

Carl Sargeant AM
Minister for Natural Resources
Welsh Government

29 June 2015

Annwyl Carl

Inquiry into fuel poverty and energy efficiency in Wales – conclusions

Thank you for your response of 12 February to my previous letter regarding the Committee's inquiry into fuel poverty and energy efficiency. The Committee has considered both your response and the evidence provided to it by stakeholders and sets out some of its conclusions below.

Fuel Poverty Strategy

Stakeholders told us that although the approach in the Strategy is still valid, some of the schemes referred to no longer exist. We believe that it is important for the Strategy is as up to date as possible and that it should reflect the latest schemes, therefore whilst we note that you have no immediate plans to review the Strategy, we are pleased that you will keep this under consideration. We intend to keep this issue under review in our continued scrutiny of your department.

Ministerial Advisory Group on Fuel Poverty

Evidence from stakeholders in support of re-instating the Ministerial Advisory Group was clear, and so we are disappointed that you have decided against doing so.

We note the inclusion of a fuel poverty representative on the Tackling Poverty External Advisory Group, however we are concerned that fuel poverty may not be given sufficient prominence as part of the wider poverty advisory group, especially with only a single representative from this specific field.

In addition to its primary purpose of advising the Welsh Government, stakeholders told us that the group also provided an important opportunity for the voluntary sector, consumer rights bodies and energy companies to discuss with each other



issues specifically relating to fuel poverty.

Whilst noting your position on the re-instatement of the group, we recommend that the Welsh Government should at least facilitate an annual forum for all interested parties and stakeholders to discuss issues relating to actions to tackle fuel poverty and improve energy efficiency in Wales.

Energy efficiency strategy

We note the Welsh Government's intention to bring forward a new energy efficiency strategy and welcome your commitment to this. You will recall that in my previous letter I said that energy companies, housing associations and NEA Cymru had all called for improved co-ordination between Welsh Government and UK-wide schemes such as the Energy Company Obligation (ECO).

We look forward to seeing the proposed strategy when it becomes available, and recommend that this Strategy should set out how co-ordination between schemes will be improved.

Energy Efficiency Schemes

As set out in our earlier letter to you we welcome the Welsh Government's on-going commitment to the delivery of its energy efficiency schemes. We note your response to the suggested improvements to Nest and Arbed made to the Committee by stakeholders and hope these will be considered in the on-going evaluations of these programmes. We note the view of the Welsh Government that the current schemes have been effective in tackling energy efficiency in rural areas but welcome your commitment to keep this under review to identify if further improvements could be made. **Given the number of stakeholders that told us that delivery in rural areas could be improved we believe this commitment to keep the schemes under review is important and would be grateful if you could keep the Committee updated of any progress made in this area.**

As you will be aware we were concerned to hear from stakeholders about the impacts the changes to the Energy Companies Obligation (ECO) could have in Wales. We welcome the representations made by your predecessor to the UK Government about these changes and the discussions your officials have had with the energy companies about delivery of ECO in Wales. We hope that such discussions and representation will continue in future in order to ensure that Welsh customers get the maximum possible benefit from ECO.

Data

We were pleased to note in your response that the Welsh Government intends to publish new data on fuel poverty and your commitment to funding a specialist researcher to work in the field of housing condition data.



We would be grateful if you could keep us informed of the progress being made to implement this and any findings made as part of the project.

Fuel Debt

Whilst acknowledging that some progress has been made in reducing fuel indebtedness in Wales, we are concerned that such progress remains slow and is not widespread. Fuel poverty in rural areas was raised as a significant area of concern by stakeholders.

We ask that you keep the level of fuel indebtedness in Wales under scrutiny, particularly in rural areas, and hope to see further progress made in reducing these levels.

We welcome the action that has been taken to date by the energy companies to support Welsh customers in fuel debt but we remain concerned about the higher degrees of fuel indebtedness in Wales compared to England and Scotland. We were also concerned to hear about the on-going problems and restrictions that customers on pre-payment meters can face.

We were pleased to hear during our scrutiny session with you on 4 March that you would be arranging to meet with the six main energy companies as a matter of urgency.

We recommend that during that meeting, you raise with them some of the important issues that arose during the course of our inquiry including:

- **their policies for dealing with customers in fuel debt;**
- **their policies for assessing the suitability of pre-payment meters for vulnerable customers,**
- **barriers for customers on pre-payment meters wishing to switch to other payment methods, and**
- **the roll-out of smart meters in Wales.**

We would be grateful if you could keep the Committee updated on the outcomes of these discussions.

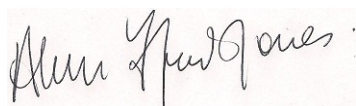
Consumer Protection

In our recent scrutiny sessions with you we have raised the issues of consumer protection from fraudulent energy efficiency scheme and the provision of reliable advice and support. We therefore welcome the commitment you have made to establishing Resource Efficient Wales and look forward to reviewing the success of this service as it develops.

Fuel poverty and energy efficiency are of significant interest to the Committee and we will continue to monitor progress made in these fields, including through general Ministerial scrutiny sessions.



Yours sincerely

A handwritten signature in black ink on a light-colored rectangular background. The signature reads "Alun Ffred Jones" in a cursive script.

Alun Ffred Jones AM

Chair of the Environment and Sustainability Committee

