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Care & Repair Cymru

Fuel Poverty and the Warm Homes Programme

Written evidence submitted by Care & Repair Cymru: January 2022

Introduction to Care & Repair

1. Care & Repair Cymru is Wales' Older People's Housing Champion. Our aim is to ensure that all older people in Wales can live independently in safe, warm, accessible homes. We are the national body for Care & Repair in Wales, representing 13 independent agencies operating in every county offering a wide range of home improvement services, tailored to client's needs and local circumstances. In 2020/21, we supported 43,913 older people across Wales, carrying out over 36,371 adaptations in the home to help prevent trips and falls, whilst delivering £14.5 million's worth of repair and improvement work to improve the health, safety and warmth in people's homes¹.
2. Care & Repair works with older people in the private housing sector, owner occupiers and private tenants. A third of our clients live alone, a third have a disability and two thirds are over 74 years old.
3. *70+ Cymru* is a specialist Wales-wide project led by Care & Repair Cymru tackling fuel poverty amongst older people in Wales. The project aims to improve the warmth, comfort, and quality of life for older owner occupiers and private tenants by providing advice and support on home energy saving techniques and housing improvements to enable them to heat their homes to over 70°F.

Response

What are the main lessons learned from the Welsh Government's current Warm Homes Programme?

The future Warm Homes Programme must evolve beyond its current default as a boiler replacement scheme². Simply replacing faulty boilers does not mean that a household will no longer struggle with fuel poverty if heat is still escaping from their properties and their energy bills remain high because of it. Installing new heating systems into homes without insulating a home is like buying a teapot with cracks in it. Likewise, we rarely come across clients who have had their boiler maintained or fixed by the programme. Only 5.5% of properties that received interventions on the Nest scheme in 2020/21 received loft insulation, and 0.1% received draft proofing³. A greater range of services, including more rollout of insulation and other energy saving measures need to be made available on the scheme to truly counter fuel poverty.

¹ For more information, please see Care & Repair Cymru's 2020/21 Annual Report. Available at:

https://www.careandrepair.org.uk/files/6916/3215/1992/Annual_Report_2020-21.pdf

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<https://www.audit.wales/sites/default/files/publications/The%20Welsh%20Governments%20Warm%20Homes%20Programme%20-%20English.pdf> (p. 15)

³ <https://nest.gov.wales/workspace/uploads/files/nest-annual-report-20-21-engli-61a8bab91155e.pdf> (p. 11)



Gwella Cartrefi, Newid Bywydau
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At the moment, vulnerable people can only apply to Nest once. If they are ineligible, they may not apply again. We also believe that there should be a referral pathway put in place for repeat applications to Nest, bearing in mind that circumstances such as savings levels, health conditions and house moves can all mean that people who were previously ineligible may become eligible but have no way to apply for help.

How can these lessons help shape the next iteration of the Warm Homes Programme to ensure that it better supports those living in, or at risk of, fuel poverty? In particular:

What should the eligibility criteria for home energy efficiency measures be?

The proposed changes to eligibility criteria – namely to extend the programme to low-income houses not on means-tested benefits⁴ – are welcome. The older people we work with are either owner-occupiers or private tenants, many of whom turn to us for help due to a lack of government support. These proposals would make the scheme more accessible to these older people.

Outlined proposals to include “owner occupiers and tenants in the private rented sector... who are able to make a financial contribution to energy efficiency improvements made to their homes”⁵, could detract from helping those living in fuel poverty right now and divert funds away from helping those ‘worst, first’. We have long called for support to improve the condition of people’s homes; however the Warm Home’s Programme principally should be about helping people who are living in fuel poverty. We know from our work at Care & Repair that there is thousands of pounds worth of unmet need to help older people living in Wales in fuel poverty to make their homes thermally efficient who should be supported through the Warm Homes Programme. We believe the proposed change should be a separate pathway and funding stream more along the lines of a decarbonisation initiative so as not to detract from the help people need now.

Should the area-based approach to tackling fuel poverty (Arbed) continue?

Yes. The Arbed scheme was a welcome opportunity for many households outside of the ‘vulnerable’ criteria to still access funding to make their homes more environmentally and financially efficient. With the current ongoing gas crisis, this help is likely to be more valuable than ever as more and more people are likely to need help in the coming months and years.

However, any future area-based approach should be based off more current data: Audit Wales found that Scheme Managers were using outdated EPC ratings and the Welsh Housing Conditions Survey (last carried out in 2017/18) to find clusters of low EPC ratings across Wales. This led to inefficient targeting of problem areas across Wales, and when it came to implementing the scheme, many of the properties in the area had been improved in recent years – for example if they had been sold and needed a new EPC undertaken – and were no longer eligible for help under the Arbed scheme. This means that many clusters or energy inefficient homes went under the radar. Care & Repair Cymru has long been calling for a new Welsh Housing Conditions Survey and for this to be carried out on a more frequent basis. Doing so would

⁴ <https://gov.wales/sites/default/files/consultations/2021-12/warm-homes-consultation-document.pdf> (p. 12)

⁵ <https://gov.wales/sites/default/files/consultations/2021-12/warm-homes-consultation-document.pdf> (p. 13)

mean that future area-based schemes can efficiently target problem areas and avoid postcode lotteries and fragmentation of the scheme across Wales.

There may also be scope to include the proposed “owner occupiers and tenants in the private rented sector... who are able to make a financial contribution to energy efficiency improvements made to their homes.” Asking people who can afford it to contribute financially to the work may lead to the funding pot lasting longer, and more homes being able to have work undertaken. It may also be prudent for the scheme to implement an upper limit of the contribution, based on the quote for the value of the works, to reduce the chances of an applicant becoming unwilling to contribute.

What specific support should be made available to meet the challenges associated with rural fuel poverty?

One issue faced by rural areas is the reliance on alternative heating sources to gas, such as oil, LPG, or solid fuels. Since April 2018, 14.5% of new heating systems installed under Nest were oil, LPG, or solid fuel. On the Arbed scheme, between October 2018 and March 2021, this number was 3.9%⁶. These heating sources are overwhelmingly used in rural areas off the gas grid and installing these polluting heat sources contradicts the aims of existing Net Zero aims and *The Wellbeing of Future Generations Act*.

Rural areas lend themselves to greener heating technology: these properties generally have more space, and so technology such as ground source heat pumps, and solar and wind power may work well in these areas. As such, any future iteration of the programme should prioritise the installation of greener technology and not install any heating systems that continue to be counterproductive to other policies and wider aims. There are also options to install more insulation, and a fabric-first approach should be considered in rural areas as well.

How can private sector landlords be encouraged to tackle fuel poverty amongst tenants?

The *Welsh Housing Conditions Survey* found that privately rented homes were among the lowest standard properties in Wales⁷. This is unacceptable, and many landlords continue to get away with providing sub-par housing for their tenants, which negatively affects their health and mental wellbeing. Drafting better regulatory protection for tenants, and enforce existing regulations of existing regulations, such as MEES standards, better across Wales could help alleviate this.

If a property is privately rented, it is worth considering that any applications carried out under a fuel poverty protection scheme should be attached to the property rather than the tenant. In the current programme, repeat applications are not allowed, and the rules are unclear – especially moving forward to a future iteration of the programme – of how tenants may be treated in the case of multiple applications in different properties. If this is to be the same in any future Warm Homes Programme, the onus should be on the

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<https://www.audit.wales/sites/default/files/publications/The%20Welsh%20Governments%20Warm%20Homes%20Programme%20-%20English.pdf> (p. 13)

⁷ <https://gov.wales/sites/default/files/statistics-and-research/2020-02/welsh-housing-conditions-survey-headline-results-april-2017-march-2018-update-570.pdf> (p. 1)

landlord to make sure their properties are up to standard, and provide a safe, warm property for their tenants which is free from hazards, freeing tenants from the pressure of only being eligible for help at one property.

How can any successor scheme(s) better advance equality and social justice considerations?

We have encountered numerous issues with older people ineligible for help via Nest due to differing eligibility criteria for people 75 years and older. The current savings threshold appears arbitrary and does not exist for people under 75. Applicants over 75 **are** subject to a savings threshold, for reasons we do not understand and for an amount that appears arbitrary. We believe it should not exist for those over 75: all older people accessing Nest should be treated equally. Many older people may need these savings for emergencies, to keep money aside for existing or future ill health, care costs, or any number of other reasons. Often, these savings would not even cover the cost of repairs needed to their homes due to severe deterioration.

One case – about which we have complained to Nest, but it is not an isolated incident – focused on a client who, aged 75, had £16,500 in a savings account which was marginally above the Nest savings threshold over £16,000. The client also had annual income of higher than the £21,352, due to receiving the higher rate Attendance Allowance. If this client were a year younger, and if they did not have such severe health conditions which resulted in high Attendance Allowance payments, they would qualify for the Nest scheme. We believe this is discrimination on the base of age and health, and as such this should be rectified in any future scheme's eligibility criteria.

How can the Welsh Government ensure that the next iteration of the Warm Homes Programme better aligns with its efforts to decarbonise Welsh housing?

In line with the *Wellbeing of Future Generations Act*, a socially just Wales and an environmentally friendly Wales are of equal importance, and both key tenets to a successful, prosperous future for Wales. Any future iteration of the Warm Homes Programme should consider this much, by making greener technologies available to households on the scheme and offering more solutions other than soon to be outdated fossil fuels.

The next iteration of scheme should focus on a “clean and green” approach, and not be limited to gas heating. Under current Welsh Government schemes, replacement heating options are limited to gas; of homes that required a new heating system, Arbed and Nest fitted 94% and 81% of these households respectively with gas boilers⁸. While this is invaluable in the current landscape and helps keep people warm, alleviates fuel poverty, and improves people's health, the schemes must be adapted to ensure they are future proofed and greener heating technologies are available. Recent legislation banning new build social homes from having fossil fuel heating systems is a step in the right direction, but to meet wider Net

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<https://www.audit.wales/sites/default/files/publications/The%20Welsh%20Governments%20Warm%20Homes%20Programme%20-%20English.pdf> (p. 7)

Zero aims need to be rolled out to future iterations of the Warm Homes Programme⁹. Offering greener heating technology, including but not limited to, heat pumps and solar power on the scheme will also future proof households' heating systems. In the future, this will mean fewer people in Wales rely on outdated fossil fuels to heat their homes, and do not fall foul of any potential price rises and market volatility as more people switch to more environmentally sound heating systems. These schemes should ensure equitable access to heating for everyone as well as equitable access to environmentally friendly means to do so. Even shifting the programme's priorities to offering more insulation and energy efficiency measures in homes would go a long way to ensuring that Wales's housing market is ready for decarbonisation.

It is a fallacy that older people do not believe in or care about climate change, as research from *The National Centre for Social Research* has shown: 90% of people 65+ agree that climate change is happening, with 20% being extremely concerned by it¹⁰. As such, offering greener heating technologies on the Warm Homes Programme alongside advice on products to allow everyone to make an informed decision will be key to its future success and positive impact on wider environmental and wellbeing aims in Welsh Government.

⁹ <https://gov.wales/sites/default/files/publications/2021-08/development-quality-requirements-for-housing-associations.pdf> (p. 3)

¹⁰ https://www.bsa.natcen.ac.uk/media/39251/bsa35_climate_change.pdf (p. 1)