

Cross Party Group on Fuel Poverty
Tuesday 6th October 2015
Ty Hywel (Conference Room 21), National Assembly for Wales, Cardiff Bay
Minutes

In attendance:

Assembly Members

Mark Isherwood AM

Ryland Doyle representing Mike Hedges AM

Lucas Leblanc, Policy and Research Assistant, representing Julie Morgan AM

Stakeholders

Carole Morgan-Jones, NEA Cymru

Ben Saltmarsh, NEA Cymru

Andy Regan, Citizens Advice Cymru

Tomos Davies, NEA Cymru

Duncan McCombie, EST

Stew Horne, Ofgem

Daniel Bellis, Residential Landlords Association

Nick Speed, British Gas

Apologies

Michael Anderson, SSE

Iwan Williams, Older People's Commissioner for Wales

Shea Jones, Community Housing Cymru

Crispin Jones, E.ON

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 and roundtable introductions followed.
3. Mark introduced Stew Horne, Senior Manager Consumer Empowerment and Behaviour, Ofgem who outlined the work Ofgem are undertaking into how prepayment customers are treated by energy suppliers and their work on consumer vulnerability as outlined in the Consumer Vulnerability Strategy published in July 2013.
4. Ofgem are currently considering a new definition of vulnerability which recognises that people's vulnerability changes during the course of their lives ie customers in vulnerable situations rather than a focus on vulnerable customers per se. As part of their vulnerability strategy forward work plan they will be

considering how suppliers adopt the new definition.

5. The Consumer Vulnerability Strategy includes PPM protection; debt assignment protocol, an advisors guide and inclusive markets and services such as a focus on Energy Best Deal and Energy Best Deal Extra (1 to 1 sessions) and the Priority Service Register.
6. Other work areas included consideration of non gas households and the fuel poverty network extension programme, electric heating insights, and community energy.
7. With regard to affordability, Ofgem's work programme includes the Warm Home Discount, Energy Company Obligation and smart billing. With reference to debt and disconnection clearer guidance is needed for suppliers including consideration of a debt objections process and how suppliers object to debt. The number of disconnections is however reducing, but the number of customers paying by pre payment meters has increased by 2%, now accounting for 4.5m electricity accounts and 3.4m gas accounts across the UK.
8. Barriers to switching for PPM customers include the lack of tariffs on the market, charges for installation and removal of PPMs, security deposits and whether they are applied fairly. The warrant process to install a PPM has increased by 35% for gas and 88% for electricity. Suppliers impose a variation of charges, such as for issuing letters for example. There is concern that suppliers are not taking account of vulnerability, for example, a customer might be ill and therefore ignore communication from their supplier.
9. Ofgem want to strengthen security deposit regulations with a view to ending security deposits for installing PPMs and removing them. A consultation is likely to be issued in the late autumn and Ofgem are encouraging stakeholders to engage and submit their responses.
10. A question was raised about how suppliers and warrant officers can identify vulnerable customers when they get arrive to install the PPM. For example, if the owner has a valuable car on the driveway, does this mean that they assume the client is not vulnerable? Suppliers' contract out the warrant to third parties and there can be variances in how this is operated. Often clients will be identified as vulnerable if they are on the Warm Home Discount, receive the Winter Fuel Payment or are on the supplier's Priority Service Register, but it was pointed out that there is often a transient nature to vulnerability when a person is experiencing a personal crisis.
11. Another question was raised suggesting that suppliers prioritise PPM as a solution for customers above other options and how might Ofgem monitor this. Standards of conduct was central to this.
12. Another questioner asked how many customers select a PPM for budgeting purposes and the BG representative stated that 60% are installed because of debt. Another questioner asked whether the changing model of vulnerability can be shared with others and it was stated that the network companies are taking the lead on this.
13. Mark Isherwood then introduced Andrew Regan, Policy Officer Wales, Citizens Advice Cymru and Carole Morgan-Jones, Director, NEA Cymru to present on the key priority areas for action which the Fuel Poverty Coalition Cymru want the next Welsh Government to implement to tackle Wales' cold homes crisis. Presenters outlined the 5 key priorities for action, namely:
 - Set a new fuel poverty target to improve homes to a minimum energy efficiency standard of EPC C, backed up with the data we need to drive an ambitious new strategy

- Invest in a well-resourced, well-targeted energy efficiency programme for fuel poor households in Wales as an infrastructure priority
 - Save lives by implementing the NICE guidelines on tackling excess winter deaths
 - Protect vulnerable households with a crisis fund for emergency heating when their health is at risk
 - Fund independent advice and support services to help people in fuel poverty
14. The Coalition supports the investment in the Nest and Arbed energy efficiency programmes but want more investment than current levels. It was also recommended that the eligibility criteria be changed utilising Citizens Advice research from those low income clients who had been helped from the schemes and the barriers people face in accessing the help available.
 15. Eligibility should be widened for those who have cold affected health conditions and families with young children whose education and health could suffer from the effects of a cold home should all be able to apply for help. Children in the house don't currently come under the scheme.
 16. There was an urgent need for improved data on the housing stock in Wales and the Coalition has called for the introduction of annual reporting on fuel poverty levels. It was mentioned that availability of data in Wales was a big challenge that needed addressing.
 17. Another key call was for the next Welsh Government to adopt the NICE guidelines as a ready-made model for tackling excess winter deaths. The guidelines include twelve recommendations such as the development of an overarching strategy (such as a Cold Weather Plan) to address the health consequences of cold homes, identify those most at risk of ill health, assess their heating needs, establish a health and housing referral service, and provide access to tailored solutions such as housing insulation, heating improvement programmes and grants.
 18. Additionally, a range of individuals and organisations that come into contact with vulnerable households (including health and social care practitioners, housing professionals, voluntary sector workers, heating engineers, meter installers) should be trained to identify vulnerable households that may need assistance with their heating and insulation standards. The guidelines provide the most authoritative and robust evidence-base on how investing in preventative health measures can have far reaching consequences to ensuring a sustainable health service in Wales.
 19. Other calls included the implementation of a Wales wide crisis fund for emergency heating during cold weather, one such example being the Flintshire Affordable Warmth Scheme, which provides a crisis fund set up for people who can't afford to heat their homes and need immediate support such as boiler repair or replacement, installation of heating systems, and upgrading controls. And finally, a call to fund independent advice and support services to support people in fuel poverty and continued support for collective switching schemes.
 20. Mark Isherwood thanked everyone for attending and it was noted that the next meeting should look at the example of the Flintshire Affordable Warmth Group.