

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

Sponsored by Mark Isherwood MS

Date: 13th February 2023, 11am – 12.30pm

Location: Zoom

Attendance

CPG Office Holders

Mark Isherwood MS (Chair)

Ben Saltmarsh (Secretariat, NEA)

Sioned Williams MS

Helen Boggis (on behalf of Vikki Howells MS)

Stakeholders

Michael Potter (NEA), Maya Fitchett (NEA), Matt Copeland (NEA), Claire Durkin (NEA Trustee), Julie James MS (Minister for Climate Change), Beth Taylor (Senedd), Ken Moon (on behalf of Heledd Fychan MS), Gavin Dick (NRLA), Meilyr Tomos (Gwynedd Council), Simon Lannon (Cardiff University), Elaine Robinson (Cardiff University), Joanne Patterson (Cardiff University), David Kirby (CIOB), Joanna Seymour (Warm Wales), Jonathon Crosson (Warm Wales), Jenny Russon (MCS), David Cowdrey (MCS), Claire Pearce-Crawford (Melin Homes), David Wallace (Melin Homes), Kate Gilmartin (BHA), Tim Thomas (PropertyMark), Revd James Tout (Church in Wales), Faye Patton (Care and Repair), Jo Harry (Care and Repair), Becky Ricketts (Care and Repair), William Jones (Citizens Advice), Lindsey Kearton (Citizens Advice), Jack Wilkinson-Dix (Energy Savings Trust), Joseph Carter (Asthma and Lung), Llŷr Randles (Cardiff Council), Siôn Rockley (Cardiff Council), Bethan Sayed (Climate Cymru), Rupert Pigot (Smart Energy GB), Kate Lowther (RCPsych), Haf Elgar (FOE Cymru), Crispin Jones (Gwerin Management), Ceri Cryer (Age Cymru), Natasha Wynne (Marie Curie), Cerys Clark (CIH), Matt Dicks (CIH), Jim McKirdle (WLGA), Bryony Haynes (Community Housing Cymru), Rebecca Brown (Ofgem), Nigel Winnan (WWU), Rob King (Bevan Foundation), Nina Ley (Welsh Government), Maureen Howell (Welsh Government), Sandy Hore-Ruthven (Severn Wye), Frazer Richards (Welsh Government), Tanya Wigfall (Welsh Government)

Apologies

Jocelle Lovell, Cwmpas

Amy Dutton, Citizens Advice Cymru

Summary of discussion

1. Welcome and introduction

- **Mark Isherwood MS (CPG Chair):** Welcomes attendees and provides overview of agenda for meeting. The Welsh Government is planning new demand-led energy efficiency scheme focused on homes in fuel poverty to be operational before next winter; this meeting provides opportunity to ask the Minister for Climate Change about its plans, as well to continue to reflect on the current crisis.

2. Update

- **Ben Saltmarsh (Head of Wales, NEA and CPG Secretary):** Provided update on recent developments. NEA's Fuel Poverty Monitor (FPM) 2021 – 22 was published in January, focusing on the energy crisis and its impacts on fuel poor, low-income and vulnerable households. Those particularly affected by the crisis include households with multiple

compounding vulnerabilities and those on PPMs. Organisations supporting households dealing with the crisis now face an unprecedented challenge; deep and targeted support is required.

- Focus has understandably been on crisis management – now there is a need to provide long-term solutions which address the crises’ underlying causes. Wholesale prices are falling but energy bills still set to be two times historic average for remainder of 2023. There is a cliff edge in April, whereby bills are set to rise when the Energy Price Guarantee is increased and coinciding with the end of the Energy Bills Support Scheme and Welsh Fuel Support Scheme. Joint calls to: postpone the 20% increase in the EPG; provide more targeted support; and introduce a social tariff from April 2024.
- Updates on PPMs: suppliers are to suspend forced installations of PPMs; Magistrates courts have been ordered to stop issuing warrants for PPM installations. These are necessary but insufficient; we need a root and branch review of prepay, which should include reducing the number of traditional PPMs, making prepay tariffs fairer, and addressing the debt cycles that result in PPM installations. Flags a **petition by Climate Cymru** for the Senedd to undertake an inquiry into the PPMs scandal.
- Flags the upcoming **Wales Fuel Poverty Forum**, which is due to take place on Wednesday 8th March.

3. Kept in the dark

- **Lindsey Kearton (Citizens Advice Cymru)**: Citizens Advice Cymru is now helping record numbers who cannot afford to top up PPMs, having seen more last year than the previous 10 years combined. A survey of PPM users in Wales showed concerning coping behaviours and impacts. More and more are forced on to PPMs as a result of inability to pay bills. Provides views on what needs to happen: pause in forced installations for as long as needed; Ofgem and suppliers to pause remote switching of smart meters; suppliers to examine if PPMs are safe for all customers (and move them if not); households remaining on PPMs to be clearly signposted to additional support.
- **William Jones (Ceredigion Citizens Advice)**: Is the scandal and negative press around PPMs building suspicion around smart meters more generally, whereby people are worried this could enable suppliers to switch them on to PPM remotely? **Ben Saltmarsh** agrees that this is causing concern. NEA is calling for root and branch review of prepayment, including stronger rules and sharper enforcement. A temporary ban should extend to include remote switching until we can ensure that all suppliers following correct practice.
- **William Jones (Ceredigion Citizens Advice)**: Talks about fuel poverty as one aspect amidst a wider picture of inequality and poverty. **Lindsey** says that 2023 is the year of the debt crisis, and we need to look at all contributing factors.
- **Bethan Sayed (Climate Cymru)**: Do we need to reinstate the Wales Fuel Support Scheme (WFSS)? **Lindsey** says that modelling shows the WFSS prevented people from falling into crisis. The Welsh Government is maintaining money in the Discretionary Assistance Fund (DAF). We also need greater investment in energy efficiency measures, which the Welsh Government need to deliver at pace (i.e., ahead of next winter).
- **Meilyr Tomos (Gwynedd Council)**: The crisis is even more serious for those heating homes off-grid.

4. Current priorities and Q&A with the Minister - Julie James MS, Minister for Climate Change (Q&A)

- The Minister provides remarks on the cost-of-living crisis: the prices of many consumables are rising, with low-income homes worst affected. It is clear that the energy system is not benefitting households in Wales.
- The Minister provides an overview of the work that is being done. On PPMs, they are urging the UK Government to act: her team met with energy suppliers and Ofgem; attended Ofgem's board to raise concerns regarding court warrants; and wrote to the BEIS Secretary of State regarding poor practice around forced installations. There are, however, limited levers available to influence the energy market so focusing on improving energy efficiency in homes. Through the Optimised Retrofit Programme (ORP) £60 million was allocated in grants. Investment is channelled through social landlords but will extend to the private rental sector and owner occupiers.
- 'One size fits all' approach has caused huge problems: Wales has some of Europe's oldest and newest housing stock, with huge variation.
- **Welsh Government is bringing forward a new national demand-led scheme focused on fuel poverty to replace Nest and will also be taking an integrated approach across all tenures and income levels to drive decarbonisation. This will be procured towards the end of this year.** A proposed policy strategy, based on the 2021 consultation and building on lessons learnt from the previous programme, will be published shortly.
- Welsh Government is working to identify the most energy-challenged communities and build community-based solutions; support the development of a skilled workforce and increased the capacity of the supply chain; establish a Net Zero Carbon Performance Hub; work with local authorities to maximise funding available (e.g. via ECO4); and channel in private finance.

Q&A with the Minister

- **Meilyr Tomos (Gwynedd Council):** Is local power generation a solution for some of those in deepest fuel poverty, who have trouble accessing schemes and support? The Minister says Welsh Government is very keen to harness rural community schemes and foster a community-wide approach, which includes looking at innovative programmes. It will take a worst-fabric-first approach.
- **William Jones (Ceredigion Citizens Advice):** Will the scheme be providing holistic energy advice as well as energy efficiency measures? The Minister confirms this and notes Welsh Government is also looking to set up a hub to collate advice and allow people to access it more widely.
- **Crispin Jones (Gwerin Management):** Is there an opportunity for local authorities to receive funding for small scale innovative projects? The Minister says Welsh Government is funding local authorities in this way and looks to ensure it is aligned with existing local initiatives; local authorities are pivotal and have been doing the energy assessments for communities.
- **Sandy Hore-Ruthven (Severn Wye Energy):** Part of the reason that the UK Government is failing to deliver on targets is multiple overlapping targets, ending in bureaucracy. Wales should learn from and avoid this. The Minister confirms that this scheme will build on learning from both Welsh and UK-wide programmes. Lessons from ORP, for example, include what works for which houses and heating types, and the need to include guarantees and paths for redress. Retrofit assessments for individual properties will be used (as opposed to EPCs). This scheme will have clear, easily understandable targets linked to net zero.

- **Jonathan Crosson (Warm Wales):** Delivered energy advice pilot for Welsh Government but never received any feedback. Residents need advice around how to use new technologies in order to reap the benefits of them. The Minister agrees and says they will be introducing an advisory hub. People need the right advice for their homes and expectations should be managed. Minister asks Jonathon to get in touch directly re: feedback.
- **Joanne Patterson (Welsh School of Architecture, Cardiff University):** How is the Minister making sure schemes align with each other? Minister says that learnings should be shared between all schemes to ensure everyone has the advice they need.
- **Haf Elgar (FoE Cymru):** Noted that a written copy of the Minister's opening remarks would be very welcome if that could be shared following the meeting. When the Minister says they will start procuring towards the end of the year, is this for the community approach aspect of the Programme or the demand-led scheme too (as the Minister had previously stated the latter would be procured and operational before next winter)? Seeks clarification on timelines, including introduction of any legislation. The Minister says that the Warm Homes Programme embodies both aspects, with a bigger focus on alignment with decarbonisation alongside fuel poverty. All necessary legislation has been introduced.
- **Tim Thomas (Propertymark):** The Minister mentioned work taking place with the Development Bank to provide finance for the owner-occupier sector. In light of proposed minimum energy efficiency standards (MEES) in this sector, could the Minister provide more detail? The Minister cannot provide more detail as an announcement on this is due soon but will send information out once released.
- **Jo Harry (Care and Repair Cymru):** Will the new iteration of the WHP remove the savings limit applied to people over the age of 75? Could the Minister explain why the age limit exists? The Minister confirmed she will follow up with an answer.
- **Lindsey Kearton (Citizens Advice Cymru):** Will the cost cap be increased accordingly to allow for a multiple-measure approach? The Minister confirmed she will follow up on this.
- **Jack Wilkinson-Dix (Energy Saving Trust):** Is the intention for the new WHP still to be focused on supporting the worst cases of fuel poverty, in the least efficient properties? Will there still be energy efficiency elements incorporated within the private-sector leasing scheme? The Minister will provide more detail on the leasing scheme for the group. She confirmed she will also circulate her opening remarks to the Group and asked the Chair to remind her of the various follow-up actions she agreed to
- **Bethan Sayed (Climate Cymru):** Asides from letters, are there any routes available to influence on PPMs? Highlights Minister's powers around social housing and the high proportion of those on PPMs in social housing. The Minister says they are keen to have a longer conversation to do everything they can to help and asks Bethan to pick this up with her or the Minister for Social Justice offline.

5. Food & Fuel Campaign

- **Revd James Tout (on behalf of The Most Revd Andrew John, Archbishop of Wales and Bishop of Bangor, Church in Wales):** Gives an update on the Food & Fuel Campaign, which was introduced to tackle food and fuel crises. The three primary objectives are:
 - To facilitate prayer – the Church produced a booklet of prayers to support those wishing to pray;

- To send an open letter to supermarkets – which included calls to reduce the prices of basic and essential goods; reduce food waste by donating to foodbanks; review the cost of minimum delivery orders and charges; and increase employee’s salaries; and
- To issue boxes of hygiene produces (often a silent and stigmatised issue) – all congregations produced 10 boxes of hygiene products.
- The Church has collaborated with related schemes and organisations working on food and fuel poverty alleviation. They have carried out social media campaigns and used the Archbishop’s ITV and BBC appearances to reinforce need for food and fuel support.
- **Mark Isherwood MS (Chair):** Confirmed this followed an approach to him from the Archbishop of Wales to discuss this and reiterated that if others approached him along the same theme he would respond on the same basis.
- **William Jones (Ceredigion Citizens Advice):** What was the response to the open letter to supermarkets? The Revd says that 10 out of the 11 contacted responded, with lots willing to engage, although it is hard to know the true impact.
- **Jack Wilkinson-Dix (Energy Saving Trust):** Are there any plans for upcoming schemes or different approaches? The Revd replied that the Church is growing increasingly vocal about environmental impacts (and their intersection with fuel poverty). The Archbishop is keen for the Church to be brought into the ‘secular sphere’ and play its role to support causes.

6. AOB

- **William Jones (Ceredigion Citizens Advice):** Raised concern about the loss of the Winter Fuel Support Scheme in 2023/24 from Welsh Government’s Draft Budget. **Ben Saltmarsh (NEA)** confirmed that this is being raised (including by others like Citizens Advice) via various channels. It is evident the need will still be there next winter, and the issue is how this money will be raised within Welsh Government’s available budget, given the current WFSS costs £90m. He welcomes opinions and thoughts to take back to Welsh Government within ongoing engagement. **Sioned Williams (MS)** says that the Equality and Social Justice Committee are meeting in the afternoon to follow up on last year’s inquiry into debt, including looking at impact of the loss of Welsh Fuel Support Scheme.
- **Ben Saltmarsh (National Energy Action):** Seeking clarification on Group’s view of the Minister’s intended timeline for the next WHP – will the new NEST scheme be operational for winter (as the Minister previously stated in Plenary on 8 November), or will the whole Programme (including the demand-led and community/area-based approach) be procured later in the year, likely resulting in a delay to the former? Discussion from the group but no conclusion; Mark to follow up with the Minister.
- **Rob King (Bevan Foundation):** Flagging recent report *A Snapshot of Poverty in Winter (2023)*, which covers the state of poverty in Wales and includes statistics showing how the crisis is worst affecting the most marginalised and vulnerable.
- **Meilyr Tomos (Gwynedd Council):** The majority of learnings are likely to emerge from ORP work – is this representative of Welsh housing stock more widely, given 60% of housing built pre-1990?
- **Becky Ricketts (Care and Repair Cymru):** Care and Repair have produced a report, *The State of Older People’s Housing in Wales*, looking at housing disrepair faced by older owner-occupiers.

- **Jo Harry (Care and Repair Cymru):** The Minister referred to using individual retrofit assessments over EPCs, which she welcomes. However, given that most of their clients live in older traditional properties, is interested in understanding how this applies to older stock given that most ORP work was on newer builds.
- **Ben Saltmarsh (National Energy Action):** Announces aim for a future meeting of the CPG to be held in-person on a hybrid basis.

Follow-up actions

- **The Minister for Climate Change agreed to:**
 - circulate a copy of her opening remarks;
 - follow-up on whether the new demand-led energy efficiency scheme focused on homes in fuel poverty (to replace Nest) will:
 - remove the savings threshold applied to people over the age of 75;
 - increase cost caps per property to allow for a multiple measure approach;
 - circulate detail on the private sector leasing scheme.