

Response from Housing Services, Ynys Môn County Council

January 2022

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

Fuel Poverty remains to be a large problem in Wales, despite the latest Welsh Government Fuel Poverty Estimates (2018) showing that the percentage of fuel poor households in Wales has reduced from 26% to 12% over a 10 year period. A report produced by Denbighshire County Council in 2017, *'Wylfa Newydd Key Study Area: Housing Energy Efficiency Assessment'*, found that 212 census output areas within the key study area had higher than average levels of fuel poverty (at a time where Government commissioned studies stated an average of 24% fuel poverty in Wales). This information suggests that the current percentage of fuel poor households in the Wylfa Newydd Key Study area is likely to be higher than the National average of 12%. It is also noted that fuel poverty is more prevalent in the PRS and owner-occupied dwellings, compared to social rented properties.

Fuel Poverty is known to have a number of negative health, social and economic impacts, which include the following:

- Heat or Eat – people living in fuel poverty often have to choose between heating their home to an acceptable standard and eating a healthy balanced diet. A large number of individuals on Anglesey are being referred to food banks.
- Health Issues – failure to heat the home adequately can lead to a number of respiratory and cardiovascular problems, in addition to an increase in the risk of arthritic symptoms.
- Heightened risk of falls within the home – falls and domestic accidents are more common in cold homes in winter.
- Excess Winter Deaths – there were 3,400 excess winter deaths in Wales during 2017/18 (up from 1,850 excess winter deaths during 2016/17).
- Social Exclusion – people living in cold, damp homes tend to avoid inviting friends or relatives to their home because they are embarrassed of the condition it is in. This can lead to mental health issues such as stress and depression.
- Mental Health Issues – in addition to the mental health issues caused by social exclusion, worrying about paying energy bills can increase levels of stress and other mental health conditions.
- Lower Educational Attainment – periods of ill health caused by living in a cold, damp home will likely mean that children will miss a lot of valuable lessons in school, leading to lower educational attainment.
- Cost to the NHS – poor housing costs the NHS in Wales approximately £67 million per year in treatment costs, with the full cost to Welsh society estimated to be around £168 million per year.

- Wider impacts on the economy – through increased days lost due to sickness, and reduced disposable household income that might otherwise be spent in the local economy.
- Increase in poor quality housing stock – poorly heated/insulated homes can lead to damp and mould.

As the recent WAO report on Cartrefi Clyd programme states:

The Cartrefi Clyd Programme comprises the Nest and Arbed schemes that have been a key part of the Welsh Government’s strategic ambitions to reduce and ultimately eradicate fuel poverty. The Arbed scheme ended in early November 2021. The Welsh Government has reiterated its commitment to tackling fuel poverty and decarbonising homes in the Programme for Government 2021 to 2026.

The types of heating systems offered to households will need to shift to newer and greener technologies. But this is likely to come at an additional cost. The Welsh Government will also need to be clearer about the core purpose of Nest and consider the continued viability of the area-based approach used by the Arbed scheme given its under-delivery.

Reference could also be made to previous evaluation reports, such as Arbed 1 evaluation report by Cardiff University.

- **what should the eligibility criteria for home energy efficiency measures be?**

There should be a more co-ordinated approach to the matters highlighted above by using current and available data to target the most vulnerable to fuel poverty. As fuel costs rise more people will be experiencing fuel poverty Cartrefi Clyd should have a targeted eligibility criteria moving forward. The Government should use a fabric first approach taking into consideration the need to achieve zero carbon as set, this should include a range of energy measures.

The eligibility criteria for the Nest scheme should be looked at, there should be improved co-ordination of the Cartrefi Clyd scheme so that both schemes work better together.

Warm Homes programme should reflect the recommendations made by the *‘Better Homes, Better Wales, Better World – Decarbonising existing homes in Wales’* review.

Consideration should be given to the in work fuel poor, this could be achieved by working with agencies/providers such as the Trussell Trust, Supporting People, Families First and Flying Start.

The Scottish Government published their *“Draft Fuel Poverty Strategy for Scotland 2018”* in June 2018. Welsh Government should consider implementing some similar actions, such as considering the development of a fuel poverty assessment tool, engaging with councils to identify opportunities to make schemes work better locally, and ensuring robust and effective governance of any future programmes.

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

The recent WAO report highlighted the need to review the viability of the area-based approach used by the Arbed am Byth scheme, given it has under-delivered in the past.

The scheme experienced significant delays and considerably fewer fuel poor households received support than the Welsh Government wanted.

The WAO also highlighted that the scheme aimed to target clusters of very energy inefficient homes in deprived areas. However, it is not clear how many such clusters still exist.

There has been a lack of resource within Local Authorities to assist WG with the Nyth and Arbed am Byth schemes, revenue funding should be provided to LAs to assist with future implementation of Energy Efficiency Programmes.

This scheme could work better at a local level if there was better co-working / communication with local authorities. There has been limited / sporadic communication local authorities during Arbed am Byth Programme.

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

There needs to be a better understanding of the lived experience of those living in rural communities and better engagement with those communities. A holistic approach should be provided in giving advice and assistance to people living in rural communities.

There is an opportunity to work with a range of stakeholders including Social Landlords at a more local level. Previous Arbed schemes offered the opportunity to work with Social Landlords and improve the stock and achieve economies of scale. Cartrefi Clyd schemes have the potential to boost economic development

Another barrier to tackling fuel poverty is the fact that many people will rarely identify themselves as living in fuel poverty. Welsh Government could work with Health Boards to ensure that GP practice managers are able to identify the signs of fuel poverty, and refer individuals to agencies who are able to help.

- **how can private sector landlords be encouraged to tackle fuel poverty amongst tenants?**

Cutting Fuel Poverty In The Private Rented Sector toolkit states that fuel poverty is highest in the PRS and this sector also has the highest fuel poverty gap¹. The most recent statistics show that around 36% of private rental tenants in Wales are in fuel poverty².

Compared with other housing tenures, the PRS has the largest proportion of the most energy inefficient F- and G-rated properties (as recorded on their Energy Performance Certificates), at 6.3%. This compares to around 0.7% of social housing³. 45.7% of households living in such properties are in fuel poverty.

Improving the Energy Performance of Privately Rented Homes in England and Wales by BEISS made policy proposals in 2021, consideration should be given to these.

By working with Rent Smart Wales there could be better co-ordination of the benefits for landlords to work with such schemes as Cartrefi Clyd. A targeted approach to include landlords could see a higher take up as currently the tenant is the person receiving the initial letters to take part.

- **how can any successor scheme(s) better advance equality and social justice considerations?**

As above, those in private rented are most at risk of fuel poverty as well as those in work fuel poor

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

Previous reports have shown that the Arbed am Byth scheme relied heavily on installing fossil fuel heating, particularly gas boilers, alternatives will cost more. Consideration should be given to more expensive solutions going forward.

Welsh Government should ensure that Rent Smart Wales have the power and resources to encourage landlords to take part.

WG has commissioned an evaluation of the Arbed programme. This aim of this evaluation is to understand the management and delivery of Arbed, assess its performance against its stated outputs and objectives and explore wider outcomes and impact. This was done in May 2021 and to date the report has not been published. Consideration should be given to this report when issued.