

# **Minutes of the Cross-Party Group on Fuel Poverty and Energy Efficiency**

Sponsored by Mark Isherwood MS

Date: 14 March 2022, 1.30pm – 2.45pm

Location: Zoom

## **Attendance**

### **CPG Office Holders**

Mark Isherwood MS (Chair)  
Mike Hedges MS  
John Griffiths MS  
Helen Boggis (on behalf of Vikki Howells MS)  
Rhys Taylor (on behalf of Jane Dodds MS)

### **Stakeholders**

Adam Scorer, (NEA), Hayden Banks (NEA), Brian Hart (NEA), Jane Hutt MS (Minister for Social Justice), William Bell (Cyd Innovation), Kate Calladene, (EON), Jonathan Cosson (Warm Wales), Leonardo Costa (Ofgem), David Cowdrey (MCS Charitable Foundation), Ceri Cryer (Age Cymru), Bethan Edwards (Marie Curie), Steffan Evans, Heledd Fychan MS (South Wales Central), Mabon Gwynfor MS (Senedd), Frank Hemmes (Ofgem), Sam Hughes, (Citizens Advice), Suan John (Plaid Cymru), William Jones (Citizens Advice), George Jones (Older People's Commissioner for Wales), Matthew Kennedy (CIH Cymru), Francesca Kirtley-Paine (Liquid Gas UK), Simon Lannon (Cardiff University), Simone Lowthe-Thomas (Severn Wye Energy Agency), Kiera Marshall (Plaid Cymru), Christopher McDermott (Ofgem), Jason McLellan (Office of Carolyn Thomas), Ken Moon (Senedd), Lia Murphy, (Ofgem), Faye Patton, (Care & Repair Cymru), Lee Phillips, (Money and Pensions Service), David Renwick (EON), Elaine Robinson, Joanna Seymour (Warm Wales), Jack Wilkinson-Dix (Energy Savings Trust), Nigel Winnan (West & Wales Utilities), Lucien Wise (Senedd)

### **Apologies**

Altaf Hussain MS, Peredur Owen Griffiths MS, Sioned Williams MS, Ben Saltmarsh (NEA), Claire Durkin (NEA Trustee)

## **Summary of discussion**

### **1. Welcome and Introduction**

- **Mark Isherwood MS (CPG Chair):** Welcomed attendees and noted that the meeting will focus on support for fuel poor households in Wales in view of soaring energy bills. NEA estimates that the 54% increase to the price cap from April will push an additional 100,000 households in Wales into fuel poverty, bringing the total figure to over 280,000 households. The Minister for Social Justice, Jane Hutt MS, will be joining to discuss the Welsh Government's response to the price crisis and representatives from Ofgem will answer questions on the price cap and supplier obligations.
- **Adam Scorer, NEA Chief Executive (Acting Secretary in Ben Saltmarsh's absence):** Outlined the surge in demand for NEA debt advice services in response to rising prices, with people struggling

to meet their debt repayment plans with suppliers and the UK Government's inadequate rebate scheme not meeting the scale and depth of the crisis.

## 2. Questions to Ofgem

- **Sam Hughes, Citizens Advice:** Sam asked about suppliers refusing to take on new customers connected to mains gas supply for the first time, meaning that local authorities are unable to offer support. He said suppliers need to be reminded of their license conditions in supporting customers. Frank Hemmes, Head of Retail Compliance at Ofgem, said that he was aware of these issues and had previously reminded suppliers of their obligations to accept new connections and support customers connecting to the gas grid for the first time, so will follow up again.
- **Mark Isherwood, CPG Chair:** Mark asked what the process is for potential reviews to the price cap. Leonardo Costa, Head of Price Cap Policy at Ofgem, responded that the cap is set based on fundamental costs of supplying energy to customers and is currently reviewed every six months to reflect changes in wholesale prices. He said it was too early for us to know where the cap will land in October.
- **Adam Scorer, NEA:** Adam replied noting it's clear that the price cap mechanism will change in order to allow those costs that have been borne by industry to be passed through to consumers. The cap's accidental value of holding back prices over the past months will drop away and warned that the price cap no longer provides a buffer to households from extreme energy price rises. Adam noted we need greater price protection for low-income households and encouraged stakeholders to monitor the experiences of vulnerable consumers, including pre-payment meter customers, post-price cap rise and report back at the next meeting with any insights.
- **Frank Hemmes, Head of Retail Compliance at Ofgem:** Frank explained that the cap is set in accordance with legislation and Ofgem welcome this and any further engagement. He also explained the Supplier of Last Resort (SOLR) process and Ofgem's role in ensuring any suppliers appointed serve their new customers and abide by their obligations.

## 3. Remarks from Jane Hutt MS, Minister for Social Justice

- The Minister reflected on the current crisis and Welsh Government's recent Cost of Living Summit, where she heard from key stakeholders including NEA, the Bevan Foundation, and Citizens Advice.
- The Minister outlined the Welsh Government's recent package of expanded measures to support people with the cost of living crisis, including plans for a second Winter Fuel Support Scheme payment of £200 later this year and the continuation of the DAF flexibilities that include emergency support to help top-up oil and LPG throughout 2022/23.
- The Minister noted the Welsh Government's intention to bring forward the Winter Fuel Support Scheme payment to September to ensure households are supported prior to the winter months and said the Welsh Government will also focus on ensuring people claim the benefits and support they are entitled to.
- The Minister also noted the Equality and Social Justice Committee's ongoing inquiry into the Warm Homes Programme and the Welsh Government's current consultation on the future of the Programme.

## 4. Q&A with the Minister

- **Sam Hughes, Citizens Advice:** Sam asked whether the Welsh Government would consider exploring whether existing data sharing agreements, like the JIGSO project, could be used to help maximise take-up of the Winter Fuel Support Scheme and benefits like Pension Credit, given crossovers in eligibility between these and social tariffs offered by Welsh Water. Steve Chamberlain (Welsh Government) confirmed Welsh Government is picking up those discussions with relevant colleagues within Welsh Government and Welsh Water to increase alignment and will bring forward proposals for the Minister to consider. Adam Scorer, NEA, suggested that there is also scope within the Digital Economy Act to ensure that data from water companies and DNOs is shared with energy companies to ensure increased access to support and NEA can look to discuss this point with Steve.
- **Lee Phillips, MaPS:** Lee commented on the importance of early intervention, supporting households balancing on a knife edge, before they hit crisis. The Minister agreed and commented on other work underway to help tackle food poverty and insecurity.
- **David Cowdrey, MCS:** David asked the Minister whether she would consider writing to Treasury on moving environmental levies off energy bills into general taxation, and to remove VAT on energy efficiency measures such as insulation. The Minister confirmed that the Welsh Government has recently written to the UK Government on these and others issues and will continue to engage with them on the same.
- **Mark Isherwood (Chair):** Mark asked the Minister about developments with its Cold Weather Resilience Plan and particularly, whether it is able to provide any strengthened detail on how Welsh Government intends to work with the health sector to achieve the plans aims and establish referral networks between health actors and advice partners. The Minister asked officials to follow up with Mark and the CPG on how Welsh Government could look to work with health agencies in this way. Steve later explained that in the first 18 months of the Nest Scheme Health Conditions Pilot, there were 79 referrals of which only two were successful. However, since it was revised so that referrals could be received through a health professional, or self-referral, or trusted third party, those numbers have increased significantly. The Health Conditions pilot now accounts for about 25% of Nest turnover and, as of December, around 10% of referrals coming into the health helpline were from health professionals.
- **Jonathan Cosson, Warm Wales:** Jonathan commented on how rising prices are a further burden for pre-payment meter customers, who will often have high levels of energy debt. He advised that the Winter Fuel Support Scheme payment is increased for these customers so payment is not just clearing off existing debts.
- **Mike Hedges MS:** Mike drew attention to the links between hunger and fuel poverty and noted that food banks are now distributing fuel vouchers in addition to food, and asked if the Minister would promote this.
- **Sam Hughes, Citizens Advice:** Sam welcomed the consultation on the next iteration of the Warm Homes Programme but asked for clarification that there would still be funding available for the current Nest scheme until it is due to end in April 2023. Steve Chamberlain (Welsh Government) said that the Welsh Government has given an extra £3 million to the Warm Homes Programme this year and stated that it needs to do more promotional work on the need for energy efficiency installations ahead of winter, noting this would be achieved in part through the Cold Weather Resilience Plan.
- **Ken Moon, Sustainable Futures Coordinator to Heledd Fychan MS:** Ken also drew attention to the risks of people living with long COVID falling into fuel poverty and the corresponding health impacts of living in cold homes. Mark Isherwood MS suggested NEA could look to engage with the CPG on Long COVID.

## 5. Next meeting

The CPG will look to meet again ahead of Summer Recess. Members will be informed of the date and time of the next meeting in due course.