housing stock is to be brought up to the same energy efficiency performance as a modern home<sup>ii</sup> by 2035, a further aspiration contained within the UK Government's Clean Growth Strategy
- Protect vulnerable households this winter with a crisis fund for emergency heating when their health is at risk as recommended in the 2018 Fuel Poverty Monitor, supporting vulnerable households not covered by the existing Nest eligibility criteria
- The Welsh Government should pilot trials to investigate and assess the potential contribution which behaviour change can contribute to reduce household energy demand
- Urge Ofgem and the UK Government to ensure energy network companies can play a vital role in helping to support the reduction of energy demand by trialling new approaches which can directly help to alleviate fuel poverty as an alternative to network

reinforcement as well as urging for an increase in targets for Gas Distribution Networks to provide gas connections for fuel poor households under the Fuel Poor Network Extension Scheme (FPNES)

- The Welsh Government should support NEA's calls for the level of the minimum energy efficiency standards cap for private landlords to be increased to £5,000 to strengthen the regulations
- The Welsh Government should set out how it will work with local authorities to ensure that enforcement of the Housing Health and Safety Rating System continues as a strategic priority within local government.
- Welsh Ministers should update the national indicators to measure progress against the wellbeing goals within the Wellbeing of Future Generations Act (Wales) 2015 to include fuel poverty levels

### **Question 5: Considering the opportunities and challenges in each sector, what are your views on whether action should be prioritised in some sectors over others?**

The Warm Homes and Energy Conservation Act 2000<sup>4</sup> placed a legal duty on the Welsh Government to eradicate fuel poverty, as far as is reasonably practicable, in all households in Wales by 2018. Whilst new statistics on fuel poverty are expected at the end of 2018, the latest available data estimates that just under a quarter (291,000) of households in Wales are still unable to afford to adequately heat their homes to a level which is conducive to their health and wellbeing.<sup>5</sup>

The Welsh Government along with other governments within the UK must meet their statutory obligations in relation to fuel poverty, not renege on their commitment in this area.

NEA Cymru welcomes the Cabinet Secretary's commitment to produce a new fuel poverty action plan as outlined in the 2017-18 Nest Annual Report<sup>6</sup>. There is consensus from the fuel poverty coalition in Wales that a new fuel poverty target to improve homes to a minimum energy efficiency standard of EPC C would provide certainty and a clear direction of travel. This in turn would mirror and support the wider aspiration in the UK Government's Clean Growth Strategy to get all UK homes up to EPC band C by 2035 at the latest.<sup>7</sup>

Within their draft fuel poverty strategy, the Scottish Government has committed to a long term ambitious target that by 2040 no more than 5% of households in Scotland will be in fuel poverty.<sup>8</sup> In addition all fuel poor homes are required to achieve an EPC rating of at least C by 2030 and EPC B by 2040 (where technically feasible and cost effective).<sup>9</sup>

### **Why we should prioritise fuel poverty**

---

<sup>4</sup> Warm Homes and Energy Conservation Act 2000. Available from: [http://www.legislation.gov.uk/ukpga/2000/31/pdfs/ukpga\\_20000031\\_en.pdf](http://www.legislation.gov.uk/ukpga/2000/31/pdfs/ukpga_20000031_en.pdf)

<sup>5</sup> The Production of Estimated Levels of Fuel Poverty in Wales: 2012-16. Available from: <https://gov.wales/docs/caecd/research/2016/160711-production-estimated-levels-fuel-poverty-wales-2012-2016-en.pdf>

<sup>6</sup> Nest fuel poverty annual report 2017-18. Available from: [https://nest.gov.wales/workspace/uploads/files/nest-report\\_2017-18\\_english\\_fi-5b4c9a0604a6c.pdf](https://nest.gov.wales/workspace/uploads/files/nest-report_2017-18_english_fi-5b4c9a0604a6c.pdf)

<sup>7</sup> 2018 Fuel Poverty Monitor, NEA. Available from: <http://www.nea.org.uk/wp-content/uploads/2018/09/UK-FPM-2018.pdf>

<sup>8</sup> Fuel Poverty Strategy for Scotland 2018. <https://www.gov.scot/Resource/0053/00537470.pdf>

<sup>9</sup> Energy Efficient Scotland, May 2018. Available from: <https://www.gov.scot/Resource/0053/00534980.pdf>

There is now wide recognition of the impact of cold homes on health from several well-respected health and medical bodies<sup>10</sup>. The Scottish Government has recognized that improving the energy performance of homes can have a significant impact on health and wellbeing, particularly children's respiratory health and are developing formal links between energy efficiency delivery and the health sector which is part of their new fuel poverty strategy.

### **Excess Winter Deaths**

In 2018, research published by E3G and NEA<sup>11</sup> found that, on average, there are 32,000 excess winter deaths (EWDs) each year in the UK between December and March. The World Health Organization has estimated that 30% (9,700) of these EWDs can be attributed to ill health caused by cold housing.<sup>12</sup> Most deaths are in the over 65's with the over 85's most affected. Many of these deaths can be prevented if we improve the thermal efficiency of homes. In Wales living in a cold home is a bigger killer than alcohol related deaths with over 500 EWDs each year due to cold homes. This situation is totally unacceptable.

In addition, a range of health conditions can be exacerbated by inadequate heating, damp and mould. This includes an increased risk of heart attacks, strokes or other circulatory illnesses; increased risk of developing a respiratory condition; weakened immune system; misery, anxiety and mental health problems; and mobility problems, often resulting in accidents or falls.

### **Impact on health services**

Our 2018 Fuel Poverty Monitor report which investigated the impact of the 2017-18 winter and the cold spell experienced in early March 2018 on a range of frontline organisations found that health and social care services were 'creaking at the seams' and unable to cope with the increased demand for services, resulting in increased admittance to hospital on already overstretched resources.

In 2011, it was estimated that the total cost to the NHS in Wales of dealing with category one hazards, which include unsafe stairs and steps, electrical hazards, damp and mould growth, excessive cold and overcrowding, was around £67 million per year<sup>13</sup>. The overall cost to society was estimated at around £168 million per year.

Evidence from the <sup>14</sup>Fuel Poverty Data Linking Project which analysed data from households who had received energy efficiency improvements delivered through the Nest fuel poverty

---

<sup>10</sup> 2018 Fuel Poverty Monitor, NEA. Available from: <http://www.nea.org.uk/wp-content/uploads/2018/09/UK-FPM-2018.pdf>

<sup>11</sup> Cold Homes and Excess Winter Deaths Briefing Paper. A preventable public health epidemic that can no longer be tolerated, Feb 2018. Available from <http://www.nea.org.uk/wp-content/uploads/2018/02/E3G-NEA-Cold-homes-and-excess-winter-deaths.pdf>

<sup>12</sup> Housing, Energy and Thermal Comfort, World Health Organisation, 2012. Available from [http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0008/97091/E89887.pdf](http://www.euro.who.int/__data/assets/pdf_file/0008/97091/E89887.pdf)

<sup>13</sup> Thomson H et al (2009) The Health Impacts of Housing Improvement: A Systematic Review of Intervention Studies from 1887 to 2007. American Journal of Public Health, 99, 681-691.

<sup>14</sup> Fuel Poverty Data Linking Project Findings Report No.1: Initial Findings on the Impact on Health of the Warm Homes Nest Scheme. Available from: <https://gov.wales/docs/caecd/research/2017/170404-fuel-poverty-data-linking-project-findings-report-1-en.pdf>

scheme showed that improving the thermal efficiency of homes was having a positive impact on health. GP events for respiratory illness and asthma fell by almost 4% and 6.5% respectively, for those who had benefited from Nest improvements. The Arbed evaluation also reported that where households had pre-existing health conditions, there was some evidence of the measures installed having a positive impact.

Evidence from the Arbed scheme has shown the multiple benefits energy efficiency schemes can bring.<sup>15</sup> Local residents commented on the positive impacts that they felt the scheme had had on their communities, in addition to the benefits they received as individual households. Households commented on the significant visual improvements that had been made to many streets throughout the schemes, giving the area a ‘facelift’, and that they took more pride in their ‘spruced up’ homes. Other community benefits included the creation of nearly 500 jobs and over 2800 apprenticeship weeks.

The evaluation report also noted that the Arbed schemes were successful in bringing the community together and improving interaction between householders who participated. As a result, the evaluation noted that the Arbed scheme was the first programme to have achieved a Welsh Local Multiplier of £2 (i.e. for every £1 spent on the contract, the corresponding amount of money that was reinvested in the Welsh economy) as measured using the Value Wales Community Benefit Measurement Tool.

### **The growing challenge of the private rented sector**

Information from the 2011 census reports that the private rented sector (PRS) represents 14% of Welsh households<sup>16</sup> and if current trends continue, the private rented sector will increase to 1 in 5 households by 2020.<sup>17</sup> It has been well recognised that the PRS represents some of the least energy efficient housing stock in Wales, and many low-income households are stuck with no other alternatives with 32% in the sector having a household income less than £15,000.<sup>18</sup>

The Welsh Government has improved conditions within the PRS through its licensing scheme for private landlords in Wales via Rent Smart Wales and enabling Nest to support energy efficiency improvements. Licensing can play an important part in driving higher levels of energy efficiency. It offers an opportunity to both engage with and improve both landlords and tenants’ awareness of energy efficiency.

Tenant participation can also play an important role in the PRS to improve standards in the sector. Shelter Cymru reported that people living in the private rented sector are over-represented in their casework and called for the need to support tenants in the private rented sector to establish a strong tenants movement.

---

<sup>15</sup> <https://gov.wales/docs/desh/publications/171106-welsh-government-warm-homes-arbed-eu-project-final-report-en.pdf>

<sup>16</sup> [http://www.cih.org/resources/PDF/Wales%20Policy/prs\\_factsheet\\_english\\_language.pdf](http://www.cih.org/resources/PDF/Wales%20Policy/prs_factsheet_english_language.pdf)

<sup>17</sup> The shape of Wales to come: Wales’ economy, environment and society in 2020, Bevan Foundation.

<sup>18</sup> Fit to Rent? Today’s private rented sector in Wales. Shelter Cymru. Available at: <https://sheltercymru.org.uk/wp-content/uploads/2015/02/Fit-to-rent-Todays-Private-Rented-Sector-in-Wales.pdf>

As part of a British Gas funded Community Action Partnership programme, in 2015 NEA Cymru provided CPD accredited training for landlords in Cardiff. The training enabled landlords and letting agents to understand the new energy efficiency legislation and their responsibilities; recognise the impacts of fuel poverty on their tenants, help tenants reduce condensation and damp; and identify grants and assistance available to improve energy efficiency, reduce fuel bills and fuel debt. Expanding this form of awareness raising would also support the broad aims of improving conditions in the PRS.

Although powers to regulate energy efficiency in the private rented sector are reserved to the UK Government, the Welsh Government can play an important part in encouraging energy efficiency improvements in the sector and faced with the challenge of the expected growth in the sector over the coming years, the Welsh Government should support NEA's current call detailed below.

The Energy Act 2011 brought into force regulations to improve the energy efficiency of private rented properties to a minimum energy efficiency standard before they can be lawfully let to tenants. However, this requirement was subject to there being no upfront financial cost to landlords. It was intended that these new regulations would come into force from April 2018. However, there has been significant delays implementing this policy fully and several caveats remain.

A consultation on the level of this landlord investment is pending and will be released later this year. NEA would like to see the level of the cap increased to £5,000 as initial proposals for a £2,500 limit would have resulted in less than half of F and G rated privately rented homes in England and Wales being assisted by 2020. The Welsh Government should signal its support for NEA's recommendations to strengthen regulation in this area.

### **Enforcement of current Health and Housing legislation**

Local authorities are also responsible for enforcing the new regulations within the Energy Act and the Welsh Government will need to ensure that local authorities are adequately resourced to ensure enforcement of the new regulations.

However, current regulations exist through the Housing Health and Safety Rating System which should ensure all houses are safe and of a decent standard. The main relevant enforcement category is excess cold, and local authorities have a duty to take action to ensure the hazard is removed and the landlord is liable for the full cost of the works. However, it is clear from evidence from Shelter that two-thirds of tenants who had made an approach to Environmental Health said it didn't solve the problem. The Welsh Government should set out how it will work with local authorities to ensure that enforcement of the HHSRS continues to be a strategic priority.

Several stakeholders have suggested that inspection costs for HHSRS should be self-financing with repeat offenders charged for the costs of the enforcement action taken against them.

Research by NEA has also highlighted that there is a strong business case for both private and social landlords to invest their own funds to improve their properties, particularly the least efficient homes which fail mandatory safety requirements.<sup>19</sup> The research found that energy efficiency improvements helped to reduce rent arrears by an average of 14% and also the more energy efficient properties were left void for shorter periods of time thereby reducing a range of costs for landlords on repairs, refurbishment and less on staff time to manage voids. In addition, an analysis of further costs incurred shows that time spent seeking overdue rent payments, legal costs and court costs decline by around 35% for more energy efficient homes.

### **Question 6: How could we encourage more collaboration and innovation between sectors?**

In May 2018 NEA responded to Ofgem's consultation on the second price controls for the gas and electricity network companies (RIIO-2). In our response NEA highlighted the important role that network companies can play in mitigating fuel poverty levels across the UK. Network costs account for around 25% of a typical dual fuel bill<sup>20</sup>, and typically consumers in Wales pay higher than average distribution charges which vary across the country.

NEA believes that networks can play a vital role in helping to support the reduction of energy demand by trialling new approaches which can directly help to alleviate fuel poverty as an alternative to network reinforcement.

In our response to Ofgem, NEA has stressed that we would like to see an increased role for networks to help support and fund energy efficiency improvements for households as well as an increase in the targets for Gas Distribution Networks to provide gas connections for fuel poor households under the Fuel Poor Network Extension Scheme (FPNES). This in turn would support the Welsh Government's fuel poverty commitments and help to achieve carbon emissions reductions. NEA Cymru would urge the Welsh Government to support NEA's stance and call on the UK Government to support our recommendations in this area.

### **Question 7: How do you think the potential actions to reduce emissions might affect you or the organisation you work for?**

As the national charity representing the 4.5 million households in the UK (291,000 households in Wales) seeking an end to the misery and suffering caused by cold homes NEA welcomes the potential action outlined in the consultation to develop a residential retrofit programme. NEA believes improving the energy efficiency of Wales's ageing housing stock is the only sustainable solution to address fuel poverty in the long-term. This will remove inadequate energy efficiency as a driver of fuel poverty.

### **Question 8: How do you think the potential actions to reduce emissions might affect the following?**

---

<sup>19</sup> Research 71

<sup>20</sup> <https://www.ofgem.gov.uk/consumers/household-gas-and-electricity-guide/understand-your-gas-and-electricity-bills>

## Public Health

The link between cold homes and ill health is now well recognized and well established. As outlined in Question 5, in 2011 it was estimated that the total cost to the NHS in Wales of dealing with category one hazards, which include unsafe stairs and steps, electrical hazards, damp and mould growth, excessive cold and overcrowding, was around £67 million per year<sup>21</sup>. The overall cost to society was estimated at around £168 million per year. Previous estimates suggest that each £1 invested to enable affordable warmth at home generates 42p in cost savings for the NHS.<sup>22</sup>

In March 2015, the National Institute for Clinical Excellence (NICE) published its public health guidance on *Tackling Excess Winter Deaths, Morbidity and the Health Risks Associated with Cold Homes*. NICE outlined several comprehensive recommendations on how health and social care practitioners must act to reduce the risk of death and ill health associated with living in a cold home. These included providing a one-stop local health and housing referral service for people living in cold homes which offers access to grants for housing insulation and heating; identifying people at risk of ill health from living in a cold home; and ensuring vulnerable hospital patients are not discharged to a cold home.

## Communities

As outlined in Question 5, evidence from the area based Arbed scheme has shown the multiple benefits energy efficiency schemes can bring.<sup>23</sup> Local residents commented on the positive impacts that they felt the scheme had had on their communities, in addition to the benefits they received as individual households. Households commented on the significant visual improvements that had been made to many streets throughout the schemes, giving the area a 'facelift', and that they took more pride in their 'spruced up' homes. Other community benefits included the creation of nearly 500 jobs and over 2800 apprenticeship weeks, many employing local people.

The evaluation report noted that the Arbed schemes were successful in bringing the community together and improving interaction between householders participating in the scheme. As a result, the evaluation noted that the Arbed scheme was the first programme to have achieved a Welsh Local Multiplier of £2 (i.e. for every £1 spent on the contract, the corresponding amount of money that was reinvested in the Welsh economy) as measured using the Value Wales Community Benefit Measurement Tool.

## Equality

The greatest impacts of rising energy costs are disproportionately felt by some of the most vulnerable people in our society. Tackling fuel poverty and reducing carbon emissions by improving the energy efficiency of fuel poor households in Wales will also help to tackle

---

<sup>21</sup> Thomson H et al (2009) The Health Impacts of Housing Improvement: A Systematic Review of Intervention Studies from 1887 to 2007. American Journal of Public Health, 99, 681-691.

<sup>22</sup> Friends of the Earth and Marmot Review Team, 2011

<sup>23</sup> <https://gov.wales/docs/desh/publications/171106-welsh-government-warm-homes-arbed-eu-project-final-report-en.pdf>

inequality and social justice in Wales. Disabled people can be significantly affected by living in cold homes.

Research conducted by the disability charity Scope into the cost of energy that disabled people face showed that disabled people have extra energy costs of £570 a year due to higher energy costs<sup>24</sup> Many disabled people are faced with no choice but to consume more energy because of their impairment or condition. Over a third of disabled adults feel that their impairment or condition has a significant impact on their energy costs. This is because disabled people with limited mobility have to use more heating to stay warm, whilst other disabled people might use items of assistive technology which use extra electricity to charge these items.

The report found that 4.1 million households with a disabled person spend over £1,500 a year on energy, and nearly 800,000 households spend over £2,500 a year on energy. Tackling fuel poverty and reducing emissions will help to tackle the hugely expensive fuel bills many disabled people face.

### **Children's rights**

Improving the energy efficiency of fuel poor households in Wales and thereby reducing emissions will improve the living conditions of children in Wales and will be beneficial to children's health, education, and social development. Research has indicated that children living in disadvantaged household types such as single parent households, low income households, households headed by a black or minority ethnic parent and households headed by a parent with a long-term health condition (National Children's Bureau, 2012) are particularly at risk of living in cold homes.

There are an estimated 1.6 million children in the UK who are living in fuel poverty.<sup>25</sup> Every child in Wales should have the basic right to be warm in their homes and not adversely affected by cold homes which can include significant detrimental health consequences, impact on their ability to invite friends around to their home and impact of their ability to concentrate on homework and studies.

Cold homes can also have particularly harmful effects on the development of babies and young infants. Households who have young children less than five years of age spend an above-average amount of time at home, increasing their exposure to the harmful health effects of living in cold homes.<sup>26</sup> Weight gain in babies and toddlers can also be impeded by the increased calorie requirements to keep warm in a cold home. Slow weight gain in the early years can lead to developmental disadvantages that persist into adult life. Existing evidence also highlights infants living in cold conditions have a 30% greater risk of admission to hospital or primary care facilities.

---

<sup>24</sup> Out in the cold, March 2018, Scope. Available from <https://www.scope.org.uk/Scope/media/Images/Out-in-the-cold.pdf>

<sup>25</sup> ACE 2013

<sup>26</sup> Understanding the Characteristics of Low Income Households Most at Risk from Living in Cold Homes - Final Report to the Welsh Government: Main Report

Additionally, by reducing carbon emissions and making homes warmer we can also improve children's health. Children have a lesser ability to deal with thermal stress compared to adults and as result children living in cold homes are more prone to respiratory health problems, such as asthma and bronchitis.<sup>27</sup>

A report by Shelter<sup>28</sup> on the impact of bad housing on children found that children living in damp, mouldy homes are between one and a half and three times more prone to coughing and wheezing – symptoms of asthma and other respiratory conditions – than children living in dry homes. Such symptoms can lead to sleep loss, restrictions on children's daily activities, and absence from school, all of which have long-term implications for a child's personal development. Living in cold, damp housing may well have an impact on children's mental health too, increasing children's chances of experiencing stress, anxiety and depression.

**Question 9: How do you think the potential actions to reduce emissions might contribute to achieving the national wellbeing goals?**

Tackling fuel poverty and thereby reducing carbon emissions can support several the wellbeing goals of the Wellbeing of Future Generations (Wales) Act 2015. Earlier this year NEA Cymru responded to the Public Service Boards' consultations on their Wellbeing Plans. Over half of the 19 Public Service Boards (PSBs) have identified fuel poverty as a local objective which indicates how PSBs recognise that tackling fuel poverty is of major importance in improving local wellbeing and building a more prosperous, resilient and healthier Wales.

Addressing fuel poverty can bring several environmental, economic and social benefits. Health can be improved contributing to the wellbeing goal of a healthier Wales by allowing a society in which people's physical and mental well-being is maximised, where people in Wales enjoy better health for longer.

Energy efficiency programmes can also support a more prosperous Wales by supporting new jobs and skills in the energy efficiency sector. Residential homes in the UK emit 8% of the country's greenhouse gases. Action on supporting the energy efficiency of our homes will help Wales meet its commitments to reducing carbon emissions which in turn makes a positive contribution to its overall commitment to a globally responsible Wales to reduce the impact on climate change. We know that living in energy inefficient homes is a causal factor of fuel poverty, and so to promote and apply cleaner, cheaper forms of heating homes, we can tackle fuel poverty as well as reach a globally responsible Wales.

Often, being in fuel poverty and on a low income comes at a cost. The best energy tariffs are reserved for those who can shop around. Citizens Advice reported that people living in poverty were paying roughly 10% more for essential goods and services, such as fuel, and this is because they do not have access to the best deals. High fuel costs are a contributing

---

<sup>27</sup> (Marmot Review Team, 2011) (Climate Just, 2014).

<sup>28</sup> *Chances of a lifetime: the impact of bad housing on children's lives* by Lisa Harker for Shelter, 2006

factor to fuel poverty. Tackling fuel poverty will create a more equal Wales, and help to alleviate income inequality, health inequality.

Within our 2018 UK Fuel Poverty Monitor we call for Welsh Ministers to update the national indicators to measure progress against the wellbeing goals within the Wellbeing of Future Generations Act (Wales) 2015 to include fuel poverty levels.

**Question 10: Do you have any other comments about this consultation?**

Not applicable.

---

<sup>i</sup> EPC certificates compare current ratings of properties to see which is more energy efficient. They help tenants, landlords or home owners find out how they can save energy and money by installing improvement measures. The EPC certificate shows how much the average household would spend in this property for heating, lighting and hot water. It's graded from A to G, with A meaning an energy efficient, well-insulated, probably modern home, and G meaning a draughty old building where the wind rattles the walls. Typically, an older property with no retrofitted energy-saving technology will be around a D grade and A-C rated home, the average new home built in England, requires about half as much energy per square meter as the average existing home. Previous research from Consumer Focus also found that on projected rates of house building, the previous Allowable Solution fund could have provided around £190 million pa nationally, enough to improve the energy efficiency levels of 397,000 low income households' homes, up to EPC C by 2025.

<sup>ii</sup> EPC certificates compare current ratings of properties to see which is more energy efficient. They help tenants, landlords or home owners find out how they can save energy and money by installing improvement measures. The EPC certificate shows how much the average household would spend in this property for heating, lighting and hot water. It's graded from A to G, with A meaning an energy efficient, well-insulated, probably modern home, and G meaning a draughty old building where the wind rattles the walls. Typically, an older property with no retrofitted energy-saving technology will be around a D grade and A-C rated home, the average new home built in England, requires about half as much energy per square meter as the average existing home. Previous research from Consumer Focus also found that on projected rates of house building, the previous Allowable Solution fund could have provided around £190 million pa nationally, enough to improve the energy efficiency levels of 397,000 low income households' homes, up to EPC C by 2025.