

# Agenda – Climate Change, Environment and Rural Affairs Committee

---

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 30 January 2020

Meeting time: 09.20

For further information contact:

Marc Wyn Jones

Committee Clerk

0300 200 6363

[SeneddCCERA@assembly.wales](mailto:SeneddCCERA@assembly.wales)

---

## Pre-meeting (09.20–09.30)

### 1 Introductions, apologies, substitutions and declarations of interest

(09.30)

### 2 Fuel Poverty – evidence session 5

(09:30–10:30)

(Pages 1 – 46)

Daniel Alchin, Deputy Director of Retail Policy – Energy UK

Jenny Boyce, External Affairs Manager – E.ON

Attached Documents:

Research brief

Paper – Energy UK

Paper – E.ON

## BREAK – (10.30–10.40)



### **3 Fuel Poverty – evidence session 6**

(10.40–12.00)

(Pages 47 – 63)

Crispin Jones, Managing Director – Arbed am Byth

Rajni Nair, Senior Policy Researcher – Citizens Advice

David Weatherall, Head of Policy – Energy Saving Trust

Attached Documents:

Paper – Citizens Advice

Paper – Energy Saving Trust

### **4 Paper(s) to note**

#### **4.1 Correspondence from the Chair to the Business Committee – Scrutiny of the draft National Development Framework**

(Pages 64 – 69)

Attached Documents:

Letter

#### **4.2 Correspondence from the Minister for Environment, Energy and Rural Affairs – follow up to November 2019 Ministerial scrutiny session**

(Pages 70 – 77)

Attached Documents:

Letter

#### **4.3 Correspondence from Minister Environment, Energy and Rural Affairs – Environmental principles and governance post Brexit**

(Pages 78 – 80)

Attached Documents:

Letter

- 5 Motion under Standing Order 17.42 (vi) to resolve to exclude the public from the remainder of the meeting

PRIVATE (12.00–12.30)

- 6 Consideration of evidence received under items 2 and 3
- 7 Consideration of the Committee's draft report on scrutiny of the Welsh Government draft budget 2020–21

Document is Restricted

## Cynulliad Cenedlaethol Cymru | National Assembly for Wales

Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig

Climate Change, Environment and Rural Affairs Committee

Ymchwiliad i Dlodi Tanwydd | Inquiry into Fuel Poverty

FP 25

Ymateb gan : Energy UK

Evidence from : Energy UK

### 1. Introduction

- 1.1. Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership encompasses the truly diverse nature of the UK's energy industry – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.
- 1.2. Our members turn renewable energy sources as well as nuclear, gas and coal into electricity for over 27 million homes and every business in Britain. Over 730,000 people in every corner of the country rely on the sector for their jobs, with many of our members providing long-term employment as well as quality apprenticeships and training for those starting their careers. The energy industry invests £12bn annually, delivers £88bn in economic activity through its supply chain and interaction with other sectors, and pays £6bn in tax to HMT.
- 1.3. These high-level principles underpin Energy UK's evidence to the Climate Change Environment and Rural Affairs Committee inquiry into fuel poverty in Wales. This is a high-level industry view; Energy UK's members may hold different views on particular issues.

### 2. Overview

- 2.1. Fuel poverty is a multifaceted issue that is brought about through a combination of low income and energy inefficient properties. It is widely recognised that improving the energy efficiency of dwellings is the most

effective way of alleviating fuel poverty and has co-benefits to occupants' health, comfort, productivity and overall wellbeing.

- 2.2. Since the publication of the 2010 fuel poverty strategy significant progress has been made in Wales in addressing fuel poverty. The percentage of households in fuel poverty has decreased from 26% in 2008, to 12% in 2018. Indications suggest that this is a result of increased household income and reduced household energy requirements due to energy efficiency improvements outweighing increases in fuel prices<sup>1</sup>.
- 2.3. However, 155,000 households in Wales remain in fuel poverty, including 32,000 in severe fuel poverty.<sup>2</sup> We, therefore, welcome the Welsh Assembly Government's intention to produce a new fuel poverty strategy for Wales.

### **3. Impact of current programmes**

- 3.1. Others are better placed to comment on the specific impact of the Warm Homes Programme and Welsh Housing Quality Standard.
- 3.2. Energy suppliers have, however, taken a leading role in addressing fuel poverty through obligations such as the Energy Companies Obligation (ECO), the Warm Home Discount (WHD) and industry support for customers in vulnerable circumstances.
- 3.3. The GB-wide ECO scheme has worked well in Wales, supporting over 100,000 households in making energy efficiency improvements up to the end of March 2019. Since the start of ECO in 2013, 5.2% of all ECO delivery has occurred in Welsh homes, slightly more than Wales' share of the total population of the Great Britain (4.8%). During Q1 2019, the first full quarter of ECO3, we note that Wales' share of the obligation increased to 7%.<sup>3</sup>
- 3.4. Energy UK members also report that ECO has worked well alongside programmes like Nest and Arbed, allowing ECO and public funding to be combined to go further and deliver measures where cost would otherwise be a barrier. In 2018-19, Nest successfully leveraged £259,000 of ECO funding

---

<sup>1</sup> Welsh Government; Fuel poverty estimates for Wales 2018: Headline results, 21 May 2019

<sup>2</sup> Ibid

<sup>3</sup> BEIS; Household Energy Efficiency Statistics, headline release August 2019

into Wales allowing Nest to ‘support more households and increase the total funding, fuel and carbon savings to households across Wales’.<sup>4</sup>

#### 4. A new fuel poverty strategy

- 4.1. We note that the *Better Homes, Better Wales, Better World* report for Welsh Ministers has proposed an ambitious retrofit target of EPC A by 2050 for all housing stock, with social housing and homes in fuel poverty to be prioritised over the next 10 years. Energy UK supports many of the recommendations made in the *Better Homes, Better Wales, Better World* report and suggest the report would provide a strong foundation for the development of a robust and ambitious updated fuel poverty strategy for Wales.
- 4.2. Continued and increased levels of public investment will be vital if the *Better Homes, Better Wales, Better World* report’s recommendations are to be adopted and the most difficult and hard to reach homes across Wales are to be addressed. We note that, according to E3G, whilst Wales (£17 per capita) spends considerably more than England on tackling fuel poverty (£8 per capita), it currently spends less than both Scotland (£35 per capita) and Northern Ireland (£23 per capita).<sup>5</sup>
- 4.3. We would also support the new Strategy reaffirming the need for collaboration between stakeholders. Energy UK is supportive of a partnership approach to addressing fuel poverty. Addressing fuel poverty will require input from government, the health sector, local authorities, energy suppliers and other parties. The new Strategy should encourage stakeholders to work together to identify households in or at risk of fuel poverty and develop solutions to provide support. We note that this approach has been most successful when parties are facilitated and incentivised to cooperate, rather than through a specific obligation or requirement.
- 4.4. In the spirit of collaboration, we are, in particular, supportive of greater efforts to effectively identify households in fuel poverty for support through greater use of government data matching and other innovations. The success

---

<sup>4</sup> Nest; Annual Report 2019

<sup>5</sup> Hartley, G; Energy Savings Trust: Fuel poverty policy in Wales: taking inspiration from Scotland, Blog, 07 August 2019

of the WHD Core Group data match, which every year ensures hundreds of thousands of Great Britain's poorest pensioners automatically receive a £140 discount on their electricity bill, demonstrates what data matching can achieve.

4.5. Finally, it is important that all future policy decisions taken by the Welsh Government, including the Strategy itself, are based on robust evidence. All proposals should be backed up by empirical evidence showing that they are necessary, proportionate and sufficient, together with comprehensive impact assessments which will also be subject to a formal and impartial consultation process.

## 5. Retrofitting existing homes and new build homes

5.1. As we set out in our Future of Energy report<sup>6</sup>, improving energy efficiency across the existing domestic building stock in Wales, or anywhere else in Great Britain (GB), will require policy leadership and action from governments across a number of areas, including:

- Strong minimum energy efficiency and regulations, signaled well ahead of time and backed up by appropriate enforcement to provide a strong market signal about the need to improve energy efficiency. We recommended a deadline to restrict sales and new tenancies of all domestic properties below an EPC Band C by 2030, or 2035 at the latest.
- A comprehensive package of incentives designed to encourage regulatory compliance ahead of time, which could include council tax reductions based on energy efficiency and green finance options.
- Continued support for those most in need who are not able to pay for energy efficiency improvements themselves, via programmes like Nest, Arbed and the current ECO.

5.2. We note that to deliver reform against some of these requirements will require the Welsh Government to work closely with Westminster to ensure appropriate policy frameworks are in place across Great Britain.

---

<sup>6</sup> Energy UK; The Future of Energy: Reducing emissions from buildings, April 2019



5.3. With regards to new build properties, as a point of principle we do not believe it makes any economic sense to be building new homes today, only to retrofit tomorrow to meet fuel poverty and carbon targets. To this end, we would support the Welsh Government looking to use the tools at its disposal to ensure that new build homes are future-proofed with low carbon heating and world-leading levels of energy efficiency. This means ensuring the building industry is required to construct new homes that are sustainable and affordable to heat for both current and future generations. We, therefore support the proposal of the Better Homes, Better Wales, Better World report, that by 2025 all new homes should be built to zero carbon and heightened efficiency standards.

Cynulliad Cenedlaethol Cymru | National Assembly for Wales

Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig

Climate Change, Environment and Rural Affairs Committee

Ymchwiliad i Dlodi Tanwydd | Inquiry into Fuel Poverty

FP 14

Ymateb gan : E.ON

Evidence from : E.ON

## About E.ON

E.ON in the UK is leading the energy transition. We no longer operate any largescale fossil fuel power stations and since June 2019 we have supplied 100% renewable electricity to all our residential customers. Our focus is on personalised and sustainable customer solutions and we believe that the future of energy is low carbon, decentralised, digitalised and local, with customers in control.

Over the last decade we have invested more than £2.5 billion into renewable energy in the UK with a combined total capacity of 1.4GW. Earlier this year, we installed our 2 millionth smart meter and we are helping homes and businesses become smarter and more energy efficient through technologies such as solar panels, battery storage, electric vehicle charge points and flexible demand response services.

We are proud of our record on energy efficiency, having installed more than 1.3 million measures since 2008, helping over 463,000 households in the process and saving 15 million tonnes lifetime CO<sub>2</sub> through these installations. Between August 2018 and March 2019 alone, we helped over 310,000 customers receive their Warm Home Discount (WHD), paying out over £43 million to help those struggling to pay their energy bills. We welcome the Welsh Climate Change, Environment and Rural Affairs Committee's inquiry into fuel poverty and we would be happy to discuss the points made below in more detail with you.

## Executive Summary

- We are supportive of Community Housing Cymru's (CHC) *Better Homes, Better Wales, Better World* report, which we believe would make a good base

for any future Welsh fuel poverty strategy.

- In particular, we back their challenge for the Welsh Government to target retrofitting all homes to EPC A by 2050 for all housing stock, with a fast track for fuel poor homes and social housing over the next 10 years.
- This would need support from better funding mechanisms and cohesion with wider GB fuel poverty and energy efficiency strategies. We believe that the current GB Energy Company Obligation (ECO) budget should be increased from £640 million to £2bn, with the remaining funding coming from better targeting of winter fuel payments (£1bn) and a small fraction of the health budget. Some of this additional funding should then be made available to support additional action being taken in Wales.
- We would also like to see the commitments made in the Welsh Government's 2010 fuel poverty strategy, to consider all policy levers in tackling the causes of fuel poverty, to be strengthened. It is our view that protections required as part of the welfare state, associated with levels of income, poverty, and the ability to afford the cost of living across all essentials, is most effectively and properly delivered via Government-led initiatives.

### **The scale and impact of fuel poverty in Wales**

1. Since the introduction in 2010 of the Welsh fuel poverty strategy there has been significant progress in reducing the number of households living in fuel poverty. An increase in household incomes as well as reduced household energy requirements (a result of energy efficiency improvements outweighing increases in fuel prices), has meant that the number of homes considered to be living in fuel poverty has decreased from 26% in 2008 to 12% in 2018<sup>1</sup>. This puts Wales second in terms of the UK's percentage for fewest fuel poor homes, with Scotland (24.9%<sup>2</sup>) and Northern Ireland (42%<sup>3</sup>) faring much worse.
2. However, whilst positive steps have been made, 155,000 households remain in fuel poverty, with 32,000 of these, 2% of Wales' total number of households, in severe fuel poverty<sup>4</sup>. Additionally, there were approximately 1,600 excess winter deaths in Wales last year with, on average, 30% caused by poorly heated, cold and energy inefficient homes.

3. We believe that the updated fuel poverty strategy to be consulted on later this year should embrace the ‘worst first’ approach and seek to fast track support for those experiencing severe fuel poverty in any national energy efficiency plan. The strategy should also consult on the trade-off between intervening in a home once, via a whole house approach, and installing multiple measures in a home but over a period of time, the latter enabling support to be widened to more people in the short term.
4. Whilst we support the ‘Worst First’ principle and agree with the ‘whole-house’ approach to energy efficiency retro-fitting, the current ECO scheme, the largest funding source for energy efficiency measures, is designed to operate on a least-cost basis, with the underlying principle of balancing supplier (and therefore customer) costs with energy efficiency gains. This has resulted in large-scale installation of roofs and wall cavities but little progress to date in some of the more challenging areas, such as solid wall properties, which will require additional visits to the same home at some stage in the future.
5. A whole-house, ‘worst first’ strategy would fundamentally shift the focus of ECO and would either dramatically increase the cost of ECO to consumers or reduce the number of measures done and households helped; Reaching an EPC standard of A would require installation of more expensive measures such as solid wall and solar PV as well as concentrating installation measures in a smaller number of households. The current ECO budget of £640m is already insufficient to deliver the current fuel poverty strategy and has contributed to a major decline in the installation rates of energy efficiency in recent times. We believe greater resource is required and argue that the annual GB ECO budget should be increased to £2bn, with an appropriate amount of additional funding allocated in Wales.

---

<sup>1</sup> <https://gov.wales/sites/default/files/statistics-and-research/2019-05/fuel-poverty-estimates-for-wales-2018-headline-results-717.pdf>

<sup>2</sup> [https://www.eas.org.uk/en/fuel-poverty-overview\\_50439/](https://www.eas.org.uk/en/fuel-poverty-overview_50439/)

<sup>3</sup> <https://www.communities-ni.gov.uk/topics/housing/fuel-poverty>

<sup>4</sup> <https://gov.wales/sites/default/files/statistics-and-research/2019-05/fuel-poverty-estimates-for-wales-2018-headline-results-717.pdf>

## **Evaluating the success of Welsh Government action to date: The Warm Homes Programme (including Nest and Arbed)**

6. Across GB, including Wales, there have been constructive steps taken in tackling the high levels of fuel poverty, however feedback from local authorities suggests they have been hampered by the lack of revenue funding to develop and manage major projects, together with a lack of clear strategic direction for energy efficiency.
7. Increased co-ordination between various programmes and the Government, including devolved nations would help increase cost efficiency and maximise the number of households being lifted out of fuel poverty.
8. Much of our contribution to helping those living in fuel poverty has been made possible through the GB wide schemes – ECO and WHD.
9. WHD is a £140 rebate/account adjustment on a customer's energy bill and helps provide support to those who need it. Since WHD started in 2011, E.ON have provide over £19m of support to fuel poor households in Wales through the WHD scheme.
10. Since 2015, when the Wellbeing of Future Generations Act came into force in Wales, we have helped install energy efficiency and heating measures in 14,790 homes throughout Wales and provided more than £35 million of ECO funding. This has resulted in 331,000 tonnes of carbon savings in Wales and lifetime energy bill savings for Welsh customers of £135 million. An increase to the ECO budget would provide opportunities for more investment and support to be directed to Wales.
11. Further action could also be directed to Wales if the small supplier exemption threshold for ECO and WHD, which unfairly prohibits some fuel poor households from benefiting from additional help they could receive was removed. Keeping the average cost per customer at the same level could increase the size of a GB wide ECO scheme alone by up to £100 million.

## Updating the Welsh Government's 2010 fuel poverty strategy

12. We are encouraged by the ambitions set out in the Community Housing Cymru's *Better Homes, Better Wales, Better World* report, and are supportive of this being used as the basis for any future Welsh fuel poverty strategy. Similarly, we believe it is crucial that any future fuel poverty strategy is aligned with other Government strategies and targets, such as the ambition for Wales to meet its Net Zero emissions target, or its own Sustainable Development principles. This principle however should be reciprocal, and current and future Government priorities must align with any fuel poverty strategies.
13. With this in mind, we are supportive of the CHCs challenge for the Welsh Government to target retrofitting all homes to EPC A by 2050 for the entire housing stock, with a fast track for fuel poor homes and social housing. To meet this target will require the use of a range of policy levers, including regulatory standards in the private and social housing sectors, and funding schemes in the owner-occupied sector. We note that besides England, Wales spends the least amount on tackling fuel poverty (£17 per capita) than both Northern Ireland (£23 per capita) and Scotland (£35 per capita). This will need to be addressed if the ambitions to eradicate fuel poverty in Wales are to be achieved<sup>5</sup>.
14. We believe that increasing the funding of ECO at a GB level would be first step to tackling this situation. The current ECO budget of £640 million is already insufficient to deliver the current fuel poverty strategies across GB and has contributed to a major decline in the installation rates of energy efficiency in recent times. We believe greater resource is required and argue that the annual GB ECO budget should be increased to £2bn. This could help deliver at least a three-fold increase in funding for Wales.

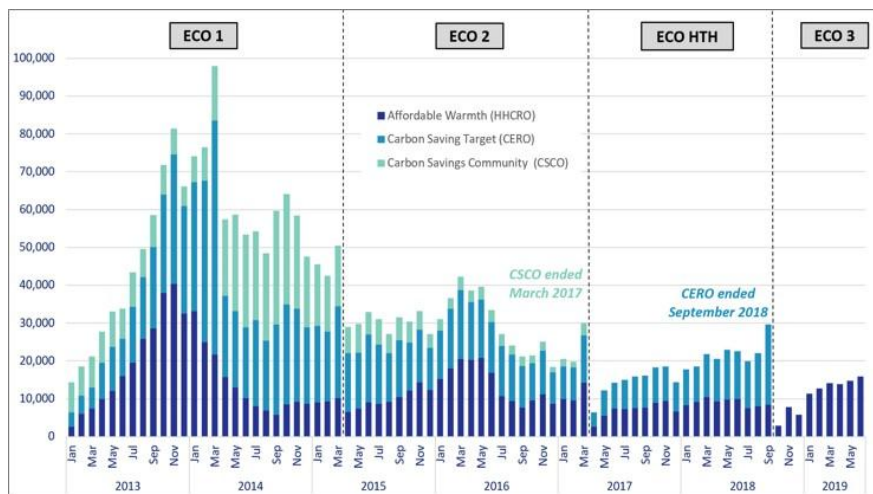


Fig 1 – ECO measures installed, by obligation, by month, up to end June 2019<sup>6</sup>

15. However, this additional funding should not be funded by energy customers but instead by reprioritising Government expenditure. Winter fuel payments should be better targeted on those most in need of help, which we believe could free up around £1bn across GB. We also recommend using a very small fraction of the current health budget to proactively invest in measures in health vulnerable households that are designed to help keep them out of hospital and care facilities, by making their homes warmer and reducing the risk of slips, trips and falls in the home through (invisible) adaptations. The evidence already points to poor housing costing the NHS £1.4bn a year. Cold and damp homes increase the risk of cardiovascular, respiratory and rheumatoid conditions, exacerbate the symptoms of arthritis and reduce dexterity in some elderly people which increases the risk of falls.

<sup>5</sup> <https://www.energysavingtrust.org.uk/blog/fuel-poverty-policy-wales-taking-inspiration-scotland>

<sup>6</sup> <https://www.gov.uk/government/statistics/household-energy-efficiency-statistics-headline-release-august-2019>

16. We would also like to see the commitments made in the Welsh Government's 2010 fuel poverty strategy to consider all policy levers in tackling the causes of fuel poverty to be strengthened. It is our view that protections required as part of the welfare state, associated with levels of income, poverty, and the ability to afford the cost of living across all essentials, is most effectively and properly delivered via Government through the welfare state.

### **Next steps for the Welsh Government on new build and retrofitting**

17. We believe it is vitally important that the energy performance of the existing housing stock in Wales is improved to the highest possible levels. This is essential if we are to deliver the net zero target. Similarly, it is crucial that legislation is introduced to ensure that new build homes are built to high energy efficiency standards and low carbon heating standards, ensuring they are healthy to live in and affordable to heat to deliver the desired level of comfort.
18. Following on from the CHC's *Better Homes, Better Wales, Better World* report, we are highly supportive of the belief that in order to meet Net Zero, fuel poor households should be made to meet accelerated targets. We back the reports call that by 2025 all new homes, and by 2021 all homes developed with public sector funding, should be built to zero carbon standards. This would make a large statement of intent towards taking Net Zero targets seriously, meeting the Welsh Government's sustainable development commitments and tackling fuel poverty.
19. The biggest challenge, however, will come in retrofitting our existing housing stock. We back the calls made by the National Infrastructure Commission (NIC), Committee on Climate Change (CCC) and others that energy efficiency should be made a national infrastructure policy. We also endorse the NICs recommendation to increase the rate of energy efficiency installations in GB from 9,000 to 21,000 per week from 2020. This would help provide long-term certainty to the market as well as leading to better co-operation between stakeholders, as there are clear links between fuel



poverty and other priorities such as health, clean air and housing.

20. We support the CHC's ambitious retrofit target of EPC A for all households by 2050, with homes in fuel poverty to be prioritised over the next 10 years. We believe that this long-term commitment by the Welsh government would again provide a strong market signal about the need to improve energy efficiency and help attract investment and innovation in both new and existing energy efficiency products. We would also recommend legislation to be tightened so that by 2030 if not earlier, landlords in the public and private rented sectors can only rent their housing stock to tenants if they meet at least an EPC Band C rating.

## Cynulliad Cenedlaethol Cymru | National Assembly for Wales

Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig

Climate Change, Environment and Rural Affairs Committee

Ymchwiliad i Dlodi Tanwydd | Inquiry into Fuel Poverty

FP 29

Ymateb gan : Cyngor ar Bopeth

Evidence from : Citizens Advice

Citizens Advice provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. We are the statutory representative for domestic and small business energy consumers across Great Britain.

We are pleased to respond to this consultation. This document is entirely non-confidential and may be published on your website.

### The scale and impacts of fuel poverty in Wales

The most recent figures published<sup>1</sup> suggest 12% of households in Wales were fuel poor in 2018, with 84% of this figure deemed to be in vulnerable<sup>2</sup> circumstances. The overall levels are a notable decrease compared to previous years, as estimated by the Welsh Government.

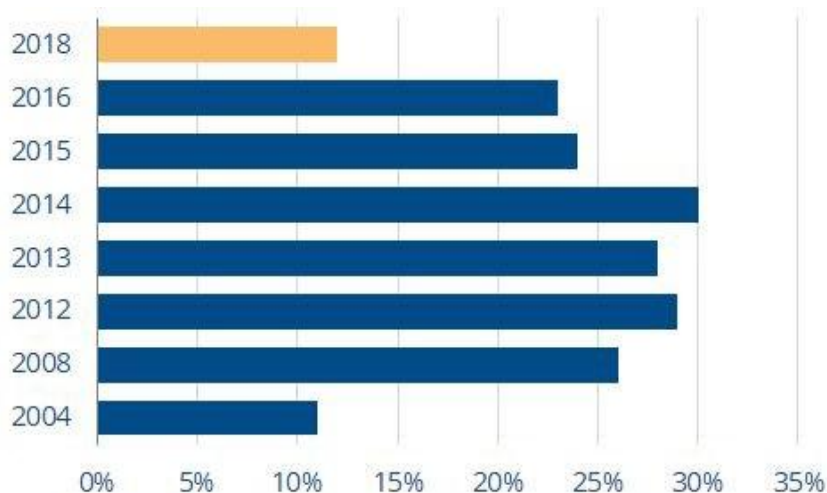


Fig. 1 shows fuel poverty levels by year as estimated by the Welsh Government

<sup>1</sup> Welsh Government, 2019, [Fuel Poverty estimates for Wales: 2018](#)

<sup>2</sup> Vulnerable households are defined (for these purposes) as those with a person aged 60 years or over, a child or young person under the age of 16 years and/or a person who is disabled or has a long term limiting condition

While these figures indicate fewer households need help with their fuel bills, contacts to our local offices in Wales indicate fuel debts are still increasing<sup>3</sup>, as compared to the previous year<sup>4</sup>. This stands in contrast to many other types of debt issues, such as water supply or mobile phone debt, which have reduced.

The data also suggests clients who come to us about fuel debts are more likely to be female, younger and/or suffer from mental health problems<sup>5</sup> than the average Citizens Advice client in Wales.

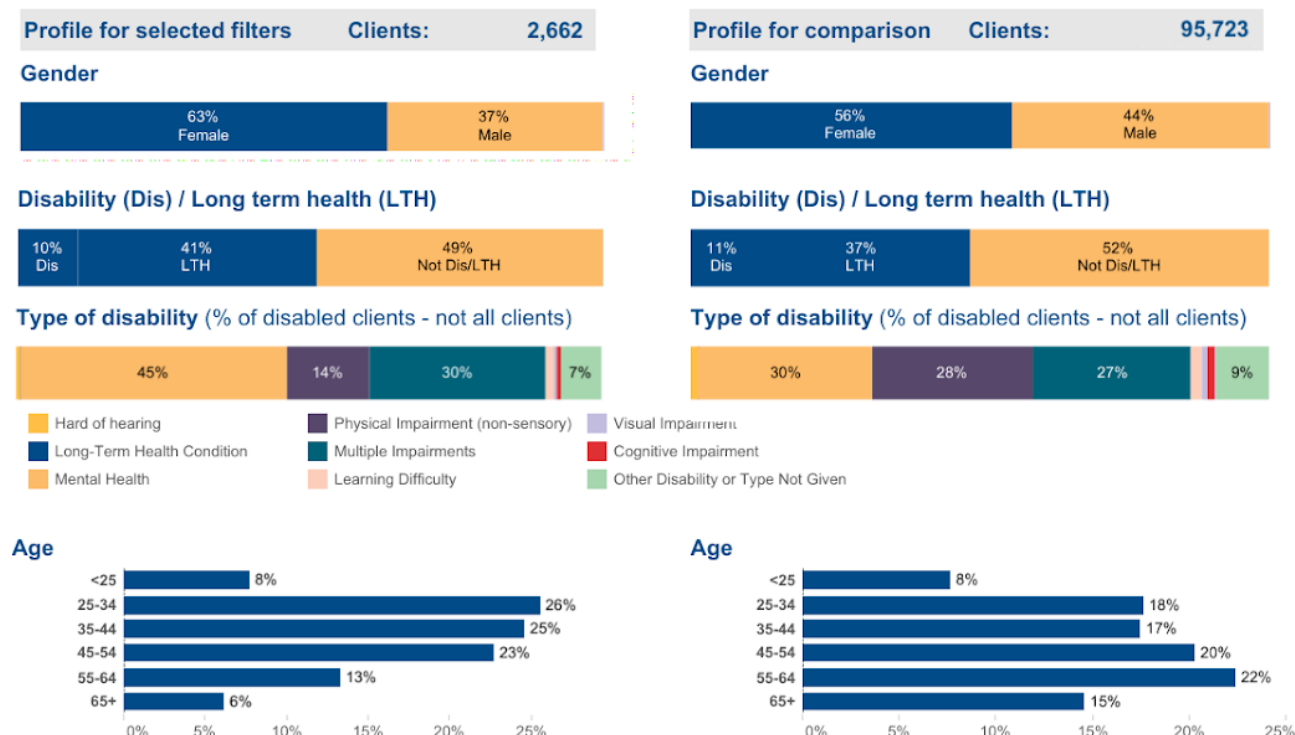


Fig. 2 shows the breakdown of client demographics, with client demographics of clients with fuel debt issues on the left, compared to the average client demographics in Wales on the right.

The impacts of fuel poverty are well documented and far reaching. Keeping warm when in fuel poverty may come at the expense of other essentials such as food or transport. It has been linked to a decline in physical as well as mental health and impacts social wellbeing too.<sup>6</sup>

Anecdotal evidence from frontline advisors also indicate the relative tensions individuals face managing their finances, as some face other burdens such as insecure

<sup>3</sup> Advice Trends, Citizens Advice, August 2019

<sup>4</sup> Data refers to debt issues concerns August 2018-2019 compared to August 2017-2018

<sup>5</sup> Information about disabilities or long term health problems are self-reported

<sup>6</sup> Grey et al., 2017, [Cold homes, fuel poverty and energy efficiency improvements: A longitudinal focus group approach](#)

employment, benefit freezes, caps or delays in receiving universal credit to name but a few.

## Case study

Ken was diagnosed with prostate cancer at the end of August. He suffers from arthritis in his hips and knees too. Recently, Ken has made multiple trips to the hospital, which has heightened his travel expenses for the month. At the moment, his only form of income is universal credit. Whilst waiting for universal credit, he has run out of money for food and electricity and is currently without electricity, with some debt accrued.

### **Why the Welsh Government failed to meet its statutory target of eradicating fuel poverty in Wales by 2018**

As shown in Fig. 1, the Welsh Government assesses levels of fuel poverty on an ongoing basis. However, some estimates used old and inadequate housing data and varied the methodology used to calculate these estimates. Welsh Government therefore did not have a robust understanding of how the scale of fuel poverty in Wales changed, within the relevant time period. This made it difficult to know where and how to target resources.

The Welsh Government needs to invest more in regular housing quality data, as well as supplementary data on income, health and occupation length. Such data would not only help both Government and other agencies to understand how to support fuel poor homes but would also inform how Welsh Government should proceed on decarbonising homes too.

Citizens Advice commends the Welsh Government for its consistent action in relation to the Warm Homes Programme. While it is clear these programmes have a positive effect on fuel poverty levels<sup>7</sup>, the evaluations do not measure how many households move out of fuel poverty as a result of the intervention and therefore contribute to Welsh Government's target<sup>8</sup>. Again, better evaluative data is needed to inform government and policy.

For Welsh Government to apply a strategy successfully, there needs to be a regular review of progress and of policy development. This has not happened with the previous strategy, meaning there has been limited oversight and strategic direction for the targets set.

Citizens Advice suggests Welsh Government consider bringing together knowledgeable stakeholders, to support the delivery and monitor progress as well as providing recommendations to them on an annual basis. Furthermore, there should be an

---

<sup>7</sup> Based on the social and financial evaluations

<sup>8</sup> [Nest evaluation](#), 2015, Welsh Government

obligation on the Welsh Government to respond to these recommendations<sup>9</sup> with a policy plan. This would facilitate better transparency over the strategy and communication with stakeholders.

Scrutiny of any government policy is required to help develop effective interventions. In the past, it has been difficult to find government analysis of fuel poverty, policy decision papers and evaluation reports. Easy access to such papers - on a consistent platform - is required to ensure as many stakeholders can be involved in the conversation as possible.

Welsh Government should also seek opportunities to co-create policy rather than seeking feedback after policies have been developed. This can be particularly helpful when designing service delivery policies as practitioner views are crucial early on in the process.

### **How Welsh Government action to date has helped to combat fuel poverty, in particular, the impact of the Warm Homes Programme (including Nest and Arbed) and the quality of the Welsh Housing Quality Standard**

Anecdotally, Citizens Advice advisors suggest the Warm Homes Programme has a big impact on the clients we see and can be invaluable when combined with good quality, independent energy efficiency advice.

The most recent fuel poverty figures clearly show the vast majority of households in fuel poverty live in vulnerable circumstances, too. To reach all these households, fuel poverty support schemes need to better coordinate with third sector colleagues, health professionals and local authorities. The experience must be seamless for households to move out of fuel poverty.

Advisors offer anecdotal evidence, where they have referred clients into the Warm Homes Programme. However, the advice journey is interrupted when they are unable to receive feedback on whether the client has been accepted onto schemes and received the help they need. As not everyone can be served through these schemes, it is important that there's better communication between the scheme and referral agent (with the clients consent) to ensure other avenues of assistance are explored.

Schemes such as Nest and Arbed should also assess what additional support may be required after they have completed an intervention as well as who should offer this and how. We know clients can sometimes struggle with ongoing costs, such as maintenance checks on boilers. Additionally, the impact of interventions may be reduced if homes are drafty, with unwanted gaps letting cold air in and warm air out. In such circumstances, further support may be required and sought elsewhere.

As mentioned above, schemes need to better assess if households move out of fuel poverty and if not, what/how many interventions would be required to do so. We would

---

<sup>9</sup> <https://www.gov.uk/government/organisations/committee-on-fuel-poverty/about>

encourage government to consider how interventions contribute to a wider home improvement strategy.

### **How the Welsh Government's successor to the Fuel Poverty Strategy should differ from its 2010 strategy**

The Welsh Government has invested a substantial amount into energy efficiency schemes, making it more affordable to heat many thousands of households.

However it would be short sighted not to recognise the role decarbonisation will play within the next 10 years. The independent decarbonisation advisory group recently published its report<sup>10</sup> for Welsh Government, in which it recommended improving fuel poor homes to an EPC band A by 2030 (recognising not all homes can meet this standard). The Minister for Housing and Local Government accepted all the recommendations from the report, including this one, in principle during plenary.

It is right that Welsh Government recognises the need to support fuel poor homes when decarbonising the Welsh housing stock. An important next step is to evaluate the cost of such home improvements, recognising 3 in 4 fuel poor homes are rated band D or below and that 43% are rated band F-G. To action any recommendations from the advisory group's report, Welsh Government must also identify what proportion of fuel poor homes will be 'hard to make decent' and thus fall outside the proposed target. It is also important that the progress towards these targets (if accepted in full) are captured within the fuel poverty strategy and appropriately monitored and reviewed.

For almost all homes, choosing to replace heating technologies, like boilers, is often a distress purchase. This means consumers will only consider their next purchase when the previous boiler has broken down. Since many boilers typically last 10-15 years, this means we are potentially 2 purchases away from 2050 decarbonisation targets<sup>11</sup>.

There may be a range of routes to decarbonise heat - for example, the electrification of heat, substituting gas with hydrogen, using heat networks (with a range of possible renewable sources) or a combination of all three. Either way, consumers will no longer be able to use traditional gas boilers.

Installing energy efficiency measures is seen as a 'low/no regrets' option that should always be considered and may help decarbonise homes. Measures such as solid wall, cavity or loft insulation may be particularly useful for some heat technologies, like heat pumps, which require a certain level of energy efficiency to work effectively.

What we know from schemes like Nest is that 93.6% of interventions relate to central heating installations<sup>12</sup> of which the vast majority are boiler replacements<sup>13</sup>. This

---

<sup>10</sup> [Better homes, better Wales, better World](#), 2019

<sup>11</sup> [95% emissions reduction](#) by 2050

<sup>12</sup> [Nest evaluation, 2018-19](#)

contrasts with the most recent breakdown of Energy Company Obligation (ECO3) interventions, which include 24% cavity wall insulation, 17% loft insulation, 26% boiler measures and 18% other heating and 7% solid wall insulation<sup>14</sup>.

We appreciate insulation may not always be the best intervention for every household and that interventions must be done on a case by case basis, considering the best interests of each household. However, where possible and appropriate, there may be longer term benefits of choosing to insulate properties alongside or instead of replacing boilers. This provides better value not only for the Welsh Government (and taxpayers) in the long run but could also reduce the need for potentially disruptive repeat visits to households who might need further support or different heat options in the future.

Local authorities also have an important role to play in tackling fuel poverty. Firstly, they are responsible for enforcing the minimum energy efficiency standards regulations. Anecdotal evidence collected by local Citizens Advice offices suggests that many local authorities may struggle to do this due to limited resource and visibility.

Secondly, local authorities support easier access to ECO funding in Wales, through ECO flex. ECO flex can help overcome barriers to ECO, including complex application processes.

Where possible, local authorities need the right expertise and resources to fulfill their role in any future fuel poverty strategy. Welsh Government should take a leadership role in coordinating the sharing of good practice to better support local authorities both as they seek to enforce regulations and work with energy suppliers to leverage ECO funding in Wales.

Finally, advice is fundamental to support those who are in fuel poverty. Advice can help tackle fuel poverty by helping individuals maximise their income, provide routes to bill support and reduce energy use through energy efficiency advice.

## Case study

Gemma has a long term health condition and lives with her brother who has been diagnosed with rectal cancer and will shortly be receiving end of life care. Gemma owes over £1000 for her gas bill and £200 for her electricity bill and is worried about the situation. The advisor calls the supplier to discuss the situation. The supplier tells Gemma they are unable to halt enforcement action unless there is a payment plan in place. With the help of the advisor, Gemma agrees to a payment plan and receives energy efficiency advice. She also completes an application for warm home discount. The supplier advises Gemma on other funds that could be used to help her pay her debts. The advisor discusses next steps with Gemma.

<sup>13</sup> Citizens Advice understands this to be 80% of all interventions, though is unable to find documented figures.

<sup>14</sup> [Household energy efficiency statistics](#) , 2019 - statistics based on the first 10 months of data for ECO3

Often, advice can help those struggling to become eligible for Warm Home programmes, by supporting them in their benefit applications. The new fuel poverty strategy should consider how advice fits into the wider support fuel poor households need. For example, advice may be appropriate before, during, after and, should the consumer fall outside the eligibility criteria, instead of Nest or Arbed interventions. When designing such schemes, Welsh Government should consult those delivering holistic advice to clients regularly, to ensure there is a seamless transition between advice and Welsh Government support schemes.

**What steps the Welsh Government should take to ensure that new-build homes, as well as existing homes, are highly energy efficient to prevent them from causing fuel poverty in the future.**

Given recent targets<sup>15</sup> proposed, it is sensible for the Welsh Government to improve building standards, which would ensure new-build homes are at a higher energy efficiency standard. It is important that standards are not only improved but enforced too.

A huge amount of research was undertaken by the Zero Carbon Hub<sup>16</sup> to understand how higher levels of energy efficiency could be delivered. Citizens Advice recommends the Welsh Government revisit this work, and ensure the new standard delivers the same level of energy efficiency improvement previously committed to in the Zero Carbon Homes target. The Fabric Energy Efficiency Standard (FEES) element of the overall standard would have delivered a 25% reduction in regulated emissions over and above the standards set out in the 2006 Part L building regulations.

In the U.K., 80% of the homes that will exist in 2050 have already been built<sup>17</sup>. If any funding is required to ensure new build homes are highly energy efficient, it is imperative that this funding is additional to existing funding designated to support fuel poverty.

---

<sup>15</sup> [95% emissions reduction](#) by 2050

<sup>16</sup> [www.zerocarbonhub.org](http://www.zerocarbonhub.org)

<sup>17</sup> Nottingham Trent University, 2018, [Scaling up retrofit 2050](#)



## Cynulliad Cenedlaethol Cymru | National Assembly for Wales

Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig

Climate Change, Environment and Rural Affairs Committee

Ymchwiliad i Dlodi Tanwydd | Inquiry into Fuel Poverty

FP 23

Ymateb gan : Yr Ymddiriedolaeth Arbed Ynni

Evidence from : Energy Saving Trust

The Energy Saving Trust (EST) is the leading sustainable energy organisation, working to change the way people use energy in homes, communities and transport. We work across the UK, delivering programmes for Welsh, Scottish, Northern Irish and UK governments, as well as for private and public organisations. Our UK-wide programme is supplemented by an extensive programme of research and policy collaborations at European level.

EST is delivering a number of programmes on home energy and fuel poverty (notably the Nest and Arbed programmes) and local/community energy (the Welsh Government Energy Service), on behalf of Welsh Government. As an organisation, we continue to be closely involved in the development of the Wales Fuel Poverty Plan 2020 and have recently facilitated policy exchanges between Welsh Government civil servants and both Scottish and Northern Irish officials on best practices in tackling fuel poverty, to influence the content of the new framework for tackling fuel poverty in Wales going forward.

### 1. The scale and impacts of fuel poverty in Wales;

*Our response:* This is something that the Welsh Government have demonstrated sufficient insight into, as headline figures published in May 2019 have pointed out that, as of 2018, 155,000 households were living in fuel poverty. This is equivalent to 12% of all households in Wales. In addition, Welsh Government research showed that:

- Households living in the private rented sector were more likely to be fuel poor with 20% of these households living in fuel poverty.
- 50% of single person households without children were living in fuel poverty.

- Households living in older properties are more likely to be fuel poor.
- 20% of households living in pre-1919 dwellings were fuel poor.
- 21% of households living in properties with uninsulated solid walls were fuel poor and 39% of people living in properties that do not have central heating were fuel poor.
- 43% of households living in properties with poorer energy efficiency (EPC Bands F and G) were fuel poor compared to 5% of households living in properties in bands B to C.

This data shows that, while levels of fuel poverty in Wales have changed and decreased substantially over the last decade, the characteristics of those most likely to be living in fuel poverty have not. Older, more inefficient properties in low-income areas and/or communities increase the likelihood of a household being fuel poor, as does a lack of various energy efficiency measures and the assurance of thermal comfort / energy services, evidenced through the correlation with a lack of solid wall insulation and access to a central heating system in Welsh homes. Stricter regulations are also clearly needed for the private rented sector, as are bolder EPC targets, given the correlations outlined above.

In addition to the data outlined above, the Wales Audit Office published a fuel poverty report in October 2019 offering further statistical insight, showing that:

- 130,000 vulnerable households (11% of vulnerable households) were estimated to be in fuel poverty
- 21,000 households in social housing (9% of all households in social housing) were estimated to be in fuel poverty
- 32,000 households (2% of all households) were estimated to be in severe fuel poverty, 19,000 of which were vulnerable households

As we outline in our following responses, the sheer *scale* of fuel poverty in Wales will require a much larger number of households per year to be lifted out of fuel poverty in comparison to what the Warm Homes Programme is delivering now. With regards to the *impact* of fuel poverty in Wales, we feel as though targeting both the hard-to-reach and hard-to-treat households, many of which will fall under the 32,000 households living in severe fuel

poverty in Wales, will reduce the social, financial and health burden of fuel poverty amongst the most vulnerable segments of Welsh society. This will positively impact social equality in Wales, NHS Wales, decarbonisation and energy efficiency targets and most importantly, the health and wellbeing of those living in severe fuel poverty. We provide more details to our proposed policy solutions in our response to question 4 in this consultation.

Finally, Wales can also make better use of data to understand the fuel poverty problem. Data can be used to draw a stronger picture of the wider impacts and benefits of action for fuel poor homes. For example, estimates show action on energy efficiency could prevent householders developing respiratory illnesses that cost the NHS £2.5 billion a year to treat across the UK. This would positively impact NHS Wales if a more joined up approach between health data and housing data was taken across Welsh Government, similar to the introduction of healthy eligibility criteria into the Nest scheme. Thus, when thinking about the continued impacts of fuel poverty in Wales, it is vital to consider the positive externalities that energy efficiency measures may have for the wider healthcare system.

**2. How Welsh Government action to date has helped to combat fuel poverty, in particular, the impact of the Warm Homes Programme (including Nest and Arbed) and the Welsh Housing Quality Standard;**

Between 2011 and March 2018, Welsh Government has invested over £240 million in Warm

Homes to improve the energy efficiency of over 45,000 homes throughout Wales. Alongside ECO, much of this has been underpinned by two big government schemes promoting energy efficiency in Welsh homes: Arbed and Nest.

Arbed is delivered in partnership with local authorities and funded from EU and Welsh Government money. It is area based, so focuses on improving as many homes as possible in specific, low income communities. Arbed aims to reach around 3000 homes a year. While the latest, third, phase of the programme is still ramping up, the annual report on the first year of Arbed's operation showed that 1,266 measures (e.g. gas connections, new efficient

central heating system, LED bulbs) had been installed in homes in 2018–19. Nest is a Welsh Government funded programme, accessible to people on low incomes living in Welsh homes that need energy efficiency measures. Nest’s most recent annual report shows that over 3,800 homes received home energy improvements in 2018–19, including boiler upgrades and household insulation measures. In addition, during this period 15,606 households in Wales received free energy saving advice from the scheme.

The GB-wide Energy Company Obligation (ECO) scheme whereby energy suppliers have to install energy efficiency measures in the homes of people at risk of fuel poverty also operates in Wales. Some ECO money boosts the NEST programme (£259,000 in 2018–19), while some households access ECO more directly through local installer companies or by contacting an energy supplier themselves.

Welsh Government has made good progress in reducing fuel poverty with these programmes, however, tackling the remaining 155,000 homes will take a very long time at current rates. Our thoughts on the Welsh Housing Quality Standard and shifting targets to a more suitable timeframe & realistic reduction targets are found in subsequent responses.

### **3. Why the Welsh Government failed to meet its statutory target of eradicating fuel poverty in Wales by 2018;**

#### ***Our response:***

In the early 2000s, across Great Britain, broadly similar target dates were set for the elimination of fuel poverty: 2016 in Scotland and England, and 2018 in Wales. All three countries came nowhere near meeting these targets.

There is certainly a case that more could have been done, and policies could have been better targeted, in all three countries. However, it is also widely recognised that the failure to meet these targets to eliminate fuel poverty was substantially due to a significant rise in fuel prices. For example, the Scottish Fuel Poverty Strategic Working Group noted in 2016 that, *“The recent dramatic rise in energy prices (average prices were 185% higher in 2013 than in 2003) has had a profound influence on fuel poverty, with*

*improvements in energy efficiency playing an important mitigating role.” As a result, “This high rate of fuel poverty is largely unchanged since 2009, and has doubled since the Scottish Government’s fuel poverty target was set in 2002.”* (Source: <https://www.gov.scot/publications/scotland-without-fuel-poverty-fairer-scotland-four-steps-achieving-sustainable/pages/4/>). The impact on fuel prices on the achievement of the target – when fuel prices are not usually seen as within the control of fuel poverty policy-making – has led to analysis of whether the 10% indicator used across Great Britain to set the 2016/2018 “elimination” targets was the right one. In particular, in England, a “Low Income High Cost” indicator was adopted.

The construction of the statutory target to eradicate fuel poverty was thus stifled by a rise in energy prices post-2010, which negatively impacted the ability for all UK nations to meet their fuel poverty targets. In addition, the fuel poverty programmes led by Welsh government, alongside ECO, were not lifting enough homes out of fuel poverty per year in order to achieve its stated target of eradicating fuel poverty in Wales by 2018. Put simply, it is not that the programmes themselves have been largely ineffective, rather, it is that the number of households that can feasibly be lifted out of fuel poverty in any given timescale are fundamentally limited by; the financial resources available; the duration of technical / building work needed; sustained, cross-party political commitment to reducing fuel poverty in the Welsh Assembly and the scope of aforementioned programmes.

If, for example, Welsh government were to ensure that fuel poverty was vastly reduced (*close* to eradicated) over the next ten years, they would have to ensure that a minimum of 15,000 homes per year were lifted of fuel poverty over the next ten years in order to get close to addressing the 155,000 homes currently living in fuel poverty in Wales. The current scope of the existing programmes aims to lift just over half of this amount – with Nest (5000) and Arbed (3000) combined *aiming* for about 8,000 homes per year. It is not clear or desirable to assume that ECO will pick up the slack and/or come to close to lifting 7,000 households out of fuel poverty in Wales each year. However, it is clear that Welsh Government needs to maximise the amount of homes that can be lifted out of fuel poverty from ECO funding, particularly as the customer threshold for obligated suppliers is set to decrease in coming years as part of ECO3 (see below):

**Table 2: Domestic customer number and supply volume thresholds for ECO3**

		1 October 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2020 to 31 March 2021	1 April 2021 to 31 March 2022
Number of domestic customers (at 31 December)		>250,000	>200,000	>150,000	>150,000
Supply domestic customers	to Electricity	500GWh	400GWh	300GWh	300GWh
	to Gas	1400GWh	1100GWh	700GWh	700GWh

(Source: *'Energy Company Obligation (ECO3) Guidance: Supplier Administration v1.1'*)

[https://www.ofgem.gov.uk/system/files/docs/2019/03/eco3\\_guidance\\_administration\\_v1.1.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/03/eco3_guidance_administration_v1.1.pdf)

Taking inspiration from the revised Scottish approach to fuel poverty, which states that *'no more than 5% of the population'* will be in fuel poverty by 2040, Welsh Government should reconsider its targets and approach in light of the tendency for various households to fluctuate in and out of fuel poverty due to changing circumstances, such as periods of unemployment, illness or sickness or severe and unpredictable fluctuations in energy prices. This 'no more than' target also acknowledges the incredible difficulty of lifting certain properties out of fuel poverty given tricky technical challenges around retrofit according to building type and age, alongside the understanding that any household's income can drastically fluctuate due to unforeseen circumstances. Given that Welsh Government has reduced fuel poverty from 26% of households to around 12% of households in fuel poverty over a decade, it could revise its targets to state that *'no more than 2% of Welsh households will be fuel poor by 2030'*, allowing for the possibility of exceeding this target and achieving a further 10% reduction over the next ten years.

**4. How the Welsh Government's successor to the fuel poverty strategy (due for consultation in Autumn 2019) should differ from its 2010 strategy;**

*Our response:*

Below, we explore five core areas that are needed to build upon the drive to substantially reduce fuel poverty in Wales:

1. Reviewing the definition of fuel poverty in Wales;
2. Reaching vulnerable households through in-home engagement and advice;
3. Providing a top-up fund for the hardest to improve homes;
4. Creating a centralised support service that leverages more ECO funding
5. Establishing a new EPC target for fuel poor homes by 2030.
6. Improve the Welsh Housing Quality Standard and apply to the Private Rented Sector

### **1 The Definition of Fuel Poverty**

Across the UK, there's no cohesive definition of what constitutes fuel poverty amongst the devolved administrations. Wales currently uses the '10% definition', which means that any household needing to spend over 10% of their income on fuel bills is classed as fuel poor. This definition has been criticised on a number of grounds; for example, it includes wealthier households who choose to live in very large draughty homes. Scotland also used the 10% definition until recently, but following a legal change, it now defines fuel poverty as a household where residents are on low incomes and they need to spend a high proportion of that income on fuel. Welsh Government should assess the definition used in Scotland (as well as the metric used in England, which is slightly different again) in the fuel poverty strategy to see what would be the best fit for Wales.

### **2 Reaching Vulnerable Households**

Outreach is an important element of both the Nest and Arbed programmes. Nonetheless, people living with health problems, or who are older and frail, may still find it difficult to engage with the referral processes for fuel poverty programmes. This may be due to isolation, as well as the difficulty, for people living with long-term health problems, of finding the time and energy to fill in forms or talk to advisors. And while Nest and Arbed referrals can be made over the phone or in person, some older people's lack of digital skills

also removes an easy route to information about the programmes. For the next phase in Wales's fuel poverty support programmes, we suggest the establishment of an in-home advice service, where home visits are offered to very vulnerable households who would otherwise find it difficult to engage with a fuel poverty support programme. Customers might include people with chronic physical or mental health problems or the very elderly. Such a step would fit well with a key recent development of the Nest programme: the extension of eligibility under the programme to people living with a health condition. Scottish Government's innovative Energy Carers programme is delivered by Energy Saving Trust. This programme offers intensive in-home support for vulnerable households, with a team of "energycarers" who work closely with people who lack the capacity, knowledge or ability to access fuel poverty support- or indeed wider help with their home and finances. Support may include helping people who struggle with lengthy application forms, online portals and complex referral processes.

### **3 Providing funding for the hardest-to-improve homes**

Some homes are costly to improve with energy efficiency measures. They may need non-standard insulation, or a wholly new heating system fitted. And sometimes structural or damp problems need to be treated before energy efficiency works can even begin. The costly-to-improve homes are a challenge: to ensure that the available funding benefits the largest number of people, there is inevitably a limit on what Nest and Arbed can spend on measures for any single property.

Having sufficient funding to enable measures to be fitted in these harder-to-treat homes, to bring the home to a decent standard of energy performance can be vital. Sometimes, homeowners can contribute their own funds to the costs of works. However, we also suggest a flexible top-up fund could be established by the Welsh government, offering further assistance for households most in need. This fund would ensure that any additional retrofitting or improvement work, that is vital to building performance and wellbeing, can be completed for those unable to fund this work themselves. This fund could target the 32,000 homes in severe fuel poverty, whilst also being flexible enough to support homes that are in - or may fall into - fuel poverty across Wales.



#### **4 Leveraging ECO funding**

A centralised Welsh support programme to help local authorities to take advantage of ECO could be highly cost-effective in attracting a greater share of UK-wide ECO funds. In Scotland, Scottish Government funds Energy Saving Trust to help local authorities plan and access funding for energy efficiency programmes – particularly from ECO. This involves both staff time and data analysis. Partly as a result of this, Scotland receives a higher share of ECO money per person than Wales or England.

#### **5 An Energy Performance target for fuel poor homes**

The Welsh government should consider a new Energy Performance Certificate (EPC) target for fuel poor homes. England has an ambition of getting all fuel poor homes to an EPC band C by 2030, and Scotland has consulted on the same target as a standard for all homes by 2040 or possibly earlier. Wales could demonstrate leadership amongst the UK nations by setting a minimum target of EPC band B for all fuel poor homes by 2030. As was made explicitly clear in our response to Question 1, the Welsh governments own data shows that *'43% of households living in properties with poorer energy efficiency (EPC Bands F and G) were fuel poor compared to 5% of households living in properties in bands B to C'*. This means that there is a direct correlation between a low EPC rating of a property and the *likelihood or probability* that the same property will be amongst those households living in fuel poverty. Thus, legislating for a higher minimum EPC band will greatly contribute towards reducing fuel poverty in Wales.

#### **6 Improve the Welsh Housing Quality Standard and apply to the Private Rented Sector**

To support this aim and in accordance with the policies and proposals laid out in the *'Prosperity for All'* report published by Welsh Government earlier this year, higher targets could be integrated into the 'Welsh Housing Quality Standard' (WHQS) for social housing, which seeks to achieve an energy efficiency standard of SAP 65 or higher. Instead, the WHQS could be revised post-2020 to achieve an energy efficiency standard of SAP 75 or higher and to also apply to the private rented sector post-2020. This change in minimum SAP rating would bring the minimum EPC rating to a C and get closer to the EPC B rating (SAP 81 – 90). This could then be revised in 2025

to an energy efficiency standard of SAP 85 or higher for the WHQS, to help meet a minimum target of EPC band B for all fuel poor homes by 2030.

**5. What steps the Welsh Government should take to ensure that new-build homes, as well as existing homes, are highly energy efficient to prevent them causing fuel poverty in the future.**

*Our response:* As we reference above, '43% of households living in properties with poorer energy efficiency (EPC Bands F and G) were fuel poor compared to 5% of households living in properties in bands B to C'. 95% of new build EPCs issued in 2019 in Wales are C or above, the large majority are in the B category. It is therefore the case that fuel poverty in homes built to today's building regulations is likely to be a very marginal problem in Wales. Having said that, not all new homes do – in reality – meet today's building regulations. It's vital that Wales – alongside governments across the UK – continues to invest in approaches to ensure that building regulations are properly enforced and that homes are built as designed. It is also vital that new build standards in Wales are improved to deliver net zero carbon housing as soon as possible, as part of the Country's response to the Climate emergency.

Elin Jones AM

Llywydd

National Assembly for Wales

---

21 January 2020

Scrutiny of the draft National Development Framework

Dear Llywydd

The Climate Change, Environment and Rural Affairs Committee ('the Committee') has recently undertaken scrutiny of an initial draft of the National Development Framework ('NDF') for Wales. As part of that work, the Committee agreed that I should write to the Business Committee to ask it to "bring forward proposals to facilitate scrutiny of the draft NDF in accordance with the Planning (Wales) Act 2015."

The Planning (Wales) Act 2015 ('the Act') established the process for developing a NDF. The Welsh Government is due to publish the draft of the first NDF in April 2020.

The Act sets out a framework for Assembly scrutiny of the draft NDF. The provisions are included in full in the Annexe of this letter and are explained below. The Committee has agreed to request that Assembly procedures are introduced to underpin the framework scrutiny process described in the Act. The Committee has not made any recommendations to the Welsh Government on this matter, given that its proposals largely reflect provisions already enshrined in law.

### **Provisions of the Planning (Wales) Act 2015 that relate to the NDF**

- Section 3 (3) requires Welsh Ministers to lay before the Assembly a draft NDF and a report which summarises responses to its public consultation on the draft and which explains how the responses have been taken into account.



**Cynulliad Cenedlaethol Cymru**  
Bae Caerdydd, Caerdydd, CF99 1NA

✉ SeneddNHAMG@cynulliad.cymru

☎ 0300 200 6565

**National Assembly for Wales**  
Cardiff Bay, Cardiff, CF99 1NA

✉ SeneddCCERA@assembly.wales

☎ 0300 200 6565

- Once the draft NDF has been laid, the statutory “Assembly consideration period” begins. This is defined in the Act as the period of 60 days beginning with the day on which a draft of the NDF is laid, disregarding any time when the Assembly is dissolved or is in recess for more than four days.
- Section 3 provides for the Assembly to consider the draft NDF during the 60 day period. Section 3 (4) requires Welsh Ministers to have regard to any resolution passed by the Assembly in Plenary and any recommendation made by an Assembly committee during the 60 day period.
- After the 60 day Assembly consideration period, the Welsh Ministers may publish a final, unamended version of the NDF. However, if the Welsh Ministers decide to amend the draft NDF, they may lay before the Assembly an amended draft of the NDF and publish it.
- If the Assembly or any of its committees has agreed any resolution or made any recommendations during the Assembly consideration period, the Welsh Ministers must, not later than the day on which the NDF is published, lay a statement explaining how they have had regard to each resolution or recommendation.

## Issues

### *Plenary debate*

Unlike equivalent legislation elsewhere, such as the Scottish Planning Act, there is no requirement for the draft NDF to be approved by a resolution of the Assembly. Although the Act refers to resolutions of the Assembly, there is no requirement for a Plenary debate to take place or for the Assembly to agree the NDF. The provisions of the Act do not prevent any individual or group bringing forward motions in relation to the draft NDF.

### *Committee consideration*

Although the Act refers to recommendations that might be made by Assembly Committees, the Act does not require the NDF to be considered by Assembly Committees, neither does it prescribe how Committee consideration should take place. This is to be welcomed and will enable the Assembly to determine its procedures.



## *Accompanying documents*

The Act requires the Welsh Government to lay, alongside the draft NDF, a report which summarises the representations it received during the public consultation on the draft. There is no requirement to lay any other document.

## **Committee Request**

The Committee has agreed to request that the Business Committee brings forward Assembly procedures for the consideration of the draft NDF, in accordance with the Planning Act 2015.

The Committee believes that the introduction of a temporary Standing Order would be an appropriate approach, given that Assembly scrutiny of a draft NDF will take place every five years. This would allow the next Assembly to develop and agree an approach it believes to be appropriate, subject to the framework set out in the Act, but informed by the experience of scrutinising the first draft NDF. This would also ensure transparency, given that the framework scrutiny procedure is contained in an Act that was agreed in 2015, during a previous Assembly.

The temporary Standing Order should reflect the provisions of the Act, and should:

- Require the Welsh Government to lay the draft NDF and other relevant documents, such as impact assessments;
- Provide for the Business Committee to refer the draft NDF to any Assembly Committee or Committees to consider and report on it and for the Business Committee to set a timetable for that work; and
- Require the Welsh Government to make time available in Plenary to consider the draft NDF, based on an amendable Government motion. This would not be a motion for the Assembly to approve the draft NDF, but a formal opportunity for the Assembly to express its views.

The Committee agreed that the Business Committee should consult the Welsh Government, external stakeholders and Assembly Committees on its proposals. However, I recognise that there is unlikely to be sufficient time for a consultation to take place on this occasion, given the pressing need for appropriate procedures to be in place by the time the NDF is introduced in April. I also note that the Business Committee will consult Welsh Government as part of its consideration of these proposals. It may be appropriate for the



CCERA Committee or its successor to consider the effectiveness of the scrutiny process in due course and to do so in consultation with others.

I would be grateful if you would draw these matters to the attention of the Business Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Mike Hedges". The signature is written in a cursive style with a large initial 'M'.

**Mike Hedges AM**  
**Chair of Climate Change, Environment and Rural Affairs Committee**

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



## Annex

### **Procedure for preparation and publication of Framework**

- (1) Before publishing the National Development Framework for Wales, the Welsh Ministers must—
  - (a) prepare a draft of the Framework,
  - (b) carry out an appraisal of the sustainability of the policies set out in the draft, and
  - (c) carry out consultation in accordance with the statement of public participation.
- (2) The appraisal under subsection (1)(b) must include an assessment of the likely effects of the policies in the draft Framework on the use of the Welsh language.
- (3) If, after complying with subsection (1), the Welsh Ministers wish to proceed with the draft of the Framework (with or without changes), they must lay before the National Assembly for Wales—
  - (a) the draft, and
  - (b) a report which—
    - (i) summarises the representations they received during the consultation carried out under subsection (1)(c), and
    - (ii) explains how they have taken the representations into account.
- (4) The Welsh Ministers must have regard to—
  - (a) any resolution passed by the National Assembly for Wales with regard to the draft Framework during the Assembly consideration period, and
  - (b) any recommendation made by a committee of the National Assembly with regard to the draft during that period.
- (5) After the expiry of the Assembly consideration period, the Welsh Ministers—



- (a) may publish the National Development Framework for Wales in the terms of the draft laid under subsection (3), or
- (b) if they propose to make changes to that draft, may—
  - (i) lay before the National Assembly for Wales an amended draft of the Framework, and
  - (ii) publish the National Development Framework for Wales in the terms of the amended draft.

(6) If any resolution was passed or any recommendation was made as mentioned in subsection (4), the Welsh Ministers must also, not later than the day on which the Framework is published, lay before the National Assembly for Wales a statement explaining how they have had regard to the resolution or recommendation.

(7) In this section, “the Assembly consideration period” means the period of 60 days beginning with the day on which a draft of the Framework is laid before the National Assembly for Wales under subsection (3), disregarding any time when the National Assembly is dissolved or is in recess for more than four days.







Llywodraeth Cymru  
Welsh Government

Mike Hedges AM  
Chair  
Climate Change, Environment and Rural Affairs Committee

17 January 2020

Dear Mike,

Thank you for your letter of 16 December, regarding my appearance before the Committee on 20 November. I have set out responses to your questions below.

## **Bovine Tuberculosis (TB)**

### Informed purchasing

In 2015 the Welsh Government introduced a grant for livestock markets to apply for up to 50% grant funding to update their display equipment and software to allow TB information to be displayed during cattle sales. Prior to this funding being made available, a letter was sent to all farmers whose cattle herds were TB free to inform them of the informed purchasing initiative to encourage wise buying practices and encourage them to share TB information when selling cattle. Despite the grant funding being available to all cattle markets in Wales, only ten markets applied. All were successful in their application. The criteria for the grant funding can be found in the copy of the Informed Purchasing factsheet attached at Annex 1 to this letter.

Post-implementation audit visits were carried out on the relevant markets to check their compliance with the grant funding. The visits assessed whether their cattle pre-entry forms were updated to request TB information such as the date of the pre-movement test, the date of the last whole herd test and the date the herd last came off restrictions. Also considered during these audits was whether the TB information was prominently displayed above the cattle ring as specified in the grant funding requirements. Disappointingly, the audits found little TB information was being displayed at markets. Discussions with market operators and auctioneers showed the reasons for this were two-fold: TB information was not being provided by vendors nor was it being requested by purchasers.

I am aware of the commercial sensitivities associated with providing TB information at markets along with a potential conflict of interest for the farmer, for example a subsequent potential loss in value of their cattle if this information was displayed. However, we know in some areas of Wales, eight in ten TB breakdowns are primarily attributable to cattle movements. The importance of informed purchasing cannot be overstated.

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

[Gohebiaeth.Lesley.Griffiths@llyw.cymru](mailto:Gohebiaeth.Lesley.Griffiths@llyw.cymru)  
[Correspondence.Lesley.Griffiths@gov.wales](mailto:Correspondence.Lesley.Griffiths@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Feedback from the audit visits and during other engagement with market operators and auctioneers shows us, while the farmer has a choice of whether or not to provide TB information for the market to display and until it becomes a legal requirement to provide and display it, compliance is likely to be unfavourable. We continue to encourage farmers to request TB information at the point of sale and for markets to display it.

Effective Informed Purchasing on a voluntary basis requires the cattle industry in Wales to recognise cattle movements are a significant cause of new TB breakdowns. It also requires farmers actively to try to minimise the risk of new TB introduction via this route. The evidence we have from cattle movement and TB breakdown data currently suggests the industry does not fully buy into this. For a voluntary system to work, information needs to be exchanged between sellers and buyers so they are aware of the TB status of animals, the herds from which they originate and the potential risks involved in bringing these animals into their own herd. Despite the controls we have in place, the epidemiological evidence suggests bought-in cattle are a primary source of new infection. Pre and Post-Movement Testing reduces but does not eliminate this risk because cattle can become infected after testing or may be at the earliest stages of infection, too early to be picked up by the test.

Following careful consideration of the voluntary approach, an evaluation of the policy was undertaken and as part of a refreshed TB Eradication Programme I announced the introduction of a mandatory system. Given the volume of cross-border cattle movements between Wales and England, we are working in collaboration with Defra to develop options for a mandatory system. Particular focus is on the development of herd risk scores and potential consequences of bringing higher risk animals into a herd. It is a very complex area and will require consultation and a change in legislation. There are risks a Wales-only system could put our farmers and markets in a disadvantaged position to England where additional information might not be made mandatory.

I am happy to update the Committee on progress in developing a mandatory scheme and information on the necessary legislative requirements in due course. In the meantime my officials will continue to promote the benefits of informed purchasing to farmers and market operators in Wales. This will include provision of appropriate advice and guidance to farmers and market operators.

#### Compensating farmers

The review of TB compensation is intended to explore options to make the system financially sustainable whilst also ensuring it encourages good practices and discourages bad practices, working towards our long term objective of TB eradication.

The review is still in the early stages of development and, as with all potential policy changes of this type, the available options have been discussed with the TB Programme Board. No timescale for implementing changes has been agreed as yet, however, I aim to consult on proposed changes by the end of 2020 at the latest.

## TB Eradication Programme funding post Brexit

The Welsh Government continues to seek commitment from the UK Government to ensure TB funding currently provided by the EU will continue post Brexit. I will provide further information as soon as it is available.

Over the last three and a half years the Welsh Government has consistently called on the UK Government to honour the promises made during the EU referendum campaign that Wales would not lose a single penny of funding for agriculture after Brexit.

It is essential the UK Government provides the same level of funding as we currently receive from the EU and full flexibility to decide how the funding is used.

## **Agriculture**

### Farm support

The Minister of State for Defra, George Eustice MP, wrote to me on 20 December confirming his intention to introduce an Agriculture Bill in January. This Bill will provide Welsh Ministers with powers to continue operating the Basic Payment Scheme beyond 2020. I intend to take powers in the Bill allowing for continuation of the BPS beyond 2020 to provide stability to farmers during this period of uncertainty, and certain other powers which are important to ensure the effective operation of the internal market in the UK. I will be seeking legislative consent from the Senedd for these continuity powers in accordance with our Standing Orders.

### Antibiotics

In response to the threat of Antimicrobial Resistance (AMR), the Office of the Chief Veterinary Officer of Wales and the Wales Animal Health and Welfare Framework Group (WAHWFG) has encouraged actions to control AMR by veterinary delivery partners, including a large-scale and unique antibiotic prescribing benchmarking exercises. We are supporting the new UK Five Year National Action Plan 2019 – 2024 by developing and delivering a detailed programme of work and applying the “One Health” approach by addressing human, animal and environmental aspects of the AMR threat together.

We published the Welsh Animal and Environment AMR Implementation Plan in July 2019. The work will be led by the Animal and Environment AMR Delivery Group, which includes representatives from the farming industry, veterinary profession and Public Health Wales. A copy of the Implementation Plan can be found at <https://gov.wales/antimicrobial-resistance-animals-and-environment-implementation-plan>.

This new Group, a first for Wales, reports to the WAHWFG and also to the highest level AMR control group in the Welsh Government, chaired by the Chief Medical Officer. This will ensure our efforts are fully aligned with those of the NHS and Public Health Wales. It is essential we work together closely with medical counterparts and human, animal and environmental components of AMR are addressed in a joined-up way.

Regulation of the veterinary profession and the use of antibiotics is a reserved matter, led by the Veterinary Medicines Directorate and the Veterinary Medicines Regulations. The Veterinary Medicines Directorate’s objectives are to protect public health and meet high standards of animal welfare.

In the UK, antibiotics are prescription-only medicines from a veterinary surgeon and livestock keepers are legally required to record all medicine usage. All prescription-only medicines have a specified withdrawal period, to protect the human food chain and routine residue testing is conducted for meat and dairy products.

Only vets have the privilege and responsibility to prescribe antibiotics for animals and, livestock keepers are legally required to record all medicine usage. There is no legal requirement for medicine usage to be recorded electronically and many livestock keepers use a hard copy medicine record book. As such, it would be difficult to capture accurate usage data for Wales. However, there are industry initiatives being developed to record medicine usage electronically and we are closely engaged with this work to consider what data may become available in the future. The Welsh Government's Rural Development Programme has also awarded funding for a project, Arwain Vet Cymru, which will look to improve the standards of antibiotic stewardship in Wales. Notwithstanding this, in line with the second major goal in our Implementation Plan, we want to develop guidelines for vets in Wales to improve the decisions made when animals require treatment with antibiotics.

Government cannot control AMR in animals alone. The control of infectious diseases and the antibiotics used to treat them are in the hands of animal keepers and their veterinarians. We therefore need those people and scientific experts to work together, and with us, to achieve the goals of our Animal and Environment AMR Implementation Plan for Wales.

We are supporting the work of our veterinary delivery partners, bringing the relationship between Welsh farmers and vets closer. Creating a culture of prevention being better than cure, through animal health planning and improved biosecurity, leads to a reduction in the need for animals requiring treatment in the first place.

The Welsh Government intends to stay as closely aligned as possible with the EU and its current revision of regulations including the categorisation of critically important antibiotics. In addition, we do not have an interest in opening our markets to animals and animal products which originate from countries where antibiotics are used as growth promoters. The Welsh Government has no intention of reducing current standards when the UK leaves the EU. Standards will remain at current levels and future developments would be to improve standards, not reduce them.

The Welsh Government continues to have regular engagement with the Veterinary Medicines Directorate and is fully engaged on matters to jointly agree the UK's position, including close collaboration between respective Chief Veterinary Officers. I am happy to keep you informed as matters arise, particularly in the event that the UK exits the EU.

## **Common Frameworks**

The UK Government Revised Frameworks Analysis, published by the Cabinet Office in April 2019, lists areas which potentially require a legislative or non-legislative common framework following the UK's exit from the EU. The areas classified as potentially non-legislative frameworks which fall within my portfolio are:

- Air Quality
- Biodiversity
- Control of Major Accident Hazards
- Efficiency in Energy Use
- Marine Environment
- Radioactive Substances
- Spatial Data Infrastructure Standards (INSPIRE)

- Strategic Environmental Assessment Directive
- Natural Environment & Biodiversity
- Waste Management (responsibility for waste policy in Welsh Government sits with the portfolio of the Minister for Housing and Local Government but is managed by the ERA department).

The Cabinet office publication is available at

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/792738/20190404-FrameworksAnalysis.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/792738/20190404-FrameworksAnalysis.pdf)

Common Frameworks are currently scheduled to be in place by 31 December 2020. Discussions are ongoing between the four administrations. There are also elements of potential legislative Common Frameworks likely to be implemented through non-legislative means, such as Ministerial agreed Concordats between the four UK administrations.

The uncertainty surrounding how the UK will leave the EU and the circumstances of any future agreements with the EU and other nations may affect the scope, timing and implementation of common frameworks. Should there be any proposed change to the timescale, I will write to the Committee to make you aware.

### **Rural Development Programme (RDP)**

The RDP continues to make good progress. We are well ahead of the EU's spend targets at this stage. Spend has now exceeded £366m or almost 44% of our allocation. This is in line with the average for other EU Member States.

The RDP is a flexible programme which will be tailored during the period to meet the needs of rural communities, including farmers and foresters.

It is important to remember that whilst the RDP is a seven year programme, spend takes place over a ten year period under the "N+3" rules. The EU's first spend target in December 2018 was €123m and the Welsh Government achieved this well ahead of schedule in November 2017. We also achieved the EU's second spend target of €247m in March 2019, well ahead of the December 2019 target. Including pre-financing amounts (EC advances) we have achieved €303,701,547 to the end of 30 September 2019.

At a project level a total of £647.2m funds have been committed, representing 77.5% of total Programme funds. This figure has dropped due to changes to the exchange rate increasing the overall programme value. We will continue to monitor the commitment levels to ensure the RDP is fully utilised allowing the maximum possible draw down of EU funds.

Plans are in place to achieve full commitment of the Programme by the end of 2020. These were approved by the EU Commission on 14 December 2019 via a programme modification. The focus of this modification provides continued support for environmental land management contracts supported through the RDP to allow for the transition arrangements for post Brexit schemes. This includes funds made available to extend all Glastir Advanced, Commons and Organics agreements to 2021, providing certainty for land managers and ensuring the ongoing delivery of important environmental outcomes. The modification provides a new total allocation for the RDP of £834.8m. Please note the sterling value of the programme is not fixed due to constant changes to the exchange rate.

## Fisheries

### Stocks

The International Council for the Exploration of the Sea (ICES) provides impartial evidence on the state and sustainable use of our seas and oceans. Of the stocks in Welsh Waters which have been assessed by ICES, 75% are being exploited at levels consistent with achieving Maximum Sustainable Yield, ie 71% in the Celtic Sea, 82% in the Irish Sea and 73% in the Bristol Channel. The stocks which are not yet at this level are cod, haddock, whiting and herring. These stocks are not targeted by the Welsh fleet.

### Abandoned, lost or discarded fishing gear

I recognise abandoned, lost or discarded fishing gear (ALDFG) has the potential to cause detrimental impacts upon the marine environment. Due to the open nature of our oceans and the prevailing hydrodynamic conditions, ie currents, ALDFG is an issue which extends beyond Welsh waters. I committed to working with British Irish Council (BIC) parties to develop a coordinated solution for end of life fishing gear. Additionally, the Single Use Plastics Directive came into force in May 2019. This Directive includes a number of requirements including the need to introduce an Extended Producer Responsibility scheme for fishing gear.

In considering the issue, the Welsh Government is commissioning evidence-based research to undertake an inventory of the Welsh fishing fleet focusing on four key areas:

- Quantities of fishing gear currently in use,
- Types of fishing gear, specifically its material content to determine its recyclability,
- Quantities of fishing gear deemed end of life from the Welsh fleet per year, including gear recovered from the sea, and
- Current infrastructure and management processes in place to enable the safe and sustainable disposal of gear.

Beyond this, the research will explore opportunities for 'ghost gear' and marine litter bycatch to be disposed of safely and sustainably. My officials are working with key stakeholders through the Wales Marine Fisheries Advisory Group and have formed a small task and finish group to support the delivery of this work area. The Welsh Government is keen to explore opportunities to work with other administrations through BIC and coordinate any future recycling scheme. It is anticipated a report will be produced in the second quarter of 2020 outlining an inventory of fishing gear and identifying potential measures which could be introduced.

Natural Resources Wales will provide the Welsh Government with the Assessing Welsh Fishing Activities' potting assessments in 2020. The Welsh Government will use these assessments to review the impacts from potting activity on marine features to assess the need for a management response, including the potential use of flexible management measures like those recently discussed in the Welsh Government's 2019 Brexit and Our Seas Consultation.

## **Biodiversity**

I have not recently considered statutory biodiversity targets. This was something that was considered at length and rejected during the drafting of the Environment (Wales) Act on the grounds that they can drive a focus on specific actions, when the aim of the Act is to take an integrated approach to maintaining and enhancing biodiversity and the resilience of ecosystems. However, I am keen to understand and measure the outcomes and impacts of our actions on biodiversity, and the National Indicators under the Well-being of Future Generations Act have started that process. Further indicators to be established under the State of Natural Resources Report will also help us understand the status and trends for species and habitats in Wales.

My officials are engaged in the review of the Aichi targets under the Convention on Biological Diversity. I look forward to the developments towards a report to the Conference of Parties in Beijing in November 2020.

## **Dog Breeding**

The report of the review of the Animal Welfare (Dog Breeding) (Wales) Regulations 2014 was originally due on 31 December 2019. Following a slight delay it was submitted on 7 January. My officials will submit recommendations on next steps to me after full analysis of the report. At this stage, I can confirm the report has recommended a revision of the 2014 Regulations. This includes many of the issues you have raised such as reviewing the current inspection system, staff to adult dog ratio, tackling illegal breeders and addressing barriers to enforcement.

I will provide a further update to you, including timescales once I have considered the recommendations.

## **Fireworks**

The powers to restrict the sale and use of fireworks under the Fireworks Act 2003 rest with UK Government Ministers. The Deputy Minister for Housing & Local Government and I have written to Kelly Tolhurst MP, Minister for Small Business, Consumers and Corporate Responsibility at the Department for Business, Energy & Industrial Strategy to urge a strong UK Government response to the House of Common's Petitions Committee's recent inquiry and its subsequent recommendations.

In addition to this, Welsh Government officials are liaising across a range of departments to establish where we can best focus our efforts here in Wales to reduce the negative impacts of fireworks on people and animals.

## **Fuel Poverty**

The Wales Audit Office (WAO) published its Landscape Review into Fuel Poverty in Wales on 3 October. To allow sufficient time to consider the recommendations made in the WAO's report, it had been my intention to publish the draft plan to consultation on Fuel Poverty Day on 28 November. Unfortunately, the calling of the UK General Election necessitated a further short delay. I now expect to publish our draft plan to tackle Fuel Poverty for consultation in February. This timeline will also allow time to consider findings emerging from the Committee's inquiry into Fuel Poverty prior to the final plan being published.

The Clean Air Plan currently states the Welsh Government has consulted on a new plan to tackle fuel poverty. This was correct at the time of drafting and publishing the consultation on the Clean Air Plan. However, as the Fuel Poverty consultation was delayed due to the UK General Election in December 2019, we are amending the Clean Air Plan consultation to reflect these changes.

Regards,

A handwritten signature in black ink that reads "Lesley". The signature is written in a cursive style with a large, sweeping flourish at the end.

**Lesley Griffiths AC/AM**

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig  
Minister for Environment, Energy and Rural Affairs



# Agenda Item 4.3

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig  
Minister for Environment, Energy and Rural Affairs



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA/LG/55002/19

Mike Hedges AM  
Chair  
Climate Change, Environment and Rural Affairs Committee

20 January 2020

Dear Mike,

Thank you for your letter of 13 December seeking further information regarding environmental principles and governance post-Brexit. I have set out my responses to your questions below.

**1. Can you provide further details on the agreement with the UK Government to have a common set of environmental principles?**

I had hoped to have been in a position to provide more detailed information, however, as a consequence of the General Election, the UK Environment Bill fell in November last year and we await its reintroduction. Discussions have continued in the intervening time on agreeing a consistent set of environmental principles, rather than a common set applying across the UK. We will continue to explore this with the four administrations. I hope to be in position to provide further information during the passage of the UK Bill following its reintroduction into Parliament.

**2. Can you clarify whether you have ruled out the establishment of a UK wide environmental governance body?**

As I have stated previously, I have always been open to discussions on how a UK-wide approach to environmental governance could be achieved. However, any such approach, fundamentally, should also respect the devolution settlement and our own legislative framework. Wales is also only one of the parties in these discussions and the proposal as presented by the UK Government in its Bill introduced in October 2019, were designed to address the gaps as they apply solely in England and, as such, would not be a UK-wide environmental governance body. As such, we cannot agree to the Office for Environmental Protection acting as a UK-wide body.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

[Gohebiaeth.Lesley.Griffiths@llyw.cymru](mailto:Gohebiaeth.Lesley.Griffiths@llyw.cymru)  
[Correspondence.Lesley.Griffiths@gov.wales](mailto:Correspondence.Lesley.Griffiths@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Pack Page 78

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

However, we recognise there will be occasions when it is necessary or desirable for the proposed Office for Environmental Protection to cooperate with any environmental governance mechanism in Wales. Discussions are continuing across the administrations to identify opportunities and mechanisms to work cooperatively. The UK Bill as introduced in October 2019 sought to recognise this through its provisions on consultation and sharing of information.

As I have always stated, we need a response in Wales which complements our existing legislation and governance arrangements.

**3. Can you clarify how EU reporting requirements have been modified, in particular, what changes have been made to ensure appropriate domestic arrangements for reporting on implementation of EU derived environmental legislation?**

In the programme of no deal correcting legislation, the objective was to retain the status quo and this included reporting requirements contained with EU derived environmental legislation. Under existing legislation, where there were reporting requirements related to an international reporting obligation, for example in relation to the Habitats Regulations, the UK would report to the EU Commission who in turn reported to the relevant international convention. Under the programme of correcting legislation, legislation have been modified to change after exit to make provision for the Secretary of State to report directly to the international convention as the UK is the party to the Convention.

Other reporting requirements, not connected to international reporting obligations, were addressed in the correcting legislation more generally as a duty to publish a report.

We will, however, want to consider the effectiveness of reporting requirements within EU derived legislation in terms of effectiveness and efficiency within new domestic environmental governance structures. As previously stated, we will seek to undertake this work with all relevant parties, in particular Natural Resources Wales.

During this transition period, reporting requirements to the EU will continue.

**4. Can you provide further details on your agreed approach to complaints management in the event that the UK exits the EU without a withdrawal agreement?**

With a transition period now likely to commence at the end of January, under which the current EU mechanisms would still apply, the immediate need for no-deal interim measures has now dissipated. However, we will still keep this under review should it be required at the end of any transition period.

My attention is now focused on working towards clarifying and finalising the permanent post-Brexit environmental governance arrangements for Wales, which has entailed extensive engagements with external stakeholders.

The Environmental Governance Stakeholder Task Group has continued to engage with my officials to produce recommendations for an approach for Wales. I await a report including their recommendations, which is due at the end of this month, I will be happy to update the Committee once I have considered their recommendations.

Regards  
Lesley

**Lesley Griffiths AC/AM**

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig  
Minister for Environment, Energy and Rural Affairs