

## **Nest response to Fuel Poverty Inquiry – Nest operations Manager, British Gas**

1. The summary of responses to a consultation on Nest in 2016 said the Welsh Government had decided to introduce in-home advice as part of the scheme. Does Nest currently offer any in-home advice? If not, should this be introduced?
  - Following the commencement of the Nest 2 Scheme in April 2018, Nest offers customers advice at several stages throughout the Nest journey. Energy Savings Trust (who complete the marketing service and initial customer contact on behalf of British Gas) provide a minimum of 15k pieces of energy advice to customers over the telephone at the initial stage of the journey, to any customer that apply but doesn't qualify for the Nest scheme. For every customer who pass the initial assessment and progress to the Whole House Assessment, a surveyor will attend the customers property to complete the assessment and determine what measures are suitable (if any). As part of the assessment at the customers house, they will provide the customer with energy advice on how to save money on energy appliances and fuel sources. During this visit advice is also given towards signposting customers to third parties that will benefit the customer. Some examples of third parties that we provide signposting and support to customers are Benefit and Tax checks, Welsh Water, Care & Repair, Warm Home Discount, Simply Switch, Money Advice Service, Fire Service, Age Cymru, Cantref, Welsh Water, Care & Repair, Energy Supplier Trust Fund. Each of the Surveyors on the Nest scheme have undertaken a four-day Energy Advice Course (Energy Awareness – 6281) which has provided them with the relevant skills to provide accurate energy advice to meet individual customer unique needs.
  - For any customers that have measures installed we will also provide advice at the installation stage on the use of the systems, giving them indications on the best way to use their appliances and save money. The final stage of the customer journey will be the inspection stage, which normally takes place within 5 working days of the installation being completed. At this stage the Inspector will review the installation and will provide advice on any circumstances that they identify as part of the visit.
  
2. The 2018-2019 annual report for Nest reports a decrease in the number of houses in fuel poverty following installation of home energy efficiency measures

from 43.3% to 21%. What more could the Welsh Government do to ensure more households accessing Nest move out of fuel poverty?

- Increase the Means Tested Benefit threshold levels
- Widen the SAP rating bandings from E, F & G to include D rated properties
- Changing the rule from completing only like for like installations (e.g. electricity to electricity)
- Expand the benefits to include - PIP, Attendance allowance
- Review the opportunity to actively target landlord properties that are living in fuel poverty. Approximately 20% of households in privately rented properties are living in fuel poverty as opposed to 11% in the owner occupier bracket
- To align with ECO benefits we could also include War Pensions Mobility Supplement, Armed Forces Independence Payment, War Disablement Pension, Persons receiving ongoing payments under the Armed Forces Compensation Scheme
- Increase Warm Home Schemes budget to deliver more measures in customers properties

3. The Committee has heard that most of the interventions in Nest are boiler replacements. This was contrasted with recent ECO interventions, which included “24% cavity wall insulation” and “17% loft insulation”. Why is there a high level of boiler replacements under the Nest scheme, compared with ECO? Is this compatible with the Welsh Government’s declaration of a climate emergency?

- By installing a new A rated boiler at customers properties, this gives us the highest fuel cost saving and increase in SAP rating performance against other measures. We will always look at additional opportunities (installing secondary measures) where possible to improve each customers energy efficiency, these measures will include cavity, external, loft and draught proofing insulation. Each survey will take into consideration the cap thresholds that are set in place by the Welsh Government. Up to 80% of properties in Wales are within an exposed area to the weather and not sheltered or protected from the weather elements, meaning that CWI may not be completed unless it passes the CASS (Cavity Assessment Surveillance scheme) survey. Where customers have an efficient working boiler at their property, we would still look at the alternative measures (mentioned above) which will increase the energy efficiency performance in the property.

4. Explain how the type of intervention is determined and the role of British Gas in the Nest scheme?
  - ⊖ The Nest Scheme has been managed on behalf of the Welsh Government by British Gas since 2011. The intervention is determined by the Surveyor at the point of the Whole House Assessment. The surveyor will determine what measures are suitable (if any), and in agreement with the customer.
  
5. Views on the extent to which the spending caps are a barrier to helping households who are eligible for support out of fuel poverty?
  - The main barrier for measures relating to the spending cap which impact the volume of customers that are eligible for support would be in relation to External Wall Insulation or high cost renewable technologies as these often exceed the agreed spending cap limits captured within the contract. All other measures that Nest currently install will fall within the agreed spending cap levels
  
6. How many households that received energy improvements through Nest are not able to get up to EPC C rating because of spending caps?
  - Spending Caps do not necessarily impact the increase of SAP ratings to an EPC rating of C. Depending on the measure installed (that is determined as part of the Whole House Assessment) against the initial survey EPR stage, this will determine the overall increase in SAP performance points at each property. The table below summarises the start / end SAP rating for 4k+ measures that were installed between 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2019, and clearly demonstrates that most properties have seen an increase in SAP rating performance as a result of measures installed through the Nest scheme

Starting SAP G		
End SAP	Total	%
<b>G</b>	2	1%
<b>F</b>	83	3%
<b>E</b>	833	25%
<b>D</b>	1717	69%
<b>C</b>	59	2%
Total	<b>2494</b>	100%

<b>Starting SAP F</b>		
<b>End SAP</b>	<b>Total</b>	<b>%</b>
<b>F</b>	12	1%
<b>E</b>	88	7%
<b>D</b>	586	47%
<b>C</b>	554	45%
<b>Total</b>	<b>1240</b>	<b>100%</b>

<b>Starting SAP E</b>		
<b>End SAP</b>	<b>Total</b>	<b>%</b>
<b>E</b>	24	8%
<b>D</b>	112	38%
<b>C</b>	156	54%
<b>Total</b>	<b>292</b>	<b>100%</b>