

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

Sponsored by Mark Isherwood MS

Date:

6th July 2023, 14:30 – 16:00

Location:

Zoom

Attendance

CPG Office Holders

Mark Isherwood MS (Chair)

Ben Saltmarsh (Secretariat)

Stakeholders

Amanda Ellis (Heledd Fychan MS), Becky Ricketts (Care and Repair Cymru), Ben Coates (Asthma and Lung UK), Ceri Cryer (Age Cymru), Crispin Jones (Gwerin Management), David Kirby (CIOB), Gareth Phillips (Welsh Government), Cara Holmes (Citizens Advice), Haf Elgar (Friends of the Earth Cymru), Rachel Cupit (Warm Wales), Sam Ward (Climate Cymru), Jonathan Cosson (Warm Wales), Lee Phillips (Money and Pension Service), Llyr Randles (Cardiff), Liz Lambert (Cardiff Council), Matt Copeland (NEA), Mike Potter (NEA), Steffan Evans (Bevan Foundation), Natasha Wynne (Marie Curie), Owen Thomas (John Griffiths MS), William Jones (CAB), Lindsey Kearton (Citizens Advice Cymru), Rhiannon Phillips (Welsh Government), Meilyr Thomas (Gwynedd Council), Julie James MS (Minister for Climate Change)

Apologies

Sioned Williams MS, Delyth Jewell MS, Peredur Owen Griffiths MS, Bethan Sayed (Climate Cymru)

Summary of discussion

1. Welcome and introduction (Mark Isherwood MS, CPG Chair)

- a. Welcomed attendees and provided overview of agenda for meeting.
- b. Minutes agreed by the group as a true and accurate record. Proposed by Becky Ricketts, seconded by Crispin Jones.

2. Updates (Ben Saltmarsh, NEA)

- a. Provided an update on the current state of energy bills which are set to be 80% higher than pre crisis levels. Despite the recent price cap fall, there will be little to no relief for families especially with the recent end of government support schemes. Also highlighted the need for the more targeted support this winter, as well as help repaying energy debts and the need for a social tariff from April 2024
- b. There was also an update around the forced installations of prepayment meters in Wales in light of Ofgem's new Code of Practice and open consultation to put this into Supplier Licence Conditions.
- c. Q & A
 - i. Amanda Ellis (Heledd Fychan MS): Do you have any figures for fuel debt for Wales only?

1. Unfortunately, Money Advice Trust's estimates are UK-wide only. However, Citizens Advice Cymru do keep an updated Cost of Living Dashboard, with Wales-level data based on the problems their clients are facing.
- ii. William Jones (Citizens Advice Ceredigion): Can Ben add more information on the social tariff and what benefit it can provide?
 1. From NEA's perspective there are a few key principles for a social tariff including that it needs to be cheaper, needs to be mandatory and consistent across suppliers, needs to be automatic and ideally funded through the taxation system rather than placed onto bills. We're expecting a consultation on this soon from UK Government shortly.
- iii. Meilyr Thomas (Gwynedd Council): Do we have a good idea on prepayment numbers in particular areas?
 1. Suppliers provide Ofgem with data on this disaggregated by nation, but very little of this is published at nation-level. Conversations are ongoing between Welsh Government and Ofgem to release more of this data. Matt Copeland (NEA) also advised that an estimate of the number of traditional prepayment meters at local authority level can be found in the data surrounding the UK Government's Energy Bills Support Scheme and NEA will circulate a link around the group.
- iv. Sam Ward (Climate Cymru): What is being done to end the postcode lottery on energy bills?
 1. Standing charges are at record levels in North Wales – some £100 more if you're on a prepayment meter than in London. However, the prepay premium (compared to other payment methods) is now zero until April 2024 and this should be made permanent. A premium remains for standard credit customers.
- v. Ben Coates (Asthma and Lung UK): Is there any intention from Ofgem to provide clearer guidance on what conditions fall under the High Risk and Medium Risk categories relating to forced prepay installations?
 1. We understand Ofgem will likely include more details on this in accompanying guidance (rather than in Licence Conditions), providing them flexibility to change it more quickly if needs be.

3. Julie James MS (Minister for Climate Change)

- a. Provided an update on the Warm Homes Programme and how the new demand-led scheme will be the primary mechanism in Wales to tackle fuel poverty. Building on the recent policy statement, the Minister highlighted several key points including:
 - i. Welsh Government continues to demand systemic changes from UK Government
 - ii. Welsh Government is trying to balance helping people with their fuel bills and tackling the climate emergency, with a worst, fabric and low carbon first approach.
 - iii. Welsh Government has listened carefully to stakeholders about eligibility for the new scheme and set a low-income threshold rather than means-tested benefits, treating homes with an EPC of E or below (extended to D for households with a recognised health condition)
 - iv. There will be provision for buildings with more than one dwelling (such as blocks of flats) so as not to disadvantage fuel poor households who share buildings with non-eligible households.
 - v. Fabric first approach before deploying heating and ventilation measures, with a whole-house assessment completed by independent assessors.

- vi. Deploying low carbon technologies where it makes sense to do so, replacing end of life boilers with low carbon alternatives like heat pumps where it's cost effective, or repairing boilers to extend their life while the thermal efficiency is upgraded first if the running costs would be excessive in the meantime. Hybrid heat pumps and communal systems will also be considered.
- vii. Households that have had support through a previous scheme will also be able to apply again if they remain in fuel poverty and meet the eligibility criteria.
- viii. Welsh Government is also keen to stimulate the skills and supply chain development in the sector, providing some funds to upskill contractors. The works will also be to PAS Standards and recourse will be available if works are not up to the required level.
- ix. This is a demand-led scheme, but Welsh Government is not precluding an area-based element. That won't be available initially, but Welsh Government is scoping the same.
- x. There won't be a gap in the scheme – the current Nest scheme has been extended and Welsh Government hopes the new one will be available as early into winter as possible.

b. Q & A

- i. Mark Isherwood MS (Chair): How likely is the scheme to be up and running before the winter?
 - 1. The Minister explained it is very difficult to say at the moment and will depend on the outcome of the procurement, who the contractors are, and how much tooling up they've got to do.
- ii. William Jones (CAB): Will there be opportunity for more work on windows beyond basic repairs?
 - 1. Replacement doors and windows in fuel poor homes will be considered when not doing so would significantly and adversely affect the benefit of the new installation.
- iii. Meilyr Thomas (Gwynedd Council): How will the new iteration of Nest dovetail with ECO4?
 - 1. Welsh Government will be getting the advice hub up and running as soon as possible to allow people to get good advice on what they're entitled to and what scheme is most appropriate for them. Rhiannon Phillips can provide further information on this separately.
- iv. Cara Holmes (Citizens Advice): What are your anticipated costs per home?
 - 1. This is a worst-first approach, to get the people in the worst housing into the best positions, modelled at supporting 11,000-12,000 households.
- v. Crispin Jones (Gwerin Management): Welcomed Welsh Government's approach to use the principled approaches of PAS2035, rather than a fully compliant one, given costs involved.
 - 1. The Minister confirmed that was indeed correct. The Welsh Government didn't want to 'spread the jam as thin as possible' if it doesn't mean truly addressing the problems.
- vi. Steffan Evans (Bevan Foundation): Will there be steps in place to uprate the low-income threshold in line with inflation?
 - 1. There will be a low-income threshold to allow for greater flexibility. Welcome views via Rhiannon, now and when the scheme is operational.
- vii. Becky Ricketts (Care and Repair): Will the low-income threshold be on a net basis?

1. Absolutely. Please do share your views. The Minister also noted, separate from this scheme, that the Welsh Government is keen to find ways to help people who are asset rich and cash poor, e.g., via loans, or perhaps a land charge on the home, and so on.
- viii. Natasha Wynne (Marie Curie): What scope is there to expand the range of health conditions in the scheme's eligibility criteria, particularly around terminal illness?
 1. This can be picked up separately with the Minister's team.
- ix. Matt Copeland (NEA): What can we learn from the English schemes, which don't include funding for ancillary costs?
 1. Enabling works will be included, to a limit and the Minister is very keen to continue the conversation about what other options may be available to Welsh Government to assist those who require more.
- x. Llyr Randles (Cardiff Council): How is cost effective defined when deciding whether to install low carbon technologies?
 1. Will look at both the cost effectiveness of the installation and running cost of the system, as the scheme does not want to push anyone further into fuel poverty.

4. Group discussion

- a. Ben Saltmarsh (NEA): Welcomed the shape of the new scheme, which largely reflects the views of the Fuel Poverty Coalition Cymru, particularly around focus on deeper retrofit for those least able to pay. There are still some areas of key still-TBC detail as has been highlighted in this meeting, which Ben summarised.
- b. Rhiannon Phillips (Welsh Government): Rhiannon reiterated now is your time to tell us, as working at pace to get the tender documents finalised. Anything further is needed within the next week to influence the scheme.
- c. William Jones (CAB): Will it be possible to consult on the low-income threshold? And will the availability of windows as a measure be stipulated in the contract?
 - i. Rhiannon Phillips (Welsh Government): We can't do a public consultation due to time constraints but do welcome any further views from the group within the next few days.
- d. Cara Holmes (Citizens Advice): Will review points be baked into the contract to make changes to the scheme if necessary?
 - i. Rhiannon Phillips (Welsh Government): There will be some evaluation points and some break points in the contract. This will not be a scheme just replacing boilers with more boilers. We would rather, for example, repair the asset if needs be and then install a heat pump when they can operate it cost effectively.
- e. Mark Isherwood MS (Chair): What alternatives are being considered in homes not suitable for low carbon technologies?
 - i. Rhiannon Phillips (Welsh Government): Each property will be treated individually by an assessor. It will be the assessor recommending what steps are available to each particular home.
- f. Sam Ward (Climate Cymru): Expressed concern that not all assessors may have the training, expertise or knowledge to know how effective low carbon technologies can be. They too need to be taken on a journey.
 - i. Rhiannon Phillips (Welsh Government): Accreditation will be required of assessors to ensure that they understand the range of technologies and buildings that we are dealing with to give the right advice in that circumstance.

- g. Meilyr Thomas (Gwynedd Council): Will the assessor be issuing an EPC as part of the assessment, if you haven't got one already?
 - i. Rhiannon Phillips (Welsh Government): Yes, alongside recommendations of what works are required to bring up the standard.

5. Becky Ricketts (Care and Repair Cymru)

- a. Presented a report on the state of older people's housing in Wales and Care and Repair Cymru's work supporting its client base, which is overwhelmingly older and facing pressures from living on insufficient pensions in older, energy inefficient homes.
- b. Q&A
 - i. Mark Isherwood (Chair): Is there any progress on signposting people towards services like Care and Repair Cymru from health services and other entry points?
 - 1. C&R Cymru have seen an increase in the number of referrals from GPs and Occupational Therapists, but most clients tend to come through via word of mouth, or via leaflets in surgeries, and the like.
 - ii. Amanda Ellis (Heledd Fychan MS): Have you seen more referrals coming through from hospitals?
 - 1. C&R Cymru had a 'Hospital to Healthier Home' project which is now embedded in their BAU resources so that once someone is fit for discharge, a Caseworker can inspect a home to clear it of any environmental hazards that might otherwise stop them from being able to go home. However, not every hospital routinely checks or is able to prioritise this.

6. Close

- a. NEA will circulate slides, alongside a link to the Energy Bills Support Scheme data, and Welsh Government's officials contact details after the meeting. The next meeting is likely to take place towards the end of this calendar year.
- b. Mark Isherwood MS thanked everyone for their attendance and contributions.