

Consumer Futures



Cross Party Group on Fuel Poverty
11th December 2013
Media Briefing Room, National Assembly for Wales, Cardiff Bay
Minutes

In attendance:

Assembly Members:

Mark Isherwood AM, Welsh Conservatives (Chair)
Antoinette Sandbach AM, Welsh Conservatives

Stakeholders:

Carole Morgan-Jones
Andrew Regan
Huw Roberts
Ian Thomas
Nick Speed
Shea Jones
Douglas Haig
Michael Anderson
Steve Woosey
Sue Purnell
Fern Leathers
Sean O'Neill
Craig Anderson

Apologies:

Graeme Francis
Simon Thomas AM
Meleri Wyn Davies
Mary van den Heuvel
Lia Murphy
Crispin Jones

Minutes of the last meeting

1. The minutes of the previous meeting were approved. There were no matters arising.
2. Mark Isherwood welcomed guests to the Cross Party Group. Mark thanked Fern Leathers from the Department of Energy and Climate Change (DECC) for attending the Cross Party Group to give an overview

of the Hills Review and the new definition of fuel poverty being adopted in England. In Wales, the 10% definition is still being used, and the Welsh Government has no plans for a revised definition.

3. In April 2013 the Welsh Government released figures on the extent of fuel poverty in Wales using the 10% definition. This showed that 30% of households (or 386,000 homes) in Wales were living in fuel poverty in 2012, compared to 26% in 2008. The report also emphasised that investment in energy efficiency measures has helped to keep 3% of Welsh homes out of fuel poverty. They also mapped fuel poverty figures for Wales under the final Hills Review definition which showed that 144,000 households (11%) were in fuel poverty across Wales under this definition in 2012.

Annual General Meeting

4. Mark outlined the new rules which have been introduced for the operation of Cross Party Groups (CPGs which) are now required to have an Annual General Meeting, annual report and financial statement. Copies of the annual report were provided to guests along with a financial statement for 2012-13. During the last year the CPG has heard from a range of speakers about Nest, the Green Deal and the Energy Company Obligation, collective switching, and the UK Fuel Poverty Monitor.

Election of Chair and Secretariat

5. Mark stated that he would be pleased to continue to chair the CPG, which he has chaired since the Group was established in 2009. Similarly, NEA Cymru and Consumer Futures (previously Consumer Focus Wales), provide secretariat support for the CPG and would be happy to continue in this role. Mark asked members if they supported his election as Chair of the CPG and NEA Cymru and Consumer Futures as joint secretary for the CPG. This was approved by members.

Fuel poverty; a new framework - presentation by Fern Leathers, Fuel Poverty Strategy, Consumers and Households, Department of Energy & Climate Change (DECC)

6. Fern gave a presentation on the new definition of fuel poverty being adopted in England. She outlined the background to the new definition and the independent review commissioned in March 2011 from Professor John Hills of the London School of Economics. The key questions considered during the review included whether fuel poverty was a distinct issue; whether the current definition was correct; and how fuel poverty should be measured. The Hills Review did conclude that fuel poverty is distinct from poverty more generally.
7. Criticism of the 10% definition was that fuel poverty figures were low when energy prices were low, but high when energy prices rise. It also suggested that nearly half of the population were in fuel poverty and the review looked at whether it gave an accurate picture of who is fuel poor.
8. The outcome of the review was that Professor Hills recommended adopting the Low Income High Costs approach, where a household is considered fuel poor if; it has an after housing costs income below the poverty line after adjusting for energy costs, and it faces above average energy costs. The LIHC approach provides indicators which show the extent and depth of fuel poverty, measured by the fuel poverty gap. DECC consulted on the preferred approach in September 2012. It has received some criticism that it is a complex definition to understand but generally there was broad support for changing the current definition.

9. In July 2013 the Government confirmed that they will adopt the new approach, and amendments were made to the Energy Bill to update the Warm Homes and Energy Conservation Act 2000 so that a new fuel poverty target can be established through secondary legislation. The new target will be supported by a new fuel poverty strategy and DECC will be consulting on the form, date and level of the new target after Royal Assent of the Energy Bill. DECC's strategic framework document sets out how the Government will use the new LIHC indicator to help to shape future policy decisions.

Questions

10. It was mentioned that the Welsh Government had established an ECO Maximisation Advisory Group with the aim of maximising ECO income for Wales.
11. Antoinette Sandbach raised the issue of hard to treat homes in rural areas of Wales and the problem of landlords with tied accommodation where there was currently no mechanism to treat the home because the tenant has to agree to the changes. There were few choices for households in off grid areas apart from insulation and oil clubs. It was suggested that people in rural areas might benefit from the new definition because they would be identified as those households with a high fuel poverty gap. There were grants available for connection to the grid but there were still large numbers of households who could not be connected and district and renewable energy schemes were the solution to this.
12. Huw Roberts stressed the need to focus resources on those most in need. There were a large number of hard to heat properties in appalling conditions. Fern emphasised that the aim of the new definition was to target policies more effectively in the future. Huw also emphasised the need for cross department work particularly around education, and Fern suggested that health was also a focus.
13. It was also suggested that the new definition was a move to a new super prioritisation of super fuel poor households.

Date and topic for the next meeting

14. To be confirmed.