

Cynulliad Cenedlaethol Cymru | National Assembly for Wales

Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig

Climate Change, Environment and Rural Affairs Committee

Ymchwiliad i Dlodi Tanwydd | Inquiry into Fuel Poverty

FP 12

Ymateb gan : Adran Dai Cyngor Sir Ynys Môn

Evidence from : Isle of Anglesey County Council Housing Department

## 1. The scale and impacts of fuel poverty of Wales

Fuel Poverty remains to be large problem in Wales, despite the latest Welsh Government Fuel Poverty Estimates (2018) showing that the percentage of fuel poor households in Wales has reduced from 26% to 12% over a 10 year period. A report produced by Denbighshire County Council in 2017, *'Wylfa Newydd Key Study Area: Housing Energy Efficiency Assessment'*, found that 212 census output areas within the key study area had higher than average levels of fuel poverty (at a time where Government commissioned studies stated an average of 24% fuel poverty in Wales). This information suggests that the current percentage of fuel poor households in the Wylfa Newydd Key Study area is likely to be higher than the National average of 12%. It is also noted that fuel poverty is more prevalent in the PRS and owner-occupied dwellings, compared to social rented properties.

Fuel Poverty is known to have number of negative health, social and economic impacts, which include the following:

- Heat or Eat – people living in fuel poverty often have to choose between heating their home to an acceptable standard and eating a healthy balanced diet. A large number of individuals on Anglesey are being referred to food banks.
- Health Issues – failure to heat the home adequately can lead to a number of respiratory and cardiovascular problems, in addition to an increase in the risk of arthritic symptoms.
- Heightened risk of falls within the home – falls and domestic accidents are more common in cold homes in winter.

- Excess Winter Deaths – there were 3,400 excess winter deaths in Wales during 2017/18 (up from 1,850 excess winter deaths during 2016/17).
- Social Exclusion – people living in cold, damp homes tend to avoid inviting friends or relatives to their home because they are embarrassed of the condition it is in. This can lead to mental health issues such as stress and depression.
- Mental Health Issues – in addition to the mental health issues caused by social exclusion, worrying about paying energy bills can increase levels of stress and other mental health conditions.
- Lower Educational Attainment – periods of ill health caused by living in a cold, damp home will likely mean that children will miss a lot of valuable lessons in school, leading to lower educational attainment.
- Cost to the NHS – poor housing costs the NHS in Wales approximately £67 million per year in treatment costs, with the full cost to Welsh society estimated to be around £168 million per year.
- Wider impacts on the economy – through increased days lost due to sickness, and reduced disposable household income that might otherwise be spent in the local economy.
- Increase in poor quality housing stock – poorly heated/insulated homes can lead to damp and mould.

## **2. Why Welsh Government failed to meet its statutory target of eradicating fuel poverty in Wales by 2018**

Welsh Government have succeeded in reducing fuel poverty in Wales, despite the fact that they have failed to meet their ambitious statutory target of eradicating fuel poverty in Wales by 2018.

One factor that is likely has likely contributed to this failure is the lack of up to date fuel poverty data available, at a local level. One of the key actions of the 2010 strategy was to improve the quality and timeliness of data. Better / up to date data could mean that Local Authorities and other agencies could better target areas for support.

Other key actions from the 2010 strategy that have not been fully achieved is the co-ordination and joining up of support, and to ensure that new services are developed in partnership with trusted local agencies, health and social services, Local Authorities and third sector organisations.

Welsh Government does not have the power to legislate energy prices, and it is therefore acknowledged that very little can be done to mitigate this factor apart from encouraging consumers to switch energy suppliers regularly and behavioural change. Increased visibility of Nest's Energy Advice line could have helped with this.

Welsh Government could have helped low income households maximise their incomes, by increased co-working with different organisations (Citizens Advice Bureau, Trussell Trust etc.) and other Government funded schemes (Supporting People, Families First etc.). This could have been linked into the role of Nest's Partnership Development manager.

Welsh Government's main focus in tackling fuel poverty seems to have been removing energy efficiency as a driver of fuel poverty, through investing in retro-fit schemes such as Nest and Arbed. However the eligibility criteria for the Nest scheme should be looked at, and there should be improved co-ordination of the Arbed scheme. There is also a lack of resource within Local Authorities to implement / bid for / promote these schemes.

Another barrier to tackling fuel poverty is the fact that many people will rarely identify themselves as living in fuel poverty. Welsh Government could have worked with Health Boards to ensure that GP practice managers are able to identify the signs of fuel poverty, and refer individuals to agencies who are able to help.

### **3. How Welsh Government action to date has helped combat fuel poverty, in particular, the impact of the Warm Homes Programme (including Nest and Arbed) and the Welsh Housing Quality Standard**

#### Warm Homes Programme:

The Warm Homes programme has certainly had an effect on fuel poverty in Wales, with Welsh Government data showing that more than £265 million has been invested in nearly 55,000 homes through the Arbed and Nest schemes since 2011. It is noted that neither of these schemes currently provide windows (double glazing etc.), however these can be funded through Local Authority interest-free home improvement loans.

#### **NEST:**

Nest has certainly helped individuals on low incomes in Wales, with findings published on 5<sup>th</sup> April 2017 in the Fuel Poverty Health Data Linking report showing lower health service user among people who benefitted from the Welsh Government Warm Homes Nest scheme. However, it seems that the scheme isn't targeting those who are in fuel poverty, as Nest's 2018-19 report shows that 57% of households who received an energy efficiency package were not living in fuel poverty. The eligibility criteria for this scheme needs to be reviewed.

Nest also provide a free energy advice line, although this service is not widely known about. Nest's website only lists a "Partnership Development Manager" for South and West Wales, therefore it is possible that agencies in North Wales are less informed about the support available from Nest.

#### **ARBED:**

Arbed, as an area based scheme has been successful at targeting those who live in rural, off-gas, hard to treat homes. The fact that the scheme is not means tested has meant that it has benefitted the working poor, who may be living in hard to heat homes. Areas in North Wales have benefitted from retro-fit and gas connection schemes. This scheme could work better at a local level if there was better co-working / communication with local authorities. The

eligibility criteria for Arbed schemes have been consistently changing with little communication with local authorities.

This scheme also has the potential to boost economic development by offering contracts to local companies, however work is needed to identify why very few companies bid for the contracts.

#### Welsh Housing Quality Standard:

As a stock retaining local housing authority, the WHQS has created obligations which have undoubtedly had a positive effect on the quality of our housing stock. This has helped minimise the effects of poor energy efficiency as a driver of fuel poverty for our tenants. Any acceptable fails continue to be addressed through our cyclical planned maintenance programme.

Despite the improvement to the energy efficiency of our housing stock, we continue to see a number of households living in fuel poverty in the social rented sector. This is largely due to the behaviour of the tenants – e.g. tenants who use their heating systems inefficiently and/or do not change their energy suppliers frequently. We are taking steps to address these issues by commissioning Energy Wardens, alongside our Financial Inclusion Officers, to help our tenants to use their energy systems more efficiently, support them to switch energy suppliers and apply for schemes such as the Warm Homes Discount.

#### **4. How the Welsh Government's successor to the fuel poverty strategy (due for consultation in Autumn 2019) should differ from its 2010 strategy**

Welsh Government's new fuel poverty strategy should take into account the '*Social Services and Wellbeing Act 2014*' and the '*Wellbeing of Future Generations Act 2015*'. It is anticipated that the new strategy will be very similar to Welsh Government's '*Energy efficiency in Wales – A strategy for the next 10 years – 2016–2026*'.

Welsh Government's successor to the 2010 strategy should take the decarbonisation programme into consideration. In particular, the measures

offered by Welsh Government's Warm Homes programme should reflect the recommendations made by the *'Better Homes, Better Wales, Better World – Decarbonising existing homes in Wales'* review.

The new fuel poverty strategy should give more consideration to the in work fuel poor. This should be achieved by working with agencies/providers such as the Trussell Trust, Supporting People, Families First and Flying Start. As stated previously, Nest's 2018–19 report shows that the eligibility criteria for the scheme isn't targeting those truly in need.

The Scottish Government published their "*Draft Fuel Poverty Strategy for Scotland 2018*" in June 2018. Welsh Government should consider implementing some similar actions, such as considering the development of a fuel poverty assessment tool, engaging with councils to identify opportunities to make schemes work better locally, and ensuring robust and effective governance for monitoring the progress of the strategy.

**5. What steps the Welsh Government should take to ensure that new-build homes, as well as existing homes, are highly energy efficient to prevent them causing fuel poverty in the future.**

It's difficult for Welsh Government to take action to ensure that homes are highly energy efficient, as Welsh Government does not have the powers to regulate on energy efficiency. However, the introduction of the UK Government's Energy Act 2011 will help with ensuring that PRS homes are more efficient. From April 2020 all PRS properties will need to have an EPC rating of 'E' or above, and Welsh Government should ensure that Rent Smart Wales have the power and resources to enforce this effectively. Rent Smart Wales could require that landlords provide an Energy Performance Certificate and/or proof of exemption when registering with them.

Welsh Government could ensure that new-build homes are highly energy efficient by following the recommendations from the *'Better Homes, Better Wales, Better World – Decarbonising existing homes in Wales'* report. We don't

foresee any issues arising from a requirement to be building homes to the higher standard advised by UK's Committee on Climate Change (*be heated through low carbon sources, have ultra-high levels of energy efficiency alongside appropriate ventilation, and where possible, be timber-framed*). We acknowledge that there would be an increased cost of building, but this would be cheaper than trying to retrofit properties at a later stage.

Welsh Government should continue to provide funding to trial innovative energy efficient housing through its successful Innovative Housing Programme.