

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

Sponsored by Mark Isherwood MS

Date:

30th November 2023, 11:00 – 12:30

Location:

Hybrid – Ty Hywel and Microsoft Teams

Attendance

CPG Office Holders

Mark Isherwood MS (Chair)
Sioned Williams MS
Jack Sargeant MS
Patricia Denning (on behalf of Heledd Fychan MS)
Ryland Doyle (on behalf of Mike Hedges MS)
Yasmin Zahra (on behalf of Luke Fletcher MS)
Ioan Bellin (on behalf of Delyth Jewell MS)

Stakeholders

Ben Saltmarsh (NEA, Secretariat), Maisie Chatfield (NEA), Maya Fitchett (NEA), Claire Durkin (NEA Trustee), Joseph Carter (Asthma + Lung UK), Mason Steed (Energy Saving Trust), Steffan Evans (Bevan Foundation), Hannah Peeler (Care & Repair Cymru), Haf Elgar (Friends of the Earth Cymru), James Radcliffe (Ofgem), Patrick Gould (Ofgem), James Crump (Ofgem), Niamh Salkeld (Plaid Cymru), Gareth Phillips (Welsh Government), Amy Dutton (Citizens Advice Cymru), Becky Ricketts (Care & Repair Cymru), Ceri Cryer (Age Cymru), David Cowdrey (The MCS Foundation), Joanna Seymour (Warm Wales), Elizabeth Lambert (Cardiff Council), Lindsey Kearton (Citizens Advice Cymru), Matthew Dicks (CIH Cymru), Meilyr Tomos (Gwynedd Council), Natasha Wynne (Marie Curie Cymru), Llŷr Randles (Cardiff Council), Sandy Ruthven (Severn Wye Energy Agency), Shelley Webber (Flintshire County Council), Sion Evans (Older People's Commissioner), Tim Thomas (Property Mark), Jane Hutt MSJCW.

Apologies

Llyr Gruffydd MS
Archbishop of Wales
David Kirkby (CIOB)
Bethan Sayed (Climate Cymru)

Summary of discussion

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

- a. Welcomed attendees and provided an overview of the agenda, including the procedures for the Group's AGM.
- b. The minutes from the previous meeting were confirmed as a true and accurate record by Steffan Evans (The Bevan Foundation) and Haf Elgar (Friends of the Earth Cymru).

- c. An overview of papers to note were provided:
 - i. A letter to the Prime Minister from NEA and a coalition of over 140 organisations re. consultation on a social energy tariff.
 - ii. A letter to Claire Coutinho MP, Secretary of State, in support of the same from Mark Isherwood MS as Chair of the Cross Party Group.
 - iii. The response received from Amanda Solloway MP, Minister for Energy Consumers and Affordability.
- d. Mark Isherwood MS was re-elected unopposed as Chair of the CPG on Fuel Poverty and Energy Efficiency following a nomination from Jack Sargeant MS and seconded by Sioned Williams MS.
- e. Ben Saltmarsh (NEA) was re-elected unopposed as Secretary as proposed by Steffan Evans (The Bevan Foundation) and seconded by Sioned Williams MS.

2. Policy update (Ben Saltmarsh, Head of Wales, NEA)

- a. Provided an update on the latest developments re. the energy crisis. This included:
 - i. A summary of the key developments, including the price cap rising by c. £100 (5%) from January bringing the average direct debit dual-fuel figure to £1,928 per year; the loss of government support; and rising levels of fuel debt.
 - ii. There are no interim fuel poverty targets in Wales yet; the Warm Homes Programme is being procured, focused on fabric and worst-first, but likely to go live in April 2024; ECO4 is readily available but behind schedule, and the Prime Minister has announced a new route map to net zero, scrapping plans to improve energy efficiency regulations in the private rented sector.
 - iii. In terms of markets, Ofgem continue to make changes through price cap alterations and revisions to licence conditions. Key issues include debt, customer service, and price differentials based on payment type and geography. Details provided re. Ofgem's Call for Input on 'levelisation'.
 - iv. Ben stated it is Fuel Poverty Awareness Day and announced the details of the upcoming Wales Fuel Poverty Conference on Thursday 7 March 2024.
- b. Q&A
 - i. Jack Sargeant MS asked whether the CPG would like to engage in Ofgem's consultation on standing charges given the regional discrepancies. Details were also given of the Petitions Committee report on the PPM scandal in Wales.
 - 1. One of the papers to note was a letter from Mark Isherwood MS to Amanda Solloway MP. We would like to reply to this as a Group and invite them to a meeting in the New Year.
 - ii. Sandy Ruthven (Severn Wye Energy Agency) commented on debt figures, illustrating the need for a social energy tariff.
 - 1. This is also true for Citizens Advice, concerning numbers on PPMs requesting support. It is the same for Care & Repair Cymru whose latest report reveals clients are spending 19% of their income on energy on average.
 - iii. Tim Thomas (Property Mark) made contributions about ECO4 and its flexibility criteria. Addressed the difficulty of LAs to maximize the funding as a result of resources. Would the committee write to the Welsh Government asking for support with this?

1. Ben Saltmarsh noted Tim would have the opportunity to ask the Minister directly later on in the meeting.
 2. Joanna Seymour (Warm Wales) states that Warm Wales provides support in this area. Looking at support and utilising ECO to bring about energy efficiency measures and working with LAs. Important to bring in as much funding as possible, especially to the private rented sector.
 3. Meilyr Tomos (Gwynedd Council)'s main concern as a LA is access to the bespoke route, ECO 4 Route 4.
- iv. Lindsey Kearton (Citizens Advice) stated that Citizens Advice are recommissioning a survey of PPM users across Wales to understand how people are coping this winter. Will share in due course.
 - v. Llyr Randles (Cardiff Council) looking to go live with ECO LA Flex in the new year. LAs in Wales have received some funding from the Welsh Government to support the delivery. It would be useful to have a central resource to sign off declarations.
 - vi. Hannah Peeler (Care & Repair Cymru) discussed new research into the incomes of clients over the past three years. 19% of income is spent on utility bills, meaning they are in fuel poverty. The energy they are using, is not what they need. The situation has not improved, a long-term solution is required.
 - vii. Steffan Evans (Bevan Foundation) notes there is a debate on fuel poverty next week and will be circulating a joint briefing around to MSs with NEA. Research has also been commissioned regarding children; research found that a quarter of Welsh children are worried about being cold.
 - viii. Mark Isherwood MS notes that Marie Curie launched a campaign to add people with terminal illnesses to be considered as eligibility criteria as part of the Warms Home Programme.
 1. Sioned Williams MS states that the Minister for Climate Change said her officials will work with Marie Curie to consider this and ensure they are a protected group. Plaid Cymru has scheduled a debate next week specifically looking at the Warm Homes Programme and fuel poverty.

3. Current priorities and Q&A with the Minister (Jane Hutt MS, Minister for Social Justice and Chief Whip)

- a. Provided an update on current priorities and how the Welsh Government is supporting vulnerable households through the cost-of-living crisis, including:
 - i. Funding for the Discretionary Assistance Fund
 - ii. Partnership with the Fuel Bank Foundation
 - iii. 'Claim what's yours', an income maximisation campaign
 - iv. The Nest scheme:
 1. The Annual Report 2022-23 has been published.
 2. The contract has been extended to the end of March 2024 while the new iteration of the Warm Home Programme is being procured, letters are expected to be awarded in December to commence April 2024.
 3. Eligibility has been enhanced to include those on low incomes, not just means-tested benefits.
 - v. Exploring other opportunities, including ECO.
 - vi. Updating the fuel poverty strategy.

- vii. Met with Amanda Solloway, Minister for Energy Consumers and Affordability, to discuss opportunities for a social energy tariff, targeted energy bill support, standing charges and PPMs.
- viii. Met with Ofgem, asked for the standing charges review to be clear about the unfairness of the system. The Welsh Government will be responding to the consultation.
- ix. Discussed the need for more support for vulnerable customers, following changes making it easier for those struggling to contact their supplier, to be given affordable repayment plans and temporary repayment holidays. The Welsh Government will monitor this.
- x. Meeting with energy suppliers to discuss the same.
- xi. The Welsh Government welcomes the new Code of Practice on Involuntary PPMs which has been made mandatory by Ofgem. It will continue to monitor this.

b. Q&A

- i. David Cowdrey (The MCS Foundation): Will the Welsh Government be responding to the review of electricity market arrangements to help lower electricity bills? Will they contact the Treasury and ask that environmental and social tariffs be moved off electricity bills into general taxation as this will lower electricity bills by 22.5%?
 - 1. The Minister for Climate Change would pick up your first point. We have always asked that social costs should be in general taxation, and we need to keep asking for that but the call for social tariff arrangements is widely supported now, so we must focus on that.
- ii. Tim Thomas (Property Mark): Welsh local authorities haven't been able to utilise ECO money effectively due to resources. Do the Welsh Government have any plans to support local authorities with administration?
 - 1. Through Nest and 'Claim what's yours' advice and guidance, we encourage people to explore ECO opportunities. It is for the UK Government to assist.
 - 2. Gareth Phillips (Welsh Government): We have been working with the WLGA and local partners this year to generate more support for local authorities to leverage money from the ECO schemes. Nest has a finite budget, so we want to maximize this route.
- iii. Tim Thomas (Property Mark): Are there any plans for the Welsh Government to specifically support landlords and agents to decarbonise their properties?
 - 1. Gareth Phillips (Welsh Government): That is the Minister for Climate Change's portfolio. We have the Optimised Retrofit Programme for social landlords. We will look into this one.
 - 2. MSJ: We will take this back to the Minister for Climate Change.
- iv. Steffan Evans (The Bevan Foundation): One concern is the scale of the Warm Homes Programme. What thoughts are there more broadly on that and providing financial support for people in the interim?
 - 1. We cannot just rely on the Warm Homes Programme. This is feedback for the Minister for Climate Change, but we have to do what we can within our difficult budgetary situation. We will do what we can and explore other avenues. There is also other work within social housing. Going to low-income and worst first is crucially important and has been welcomed as a principal policy point.

2. Gareth Phillips (Welsh Government): We have to work with the UK Government for support. If people are struggling, they should go to their suppliers as quickly as possible.
- v. Mark Isherwood MS: The energy advice line would provide advice on the different schemes and programmes, UK, Welsh or otherwise, will that still be the case with the new programme?
1. Yes, there is a whole portfolio suite of support and advice. As I said, we are disappointed that nothing else has come out of the UK Government, but Amanda Solloway said that nothing has been ruled out. She had also talked about the possibility of improvements with the Warm Homes Discount.
 2. Ben Saltmarsh (NEA): At NEA, we called for targeted support and consultation on a social energy tariff, but these things did not materialise in the Autumn Statement.
- vi. Jack Sargeant MS: I have deep concerns about the code of practice, as Scottish Power recently issued warrants to force-fit PPMs, including in the homes of those falling under the 'High Risk' category. This gives me zero confidence in the code. Grateful for the Minister's support with this.
1. The Welsh Government will continue to monitor this and watch it very carefully. These are vulnerable customers who do not have the means or well-being to be shouting about this.
- vii. Shelley Webber (Flintshire Council Council): We have a member of the team who runs the ECO Flex scheme for us in partnership with Denbighshire Council. It is useful to get a few councils together to run it for you. It is then possible to monitor the scheme and put the customer first. We are also bringing together an area base, bringing in owner occupiers and private renters to try and combat issues in the wider area. This is a project that is working very well.
1. This goes back to what local authorities are and can do, maximizing the scheme. We will take this back to our Cabinet Member meetings with the WLGA to share this good practice.
- viii. Sioned Williams MS: We heard about how there is deeper debt. Do you have any idea about the increase in demand on the DAF? I am still encountering a lack of awareness and difficulties in access. Has there been work to raise awareness?
1. We have a partnership group on the DAF to help us get it right. We will feed that back. It is spent right up to the budget, but we haven't got into the cold weeks yet, it is a demand-led budget. I can give an update on how we raise further awareness.
- ix. Sioned Williams MS: Just to clarify, we were told tendering was starting in August and would be finished by the end of November, with the new scheme to be operational this winter. Could you give some more details on that?
1. Gareth Phillips (Welsh Government): We are advanced on the procurement process. There are specific rules and procedures we have to adhere to with a contract of this scale. We are doing everything to ensure it is live from April 2024, and the Nest scheme is running until March to ensure there is no gap in provision.
 2. MSJ: We can update on those issues. We are also working in partnership with other organisations, such as credit unions, to support the maximize income campaign, and we have created a bilingual benefits calculator to support this.

4. Ofgem updates (James Crump, Head of Smart Metering, Ofgem)

- a. Provided an update on Ofgem's latest developments. The key points were:
- i. Direct debt price cap for January sits at just over £2,000, £800 higher than three years ago. This is a result of the cost of wholesale energy.
 - ii. Debt figures at over £2.6 billion and rising, up by half a billion since the start of the year and more than double pre-Covid.
 - iii. Undertaking compliance work and driving up standards, ensuring all suppliers are treating all customers fairly, including tougher standards on the installation of involuntary installation of PPMs and more stringent standards on customer services.
 - iv. A call for input regarding standing charges to explore options around this issue and ensure the approach taken is suited to customers.
 - v. Statutory consultation has been launched to permanently keep the PPM premium under the price cap.
 - vi. Accelerating data sharing to ensure as many households who are vulnerable are identified and offered support.
 - vii. Working with industry to look at what a universal or national priority services register may look like.
 - viii. Oversight of those who are vulnerable to ensure that information is available.
 - ix. Making sure that smart meters are available to all customers.
 - x. A call for input for the new vulnerable customer strategy.
- b. Q&A
- i. Jack Sargeant MS: The age limit at the moment on vulnerability is 75. This isn't in line with the World Health Organisation. The work on vulnerability does seem less generous than it could be. There is also a concern that energy suppliers will not adhere to the new code of practice, so would like to seek some assurances that these issues won't occur again. If Ofgem does not have the guarantee or confidence, then we need to know and give you better regulation from the UK Government.
 - ii. Mark Isherwood MS: The number of forced installations by Scottish Power was the same level as British Gas, despite being a smaller supplier. I am interested to know what consideration Ofgem has given to the indication that some suppliers are performing worse than others.
 1. We will be working as hard as we can to ensure this won't happen again. Enshrining the code of practice into our licence conditions will make it much easier. There are clear boundaries for suppliers. We will be to take more immediate and swifter action when we see it.
 - iii. Mark Isherwood MS: Will you be reviewing the age limit?
 1. We will be reviewing our vulnerability strategy.
 2. Patrick Gould (Ofgem): We know there have been a lot of consumer groups and the Welsh Government that have raised this. We're well aware of the concerns around this. There are two categories, do not install and further assessment needed. There are further expectations of suppliers there, but this will be closely monitored.
 - iv. Ben Saltmarsh (NEA): What is the best way for an organisation to flag or alert Ofgem in instances where a supplier is not following the new rules?
 1. We have existing channels for engagement with stakeholders. We will take this away and consider how you can help us to monitor this.

- v. Jack Sargeant MS: It does need to be refreshed and reviewed. It would be good if Ofgem could update the group in writing on the review.
 - 1. Yes, we will certainly take that away. It will be something we are monitoring and will be collecting data from suppliers on their performance against these measures.
 - 2. Highlighted the role of smart meters for PPM customers, particularly for those at risk of self-disconnection. The new regulations put a greater onus on suppliers to install smart meters.
- vi. Becky Ricketts (Care & Repair Cymru): Who is responsible within energy companies or Ofgem for deciding who is vulnerable? Do they fall under the do not install category or further investigation needed? Will there be any involvement from healthcare and medical professionals?
 - 1. It will be someone from the energy supplier. Ofgem will be monitoring performance and hopes they will be able to ensure those processes are robust. In terms of involving a healthcare professional, I am unsure if that will be a requirement, but they will need to demonstrate to us the process for identifying which category they fall into. We will be expecting to gain assurance from suppliers.
 - 2. Patrick Gould (Ofgem): Ofgem's definition of vulnerability is quite broad to ensure suppliers proactively understand customer circumstances. There is a principle-based expectation on suppliers to meet their needs. It was the first time with the involuntary installation of PPMs that we created a list, and that was without consultation from a healthcare professional.

5. Close

- a. Mark Isherwood MS thanked everyone for their attendance and contributions.