

## LOCAL GOVERNMENT AND HOUSING COMMITTEE:

<b>Date:</b>	<b>13 November 2002</b>
<b>Venue:</b>	
<b>Title:</b>	<b>Warm Homes and Energy Conservation Act 2000 – Fuel Poverty Commitment for Wales Consultation</b>

### Purpose

1. To consider the Fuel Poverty Commitment for Wales Consultation (annex 1), which aims to meet the requirements of the Warm Homes and Energy Conservation Act 2000 by putting in place a Strategy to eradicate, as far as practicable, the incidence of fuel poverty in Wales.

### Summary/recommendations

2. Under the terms of Standing Order 9.7, each subject committee has the responsibility to contribute to the development of the Assembly's policies within the fields for which the relevant Assembly Secretary is accountable and to keep under review the expenditure and administration connected with policy implementation.

### Background

3. The Warm Homes and Energy Conservation Act defines fuel poverty as '...a person is to be regarded as living "in fuel poverty" if he is a member of a household living on a lower income in a home which cannot be kept warm at a reasonable cost.' It further requires the National Assembly for Wales to publish and implement a strategy for reducing fuel poverty, specifying that the National Assembly:

- may specify what is to be regarded as 'lower income'; 'reasonable cost'; and being warm; or substitute an alternative definition;
- shall consult persons or organisations representing the interests of those living in fuel poverty ;
- shall publish by 31 March 2003, a strategy setting out the Assembly's policies for

eradicating, as far as is reasonably practicable, fuel poverty;

- shall from time to time assess the impact of the strategy and the progress made in achieving the objectives and meeting the target dates; and
- shall publish revisions to the published strategy.

The consultation document (annex 1) represents the Assembly Government's proposals to meet the requirements of the Act.

4. Of particular interest in the consultation document are:

- Chapter 2 – The Scale and Definition of Fuel Poverty, setting out our current knowledge of the problem in Wales, our plans to increase that knowledge and our proposals to define fuel poverty for the purposes of the Act.
- Chapter 4 – Welsh Solutions to Welsh Problems, describing the main policies aimed at tackling fuel poverty within the private and social housing sectors and the work of public and private bodies in doing so, related health initiatives, current activities and partnership working.
- Chapter 5 – Targets, detailing our interim and overall targets.
- Chapter 6 – Monitoring Progress Against the Strategy, detailing our proposals for a Wales Fuel Poverty Advisory Group.

## **Consideration**

5. The document was circulated for consultation on 29 October 2002, to almost 400 organisations and individuals with an interest in fuel poverty, as detailed at Chapter 8 of the document. Assembly Members were also provided with individual copies and the document will be placed on the Housing Directorate's Internet pages. The consultation period will last until 21 January 2003.

6. Fuel Poverty issues already enjoy a high priority within the Assembly. It features as a theme within the National Housing Strategy. In addition, the New Home Energy Efficiency Scheme (HEES) is the Assembly's primary vehicle for the alleviation of fuel poverty, through the provision of a range of domestic heating and insulation measures, up to a grant maximum of £2,700, in the homes of the fuel poor. This year we are making over £11m available to HEES for this work. We are also working closely to link HEES with other fuel poverty related initiatives, such as the public utilities Energy Efficiency Commitment, which funds similar measures to HEES, though targets those just outside the HEES eligibility criteria.

7. In devising this consultation, we drew on our previous work in relation to the Welsh Chapter of the UK Fuel Poverty Strategy, which was published by the Government and devolved administrations during November 2001 as the basis for our work. This already forms the basis of a comprehensive strategy for Wales and includes a long-stop target of 2010 for the eradication of fuel poverty in Wales, as far as is practicable, among vulnerable groups.

8. The UK Fuel Poverty Strategy was a product of the Ministerial Group on Fuel Poverty, including Ministers from the DTI; DEFRA; Cabinet Office; Department of Health; Department of Social Security; HM Treasury; and the devolved administrations. The Energy Regulator was also a member. The Group aimed to take a strategic overview to ensure policies and new initiatives with a bearing on fuel poverty are co-ordinated across Government and integrated with the activities of relevant external bodies, such as the regulator and the energy industries.

### **Financial Implications**

9. The current Assembly HEES budget and future plans contains the necessary financial provision to meet the Plan for Wales target of helping 38,000 fuel poor households through the HEES scheme by March 2004. There are no further financial implications for the Assembly's current spending plans. The longer-term targets contained within the Strategy, can be achieved through the subsequent maintenance of future HEES budget baselines, together with the interaction of similar public and private sector initiatives, which we are looking to actively work in partnership with.

### **Compliance**

10. The strategy cuts across a range of the Assembly's powers to promote social inclusion, energy efficiency and sustainability and covers both devolved and reserved issues. In agreeing the strategy, the Assembly is exercising the powers under the Warm Homes and Energy Conservation Act 2000. While any work undertaken under the Strategy to tackle fuel poverty is also exercisable under S15(1) of the Social Security Act 1990 – the power to make grants for the improvement of energy efficiency.

### **Action for Subject Committee**

11. The Committee is asked to note and comment on the UK Fuel Poverty Strategy.

**Construction and Domestic Energy Branch – Housing Directorate**