

National Assembly for Wales  
Environment and Sustainability Committee  
EEFP 16  
Inquiry into Energy Efficiency and Fuel Poverty  
Response from: Older People's Commissioner for Wales



**Older People's Commissioner for Wales**  
**Comisiynydd Pobl Hŷn Cymru**

**Response from the Older People's  
Commissioner for Wales**

**to the**

**National Assembly for Wales' Environment  
and Sustainability Committee Inquiry into  
Energy Efficiency and Fuel Poverty in  
Wales**

**June 2014**

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## **About the Commissioner**

The Older People's Commissioner for Wales is an independent voice and champion for older people across Wales, standing up and speaking out on their behalf. She works to ensure that those who are vulnerable and at risk are kept safe and ensures that all older people have a voice that is heard, that they have choice and control, that they don't feel isolated or discriminated against and that they receive the support and services they need. The Commissioner's work is driven by what older people say matters most to them and their voices are at the heart of all that she does. The Commissioner works to make Wales a good place to grow older - not just for some but for everyone.

The Older People's Commissioner:

- Promotes awareness of the rights and interests of older people in Wales.
- Challenges discrimination against older people in Wales.
- Encourages best practice in the treatment of older people in Wales.
- Reviews the law affecting the interests of older people in Wales.

## **Inquiry into Energy Efficiency and Fuel Poverty in Wales**

1. As the Older People's Commissioner for Wales I welcome the opportunity to respond to the National Assembly for Wales' Environment and Sustainability Committee Inquiry into Energy Efficiency and Fuel Poverty in Wales<sup>1</sup>.
2. I will provide some comments on the key issues as outlined in the Terms of Reference.

### **Progress towards meeting the Welsh Government's statutory targets for eradicating fuel poverty in Wales by 2018**

3. Older people should not be disproportionately affected by fuel poverty in Wales. Fuel poverty has however increased across the UK over the last year<sup>2</sup>, and is a major issue facing many older people in Wales, made worse by bitterly cold winters in recent years, constant energy price increases and the complexity of switching energy suppliers to save money. Overall, around 386,000 households in Wales (30%) are experiencing fuel poverty<sup>3</sup>. An estimated 140,000 older households are living in fuel poverty, affecting some 360,000 older people<sup>4</sup>.
4. Fuel poverty figures in Wales and the UK are a cause for real concern. Across the devolved administrations, fuel poverty has increased 43% since 2011, and after Northern Ireland, Wales has the greatest proportion of fuel poor households<sup>5</sup>. Wales also has the highest percentage of homes with solid walls compared with

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<sup>1</sup> <http://www.senedd.assemblywales.org/mgConsultationDisplay.aspx?id=127&RPID=1503821414&cp=yes>

<sup>2</sup> <http://www.ukace.org/wp-content/uploads/2014/02/ACE-and-EBR-fact-file-2014-02-Fuel-Poverty-update-2014.pdf>

<sup>3</sup> [http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20\(WEBSITE%20COPY\).pdf](http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20(WEBSITE%20COPY).pdf)

<sup>4</sup> <http://wales.gov.uk/docs/dhss/publications/130521olderpeoplestrategyen.pdf>

<sup>5</sup> [http://www.e3g.org/docs/ACE\\_and\\_EBR\\_fact\\_file\\_\(2014-02\)\\_Fuel\\_Poverty\\_update\\_2014.pdf](http://www.e3g.org/docs/ACE_and_EBR_fact_file_(2014-02)_Fuel_Poverty_update_2014.pdf)

England and Scotland (solid walls let through twice as much heat as cavity walls)<sup>6</sup>, and Wales has a lower number of households on mains gas in comparison with England (alternative forms of fuel are more expensive)<sup>7</sup>. Further, the UK is also one of the worst performing EU Member States in terms of the poor heating efficiency of the housing stock, which also contributes to fuel poverty figures<sup>8</sup>. Older people living in 'hard to treat' homes are more vulnerable to fuel poverty, due to living on fixed incomes and the cost of heating homes through oil and solid fuels<sup>9</sup>.

5. I am particularly concerned that fuel poverty is affecting a higher proportion of older people in Wales than in the rest of the UK: 26% of older people reduced their heating in the winter of 2012/13 compared with a UK average of 21%<sup>10</sup>. For many older people living in poverty, the long winter months provide unavoidable dilemmas about whether to heat or eat, with 25% of older people buying cheaper or less food<sup>11</sup>. Further, householders in Wales pay 5% more for their electricity than the rest of the UK<sup>12</sup>. The average household energy bills have increased 33% in the last year, exceeding £1200 per annum and twice the average bill five years ago<sup>13</sup>.
6. Fuel poverty has a range of implications (asthma, heart attacks and strokes, increased falls due to worsening of arthritis, stress and mental health issues) and contributes towards excess winter deaths as an endemic factor. There were 1700 excess winter deaths in Wales in 2012/13<sup>14</sup>. Across England and Wales, 87% of excess winter deaths involved people aged 75 and over<sup>15</sup>. Tackling fuel poverty can help save lives, prevent ill health and reduce

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<sup>6</sup> <http://www.boilerjuice.com/blog/fuel-poverty-big-issue-wales/>

<sup>7</sup> <http://www.boilerjuice.com/blog/fuel-poverty-big-issue-wales/>

<sup>8</sup> <http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140211/halltext/140211h0002.htm>

<sup>9</sup> [http://chcymru.org.uk/uploads/general/CHC\\_Consultation\\_reponse\\_-\\_The\\_future\\_of\\_the\\_Energy\\_Company\\_Obligation.pdf](http://chcymru.org.uk/uploads/general/CHC_Consultation_reponse_-_The_future_of_the_Energy_Company_Obligation.pdf)

<sup>10</sup> <http://www.walesonline.co.uk/news/wales-news/age-cymru-warns-pensioner-cutbacks-3567028>

<sup>11</sup> <http://www.ageuk.org.uk/cymru/latest-news/archive/welsh-pensioners-cut-back-on-heating-and-eating/>

<sup>12</sup> <http://www.fuelpovertycharterwales.org.uk/fuel-poverty-in-wales/>

<sup>13</sup> <http://www.fuelpovertycharterwales.org.uk/fuel-poverty-in-wales/>

<sup>14</sup> <http://www.ageuk.org.uk/cymru/latest-news/archive/ams-discuss-fuel-poverty-among-older-people-in-wales/>

<sup>15</sup> <http://www.bbc.co.uk/news/mobile/uk-wales-11458648>

admissions to hospital. Addressing the causes of fuel poverty can therefore help reduce statutory costs on health and social care.

7. Given these stark statistics and the constrained timescales, it is unrealistic that the Welsh Government will fulfil its ambitious target of eradicating fuel poverty in Wales by 2018. Given that the causes of fuel poverty are the responsibilities of both the UK Government (income, energy prices) and the Welsh Government (energy efficiency of homes), it is crucial that both Governments work together closely and effectively to address this key issue.
8. Urgent action and every effort must be made to ensure that older people in Wales are not disproportionately affected by the fuel poverty 'perfect storm' of poorly insulated homes, rising fuel prices, low incomes and limited accessibility to the cheapest fuel and best tariffs.
9. Given the increase in fuel poverty figures and a rapidly changing energy 'landscape', I call for an update on the Welsh Government's 2010 Fuel Poverty Strategy<sup>16</sup>, for example an action plan, supported by annual reports to outline progress, detailing how the Welsh Government intends to achieve its fuel poverty target by 2018.
10. Further detail is needed to build on the fuel poverty references in the Welsh Government's Tackling Poverty Action Plan<sup>17</sup> and Strategy for Older People (Phase 3)<sup>18</sup>. The added value of producing a Welsh Government Cold Weather Plan (a similar plan is in use in England<sup>19</sup>) and how it could help reduce fuel poverty amongst older people should also be explored.

## **The impact of the Welsh Government's existing energy efficiency programmes and UK Government initiatives such as the Green Deal**

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<sup>16</sup> <http://wales.gov.uk/topics/environmentcountryside/energy/fuelpoverty/strategy/?lang=en>

<sup>17</sup> <http://www.rctcbc.gov.uk/en/relateddocuments/publications/communitiesfirst/tackling-poverty-action-plan.pdf>

<sup>18</sup> <http://wales.gov.uk/topics/health/publications/socialcare/strategies/older/?lang=en>

<sup>19</sup> <https://www.gov.uk/government/publications/cold-weather-plan-for-england-2013>

11. As previously mentioned, effective linkages between the UK and Welsh Governments is crucial to eradicate fuel poverty as soon as possible. It is essential that the UK Government's Green Deal scheme<sup>20</sup> dovetails with the Welsh Government's energy efficient schemes, Nest and Arbed. Both schemes have helped reduce bills for around 8000 homes in 2013/14<sup>21</sup>, and I particularly welcome Nest support for older people who receive pension credit, and a commitment to establish a stakeholder board to identify and target vulnerable and hard to reach households (including older people) and give advice and support. Energy efficiency improvements for older people who live in some of the most deprived areas of Wales through Arbed is also much needed.
12. Informing older people on how to save energy costs and better information and advice services is a crucial component in tackling fuel poverty. I welcome Nest' drop-in sessions and street surgeries that engage with older people and provide them with user-friendly information and advice on all aspects of fuel services, costs and whole house assessments<sup>22</sup>.
13. Both Nest and Arbed are helping to reduce fuel poverty figures in Wales: 36,000 households have benefited from energy efficiency measures between 2008-11<sup>23</sup>. Both schemes are also helping older people: a Nest report outlined that 44% of households receiving an energy improvement package were aged 60 or over<sup>24</sup>.
14. Further financial support from both the UK and Welsh Governments is required however to significantly increase the number of households who receive fuel poverty support: it is

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<sup>20</sup> <https://www.gov.uk/green-deal-energy-saving-measures/overview>

<sup>21</sup> [http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20\(WEBSTE%20COPY\).pdf](http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20(WEBSTE%20COPY).pdf)

<sup>22</sup> <http://nestwales.org.uk/Resources>

<sup>23</sup> [http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20\(WEBSTE%20COPY\).pdf](http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20(WEBSTE%20COPY).pdf)

<sup>24</sup> [http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20\(WEBSTE%20COPY\).pdf](http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20(WEBSTE%20COPY).pdf)

estimated that Nest and Arbed are only reaching 1% to 2% of fuel poor households in Wales annually, and Nest (in the second year) is helping some 10,000 fewer households compared with the former Home Energy Efficiency Scheme (HEES)<sup>25</sup>.

15. Whilst the Welsh Government's continued financial commitment to fuel poverty (£70m until 2015/16<sup>26</sup>) is welcomed given the key challenges of climate change, rising energy costs and demographic change, I am concerned that UK Government spending on fuel poverty is down 25% on 2010<sup>27</sup>. Current funds to tackle fuel poverty are woefully short of the £2.4 billion budget required to take the vast majority of fuel-poor households out of fuel poverty in Wales<sup>28</sup>.

### **The implementation to date by the major energy suppliers of the Energy Company Obligation and other measures to alleviate fuel poverty in Wales**

16. I am concerned that the UK Government is looking to change the Energy Company Obligation (ECO), which means that 400,000 badly insulated households could miss out on help to reduce their bills<sup>29,30</sup>. ECO can help people with low incomes to make efficiency improvements, however reducing the scope of its targets, for example reducing the Solid Wall Insulation (SWI) target for 2017 to only 100,000 properties across the UK, will mean that fewer older people in Wales will benefit.
17. Schemes such as ECO must engage with older people in a simple and user-friendly manner, as many older people perceive these schemes to be time consuming and complicated, and

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<sup>25</sup> [http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20\(WEBSTE%20COPY\).pdf](http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20(WEBSTE%20COPY).pdf)

<sup>26</sup> <http://wales.gov.uk/newsroom/environmentandcountryside/2013/131011fuelpoverty/?lang=en>

<sup>27</sup> <http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140211/halltext/140211h0001.htm>

<sup>28</sup> [http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20\(WEBSTE%20COPY\).pdf](http://www.nea.org.uk/Resources/NEA/Publications/2013/Fuel%20poverty%20monitor%202014%20(WEBSTE%20COPY).pdf)

<sup>29</sup> <http://www.carbonbrief.org/blog/2013/12/whats-new-about-the-governments-energy-efficiency-announcements/>

<sup>30</sup> <http://www.theguardian.com/environment/2014/mar/13/green-deal-eco-cuts-homes-insulation-energy-bills>

consequently miss out on much-needed assistance<sup>31</sup>. Further, ECO must develop effective partnerships with the key players in Wales, for example Care and Repair agencies that support older people and do much to lift older people out of fuel poverty<sup>32</sup>.

## Other issues

18. Older people living in rural areas are particularly affected by fuel poverty. Older people living in rural areas are more likely to experience fuel poverty than those living in urban areas (42% compared with 22%)<sup>33</sup>. All solutions e.g. fuel buying clubs, off-grid gas, extension of gas mains, must be considered and acted upon to ensure that older people, particularly those who live in remote and sparsely populated areas without easy access to key services, friends and family, live in warm and energy efficient homes.
19. It is important not to 'decouple' fuel poverty too much from the wider issue of poverty amongst older people. It is estimated that 84,000 older people are living in poverty in Wales<sup>34</sup>. Increasing income is a major factor in preventing fuel poverty and it is essential that older people are fully aware of all financial entitlements that they qualify for e.g. pension credit and are encouraged to take-up these entitlements, which can significantly help with household bills, including energy costs.
20. The Winter Fuel Payment<sup>35</sup> provides a much needed 'top up' for many older people and, together with the Warm Home Discount Scheme and Cold Weather Payments, can make a huge difference in their lives. In terms of unclaimed benefit entitlements, older people in Wales could be losing out on £600 million, and full take-up of income-related benefits could reduce poverty amongst older

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<sup>31</sup> <http://www.acenet.co.uk/older-and-disabled-people-being-put-off-energy-efficiency-initiatives/1410/6/1/25>

<sup>32</sup> [http://chcymru.org.uk/uploads/general/CHC\\_Consultation\\_reponse\\_-\\_The\\_future\\_of\\_the\\_Energy\\_Company\\_Obligation.pdf](http://chcymru.org.uk/uploads/general/CHC_Consultation_reponse_-_The_future_of_the_Energy_Company_Obligation.pdf)

<sup>33</sup> [http://www.theclaymoreproject.com/uploads/associate/365/file/EAS%20Publications/Monitor%202011%20Final%202\\_.pdf](http://www.theclaymoreproject.com/uploads/associate/365/file/EAS%20Publications/Monitor%202011%20Final%202_.pdf)

<sup>34</sup> <http://www.ageuk.org.uk/PageFiles/41168/Life%20on%20a%20low%20income%20-%20FINAL%20-%20E.pdf?dtrk=true>

<sup>35</sup> <https://www.gov.uk/winter-fuel-payment/overview>



people by a third<sup>36</sup>. I am working with key partners on the issue of poverty amongst older people and what can be done to address the poor take-up of financial entitlements.

21. Educating older people and ensuring that they are fully aware of the dangers of fuel poverty and are fully prepared for the long, cold winter months is also key. Through education and information, individuals can also help reduce the effects of fuel poverty by e.g. keeping appliances in a good state of repair, guard against damp homes, and deal with bill payments as promptly as possible.
22. I fully support initiatives such as the Warm Neighbour scheme<sup>37</sup> (Ceredigion CC), the Surviving Winter campaign<sup>38</sup> (Community Foundation Wales) the Fuel Poverty campaign by the Pensioners Forum Wales<sup>39</sup>, and National Energy Action (NEA) Cymru's Fuel Poverty Help Guide<sup>40</sup> to up-skill fuel debt advisers and train volunteers as energy efficiency champions, and welcome all efforts to make older people more resilient against fuel poverty.
23. In the absence of a Ministerial Advisory Group on fuel poverty, the Fuel Poverty Coalition<sup>41</sup> continues to be a key platform to bring the relevant sectors and stakeholders together and coordinate efforts to tackle fuel poverty in Wales.

## Concluding remarks

24. Much work remains if Wales is to reverse the number of people and households experiencing fuel poverty. Older people are often amongst the most frail and vulnerable in our society, and with an ageing population, it is crucial that older people are not disproportionately affected by the wide-ranging effects of fuel poverty. Tackling fuel poverty will require effective collaboration

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<sup>36</sup> <http://www.bevanfoundation.org/publications/poverty-and-social-exclusion-in-wales-2/>

<sup>37</sup> <http://www.ceredigion.gov.uk/index.cfm?articleid=21744>

<sup>38</sup> <http://www.cfiw.org.uk/eng/news/35-surviving-winter>

<sup>39</sup> <http://www.bbc.co.uk/news/uk-wales-22163420>

<sup>40</sup> <http://www.nea.org.uk/nea-wales/news-releases-wales/walesmedia-011012-01>

<sup>41</sup> <http://www.fuelpovertycharterwales.org.uk/about-the-charter/>

not only between governments but also other key partners, including Local Authorities (through their knowledge of local housing stocks and local areas of deprivation), housing associations, advice services and the private and voluntary sectors.

25. I will continue to work with key partners, including the Welsh Government and National Energy Action Cymru, to address the concerns of older people regarding fuel poverty and help ensure that an increasing number of older people in Wales live in fuel poverty-proof homes. Effective and creative dissemination of advice and information e.g. raising awareness of energy issues through bingo sessions or lunch clubs and addressing the root causes of poverty will alleviate the effects of fuel poverty amongst older people, and I reiterate my commitment to addressing key issues such as financial entitlements that can help lift older people out of poverty.
26. My office will continue to engage with the National Assembly's cross-party group on fuel poverty<sup>42</sup>, and I support all efforts to coordinate the work of this group with the cross-party group on older people and ageing.
27. Finally, I would be happy to provide oral evidence to this Inquiry should the Committee find this helpful.

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<sup>42</sup> <http://www.senedd.assemblywales.org/mgOutsideBodyDetails.aspx?ID=249>