

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

**Responses to Consultation**

## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Name</b>	Brian Gresty	
<b>Type</b>	Individual	Yes
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

### QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>I have been involved with AGE UK's campaign to protect older people from the effects of cold in poorly insulated Park Homes for over 1 year. Lesley Griffiths my AM is aware of this. I have spoken to a group of MPs in Parliament, been on BBC Breakfast TV, spoken on Radio 4's Today programme and also on Radio Wales. I have never been contacted by Nest or Arbed and was not aware of their work until I read about it prior to completing this questionnaire. I therefore cannot comment on what you ask.</p>
<b>Question 2</b>
<p><b>Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.</b></p>

Yes, provided there is a sufficiently large enough budget to do this.

Otherwise providing individual energy saving measures e.g. new more efficient combi-boilers etc to more homes that need them would be much more effective than stopping the scheme after the money has run out, having carried out big improvement schemes on a much smaller number of homes.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

I agree with a spending cap being continued. Essential improvements to a larger number of homes would benefit more people and these homes could be re-visited to carry out more improvements as and when funds permit. For example it would cost approx £6500 to externally insulate my Park Home, but this money could provide 4 – 5 new more efficient combi-boilers, providing better use of expensive LPG and improving the heating/hot water within many more homes.

Yes. A poorly insulated Park Home requires much more expensive LPG for heating purposes than a bricks and mortar house on mains gas. Park Homes are mainly occupied by OAP's on fixed incomes, whose health can be severely affected by a cold home during a Welsh winter. In many cases Park Homes are not connected to mains gas and are forced to use mere expensive LPG.

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support you**

**answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

**NO NO NO.** Whilst I understand and appreciate the need to fairly distribute the funds available, to have to SUBMIT to a “means test” is demeaning and insulting to most elderly people. My wife and I have done this and WILL NOT do it again.

A more “honour based” questionnaire, with well publicised “spot checks” for applying households would in my opinion be better received. This could then ensure the appropriate sized pool of eligible households.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Yes. This appears to be a fair system to me.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Yes to a) and yes to b) with qualifications. For example **respiratory or circulatory disease** brought about by work/generic reasons should receive priority over those same problems brought about by lifestyle i.e. smoking, drugs etc.

A low fixed income in a home that is undeniably NOT ENERGY EFFICIENT is surely evidence of eligibility for support.

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**Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

A) Local Social Services, local GPs, local community organisations (OAP Lunch Clubs for example)

B) Their medical record, a face to face interview

C) By the primary funder for improving a home's energy efficiency.

**Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Other than the obvious none that I can suggest

**Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

You will have deduced by now that my wife and I live in a Park Home in North Wales. We are both OAP's receiving our state pensions and my small private pension. We have very moderate savings and live a rather frugal lifestyle.

However we both really enjoy our Park Home lifestyle and would not wish to change this. Our Park Home (NOT A CARAVAN) was built in 1992 and we have lived here for 14 years. It is a very comfortable place to live, except during the cold/wet winter months we get here in North Wales. My wife suffers with arthritis, made much worse when she is cold. Whilst our Park Home is better insulated than some older models, it is difficult to keep warm which results in us having to spend a large proportion of our pension on LPG during the winter months.

To provide you with more details of this I shall post to you a copy of my script which I used to address MP's at the launch of AGE UK's campaign in Parliament on October 22<sup>nd</sup> last year. I shall also send you evidence of what "fuel poverty" means to us.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Date</b>	12 October 2016	
<b>Name</b>	Andrew David	
<b>Organisation (If applicable)</b>	South East Wales Energy Agency	
<b>Address</b>	Clarence House Clarence Place Newport NP19 7AA	
<b>E-mail address</b>	<a href="mailto:andrew@sewenergy.org.uk">andrew@sewenergy.org.uk</a>	
<b>Telephone</b>	01633 223120	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	X
	Other groups not listed above	<input type="checkbox"/>

### QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>I agree that in-home advice should be offered. Initial advice on using the measures installed, namely heating system upgrades would be provided by the installer at time of installation. However, more in-depth advice should be offered a few weeks later. This is to avoid information overload at the time of installation, to recap on the initial advice and to include any other opportunities to reduce energy costs or improve comfort.</p> <p>The in-home advice should include the use of controls, tariff/supplier switching/smart</p>

meters, water usage/metering, budgeting and general behaviour change. Hand-holding is essential to ensure that advice is acted upon, such as tariff/supplier switching which can be carried out with the householder at the time of the visit, as can applying for other benefits such as the Priority Service Register, Warm Home Discount, Customer Assistance Funds and WaterSure Wales. There can also be local schemes that can help in other areas not covered by Nest, such as domestic appliances or property repairs.

This in-home advice is best delivered by a network of local/regional specialist agencies with local knowledge, involvement with, or managing other assistance schemes as well as working with other local support agencies for cross referrals.

### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

I agree with the whole house approach, although feel that in many cases there will only be one relevant measure that will fit within the present grant cap. Over the past 20 years there have been many opportunities for householders in the Nest target groups to have received free cavity wall and loft insulation, and so probably very few opportunities to install these as part of the Nest whole house approach. This just leaves efficient heating upgrades and/or external wall insulation, which if both were considered appropriate then the cap would be exceeded.

The advantages of prioritising EWI are that it has a longer life than a boiler or heat pump, and by reducing the heat loss it reduces the energy requirement, so making the heating system efficiency somewhat less important.

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

There has to be a spending cap to avoid a disproportionate amount being spent on a single property. There should also be a cap related to the occupancy of the building in order to discourage under-occupancy, and hence a disproportionate amount being spent on any one individual.

The cap, or amount spent on any property should be related to the initial SAP rating and the increase required to reach the target SAP of 69. This would result in a £/SAP Point cap. Simply spending a small amount to upgrade controls may be sufficient for an increase of the necessary few SAP points, whereas relatively expensive External Wall Insulation may be required if a significant increase was required to reach the target.

Overshooting the SAP target should be avoided as that would not offer good value for money, as well as reducing the overall impact that can be provided with a finite scheme budget.

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

I agree with the eligibility criteria and welcome the changes which target resources at the most vulnerable, i.e. the elderly, the very young and those who suffer from respiratory or circulatory diseases. The inclusion of "low income" for the latter group is also welcome as their health issues mean that their ability to increase their level of income is very unlikely to ever improve.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

It is difficult to see why support should be given to improve the private rented homes of the homeless who may be young and healthy, whilst not offering the same support to the elderly, disabled and chronically ill also living in private rented homes.

Private rented homes are run by landlords as a business and as such should not be subsidised by tax payers. If it is considered essential for the health and wellbeing of tenants that homes should have a prescribed energy efficiency rating, then that should be achieved through legislation.

It is acknowledged that the private rented sector is the least energy efficient, which is a situation that needs to change, and so the availability of low-cost repayable loans is welcome. Whilst it would inevitably lead to rent increases for tenants this would hopefully be offset to some extent by lower heating costs.

### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

I agree with the proposed methods for demonstrating eligibility.

### Question 7

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

- A. As an organisation that has been running Healthy Homes programmes for the past 20 years it is regional organisations such as ours that would be ideal to act as referral partners.
- B. A qualifying health condition could be demonstrated in several ways, although professional medical input to the list would be required:
  - Receipt of a relevant benefit or allowance
  - A letter from a doctor or other health professional
  - A prescription for a pre-determined medication
- C. To locate those in most need and often consider to be “hard to reach” would require considerable outreach and engagement activity, which would require funding. With a limited number of referral agents funding could be by way of a service level agreement to cover partnership development, outreach activity, home visits and completed referrals.

### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Whilst it would appear logical to work with health professionals our experience through 20 years of running various Health Through Warmth schemes dictates that best results are achieved by working in partnership with the voluntary sector. This involves a specialist energy agency such as ours putting schemes in place which utilise all sources of funding, being local authority, government, energy company and benevolent organisations, and then working with local support organisations to promote them and engage with their clients.

### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

#### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

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Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	14/10/2016	
<b>Name</b>	William Jones	
<b>Organisation (If applicable)</b>	Cyngor Ar Bopeth Ceredigion Citizens Advice	
<b>Address</b>	Cyngor Ar Bopeth Ceredigion Citizens Advice Napier Street Cardigan Ceredigion SA43 1ED	
<b>E-mail address</b>	william.jones@cabceredigion.org	
<b>Telephone</b>	01239 621 974	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	y
	Other groups not listed above	<input type="checkbox"/>

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>The partial grants, have not been very well advertised, so therefore it is impossible to ascertain if there is no demand, for something, very few people knew about.</p> <p>In relation to the proposed scheme, the WAG could consider getting best value for the public money to be spent, by funding Citizens Advice, to deliver the advice to households, including in home advice. Citizens Advice in Wales, have huge expertise,</p>

and a track record, in relation to energy/fuel poverty advice, eg Energy Best Deal Extra, supported by their network of specialist Energy Champions. If the WAG fully funded, Citizens Advice, to deliver the advice element of the proposed new scheme, we would, also be able to take a holistic approach to advice. Ensuring that clients, were, as appropriate, referred to specialist colleagues for debt, and specialist benefit advice.

Citizens Advice Energy Champions, have all got City and Guilds, NEA, level 3 qualifications in Energy Awareness. As well as being qualified trainers, for the smart meter roll out. They act as mentors/support/quality chekers, for the staff delivering the Energy Best Deal extra appointments, as well as advocates for the efficacy of the Energy Best Deal Extra appointments, with stakeholders.

At an in home appointment staff can consider issues, that can increase a clients' income, reduce their expenditure, increase their wellbeing, as well as reduce their carbon emissions. EG switching payment method/tariff/supplier, qualification for the warm home discount/ priority service register, energy efficiency advice, including understanding heating systems, understanding a smart meter in house display unit. As well, as benefits checks, and consideration if a client needs referral to a specialist debt or benefit colleague.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

A whole house approach, should continue, and should also include windows, one of the main sources of insulation at a home, ventilation, and heat loss, if the windows are defective. As defective windows will contribute to energy inefficiency, increased energy costs/carbon emissions of the occupier, increasing risk of fuel poverty, and detrimental health impact on the occupier.

Below I ve quoted from page 5, of the UK Government's Standard Assessment

Procedure for Energy Rating of Dwellings 2012 Edition, and I have highlighted, the points that clearly demonstrates that windows are a fact in energy efficiency and the SAP assessment. Furthermore at various points in the document, eg pages 7 ,15, 22. Pages 215-218.

### **INTRODUCTION**

The Standard Assessment Procedure (SAP) is adopted by Government as the UK methodology for calculating the energy performance of dwellings.

The calculation is based on the energy balance taking into account a range of factors that contribute to energy efficiency:

- materials used for construction of the dwelling
- thermal insulation of the building fabric
- air leakage ventilation characteristics of the dwelling, and ventilation equipment
- efficiency and control of the heating system(s)

- solar gains through openings of the dwelling
- the fuel used to provide space and water heating, ventilation and lighting
- energy for space cooling, if applicable
- renewable energy technologies

Also, any whole house approach must be flexible to the needs of off gas occupiers. In Ceredigion, Pembrokeshire, Carmarthenshire, significant parts of the counties are off gas. So a whole house approach should include the provision of oil/lpg and alternative heating sources.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

All works that need to be done on a qualifying home, which improves the energy efficiency of a property, should be carried out. The benefits of such an approach would be huge. It would ameliorate the fuel poverty, health risks facing the occupiers, who are currently living in an energy inefficient home. Increasing their financial security and well-being. It would also have community benefits, eg in terms of the supply chain, especially if those employed to carry out the work, are from the local community. Increasing employment, and enhancing the local economy, by employees being able to spend in their local shops, café's/bars etc.

If caps are applied, the cap should be much higher for off gas area occupiers, so that all factors can be addressed, including any new, or replacement, fuel storage tanks, and windows. As people in offgas areas are already paying a fuel premium for the fact that they do not have access to the gas grid.

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support you**

**answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

No. Housing benefit, Council Tax Reduction, and Tax credits should stay included. These are indicators of people in financial hardship, particularly the working poor, who may have a child under 5.

We welcome the widening of the criteria for people with health conditions, on a low income who currently don't meet the income criteria. However in relation to the tightening of the household composition criteria, it appears that the WAG are no longer looking to use the scheme as a means to prevent fuel poverty, and the risks, for those living in fuel poverty and energy inefficient homes, of developing the health problems associated with such living conditions, we are concerned that if the proposed narrowing of the criteria goes ahead, this will lead to more ill health, for those living in EPC band E,F or G, who no longer qualifying for whole house works, under the new proposals.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

We also strongly oppose, and are alarmed by, the proposal to stop assistance for most people living in privately rented accommodation. We understand that there is very little current take up of the 'home loans' by private landlords. We are concerned that the vulnerable people, living in fuel poverty, in the private sector will suffer, as a result of this proposal. Unless the WAG incentivises the Landlords, to improve energy efficiency in the PRS from E, F, or G, to at least a C, it is the **tenants who will suffer**, with the concomitant fuel poverty, and risks to their health conditions getting worse, or of developing health conditions associated with living in fuel poverty, and energy inefficient homes. We urge the WAG to reconsider this proposal, and to retain all the private rented sector in the scheme.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

As previously stated we oppose the restriction on household composition, but welcome the extension to those on low incomes, with health problems. If the WAG do go ahead with introducing A in this question, we again urge that HB,CTR, and working tax credits are retained, as qualifying means tested benefits.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

GPS/Health boards would be best placed in view of the health condition confirmation, with their third sector partners.

Any referral system should be fully funded by the WAG.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Include those living in the private rented sector, as well as owner occupiers. Target could be through their GPs, community nurses, and their hospital consultants, via data sharing protocols.

#### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

Just want to reiterate how important these schemes are to vulnerable people, living in fuel poverty/energy inefficient homes, in the private sector, as well as the owner occupier sector. The works are hugely appreciated by the recipients, and it does greatly improve the quality of their lives, and reduce the fuel bills too. Therefore it is essential to keep the scheme fully open to both the private rented sector and owner occupier sector, to ensure the maximum benefit to vulnerable members of the public.

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#### **How to respond**

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Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	07/10/16	
<b>Name</b>	Angela Moray	
<b>Organisation (If applicable)</b>	Care and Repair North East Wales	
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<b>Telephone</b>	01352 758 700	
<b>Type</b>	Individual	<input type="checkbox"/>
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input checked="" type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>I agree that there should be more detailed advice available to customers over the phone, if this is possible. However, from my personal experience of delivering an affordable warmth (fuel poverty reduction) service for 3 and a half years to owner occupiers, vulnerable families, disabled and older people, and those suffering from cold related health conditions, you cannot quite compare phone advice to a home-visiting service.</p> <p>An enquiry we receive can sound relatively straight forward over the phone, the person</p>

has no working heating, and they are on a means tested benefit for example, but when I visit, the barriers to take up of advice, support to claim additional appropriate benefits, change tariff, collate the information needed to refer to Nest, or ECO, or to prepare proof of income, health condition, property ownership and identification details etc. can be complicated, and often needs consistent hand-holding from the agency. This can be time-consuming, but for some people, this is the only way that they will actually be able to take up the services on offer. This is particularly the case with my clients with mental, they need a person that they trust to help them to access the help.

In addition, there are often many more serious concerns in relation to a person's health, safety, income, hazards in the home e.g. no smoke alarms, security problems, the list is extensive. Home Improvement Agencies – e.g. Care and Repair agencies are well placed to provide the support to Nest customers, due to our experience, skills and the services we already run. E.g. Caseworker service – many of whom are already trained to Level 2 C&G in Energy Awareness via NEA Cymru, provide benefits advice, support, hand—holding, and as our bread and butter, work in the homes of vulnerable groups. We also have local contractors, if any additional repairs / works are identified or if particular issues need resolving prior to Nest installers being able to start work. We work closely in partnership with Health, Mental Health, Social Services, Occupational Therapy, social workers, etc. who are used to referring into us with their service users who are vulnerable and need us to help them to access help.

We are working within the communities of Wales every day, and are used to working with people in the rural areas, as we cover borough boundaries. There is an agency for every corner of Wales. With the addition of an extra part or full time caseworker into each of the agencies in Wales (currently 13, soon to be 11), who could be responsible for supporting all of the particularly vulnerable Nest clients, we would be able to ensure that those people are accessing all of the other support they are eligible for, annual warm home discount applications for the broader group, tariff and payment method changes, priority service registers, carbon monoxide awareness, smart meter advice, advice on how to get the most of the measures installed, Water Assist (health related tariff), Blue Badge application support, local mental health, family and disability support services and ensure the Nest objectives and outcomes are met. In partnership with the Managing Better service, we can provide specialist advice and support for people with a visual or hearing impairment.

Our agencies are a ready-trained specialist workforce, who can provide support for vulnerable people across Wales.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

The current whole house approach is well-established, and understood. I believe that this is an effective method of measuring, and affecting improvements to the energy efficiency of domestic properties. However, if the scheme also used local Care and Repair agencies to deliver the in-house support, there is the possibility of measuring tariff savings on water and energy, smart meter take up, benefits or benevolent funding raised, CO and smoke detectors installed, qualitative health and wellbeing improvements via the Outcome Star <http://www.outcomesstar.org.uk/> and before and after fuel poverty measurements.

## Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Yes, and I agree that it could improve the possibility of for example External wall insulation (EWI) or Internal wall insulation (IWI) installations, if the most inefficient properties have a higher spending cap than the more efficient ones. However, you need to be sure that if for example, a vulnerable household has no working / repairable heating, that this can be funded, as this is a crucial element of Nest's work, and is vital to the health and morbidity of vulnerable groups.

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

I agree that one size should not fit all, and the most vulnerable should be accessing the most help. However, from my experience, it is working age people, who are unable to work due to primarily mental health problems who are, more likely to not even be able to engage with services enough to claim the correct benefits, e.g. DLA / PIP, and so are only in receipt of income-related ESA (approx. £100 per week) they are also the most likely to self-disconnect, and be in the 'heat or eat' situation. Under the proposed eligibility criteria, there is no provision for people with mental ill health under 75 at all. I consider this seriously negligent, as there is a proven direct connection between home warmth and mental health symptoms. Whilst this group does not represent those most at risk of excess winter death, they are identified earlier in the consultation document, as being part of the target group identified by the CSE's report, alongside people with respiratory and cardiovascular conditions. I think that this needs to be looked at, to consider this group of particularly vulnerable people.

The criteria also doesn't cover people with significantly limited mobility who are under 75, subsequently ceasing all provision for disabled people in poverty and fuel poverty. I think that this also significantly limits provision for another very vulnerable group of people who are greatly at risk of ill health as a result of living in a cold home. The NICE guidelines provides a clinically proven list of the conditions or vulnerability factors:

- people with cardiovascular conditions
- people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)
- people with mental health conditions
- people with disabilities
- older people (65 – not 75 - and older)

- households with young children (up to school age)
- pregnant women
- people on a low income

Why not use this to frame the eligibility criteria?

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

I believe that all private landlords should be responsible for the improvement of the energy efficiency of their properties, but that an equity charge loan as well as the HIL scheme should be available based upon a means test of the landlord's financial circumstances, whereby the value of the works are loaned by a local authority, and are payable upon sale or transfer of the property, maybe with an additional repayable part if the property is not sold in a reasonable amount of time. If there are at risk clients in the property then a chargeable way, should be found so that the vulnerable person is not at risk.

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

We are used to supporting people to provide the proof of ownership and occupancy, and the proof of means tested benefits. Point number 66. Currently, EST require the appropriate award letter to be in the persons hands during the initial referral phone call so to speak, it is not clear under point number 66 whether that will remain or not. It would be useful, if it could be just that the letter is provided during the whole house assessment, but if not possible not to worry.

#### Question 7

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

A) We work directly with the Pulmonary rehabilitation classes across our borough areas, which regularly refer directly into us for help with home repairs, heating, benefit maximisation etc., this would be an excellent route into this particular vulnerable group. We could easily also approach the cardiovascular rehabilitation groups which are operating in our areas.

B) People could demonstrate their diagnosis through their repeat prescriptions for appropriate medication e.g. Inhalers for asthma, certain antibiotics for COPD, attendance of a rehab class for the particular condition. Letters from consultants, GP's, physios, OT's, social workers, district nurses, etc. Care and Repair caseworkers are used to finding the appropriate evidence if required, to prove a person's health condition, as so much of our funding work for repairs, aids and adaptations are connected to people's health conditions and disabilities.

c) We and several other Care and Repair agencies are piloting partnership referrals Warm Home Prescription services with GP's, hospital discharge teams, district nurses, health visitors, which are an excellent foundation upon which to build a referral stream into this group of people (and under 5's / over 75's). With appropriate funding for one Caseworker in each borough, in a similar structure to our Managing Better service, sat within each Care and Repair agency across Wales, we would be perfectly positioned to provide ample support to the referrals into this particular stream of the Nest scheme. Funding should come in two parts 50% from Welsh Government and 50% from the energy providers.

Many of the caseworkers in the agencies have completed the Trusted Assessor training (similar level to Disability Officer in social services), which enables them to provide aids, equipment, fit grab rails in properties. We work closely with social services, and are often called upon to help with clearing properties which are much cluttered, but need heating replacements and insulation installed. We provide support and practical assistance with hospital discharges across our areas, and have access to building surveyors for problems with penetrating, rising and condensation dampness, replacement windows, roof works, drainage works, absolutely any home repair.

**Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

You will need local support from paid staff, who has well established partnerships with health, social services and the rehabilitation groups for those health conditions. Namely, Care and Repair agencies. You will be able to access directly the trusted networks of partners through their Caseworkers. Pharmacies are well placed to identify people as our local shops , hairdressers etc

**Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

When a householder has even a tiny income from a business of some sort this is currently stopping that person from accessing the scheme. Has this been resolved? A colleague had a vulnerable lady who was selling a few items on Ebay – this stopped her having her heating replaced (it was completely irreparable). She was not making barely any money at all from this ‘business’, which made her feel better about her daily struggle.

Small issue – but surveyors completing a whole house assessment don’t currently provide a time slot – they provide a day – which isn’t convenient at all for caseworkers when the person needs to be hand held through the visit. It isn’t an efficient way of working with partners.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	10.10.2016	
<b>Name</b>	Fiona Silverthorn	
<b>Organisation (If applicable)</b>	Torfaen County Borough Council	
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<b>Telephone</b>	01495 766876	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	✓
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>Yes, we agree with the proposed support to be offered, but have concerns about the eligibility criteria and the impact on customer footfall and satisfaction, as a number of people who may be genuinely seeking assistance and in need of help will not be able to access measures because they do not quite reach the criteria thresholds.</p> <p>We agree that in home advice should be offered. The advice that would be most beneficial would focus on behaviour and educating residents about their options and</p>

how to make best use of any measures they receive. Torfaen has received a number of phone calls over the last few years from residents who received free insulation under the CERT/CESP schemes, but the providers did not issue any advice or information and as a result residents were not aware of the importance of ventilation, which has led to condensation developing in properties.

Other important aspects of in-house advice should include determining whether the resident has accessed all available assistance e.g., benefit checks on entitlements, switching providers etc. and supporting the resident, or acting as an advocate on their behalf, to access available assistance.

The provider of in-home advice should also be familiar, as far as is reasonably possible, with local schemes that may assist the resident further with other poverty and housing related services e.g. foodbanks, furniture recycling schemes and housing related support etc. which will ensure a more holistic approach is taken to addressing poverty.

If the in-home advice is part of the NEST scheme, then ideally it could be provided by the Nest scheme provider to allow for consistency. Alternatively a suitable local agent may be Care and Repair, who can work on a local, regional or national level and is already a known and developed provider operating and providing solutions in the private housing sector. Similarly LAs who have private sector housing Renewal capital programmes, may be able to act as delivery agent, but resources would be required.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes, a whole house approach is best, however, an element of prioritisation would be required to ensure that the most efficient, economic, effective and environmentally friendly measures are implemented to ensure maximum gain and the greatest impact. However, with potential budget reductions there could be scope to re-visit the whole house approach, similar to the need to revisit eligibility criteria.

## Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

A cap is necessary to ensure greater equity across schemes, to rationalise/manage customer expectations and also to realise wider household improvements. Caps should be proportional, but consideration should also be given to a sliding scale, whereby proportionality calculations sit alongside levels of need calculations.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

We recognise that with reducing budgets, greater consideration needs to be taken to determining who is eligible for assistance. Whilst the changes would help to mitigate against poverty amongst the under 5s and the over 75s and those with health issues, the criteria seems restrictive, so we would question the ability of the scheme to find eligible applicants.

In addition, whilst the scheme will only offer measures to a limited number of people, it is anticipated that there will still be a high volume of people who will be coming through for advice and support.

The introduction of the “low income” criteria is welcomed, because in many cases it is people who are on low incomes who struggle. Making links with health is also positive, but limiting the criteria to respiratory and circulatory diseases seems very restrictive, especially since fuel poverty can have a huge impact on other health issues e.g. mental health or can lead to health issues for those who are currently not experiencing them but cannot afford to make changes to their accommodation to reduce the risks.

We would also query how WG/Nest are going to manage communication with prospective customers and those who are turned away. Will WG be exploring other services and linkages e.g. loans or repayable grants to assist those who are not eligible, or to help make the funding go further?

Future proofing the impact of a revised eligibility criteria and how it would differ should be a consideration and may be a worthy exercise to undertake before introducing – even if on a small cohort sampled basis.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

We disagree that the Private Rented Sector should be excluded from the scheme in future if the tenants are eligible. We would advocate that greater pressure is brought to bear on landlords, to encourage them to improve the energy efficiency of their properties and that if this is done, an incentive should be available to them via Nest.

Whilst acknowledging that some landlords use the private rented sector as a business, there will be others who have become accidental landlords, who may be unable to sell properties and so have chosen to rent them out in the interim. Removing the private landlord group would mean that vulnerable tenants are penalised because landlords do

not have the means or inclination to make improvements.

The limited ability for LAs or WG under current legislation to enforce energy efficiency home improvements and growth in general of the private rented sector overtaking the social housing sector, also argues the case for private landlords to remain as part of Nest. More households will be housed in the private rental sector than the social housing sector and they could miss out if private landlord properties were excluded. The Welsh Housing Quality Standard applies to the social housing sector whilst the Housing Health & Safety Rating System applies to the private sector, and households should not be marginalised against as a result.

Greater liaison with Rent Smart Wales would be worth considering to identify opportunities for encouraging landlords to improve the efficiency of their properties.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

We recognise the need to set criteria that will ensure the scheme can continue to function effectively, should funding be limited. And we also support the need to target the most vulnerable member of society, so that the money is invested most effectively. However, the criteria still seems very narrow. We welcome the introduction of low income households with health issues as a valid group to target, but have concerns about who will determine eligibility and their ability to identify people who actually meet the criteria.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

The organisation that would act as a referral partner and who could assess income and health would need to have a presence across localities/ Wales and have the resources and skills to carry out 2 distinct functions – income analysis and health assessments.

A number of different organisations or Local Authorities would have this expertise, but they may not be consistent throughout Wales and different options might need to be adopted in different areas.

The one organisation that may meet the requirements is Care and Repair, having a presence in each Local Authority (although often administered differently in each

area/sub region). LAs may also be fit to take up this role, and there may be scope for regional arrangements to aid co-ordination and economies of scale.

#### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Engaging with health boards, public health and Local Authorities (especially social services) would be essential.

Work with partners to ensure information is disseminated at suitable events, locations and communities.

#### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

Consideration should be taken of the Future Generations Act and requirements regarding the well-being of future generations. Also the Social Services and Well-Being Act and statutory requirement of welsh LAs with input from Health Boards to have in place appropriate Information, Assistance and advice for members of the public.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

#### How to respond

Please submit your comments by **19 October 2016** by email or post.

#### **Email:**

Please send the consultation form to:

[FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk)

#### **Post:**

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Date</b>	18 <sup>th</sup> October 2016	
<b>Name</b>	Catrin Sneade	
<b>Organisation (If applicable)</b>	Powys County Council	
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<b>Telephone</b>	01597 82 7464	
<b>Type</b>	Individual	<input type="checkbox"/>
	Businesses	<input type="checkbox"/>
	Local planning authority	X
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

### QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>A) Our comments are as follows:</p> <p style="padding-left: 40px;">We agree with targeting households on the lowest incomes as a way of reducing levels of fuel poverty.</p> <p style="padding-left: 40px;">We agree with targeting the least efficient properties with the highest energy bills.</p>

We agree with linking the scheme with the health and wellbeing agenda, and consider this to be a positive step.

We do not support removal of the private rented sector because we understand that the sector has the highest levels of fuel poverty. In Powys, when we transferred from providing grants to interest free loans, we initially experienced a significant drop in uptake however, this recovered over time as clients adjusted to the concept of receiving assistance via the use of sustainable revolving loans. Removal of financial assistance for the private rented sector may also result in an increase in empty properties, particularly those not subject to mortgage, as landlords may choose to leave properties empty, rather than invest in costly energy efficiency measures.

The consultation identifies that it costs more to bring properties up to a comparable standard of energy efficiency in 'off gas' areas (e.g. £5,000/£8,000 on gas, £12,000 off gas). Rents will not be higher in 'off gas' areas, so we are concerned that the loan take up in rural areas, will not be as successful, as landlords may have to take on double the loan, or more. We suggest that options are considered to improve 'energy equality' so that finance is equally attractive to 'off gas' and 'on gas' Landlords, so that 'off gas' Landlords are not penalised, and the least energy efficient properties with the most expensive heating running costs are addressed.

We understand that Powys has the greatest number of 'off gas' properties in Wales, of approximately 31,000. (<https://www.gov.uk/government/statistics/sub-national-estimates-of-households-not-connected-to-the-gas-network>) Levels of fuel poverty are generally higher in rural areas than urban areas, due to properties which are hard to treat and do not have access to the gas grid, and are heated by more expensive methods e.g. LPG, night-time storage heaters etc. Further research should be carried out to establish whether an EPC 'D' rated property with night-time storage heaters (not eligible under the current scheme) may cost more to run than an EPC 'E' rated property with mains gas (eligible under the current scheme). We suggest that the existing heating system is taken into consideration as well as whether the current system provides an adequate level of occupant comfort throughout the day and is appropriate for the householder needs. We agree with targeting the properties which are the most expensive to run, and suggest that there is a degree of flexibility for 'off gas' properties so that the type of heating system, levels of occupant comfort and associated running costs are taken into account.

The types of measures implemented are critical to the delivery of the scheme and achieving the schemes objectives, to reduce levels of fuel poverty. Under the current scheme, in the last few months we are seeing increasing numbers of 'other' measures which we understand to be night-time storage heaters. Whilst there will be improvements in controls, these may be absorbed by 'comfort taking', so the energy bills with the new installed system may end up higher than the original bills, risking putting the household further into fuel poverty. To address long term fuel poverty, the scheme should only put in heating systems with expensive running costs where improvements to the building fabric have been made as far as is reasonably practical and other means of heating have been fully explored and exhausted.

We suggest that the scheme is carried out in parallel with area based schemes, such as gas infill projects to provide the infrastructure to future proof against levels of fuel poverty. This project work could be considered in conjunction with other projects such as setting up oil clubs and whole building solutions where there are several flats in

the same building in fuel poverty, addressing properties as a whole.

**B) Comments as follows:**

We agree that in home advice should be provided to those who meet the eligibility criteria, where appropriate.

We think that the following in home advice would be most beneficial:

- Income maximisation e.g. benefit checks, warm homes discount, cheaper water tariffs, assistance getting energy debt written off etc.
- Reducing the cost of energy e.g. tariff switching, collective buying, oil clubs, support with prepayment meters
- Energy advice e.g. using a heating system properly, heating controls, including support available such as the Priority Services Register.

In rural 'off gas' communities, the Energy Advisers will need to have broader knowledge and experience of rural energy issues such as payment methods (e.g. oil clubs, budgeting advice for oil), heating system controls (e.g. air source heat pumps and night-time storage heaters) and unusual communal installations (e.g. LPG special condition 18). The tariff switching element maybe more time consuming for properties in areas with little or no mobile data, as the Energy Adviser may not be able to carry out tariff comparisons with the householder during the initial visit, so a secondary follow up visit maybe required, otherwise take up levels of switching may suffer.

We suggest the following organisations would be most suitable to provide the advice:

- Citizens Advices
- The Energy Saving Trust
- Local Authorities

There are various different organisations providing similar services surrounding domestic energy advice, such as Citizens Advice, Care and Repair, Resource Efficient Wales, Nest, Housing Energy Officers and third sector organisations. It can be confusing for households and professionals to know which service to refer a specific householder to, so consideration should be made to make this referral process more straightforward and to provide continuity to householders in the long term.

It is essential that whoever provides the advice:

- Delivers impartial advice
- Provides a face to face service covering a large geographical area
- Has technical knowledge of a range of energy saving, energy efficiency and renewable and low carbon technologies
- Is appropriately qualified e.g. National Energy Action Level 3 in Energy Awareness and/or a Domestic Energy Assessor, or equivalent.

The service should continue to refer to relevant organisations e.g. Care and Repair and The Fire Service.

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

We agree that the new scheme should continue with the whole house approach in principal, however the current scheme has typically not delivered the whole house approach, as typically only one measure per household has been adopted.

We suggest the energy hierarchy is considered in developing the scheme, which considers the following approach:

1. Reduce Energy Demand – Use less energy
2. Be more energy efficient - Use energy efficiently
3. Use renewable and low carbon energy

The majority of the measures implemented during the last eighteen months under the current scheme in Powys fall into the ‘Be more energy efficient category’ and we suggest that there is a greater diversity of measures selecting the most appropriate measures for both the property and householder.

We consider that the scheme should balance the number of measures with helping the greatest number of fuel poor households. So, we propose that households are eligible for a maximum of two measures, one from group A, a lower cost measure and one from Group B, a higher cost measure.

Energy Hierarchy	Group A (lower cost measure)	Group B (higher cost measure)
Reduce Energy Demand <i>Use less energy</i>	Loft insulation Cavity wall insulation Draught proofing	Glazing replacement (for existing single glazing or glazing in very poor condition) External wall insulation
Be more energy efficient <i>Use energy efficiently</i>	Heating controls (e.g. TRVs, room thermostats)	Boiler replacement (gas / oil) New heating system (gas / oil)
Use renewable and low carbon energy		Solar thermal Air Source Heat Pumps Biomass boiler

Low energy lightbulbs and home energy monitors could be provided to properties eligible for measures during the home energy visits to reduce energy bills further and encourage behaviour change.

We propose that glazing is introduced to the scheme for properties which currently have single glazing or double glazing in poor condition.

High operating cost heating systems should only be considered where all other options have been exhausted, and where the properties insulation levels have been brought up at an adequate standard, or in extenuating circumstances.

Under the current scheme, the majority of the measures adopted are new boilers, new heating systems and increasing numbers of 'other measures', which we understand are night-time storage heaters. The majority of the boiler replacements are fossil fuel based, and the data is showing a limited number of low carbon measures, such as solar thermal, air source heat pumps or biomass heating. We suggest proposing measures which reduce levels of fuel poverty whilst providing a greater level of householder choice, taking into account issues such as maintenance, payment methods and householder values. (For instance, although the unit price of oil is relatively low at the moment, it is often the high upfront payment which can cause budgeting issues for householders).

The document "The future of heating, meeting the challenge" ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/190149/16\\_04-DECC-The\\_Future\\_of\\_Heating\\_Accessible-10.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190149/16_04-DECC-The_Future_of_Heating_Accessible-10.pdf)) suggests that significant growth in low carbon technologies such as heat pumps will be required to meet future carbon reduction targets, but the majority of the measures implemented under the current scheme rely on fossil fuel based measures. To meet low carbon targets, reduce running costs and meet the aspirations of fuel poor households with environmental values, we suggest that consideration is given to ensure the scheme is aligned with wider objectives regarding the future of heat in the UK.

Currently new technologies are being developed such as hybrid gas or oil heat pump systems, which present opportunities to protect consumers from fluctuating oil prices in 'off gas' areas. The scheme should be set up with a degree of flexibility so that as new technology develops, if appropriate, fuel poor householders maybe able to benefit from emerging technologies.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

A) We agree that energy efficiency measures should continue to be subject to a spending cap per household to ensure that the scheme benefits as many low income households as possible. However the spending caps need to be higher in 'off gas' areas in recognition that it costs more to achieve comparable standards of energy efficiency to 'on gas' areas. Also, spending caps should be met with a level of discretion, so if there is an opportunity for a more appropriate alternative measure for the householder, which may have a higher capital cost, but would present significant benefits in occupant comfort and whole life costing then we support taking a long term approach.

Under the current scheme during the last eighteen months we have seen increasing numbers of 'other' measures which we understand to be night-time storage heaters. We understand that whilst these measures are popular amongst some householders, the numbers of night-time storage heaters installations is high and we would like to see a greater percentage of measures with lower operating costs and lower carbon emissions. We propose that spending caps are approached with a greater levels of flexibility, which combined with a whole life cost approach should see greater numbers of lower carbon and lower operating cost measures installed.

We support an approach which considers the whole life cost as well as the capital cost for improved long term project outcomes.

- B) We believe that the spending cap should be proportional to the energy efficiency of a property in principal, particularly in areas where there is mains gas. However for 'off gas' areas, there needs to be some flexibility and discretion in the criteria. This is because identical neighbouring properties with different heating fuel sources can have very different heating fuel costs, but the Energy Performance Certificates (EPCs) do not always show a significant difference in the rating. Also, Domestic Energy Assessors can make different assumptions about the construction wall build up and associated U-values, which can result in different EPC grades for almost identical neighbouring properties. We suggest that the running costs of the heating system are taken into account, and that properties which do not have access to mains gas or do not have a wet heating system are given flexibility to enable more cost effective, lower carbon systems to be installed.

Some studies such as 'Monitoring Air Source Heat Pumps in Domestic Properties' (<http://www.nea.org.uk/wp-content/uploads/2015/07/Monitoring-air-souce-heat-pumps-in-domestic-properties.pdf>) show substantial improvements in occupant comfort after air source heat pumps were put into properties (replacing night-time storage heaters in the majority of cases). It is important that opportunities to improve the health and wellbeing of householders are identified and delivered through the measures to be installed.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support you answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

To include Universal Credit without an income threshold would mean some people would qualify on quite high incomes as there is a generous taper rate in Universal Credit.

Council Tax Reduction is a means tested reduction which has all of the income and by its calculation awards premiums and allowances based on the personal circumstances of the person taken into account. Therefore it does provide evidence of the whole person's circumstances and also covers both sets of age ranges

suggested by the scheme.

Housing Benefit will remain as a means tested benefit for some time whilst Universal Credit is being rolled out. And also will remain even longer whilst housing Costs goes into Pension Credit. Housing Benefit therefore is also a means tested reduction which has all of the income and by its calculation awards premiums and allowances based on the personal circumstances of the person taken into account. Therefore it does provide evidence of the whole person's circumstances and also covers both sets of age ranges suggested by the scheme.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

We agree that the scheme should continue to provide support to the private rented sector for those whose properties used to address homelessness.

We think removal of the private rented sector will be a backward step for the scheme. Whilst we agree that private landlords should be encouraged to finance and improve the energy efficiency of their properties through the provision of low cost loans, we have concerns regarding the affordability and attractiveness of landlord loans in 'off gas' areas in particular. As table 2 of the consultation document outlines, the loan maybe double or more than a comparable 'on gas' property, but the rental income would not be higher to offset the loan against. Suggest further consideration is given to this issue, for ways to make low cost loans equally attractive to Landlords in 'off gas' areas to ensure that the least efficient properties with the higher energy costs are addressed in rural areas in the long term. One way could be a blend of grant/loan.

In Powys, when transferring from grants to interest free loans, we initially experienced a significant drop in uptake however, this recovered over time as clients adjusted to the concept of receiving assistance via use of sustainable revolving loans. Removal of financial assistance for the private rented sector may also result in an increase in empty properties. This would be particularly relevant to those not subject to a mortgage, as landlords could chose to leave their property empty, rather than invest in costly energy efficiency measures.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

For item a) the age restrictions will result in a narrow target market and it would become difficult to identify and engage with eligible households, which may discourage people from applying and reduce take up. Also, this will exclude people who receive a qualifying means tested benefit and have a disability or chronic health condition vulnerable to cold homes but who do not fulfil the health criteria in b). Suggest that the age restrictions are lifted.

For item b), the criteria of a respiratory or circulatory condition is more narrow than the groups eligible for the winter flu vaccine or the NICE Guidance “NG6 Excess winter deaths and illness and the health risks associated with cold homes”. We recommend that clarification is provided for which respiratory and cardiovascular conditions are eligible. The NICE Guidance NG6 identifies the following groups as being vulnerable to the cold:

- people with cardiovascular conditions
- people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)
- people with mental health conditions
- people with disabilities
- older people (65 and older)
- households with young children (from new-born to school age)
- pregnant women
- people on a low income.

We agree that it is a positive step to link the criteria to health and wellbeing, but suggest that the criteria is aligned either with target groups eligible for the winter flu vaccine or with the vulnerable groups identified in NICE Guidance NG6.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

Answers as follows:

A) GP surgeries, Health Boards, Social Services, District Nurses, Practice Nurses, Care and Repair, Ambulance service etc and Local Authorities.

B) Individuals could demonstrate that they have a qualifying health condition through data matching (we understand that the Read Codes / ICD-10 codes held by GPs identify specific medical conditions).

Alternatively, individuals could be referred by their GPs or Consultants. However Powys has a large border with England and many householders travel to Telford Hospital, Shrewsbury Hospital or Hereford Hospital to receive treatment. If medical professionals are carrying out the referrals, then medical professionals over the border who treat people from Wales would need to be aware of the schemes and support available, and have the resources to refer people, or alternative arrangements need to be put in place.

For all of the above potential referral partners, whilst they are well placed to carry out the referrals, they all have finite resources and we have concerns about their capacity to refer people and take on additional work. People who are most in need of the scheme maybe put off by waiting lists, so we recommend that both the eligibility criteria and referral process is made as simple and straight forward as possible (e.g. via a portal).

C) No comment

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Further clarification is needed which cardiovascular and respiratory conditions will be eligible.

We understand that the Read Codes / ICD-10 Codes provide data and a way of identifying people with specific medical conditions.

Work with Local Health Boards, GP surgeries, district nurses, practice nurses, community hospitals, ambulance services, pharmacies etc. Carry out outreach events in local hospitals, GP surgeries, specialist clinics etc.

Work with front line workers e.g. Social services, Income and Awards, housing front line workers, Care and Repair, Day Care Centres etc.

Work with Charities, such as Care and Repair, Citizens Advice, Red Cross, Age Cymru and other local charities

Consider providing case studies and progress updates for continued support and engagement. Consider having a local champion in key organisations. Articles in local press and magazines.

Consideration will need to be given to targeting individuals who live in Wales but receive medical treatment over the border.

During the last scheme the number of enquiries increased significantly when we started working with our Partnership Development Manager, we would recommend that this post is included in the future scheme to raise awareness in local communities.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

We receive enquiries from homeowners who are on low incomes but are not on any means tested benefits and do not necessarily have any respiratory or cardiovascular health conditions. Will there be any support available or schemes for these householders? Or will this demand be met by home improvement loans?

Sometimes the most vulnerable people (who could potentially benefit the most) will be the most reluctant to have energy improvement works because of the disruption and stress involved in carrying out the works. In some instances they may not want the improvement work carried out. There will need to be greater levels of engagement and hand holding through the process should they decide to progress with the works.

We understand that there is an option to fast-track measures under the current scheme for vulnerable people, and suggest that this option is included in the future scheme.

It would be interesting to know how progress will be monitored - there should be a process to measure key performance indicators (e.g. GP appointments, prescriptions etc) and the impact the scheme is having.

We believe low interest loans should be delivered via existing established Welsh Government delivery models i.e. via incorporation into the Home Improvement Loan scheme delivered by all local authorities. However, there will be a requirement for adequate revenue funding for local authorities to deliver this model.

For rural communities it is essential that quality assurance checks are carried out to ensure that the scheme delivers improvement measures which are in the spirit of the schemes key objectives.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

**Anonymous**

<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input checked="" type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

### QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>The proposals to provide advice and energy efficiency improvements to consumers complements the existing GB-wide WHD and ECO schemes. This will allow for the continued leveraging of ECO funding.</p> <p>We recognise that effective in-home advice can help ensure that the benefits of energy efficiency improvements are properly realised.</p> <p>We commissioned research in 2014 on how consumers benefit from the Warm Home Discount scheme. These video case studies highlight the value of advice provision under the scheme.</p> <p>From our experience of responding to consumer enquiries on the ECO scheme, we would suggest that householders are provided with detail on how to resolve any future issues with measures, and who is liable for addressing any problems. Similarly, information on how to ensure properties are adequately heated and ventilated can help to mitigate any risks of damp or other problems arising.</p> <p>We would encourage provision of information highlighting how consumers can monitor their energy use and new energy tariffs going forwards. In this way they can increase</p>

their awareness of the benefits of switching in the long term.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Pursuing a whole house approach can offer the best outcomes (in terms of carbon and cost savings) for the benefitting consumer and improving the efficiency of the housing stock; however this entails a trade-off with the amount of homes that can be treated. Given the estimated number of fuel poor households in Wales it may therefore be best to aim for increased delivery across the population by moving away from a whole house approach.

The Carbon Emissions Reduction Obligation (CERO) element of the ECO scheme focuses on the installation of wall and roof insulation measures and connections to district heating systems. In CERO, these measures are referred to as 'primary measures'. Other insulation measures such as glazing and draught proofing are also eligible as 'secondary measures' if they are installed at the same premises as a primary measure and the primary meets certain minimum conditions.

The approach taken under CERO allows for more than one measure to be delivered at the same property, yet in practice discourages the delivery of multiple measures to the same premises because of the current scoring methodology and the types of measures often require different tradespeople and/or multiple visits, causing disruption to the consumer. A primary/secondary measure approach could be an effective way to address the trade-off between consumer outcomes and scale of delivery described above.

It is also worth noting that ECO was initially designed to provide whole house energy efficiency solutions, but in practice we see that (according to data up to June 16) 1,905,262 measures were delivered to 1,526,154 properties. The lack of whole house delivery in practice could be associated with the increased costs involved in co-ordinating the installation of a range of measures in the same property around the same time. These costs are also exacerbated in more rural or isolated locations.

## Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

We would not recommend the use of spending caps. Caps can help ensure a greater distribution of support through Nest, however an absence of caps doesn't necessarily mean scheme delivery would be concentrated on a smaller number of properties, for the reasons outlined above (to do with inflated costs and disruption to consumers). Caps could actually limit the range of measures available to households, especially those with gas boilers. Installing external wall insulation, for example, would likely require significant additional funding through ECO or other sources to be economically viable to deliver.

The use of caps could act to encourage installers to deliver measures in properties where there was no risk of breaching the cap. They may also encourage higher customer contributions towards measures, and can be problematic to administer/monitor.

Under the ECO scheme, delivery to off-gas properties is incentivised in recognition of the increased costs of delivery in those areas. If caps are continued, a varied approach could ensure these differences in delivery costs and accounted for.

Clear definitions would be required for what constitutes off/on gas properties – for example, many urban locations are heated primarily by electricity. As such, off/on gas properties is not necessarily an accurate proxy for rural/urban. Furthermore, controls would be needed to ensure there was no gaming of the system or fraud.

Ofgem E-Serve has a counter fraud team that actively investigates fraud issues on ECO and takes appropriate steps to arrest any trends. We would be happy to share our expertise in this area.

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

The Department for Business, Energy & Industrial Strategy (BEIS) recently consulted on an extension to the ECO scheme. A key proposal was to simplify eligibility requirements for the Affordable Warmth Group through removal of qualifying components for some benefits. This has been proposed on the basis that the qualifying components did not improve targeting, added administrative complexity and increased suppliers' search costs. Where possible we would suggest aligning eligibility criteria as much as reasonably practicable to facilitate the schemes working alongside one another.

Ensuring requirements can be readily evidenced is essential to delivering activity. We have considerable experience of producing guides and documentation to help facilitate the evidencing of consumer eligibility and would be happy to share this experience.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented**

**sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Consideration should be given on how to evidence that a property is used to address homelessness and at what point occupants of such properties are no longer considered as homeless.

More broadly, our experience from ECO is that demand for energy efficiency improvements is lower in the Private Rented Sector (16% of all ECO2 measures).

The Private Rented Sector Energy Efficiency Regulations also require that residential private landlords cannot unreasonably refuse consent to a tenant's request for energy efficiency improvements where funding is available. This means that tenants in the PRS will still be able to benefit from energy efficiency measures via ECO.

Finally, under the current ECO regulations, delivery to homes in multiple occupancies is allowed. We have experience with the best methods for working out carbon/cost savings in such properties, where traditional scoring methods such as SAP and RdSAP are not appropriate.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Our view is that data matching should be used to the greatest possible extent, thus reducing issues around data protection and the burden on consumers in sharing information. Under the ECO scheme we have a robust data matching system in place with the Energy Savings Advice Service & Department of Work and Pensions and would be happy to share details of this if required.

Other automated verification methods should also be utilised where possible, such as using Land Registry searches to verify tenure.

Where eligibility has to be evidenced manually, requirements should be clearly stated to ensure consistency, including the age of documentation, recognising that notifications for benefits are not always received annually. Per question four, we would be happy to share our learnings from ECO with you in this area..

#### **Question 7**

- A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**
- B) How could individuals demonstrate they have a qualifying health condition?**
- C) How do you think a referral system should be funded?**

NA

**Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

NA

**Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

We note that many of the activities covered in the front end advice & referral services have potential to attract funding from obligated suppliers under the Warm Home Discount industry initiatives. You may wish to consider whether this service is offered separately when inviting bids to run the service in order to maximise leveraged funding from such programmes. As administrator of the Warm Home Discount, we would be happy to discuss how this might be delivered within the regulations of industry initiatives.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

**How to respond**

Please submit your comments by **19 October 2016** by email or post.

***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

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Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	18/10/2016	
<b>Name</b>	Terry Mills	
<b>Organisation (If applicable)</b>	Ministerial Advisory Forum on Ageing	
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<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input checked="" type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>a) Yes</p> <p>b) Agree that in-home advice should be offered but should not be restricted to those eligible under the proposed criteria. Eligibility for 'hand-holding' advice should include those groups identified in "Delivering Digital: A Strategic Framework for Wales (March 2016). Older people, disabled people and social housing tenants are the groups most likely to be digitally excluded, therefore financially excluded and most likely to need one to one support with switching</p>

suppliers.

Pension credit is one of the benefits with the worst levels of take up. There needs to be a clear referral system for Benefit Entitlement Checks with a re-entry process into the programme.

Local authorities and the third sector are key to provide the advice but also to provide information on the new scheme.

As specialist in their fields, members of Age Alliance Wales and the Carers Alliance would be key partners in delivering advice to the relevant target groups.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes but there is evidence that older and disabled people do not have work such as loft insulation fitted as they are unable to clear their attics.

Perhaps including emptying and returning contents could be included in the scheme for those that are unable to do this?

## Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Yes

## Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

No

Older people make up the vast majority of excess winter deaths. Over 20% occur in the 65-74 age group. (Excess Winter Mortality in England and Wales : 2014/15 (Provisional) and 2013/14 (Final) To seriously address the issue of excess winter deaths we believe that the scheme should be available at state pension age. The argument that children under the age of 5 spend a large period of time in their homes is equally true of many pensioners.

If an older person is in receipt of Attendance Allowance or Carers Allowance is paid to provide care for a person aged over 65, the household should be eligible under the new scheme. Older disabled people are not equitably treated under the proposed criteria as many of the benefits are not applicable post 65.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Yes

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

- a) No - Older people make up the vast majority of excess winter deaths. Over 20% occur in the 65-74 age group. (Excess Winter Mortality in England and Wales : 2014/15 (Provisional) and 2013/14 (Final) To seriously address the issue of excess winter deaths we believe that the scheme should be available at state pension age. The argument that children under the age of 5 spend a large period of time in their homes is equally true of many pensioners.

If an older person is in receipt of Attendance Allowance or Carers Allowance is paid to provide care for a person aged over 65, the household should be eligible under the new scheme. Older disabled people are not equitably treated under the proposed criteria as many of the benefits are not applicable post 65.

- b) Yes – Remembering that many people suffering respiratory or circulatory disease will be older.

#### Question 7

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

- a) Age Alliance Wales and the Carers Alliance would be key partners in delivering advice to the relevant target groups. Condition specific third sector organisations eg British Heart Foundation. NHS services and GP surgeries. Local authorities
- b) Copies of consultant/GP letters confirming diagnosis. Qualification for Attendance Allowance or Carers Allowance.
- c) Centrally and through local authority information and advice contracts.

#### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

- a) Age Alliance Wales and the Carers Alliance would be key partners in delivering advice to the relevant target groups. Condition specific third sector organisations eg British Heart Foundation. NHS services and GP surgeries. Local authorities

### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

This is a great opportunity to reduce fuel poverty by increasing income as well as increasing eligibility for new scheme. There needs to be close links to benefit advice services with measureable outcomes. The potential for reducing fuel poverty and addressing excess winter deaths may be greater by increasing income than by whole house energy efficiencies.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### How to respond

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

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Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Date</b>	19.10.2016	
<b>Name</b>	Kathryn James	
<b>Organisation (If applicable)</b>	ROCKWOOL Ltd	
<b>Address</b>	Wern Tarw, Pencoed, CF35 6NY	
<b>E-mail address</b>	Kathryn.james@rockwool.com	
<b>Telephone</b>	01656 868311	
<b>Type</b>	Individual	<input type="checkbox"/>
	Businesses	<input checked="" type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

### QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>Yes we agree with the proposed support offered by the new scheme.</p> <p>We believe that in-house support to advise households on how to make the most effective use of any energy efficiency measures installed is important in optimising the impact of the scheme. For the sake of continuity, we suggest the person best placed to give advice is the NEST assessor who carried out the original property assessment.</p>

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes we strongly believe a whole house approach is the most appropriate way for Nest to tackle fuel poverty. Furthermore, in keeping with the energy hierarchy, fabric first principles should be applied to ensure the fabric of the house is optimised before attention turns to the heating source. In this way, energy efficiency can be locked into the fabric of the building for the long term.

It is clear that the high volume of heating systems delivered through the scheme so far means that a whole house approach is not necessarily being applied. We suggest a tiered approach where uninsulated walls and roofs are tackled first (where technically feasible) before a new heating system is installed. Sequencing works in this way means that any heating system is appropriately specified and sized for the newly efficient property.

To further support a 'fabric first' approach, while recognising it may not be possible in all cases, we recommend that a cap should be introduced for the use of all heating measures in thermally inefficient buildings to support a sustainable and long-term value for money approach. This will ensure that public money is not being used to subsidise wasted heat through leaky housing fabric.

## Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

A) We appreciate the need to strike a balance between improving hard-to-treat properties and targeting as many households as possible. However it is important that a scheme to tackle fuel poverty does take on hard-to-treat houses, such as those with solid walls.

A household is disproportionately more likely to be in fuel poverty in a home with uninsulated solid walls, with almost half of all fuel poor households living in solid walled homes despite such homes making up less than a third of total housing stock.

The most recent statistics on fuel poverty published in England showed that not only were people living in solid wall homes more likely to be in fuel poverty, but the depth of fuel poverty is also much greater so these households would have to spend far more than others to bring their home up to a reasonable temperature.

To balance supporting households with high cost improvements against ensuring the scheme benefits as many fuel poor households as possible, we would recommend introducing a ring fenced target for insulating solid wall properties within the overall scheme outside the spending caps for different types of property. A spending cap alone acts as a disincentive to delivering solid wall insulation, jeopardising the whole house approach and acting against fabric first principles.

The level of the ring fence would depend on the overall scheme budget which has not been made clear in the consultation document. We believe that around 400 solid wall homes a year could be treated under NEST and within the current spending levels if the spending caps modelled by CSE were applied to all measures for non-solid wall properties or measures other than solid wall insulation for solid walled properties both on and off the gas grid.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

ROCKWOOL strongly supports measures which:

- support scheme simplification and customer understanding of eligibility;
- allow measures to be targeted where they are most needed; and
- support the targeting of support to households with a) children, whose educational outcomes can be affected by fuel poverty and whose life chances are impacted by poor early years health due to cold and damp homes b) the elderly, who are particularly vulnerable to cold and damp related illnesses.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

We believe the provision of repayable low-cost loans is a good way of providing finance to landlords of private rented sector properties to improve the energy efficiency of their properties.

The Private Rented Sector Energy Efficiency Regulations requiring PRS properties to have a minimum energy performance rating of E on an EPC are due to come into force on 1st April 2018. The references to the Green Deal in the regulations risks making them ineffective and unenforceable. We urge Welsh Government to work with the UK Government to a) amend the regulations with respect to the demise of the Green Deal and b) to ensure the Welsh Government's low-cost loan scheme is recognised as a

suitable form of finance for private landlords to access to improve their properties.

Properties used to address homelessness are likely to house vulnerable people and might also attract lower than market value rents. Therefore we believe it is right to include these homes within the eligibility criteria for NEST.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Yes ROCKWOOL agrees with the proposed means of demonstrating eligibility. We have given more detail on the third party referral service proposed for households on a relative low income with a member suffering from a respiratory or circulatory disease in our answer to Question 7 below.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

A) ROCKWOOL supports the idea that actors with strong local knowledge may be well-placed to refer eligible households. In order to guard against misuse and poor practice, ROCKWOOL suggests that this should be limited to Local Authorities, recognised public bodies such as Community Health Councils, expert charitable bodies, and similar.

The UK Government has consulted on 'flexible eligibility' for ECO funding which enables Local Authorities and others to refer households deemed to be at risk of fuel poverty for ECO funded measures. The response to that consultation is not yet available but we would suggest when it is available, that the Welsh Government should conduct a check of its NEST referral process against those rules to ensure compatibility between the two and maximise the amount of ECO funding available to NEST projects.

B)&C) are not within our area of expertise.

### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

This is not within our area of expertise.

### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

We have provided specific answers to most of the questions above. The key points we wish to make about our response are:

- We support a whole house, fabric first approach in accordance with the energy hierarchy; heating demand reduction should be the first action before optimisation of the heating source, locking energy efficiency into the fabric of the building for the long term.
- People living in uninsulated solid wall homes are more at risk of fuel poverty and so any scheme designed to tackle fuel poverty must also tackle solid walled properties.
- We have proposed a ring fence for solid wall measures to balance treating houses with high up-front costs and delivering to as many households as possible.

We believe it is essential to ensure that the third party referral process is reputable and aligned with ECO requirements to ensure compatibility between the schemes.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### How to respond

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	18 <sup>th</sup> October 2016	
<b>Name</b>	Liz Lambert	
<b>Organisation (If applicable)</b>	City of Cardiff Council – please note this response is an officer response and the contents of the document do not necessarily represent the view of the organisation	
<b>Address</b>		
<b>E-mail address</b>	ELambert@cardiff.gov.uk	
<b>Telephone</b>	029 2087 3228	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input checked="" type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>In general we support the continuation of the Nest scheme but there is concern over the proposed changes to the eligibility criteria, in particular the removal of support for those of working age and the private rental sector. It is unclear why Welsh Government are amending funding criteria and what these amendments seek to achieve. There is need for clarity on the budget for Nest especially as the Welsh Government target of eradicating fuel poverty as far as is reasonably practicably by 2018 (Warm Homes and Energy Conservation Act 2000) is fast approaching.</p> <p>Home visits are vital for those receiving measures so that they not only understand how the new measures that are being installed work (eg central heating system) but also so that can receive additional energy efficiency advice to further reduce their fuel costs / energy demand. It would be beneficial for clients to receive financial inclusion</p>

advice alongside this energy efficiency advice, or to be referred to those that can assist with this, as households in fuel poverty are normally also in other forms of poverty.

The City of Cardiff Council along with 4 other SE Wales local authorities participated in the WG funded Little by Little project. This project offered energy efficiency and financial inclusion advice to households that had been subject to hard energy efficiency measures under the Warm Homes Arbed funding. Outcomes from the project demonstrated significant additional savings from the energy efficiency and energy switching advice given and identification of additional benefits that households were entitled to.

Local partners could provide this in-house advice or alternatively the Nest scheme could fund a post to be hosted by each local authority to provide this in-house advice (in a similar manner to how the Little by Little project officers were hosted and worked).

It would be beneficial if some form of advice was also available to all calling the Nest helpline regardless of if they qualify for installation of measures or not (particularly as the qualifying criteria are becoming more rigorous), as they are demonstrating need making the enquiry. Ideally these enquires would be able to receive in-home advice as this is more effective than phone advice or referral to websites, however it is appreciated that in-house advice is very resource intensive.

### Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

The whole house approach is the preferred approach in order to achieve maximum improvements to properties, however the Nest scheme to date has not taken this approach in the majority of cases (84% of households only received one measure).

Part of a whole house approach is to provide in-house energy advice around the time of installation of hard measures (see previous comments in support of this advice in Question 1).

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Spending caps in principle are useful in order to ensure the maximum number of people benefit from the scheme. However there also needs to be an element of flexibility to avoid prevention of appropriate measures where needed – eg an overspend of £500 whilst generally significant may be small in the context to £12,000 improvement that could be the difference between a property being able to have works

to achieve suitably improved EPC rating and significant benefit to residents. If flexibility was to be incorporated into the scheme who would then have the authority to approve this?

The proposed spending caps seem quite low considering the scheme is to take a whole house approach (ie more than one measure installed) and that the ideal target properties are the 'hard to treat' which by nature generally cost more to retrofit. Is there data available on how many people / houses would be likely to be adversely affected by the proposed spending caps?

Aligning spending caps with EPC ratings is a rather crude method of assigning funding. Due to the variable nature of SAP calculations this could mean a property that scores only one SAP point difference to another property being subject to a spending cap £1,000 less for on gas properties and a significant £4,000 less for off gas properties. Where SAP scores are in these EPC band change over areas would there be an opportunity to have flexibility in the scheme, and again if so who would have the authority to approve this?

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

The proposed eligibility criteria seem too restrictive for an unclear purpose. Is this as the total funding pot for Nest is due to decrease and that there is need to reduce demand so that the scheme stays open for the year rather than having to close mid year due to successful uptake?

In particular the removal of working age people seems unfair. Currently many of the Nest clients are of working age and it is unclear where they would be able to access support if the changes are implemented leaving many adults and children over 5 living in fuel poverty.

It is noted that the older age criteria are set at 75 when setting it at 65 would seem more appropriate as most people have retired by this point, and are more likely to be in fuel poverty due to being at home more combined with a reduction in income. This could result in creating more health issues in later years by not improving the households of these younger 'pensioners'. This demonstrates the urgent need to start linking health and warmth agendas and associated budgets.

Additionally, only including households with children under 5 means that many families with older children will miss out on funding. It is well documented that children growing up in homes that are under heated not only suffer health issues but also have lower school attainment due to not having a quiet and warm area to study at home.

There is a gap in the eligible health conditions. This covers respiratory and circulatory disease which are well documented to be exacerbated by a cold or damp home, but does not include mental health conditions which can be both caused and exacerbated by such housing conditions.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented**

**sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Whilst we understand why it is proposed to remove the private rental sector from Nest (with the exception of properties used to address homelessness) it is unlikely that the majority of landlords will improve their properties without some form of incentive being in place.

The target of all rental properties being above EPC rating F by 2020, with new tenancies by 2018 (Minimum Energy Efficiency Standards Regulations 2015), should in principle achieve these improvements. However, it is unclear whose responsibility it is to enforce this target and how this enforcement would be resourced, particularly in the climate of public sector cuts. Additionally, the Regulations can be interpreted that works don't have to be carried out if there is cost to the landlord (NB this legislation was drafted when Green Deal Finance was in existence). It would be very useful to get clarification from Welsh Government on the legislation and to take this into account in the decision on whether to include the private rental sector in Nest.

It is likely that removal of the private rental sector from Nest will result in tenants being left in fuel poverty with no mechanism in place to offer improvement of these properties. It is suggested that a partial grant combined with loan / property charge for the private rental sector is explored to provide an incentive for landlords to improve their properties.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

We are in agreement with the proposed method of demonstrating eligibility of households in receipt of a qualifying means testing benefit and having a member over 75 or under 5.

The method for demonstrating eligibility for households on a low income and with a member suffering qualifying health conditions is more complicated. By using a pre-approved third party referral system as suggested in the consultation there is a risk that households that aren't in contact with these third parties won't get the support they need (at present anyone can call the Nest helpline and get screened for eligibility). There is also concern that this approach would drastically reduce referrals from other agencies, reducing established partnership working.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

The health sector would seem the obvious referral partners for qualifying health conditions. However, most health workers are very busy, especially GP's who already have good linkage with those with respiratory and circulatory conditions which require regular medication prescriptions. Health workers would be unlikely to be willing or able to assess income of clients.

Another referral partner could be an agency already working with the target eligible groups. For example, Care and Repair work across Wales and specialise in the over 50's. However, they don't cover the young and would need additional resource provided to take on the extra workload.

The term 'relative low income' also needs to be defined and it would be helpful if there was some element of flexibility in this. If there is to be flexibility who approves this?

Demonstrating qualifying health conditions should be as simple and cost effective as possible. Requiring a doctor's note is costly and could be perceived as a waste of GP's limited time. A copy of a recent prescription would seem more appropriate if there was guidance given as to which drugs are linked to these qualifying health conditions.

Such a referral system would require funding as additional staff would need to be recruited whichever referral route was selected, and it is unclear how such a system would be funded.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

There is no single mechanism for targeting those with qualifying health conditions and a partnership approach would seem appropriate to ensure people are widely targeted. Suggestions include:

- Care & Repair and other such agencies
- Specific heart and lung organisations
- Doctors - during consultations, by advert at the surgery or via letter to those identified as having the qualifying health conditions
- Pharmacies – by advert in the pharmacy or targeting of those with repeat prescriptions for known condition medications

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

N/A

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

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Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

#### Anonymous

<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>

	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input checked="" type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<b>Question 2</b>
<p><b>Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.</b></p>
<b>Question 3</b>
<p><b>A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.</b></p> <p><b>B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.</b></p>

--

**Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Some people on low incomes are not eligible for means tested benefits due to e.g low paying self-employment. E.g. farmers. Could self-employment accounts be used as evidence?

**Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

From personal experience doubt private landlords would be willing to take out loans for energy efficiency, without putting the rent up, which would offset any savings a tenant would be able to make from higher efficiency.

**Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate**

eligibility? Please provide evidence to support your answer.

Why not over Pension age, rather than over 75?

**Question 7**

- A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**
- B) How could individuals demonstrate they have a qualifying health condition?**
- C) How do you think a referral system should be funded?**

**Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

**Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

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Cardiff CF10 3NQ

## **Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	19 October 2016
<b>Name</b>	Esther Tallent
<b>Organisation (If applicable)</b>	Energy Saving Trust
<b>Address</b>	33 Cathedral Road, Cardiff, CF11 9HB

<b>E-mail address</b>	Esther.tallent@est.org.uk	
<b>Telephone</b>	07507 882 043	
<b>Type</b>	Individual	<input type="checkbox"/>
	Businesses	<input checked="" type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## **QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>We agree with the proposed support in broad terms. The provision of advice should remain a key component of the scheme, as reflected in the Nest Evaluation report, as it increases the likelihood of embedding behaviour change, maximises the benefits of any installed measures, and can help householders to remain out of fuel poverty subject to changes in income and energy costs.</p> <p>However, the list of advice proposed in the consultation is less than is currently provided. One of the strengths of the current scheme is the one-stop-shop approach which provides access to a larger range of support, advice and referrals to both local and national schemes. Fuel poverty has three causes: high energy tariffs, low incomes and low energy efficiency. While tackling energy efficiency is the best long term solution to fuel poverty, it is vital that fuel poverty alleviation programmes also address the problems of low household incomes and access to affordable energy tariffs. NEST has done this to date by signposting to Warm Homes Discount (delivering lower tariffs) and referring to benefits checks (increasing income). That support needs to continue.</p> <p>The Nest annual reports highlight that 1,190 people have received additional benefits, worth £2.25million, as a result of a benefit entitlement check; over 1,000 people have been signposted to the Warm Homes Discount Scheme with a total value of over £140,000; and many others have received support from Care and Repair, North and Mid Wales Fire Service and, most recently, Dwr Cymru.</p> <p>To maximise impact on the largest number of fuel poor households, NEST also needs</p>

to refer to other energy efficiency and home improvement programmes where these are available. This provides invaluable support to householders and establishes reciprocal arrangements with partner schemes and organisations which targets support to householders in most need and supports the promotion of the Nest scheme.

It is not clear from the consultation document if the proposed provision of advice will be available to all, regardless of eligibility for a whole house assessment, or how the new scheme will link with Resource Efficient Wales.

We would recommend that the range of advice and referral partners is maintained and developed within the new scheme to maximise the impact of the scheme for fuel poor households in Wales. We believe this is a strength of the current scheme and should be maintained.

We welcome the proposal to include in-home advice, but please note our comments at question 2 about whole-house assessments and the budget for the scheme. If the reality of the scheme is that only a limited menu of lower-cost measures are available, then in-home advice (certainly detailed in-home advice) may be less appropriate.

In-home advice can be delivered in a number of ways – from broad advice not dissimilar to that which could be provided over the phone to a full ‘audit’ approach which takes into consideration the needs of the household and their property and effectively provides a level of ‘training’ for householders. Consideration should also be made on the scope and limitations of in-home advice – who would be eligible for the service (all or specific subsets of customers) and any risk of capacity not meeting demand, the balance between advice and recommendation needs to be managed carefully so that customer are supported but do not feel pressured into making changes, and also the needs of potentially vulnerable customers who may need specific support and have particular expectations of the service.

Further, in considering in-home advice we would recommend that consideration needs to be given to who delivers the service, at what stage of the process it is delivered (as part of a supported application service or following the installation of measures, for example), and the training needed to ensure a high quality level of advice is available.

We believe that in-home advice and whole house assessments are the best way of achieving the Welsh Government’s aim of increasing the likelihood of continued behaviour change, reduced energy consumption and a household remaining out of fuel poverty. However these solutions can be labour-intensive and relatively expensive, compared to other delivery albeit more effective. Therefore we believe that Welsh Government needs to clearly define the scope of in-home advice and which customers would be targeted.

## **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Nest’s highly effective delivery to date has been built around a whole house approach. We support the proposal to continue this approach as it ensures that the needs of the property and household are both considered when identifying which measures are most appropriate as well as looking to increase the property’s EPC rating.

If in reality only a relatively small number of measures are available and there is a low spending cap, then each available measure could effectively be prioritised and offered in a specific order rather than through a Whole House Assessment approach. EST would not recommend this approach, but would question the value of the whole house approach in such a scenario as the scheme would effectively concentrate on boiler replacements.

However, we feel that consideration should be given to the range of measures available and that all measures should be available equally (i.e. one measure not being dependent on another being installed) where they individually or collectively meet the needs of the household and property and aim to reach the target EPC.

Other schemes provide a wider range of measures, such as windows and a greater range of insulation, including the Warmer Homes Scotland scheme in which Energy Saving Trust is a partner in Warmworks the organisation delivering the scheme for the Scottish Government. A wider range of measures would ensure that there are measures available that address the needs identified in a Whole House Assessment and avoid the disappointment of householders completing the application process but not receiving any measures. While some of these measures may impact on the chosen level of any spending cap, to be addressed later in our response, a whole house assessment approach is only meaningful and effective if there is scope to deliver the measures needed.

Consideration should also be given to those cases where, following a whole house assessment, measures are not able to be installed in part or in full due to ancillary costs (replacing flooring, clearing lofts etc.). There could also be an opportunity to allow a household to make a cash contribution towards additional measures which could be installed in addition to those identified as essential as part of the Whole House Assessment but that go beyond any spending cap.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

We acknowledge that spending caps are proposed to help ensure a fair distribution of funds to as many properties as possible, and that the Welsh Government proposes to undertake an impact assessment before defining the specific levels.

However, low spending caps can undermine the value of the whole house assessment approach which looks at the measures needed to bring a property up to an EPC C-rating. We would recommend that spending caps are used as guidance rather than a fixed amount and that a 10-20% allowance is included where the whole house assessment recommends specific measures that would reach an EPC C-rating but would otherwise go over any proposed cap. This would avoid the greater likelihood with lower spending caps that more properties will not receive any measures or reach the target EPC rating.

The risk of a lower spending cap is that low cost measures will be prioritised, most likely boiler replacement, which undermines the whole house assessment approach. Similarly, higher cost measures (e.g. external wall insulation) are significantly less likely to be available to households where the whole house assessment has identified this as the most suitable measure.

While we recognise that the on-gas and off-gas distinction is an important one in relation to the cost of heating, we would suggest that wall type is also a key indicator to the measures most likely to be needed to improve a property's energy efficiency, particularly in Wales's older rural properties. The Welsh Government would also need to ensure that the future scheme continues to target both on-gas and off-gas properties, and consideration should be given to the impact that spending caps could have on the volume of properties supported. Over the lifetime of the Nest scheme the Annual Reports have shown that in any year 16-30% of households receiving measures are off-gas properties.

We would recommend a different and higher cap for solid wall properties to allow solid wall insulation to be installed where appropriate.

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

The current scheme's eligibility criteria (means tested benefit and private or rented property) reach those most in need in Wales. While we acknowledge that the health impacts of fuel poverty are highest for the very old and very young, the rationale for the proposed change is unclear and the proposed criteria could be too limiting, less effective at tackling fuel poverty (which is not age discriminate) and, with other proposed changes, could increase the cost of finding eligible households.

There is clear evidence in the Nest Annual Reports to show that most households who receive measures are of working age. We are therefore concerned that adding age criteria to the eligibility requirements could significantly reduce the volume of eligible households and undermine the new scheme.

However, if Welsh Government has established the rationale for the proposed age related criteria and the impact it will have on uptake and budget, we would recommend that the age criteria are expanded in line with the Welsh Government's definition of vulnerable to include all households with children, people aged 60 years or over, or a disabled person. We would also recommend that pregnant mothers (evidenced with a MATB certificate) in households with the relevant benefit eligibility are included as they would be imminently eligible for the scheme and would benefit from having the installation in advance.

We recommend the continuation of all means tested benefits as the core eligibility criteria and would recommend that consideration is given to expanding the scheme to include health benefits (Personal Independence Payments, Disability Living Allowance, and Attendance Allowance) which identify people in specific need who are likely to be at home for longer. These benefits will reach people on low incomes, will incorporate

people living with long term health conditions, and are easy to evidence.

The volume of households supported by the Nest scheme has been significantly increased by its ability to leverage ECO funds. Therefore it is important that Welsh Government considers the outcomes of the BEIS ECO consultation and ensures that the new scheme continues to retain USPs over and above the ECO offering so that it can then attract ECO funding into the scheme. The wider and simpler criteria of Nest over ECO makes for a more attractive offering to customers and agencies who may refer vulnerable customers and reduces the barriers to application. For agencies supporting potentially eligible customers, a referral to Nest ensures that householders will receive the required support free of charge.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

We are strongly opposed to this proposal for the following reasons:

We recognise that private landlords are generating an income and in many cases running a business through the properties they own. However, fuel poverty is greater within rented properties not just because of the condition of the property but also because people on low incomes are more likely to be living in rented accommodation.

Data from the DECC [Annual Fuel Poverty Statistics Report 2016](#) identifies that fuel poverty is highest within the private rented sector.

Excluding rented properties will exclude the tenants who pay energy bills from the support available through the scheme, and Welsh/UK government policies are not sufficient to ensure that landlords of cold rented homes take advantage of the loans available to help reduce their tenants' energy bills.

The Nest scheme currently provides the support needed by households living in private rented properties where landlords cannot or will not make energy efficiency improvements at their own cost. The Nest scheme Annual Reports indicate that 15-33% of those receiving measures in any year are from the private rented sector, a significant proportion of the eligible households.

Under the proposed new scheme, the current support available to households in private rented properties will be lost.

The Welsh Government home improvement loans scheme appears to focus on tackling the prevention of accidents caused by hazards. While energy efficiency measures may be eligible within the loan conditions, the scheme does not appear to provide the level of support currently available through Nest and even if landlords do utilise it their tenants will not receive advice and support to reduce their bills (as outlined in question one).

Also, a loan is not an attractive financial offering to a landlord as they receive no immediate financial benefit from installing energy efficiency measures; nor are there sufficient repercussions on the landlord for not addressing the issues faced by the tenant who is struggling to keep warm.

From April 2018, the Private Rented Sector Energy Efficiency Regulations will come

into force requiring private landlords to improve their properties for new lets or renewals of tenancy to an EPC E-rating but these do not require landlords to spend any of their own money on making improvements.

These regulations will be improved if DBEIS amends them (as it is considering doing) to require landlords of F/G rated properties to spend their own money on energy efficiency improvements up to a cap of £5,000. The impact in Wales will be further improved if Welsh Government ensures that the loan scheme is identified in DBEIS regulations as a source of funding that landlords of F/G rated properties are obliged to take advantage of.

Nonetheless, even if these changes to the minimum standards regulations are made, we are concerned that the loan scheme and new regulations will have limited impact in addressing fuel poverty. An EPC E-rating is not as high as Nest's standard, and could still leave the property as potentially eligible for the scheme. Further, the minimum standards regulations are only triggered at change of tenancy and will not apply in properties where no EPC has even been issued. Finally, PRS households in Wales will have little or no support over the winter of 2017/18 before the regulations come into force.

We therefore recommend that the private rented sector is not excluded from the scheme until, at least, April 2018 and that during this time Welsh Government look to improve the regulations and their enforcement so that tenants in Wales do get the support they need. The regulations and loan scheme offer limited confidence that the Welsh Government will meet its obligation to 'get rid of fuel poverty, as far as is practical, in all households by 2018' when the current levels of fuel poverty are estimated to be 291,000 households in Wales. On this basis, we strongly believe that the private rented sector should be included within the proposed criteria for the benefit of low income and vulnerable households.

We would welcome a link with the Rent Smart Wales scheme and suggest that Welsh Government continue to enforce the number of properties a single landlord can have improved through the scheme, or place a limit on the value of support available to landlords, or that a contribution is sought from the landlord.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Earlier in our response, we outlined our support for the continuation of means tested benefit as the core eligibility criteria and the inclusion of health benefits (Personal Independence Payments, Disability Living Allowance, and Attendance Allowance). These benefits are easy to evidence which supports the customer and the administrative procedures, and provide a robust evidence for audit purposes.

The consultation document does not outline how age will be evidenced but we assume

that a birth certificate or similar recognised identification will be required.

We welcome the proposal that properties supporting homelessness will be included within the scheme, however there needs to be an appreciation that occupants of such properties may not easily be able to provide proof of benefits (as this requires an address). Also under the current Nest scheme there is a requirement that 'Private tenants must have resided in the property for a minimum of 6 months prior to a Nest application' and 'Private tenants must have a valid tenancy agreement with 6 months left to run, as a minimum', which would exclude applications from those on short-term tenancies.

In terms of the proposal to introduce relative low income criteria and health conditions, we feel that for any organisation to robustly assess and evidence a full household income and to understand which elements of income should be included in the calculations is a complex and lengthy task. The possession of this skillset alongside medical knowledge to be able to identify who would qualify under the new criteria is unlikely to exist within one organisation. Hence these two parts of eligibility may need to be separated.

We assume that proving the household income will require evidence to satisfy Welsh Government procedures and auditing and to reduce any risk of abuse of the scheme. This may prove to be a challenge for householders not on a means tested benefit or for those benefiting from multiple incomes whether undertaken by the scheme manager or a third party. Whilst there are existing schemes that operate in a similar fashion to this, the support available is of lower financial gain and there is an element of trust to the information provided. We would expect a Welsh Government scheme should be able to stand-up to robust and credible challenge in proving eligibility for the scheme.

We are also concerned about the two distinct application routes for future customers of the scheme and the complexity and time that this could add to a customer journey. For example, a customer may contact the new scheme directly and not meet the benefits criteria but is on a low income and the property is below an EPC E-rating. They would then need to be asked about their health and potentially referred to a third party to verify the household income and any qualifying health conditions before the customer can be assured of their eligibility status. This could result in a complex and time consuming customer journey particularly for a vulnerable customer and that there is no guarantee that any measures will be suitable for the property.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

Potential referral partners will need to be recognised, independent and trusted organisations with the necessary (probably national) reach to provide a robust and cost effective service. They are likely to require the necessary telephone service infrastructure and standards, and the facility to deliver a face to face service (most likely as part of its wider service portfolio) to undertake eligibility checks and, potentially, in-house advice.

In terms of health conditions, there may be parts of the NHS that could meet these needs; otherwise there are a number of health related charities that are likely to have the required specialist health knowledge.

It is not clear from the proposal if the third party referral partners would:

- a) refer customers through to the scheme manager, following the householder eligibility check, for the assessment of the property, or
- b) if the third party organisations would undertake both the householder and property eligibility checks, or
- c) if the property assessment is undertaken by the scheme manager who then refers the customer to the third party for a household eligibility checks

Depending on which option is envisaged, we are concerned that the proposed referral system could create multiple routes through to the scheme and that customers may be confused or frustrated by the systems.

For example, if a general promotion of the scheme encourages a householder to call the Nest phone number but they are eligible due to relative low income and a health condition, they would then need to be referred over to the third party. Similarly, central promotion undertaken by the scheme manager and targeted promotion undertaken by the third party would need to remain consistent (publishing two contact numbers for example could prove confusing).

That said, establishing 'formal' referral partners is an interesting development of the scheme. The current scheme has developed a large number of partners who directly refer clients and / or support the promotion and targeting of the scheme. The opportunity to formalise some of these relationships (particularly if the proposed changes to means tested benefits remove local authorities from a direct partner relationship) would help the promotion and reach of the scheme. However, if formal relationships are established (where the services of a third party are paid for) consideration would need to be given to the potentially negative impact on other partners who would not benefit financially and are under no obligation to promote the scheme or refer clients.

Demonstrating health conditions – we note that the report by CSE recommends that medical conditions are evidenced by a third party as a GP is likely to charge for a letter as evidence for the scheme. We question whether this is the most robust process and whether the Welsh Government, through the NHS, would be better placed to agree an arrangement with GPs to either:

- a) complete a pre-printed 'prescription' that is signed and authorised by the GP where the GP believes the patient meets the health criteria and needs to have their property and income assessed. There have been a number of schemes, so called 'boiler prescription' schemes, which have proved successful, albeit on a limited geographic scale. These models could be applied to Wales and the future Nest scheme, or

- b) the scheme manager undertakes the property and income assessment and then provides the customer with a form to present to their GP for completion to evidence eligibility on health grounds

In general terms, a third party referral process would need to be funded through the scheme's overheads. A fee per referral against agreed targets would be appropriate, although as this part of the scheme would effectively be 'untested' third party organisations would most likely look for core overheads to be directly funded.

We cannot comment on whether there would be a cost to the NHS or GPs for the suggestions outlined about.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Routes through the NHS (clinics in specific hospitals, etc.) and GPs would be the most direct. Many GP surgeries hold specialist clinics and may be able to undertake targeted direct mail to specific patients.

Similarly, health visitors and others working directly with patients in their homes could also support targeting and communications.

There are a number of specialist charities who would be able to publicise the scheme and often run local support groups.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

While we fully appreciate that the Welsh Government is looking to target support and to accommodate the potential of reducing budgets in future years, we believe that the future scheme should be open to as many people living in fuel poverty as possible. Rather than limit the scheme criteria and risk excluding people in need, specific groups can be targeted through the promotion of the scheme. The Nest scheme has been a success and we believe it should be enhanced to help the Welsh Government to meet its obligations and address fuel poverty in Wales.

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Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	19/10/16
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<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	Y
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>Solid wall properties make up less than a third of overall housing stock yet half of all fuel poor households live in an uninsulated solid walled home. Households eligible for support under Nest are often those that would not be covered by an Arbed scheme and would have difficulty attracting ECO funding. It is important that Nest does not freeze out households in solid walled homes who are eligible for support with overly onerous spending caps. We accept that a balance must be found to ensure that Nest funding can still target a high number of households. Please also see Question 9.</p>
<b>Question 2</b>
<p><b>Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.</b></p>

Yes. The new scheme must continue to take a 'Whole House' approach to energy efficiency measures as this is the most effective way of ensuring the scheme meets its core objective of tackling fuel poverty. In keeping with the internationally recognised Energy Hierarchy, the whole house approach must begin with 'fabric first' to lock energy efficiency into the fabric of the building before work is undertaken to optimise the heating source. Taking this approach also means any new or improved heating is appropriately sized for the upgraded building.

The current Nest scheme has delivered high volumes of heating systems which suggests that a Whole House approach is not being taken. We would suggest an approach where uninsulated walls and roofs must be treated before a new heating system is installed in the majority of cases. While accepting that this might not always be technically feasible, we believe a cap on the total number of heating systems that can be delivered to uninsulated properties should be introduced to further underline the importance of taking a Fabric First approach wherever possible.

Fuel poverty is driven by three factors: household income, the cost of energy and the energy efficiency of a property. Policy levers at the Welsh Government's disposal in the short term will have a limited impact on household income and energy prices. However policy can have a significant impact on the energy efficiency of properties and a scheme like Nest has the power to make a lasting difference to fuel poor households.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Please see Q9

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Please see Q9

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Please see Q9

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

Please see Q9

#### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Please see Q9

#### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

##### 1. General comments on the proposed scheme

MIMA has kept its main response to Question 9 as if it is the Welsh Government's objective for the new scheme is to narrow the focus of the support, then the proposals set out seem to achieve this e.g. by giving support to only the over 75s and under 5s, along with other criteria.

However, our understanding of the proposals is that what seems to have been a successful scheme is now being reduced in scope. It's difficult to tell the extent of the reduction from the numbers given. The document says "*in its first 5 years, Nest provided advice to over 85,000 householders, with over 23,700 of these householders benefiting from a package of home energy efficiency improvements. These figures exceeded the original targets.*" Other benefits such as access to the Warm Homes Discount have come on top of this.

The consultation document then suggests that around 50,000 households would be eligible for support under the new, narrower, eligibility criteria. Whilst this not insignificant, Welsh Government statistics show that between mid-2014 and mid-2015 the estimated number of households in Wales increased by 5,900 (0.4 per cent) to 1.332 million. As 23 per cent of all households in Wales are estimated to be in fuel poverty in 2016, this is equivalent to roughly 300,000 households. So even if the scheme were to treat all 50,000 households, this would cover just 1/6 of those in fuel poverty.

We fully recognise that grants and support need to be directed and targeted, especially when budgets are limited, but we would question whether there are enough additional policies and drivers in place – such as low interest loans – to improve not only the

remaining homes in fuel poverty, but also to make much needed progress in the “able to pay” sector. For example:

- The proposals to remove the private rented sector from the support package – what will be the expected uptake of the low interest loans which might replace the support now provided under Nest?
- If a spending cap per household is made, and the level depends on the EPC, when the cap does not cover the full cost of the measure e.g. EWI, and the home is in fuel poverty, how will the remaining costs be covered?

The Welsh Government will be aware that the energy efficiency sector is unified in its call for building energy efficiency to be classed as a national infrastructure priority as part of a whole energy system approach. Such a designation should not only allow a portion of funds allocated for infrastructure to be directed towards upgrading buildings, but would provide a clear signal for private sector investors. The National Infrastructure Commission has indicated that energy efficiency will come within its remit and the work of showing how different support schemes and incentives come together to deliver against an overall target for the sector is underway.

**We therefore respectfully ask the Welsh Government to view the implementation of the new Nest scheme as one part of a wider plan for Wales to bring a much larger proportion of the existing building stock to a better standard.**

## **2. Why a coordinated national infrastructure programme on energy efficiency is needed**

Buildings are one of the largest energy using sectors, and therefore any robust long-term infrastructure plan for the future energy system must include investment in energy efficiency to reduce demand and increase energy security.

Reassuringly, between 2005 and 2013 UK homes saw a huge 30% drop in (weather adjusted) median gas consumption. At today’s prices this means that approximately £5 billion less per year will be spent on gas alone across the UK’s 27 million homes than if consumption had remained at 2005 levels.

BEIS cited drivers for this drop in consumption as; government energy efficiency programmes, efficient boiler regulation and some austerity-driven thermostat adjustment, although the trend started well before the 2008 recession. This is a great UK success story, meaning we are already far more energy secure than we otherwise might have been.

However, the job of retrofitting the housing stock is only partially completed. As public investment in energy efficiency has dramatically reduced, alongside the fact that the majority of ageing boilers have been replaced and that we are no longer in recession, the downward pressure on national gas and electricity consumption will also have dramatically reduced. Despite the implementation of a string of government programmes over recent decades, the UK’s housing stock remains amongst the “leakiest” in Western Europe.<sup>1</sup>

<sup>1</sup> EBR/ACE, The Cold Man of Europe <http://www.ukace.org/wp-content/uploads/2015/10/ACE-and-EBR-briefing-2015-10-Cold-man-of-Europe-update.pdf>

To counter this, all existing buildings need to be brought up to a reasonable standard of energy efficiency, at least Band C on an Energy Performance Certificate. There are over 20 million homes in the UK below this standard which leave residents with high energy bills and the risk of ill health in cold temperatures.

Unfortunately progress is stalling. The CCC recently raised concerns about our lack of progress in this sector. For example, the CCC's 2016 Progress Report found that: "*The total number of energy efficiency measures installed under government schemes in 2015 was down 49% on 2014 and 87% on 2012 across cavity wall, loft and solid wall insulation. This was due to the reduction in installation under the Energy Company Obligation (ECO) during 2015, which was already delivering far less than previous policies in place to 2012. This lack of progress reflects the weakening of energy efficiency policy during this period.*"

Most of the progress so far has been through schemes linked to the ECO, which is of course funded through household energy bills. **Attracting significant private investment into home energy efficiency will require a national infrastructure programme with long-term delivery targets and Government capital investment to provide certainty to homeowners, investors and the supply chain.**

Secondly, as acknowledged a whole house, fabric first approach is the most cost effective way of tackling household energy efficiency in the long term. Despite the Welsh Government's stated intentions of promoting a whole house approach, NEST has largely driven the delivery of heating systems and boiler replacements. **We call on Welsh Government to ensure that a fabric first approach is taken where insulation is the first measure taken before heating is considered** i.e. a boiler may only be replaced/heating system installed where insulation being installed or where there is already insulation. In recognition of the fact that this is not always technically feasible, we suggest a cap on the number of heating systems that can be delivered into uninsulated homes to underline the importance of the fabric first approach to tackling fuel poverty.

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### **How to respond**

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Cardiff CF10 3NQ

## Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Date</b>	19.10.16	
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<b>Telephone</b>	01443 425369	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above ( <b>Local Authority</b> )	<input checked="" type="checkbox"/>

### QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>Yes but need to ensure cross referral to other local services provided i.e. energy advice role in local authorities and/or care &amp; repair services</p> <p>For the in-home advice it is also suggested that a follow up visit is made to help ensure that homes are managing to make the savings they intended and if having any issues with the energy measures installed.</p>

Before removal of partial grant, there needs to be consideration of whether this was not needed or just not used because it seems many organisations including ourselves were not aware that this was available. Also could ECO be sourced for these households through the scheme to help them receive some assistance.

Better links with ECO could be made to provide ECO measures through the scheme along with NEST measures to maximise whole house approaches and/or reduce the costs to the NEST scheme by bringing funding streams together.

### Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes but need to consider homes that have had single measures installed privately through previous energy company obligations and would therefore not be able to access any further assistance but if they had applied for NEST first they would have received more assistance.

Better links with ECO could be made to provide ECO measures through the scheme along with NEST measures to maximise whole house approaches and/or reduce the costs to the NEST scheme by bringing funding streams together.

Also need to consider more difficult to treat homes i.e. non traditional, prefabricated homes and the additional cost that these incur not just the rural and urban split so the current spending cap may not be sufficient for these homes. There are many homes off the gas network in urban areas.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Yes but need to consider property types as mentioned in response to question 2

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Disagree with age criteria of over 75 or children under 5. Should be lowered to 60 or at least 65 and include any households with children.

Agree with removal of private rented sector on the proviso that other types of assistance are available such as home improvement loans and the standards of accommodation are raised in that sector through other approaches. Considerations need to be given to the existing standards and whether these are considered sufficient to mitigate fuel poverty and its health implications. At present there is no requirement for homes to reach a specific SAP rating in the private rented sector as in social housing and this may present a gap for people living in the private rented sector in fuel poverty. Therefore, if the private landlord sector is removed that it is suggested that landlords could be given an incentive through partial grants and/or linking with ECO monies to encourage them to improve the energy efficiency of their homes as well as the availability of loan products. Some tenants may be fearful of reporting landlords to authorities for poorer housing standards because of repercussions of losing their home or some may not even be aware that this service exists.

Agree that homes used for homelessness through local authority discharge of duty can receive assistance to encourage landlords to work with local authorities to provide these types of accommodation and to help ensure that homes are of adequate standard to allow discharge of duty.

Agree that scheme should target the most energy inefficient homes but consideration should also be given to homes that have received external wall insulation or other energy measures through previous energy company obligations (particularly CESP or CERT) and which have now raised the SAP rating to the level that they can't seek assistance but may still meet all the other criteria and have a non working or very old heating system. In particular homes where the insulation system either external wall insulation or cavity wall insulation may be failing and the occupant is having problems with damp and mould and there is no SWIGA (solid wall insulation guarantee) but the SAP rating from the EPC would prevent them from seeking assistance. Currently there is no recourse for these homes outside of SWIGA and there are companies that delivered these measures directly to homes that are no longer in existence and did not provide all the necessary documentation/guarantees to home owners.

Agree with inclusion of low income households with a specific health condition, but the health conditions need to be more fully defined and would this also include people who are bed bound for other reasons i.e. stroke or other brain injury? Also need to ensure

that the benchmarks used for defining low incomes are workable in practice and determination of what health conditions qualify and what backing evidence is used to verify eligibility between different third parties to ensure a consistent approach i.e. guidance or a framework

Should consider leaving in housing benefit and/or council tax benefit as a eligibility criteria because this is itself is a national agreed assessment of low incomes and may be more relevant to some areas that the 'income below the 60% median' assessment. Also this allows for more targeting and identifying households from using data already available to local authorities. Low income households otherwise may be difficult to find in hard to reach community groups.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Yes in principle but as long as other incentives are available to assist with loans products i.e. partial grant payments.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

- a) Evidence of benefit and birth certificate or other formal form of identification which confirms age
- b) Proof of income
- c) Prescription or proof disability living allowance/attendance allowance, or a letter confirming appointment in for example asthma clinic.

Direct arrangements need to be made with GP practices for practice managers or nominated others to provide confirmation, not for the patient to have to pay for any doctors reports and also put further work pressures on GP.

Raise awareness with GP surgeries so that patients can be directly referred into scheme from them and this would be evidence of the health conditions.

Guidance and/or framework needs to be provided by WG to third party refers to ensure a consistent approach to confirming eligibility.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

A) Care & Repair, Local Authorities, Citizens Advice, GP practices

B) Prescription or proof disability living allowance/attendance allowance, or a letter confirming appointment in for example asthma clinic.

Direct arrangements need to be made with GP practices for practice managers or nominated others to provide confirmation, not for the patient to have to pay for any doctors reports and also put further work load on GP.

Raise awareness with GP surgeries so that patients can be directly referred into scheme from them and this would be evidence of the health conditions.

Many of these organisations already have a debt advice/money management and/or energy/fuel poverty services so a lot of this information is already being collected in many instances.

C) WG should consider a referral fee to third parties for successful referrals to assist with costs by each organisation and to allow them to continue with services . Some organisations may not currently have resource or capacity to act as refer but this referal fee would provide assistance for this. WG should seek to have at least one third party refer in each local authority area so that all parties can signpost to.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Work in partnership with health boards/GP practices to help map areas that are also those most deprived. Direct mail outs working together with health and cost of mail outs to be covered if managed by practices so no need for sharing personal data and avoid any implications of data protection legislation.

Work with respiratory clinics, asthma clinics etc to raise awareness and encourage direct referral/signposting. For example have a 'prescription for NEST' not just medications.

Stickers or advice leaflets on medication packs from local pharmacy when giving out prescriptions

Continue to raise awareness with community workers, social workers, housing officer, environmental health officers, district nurses.

#### Question 9

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Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Date</b>	19 October 2016	
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<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input checked="" type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

### QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>The Fuel Poverty Coalition Cymru (FPCC) is a coalition of organisations who want to see an end to the misery and suffering caused by cold homes. The FPCC campaigns for improvements to policies and programmes to assist households in Wales struggling to afford to keep their homes warm.</p>

The FPCC is led by NEA Cymru and Citizens Advice Cymru and supported by a steering group made up of a range of key organisations working to take forward the fuel poverty agenda in Wales including Age Cymru, Care & Repair Cymru, Community Housing Cymru, Children in Wales, Friends of the Earth Cymru, Oxfam Cymru, Shelter Cymru, Disability Wales, Cynnal Cymru, North Wales Energy Advice Centre and Warm Wales.

In response to specific questions in the consultation, the Coalition has outlined the following response:

The FPCC agrees with the proposed support offered by the new scheme which should include the provision of a free one stop shop advice service for all households in Wales to access advice and support if they are worried about their energy bills and free energy efficiency measures for eligible households.

Additionally the FPCC believes that the provision of in-home advice should not only be limited to those eligible for measures through the scheme. Home visits should be offered to all households who call the Nest advice line for assistance including those not eligible for measures because they are equally in need of assistance.

Households in fuel poverty can benefit from a range of advice. This can include energy efficiency advice, benefit entitlement checks, income maximisation via fuel switching advice, referrals to the Warm Home Discount Scheme, specialist fuel debt advice and applications for trust funds to assist with fuel debt, the Priority Services Register, as well as how to use heating controls to best effect.

No one organisation is best placed to provide such advice but it is important that advice is independent and impartial. Indeed a wide range of organisations are currently engaged in providing this type of advice including local authorities, voluntary and third sector organisations, as well as energy suppliers.

### **Partial Grants**

The FPCC feels that there was inadequate information on the decision to remove partial grants. Indeed a number of stakeholders who provide in-home energy efficiency advice were not aware that partial grants existed, what they were for, or how to refer clients to Nest to access them.

As a result stakeholders felt that the low take up could in part be due to a lack of awareness that partial grants existed in the first place and rather than removing their provision more clarity was needed on the criteria for accessing them.

### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

The FPCC fully supports the original aim of the scheme to offer a whole house approach to energy efficiency measures. However, the evidence suggests that this aim has not materialised. The Nest evaluation report notes that whilst some households received up to four separate measures the overwhelming majority (84%) of

households received only one measure with gas boilers accounting for 62% of the measures.

It is therefore unclear whether the new scheme offer of a whole house approach will follow a similar pattern and what mechanisms will be put in place to ensure this does not happen.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

The original objective of the Nest scheme was to remove as many households as economically practical from fuel poverty and improve the Standard Assessment Procedure (SAP) rating of a house to the C band where possible.

Unfortunately, it is unclear whether the spending caps in place and which are proposed to continue within the new scheme have acted as a barrier to enable households to be removed from fuel poverty and improved to the C band SAP rating. According to the Nest evaluation report only 31% of properties receiving a measure were improved to SAP ratings C or above, thereby suggesting that the spending caps might be acting as a barrier to meet the original objectives of the scheme.

Further information is needed on the number of households who have not been assisted because of the spending caps in place under the current scheme and how the caps have impacted on the ability to raise the properties to the required C rating.

The FPCC is unclear how the spending caps have impacted on the ability to tackle fuel poverty in both urban and rural areas. Further information is required on the average on gas and off gas intervention cost to enable a whole house approach to be realised and how many households are likely to be affected by the spending cap.

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

The FPCC welcomed the recognition within the consultation of the link between cold homes and ill health and that the new scheme will target some households with health conditions. However, the FPCC is concerned that the new proposed eligibility criteria will leave significant gaps for a range of groups who will be ineligible for assistance.

In particular it was felt the criteria was too narrowly focused and needed to be extended. The criteria would exclude low income working families with children over 5, those with mental health conditions, disabled adults and a large pool of low income pensioners. It was unclear why the new criteria was only targeting those aged 75 and over when the Centre for Sustainable Energy's research 'Understanding the characteristics of low income households most at risk from living in cold homes' had identified a wider range of groups vulnerable to living in cold homes including older adults aged 65 years and over, children, disabled people and those with a long term health condition, and those with mental health conditions.

The FPCC believed that the new criteria will drastically reduce the number of people eligible and would ultimately impact on the ability for organisations to target and refer clients.

It was felt that the new criteria would not enable a sustainable approach to tackling fuel poverty in the long-term.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

The private rented sector represents some of the least energy efficient housing stock in Wales and the sector contains a significant proportion of low income households including households with children.

The consultation notes that the Welsh Government has requested CSE to undertake some additional work to assess the impact of removing the private rented sector from the scheme. The FPCC believes that the proposal to remove the private rented sector should be delayed until this report and its recommendations are published.

The FPCC also recommends that a proper assessment of the impact of removing the private rented sector is undertaken as we believe this proposal will ultimately trap people in fuel poverty in the private rented sector.

The impact of the changes will inevitably impact on local authorities environmental health functions to enforce improvements to housing conditions via the housing health and safety rating system standards. This is likely to lead to increase pressure on local authority resources to respond to potentially increased demand as a result. More clarity is needed on what plans the Welsh Government has in place as an alternative for fuel poor tenants in the private rented sector.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Demonstrating eligibility for means tested benefits is identified as the same as the current scheme ie via proof of benefit letter. This seems a sensible approach.

There were concerns that if a small number of pre-approved third parties were only allocated to refer those with respiratory or circulatory conditions to the scheme then there would be a risk that people who are not in contact with the pre-approved organisations might not get support. It might also affect referrals from other agencies.

Any proposals for demonstrating eligibility needed to be cost effective so as not to increase the administrative costs of the scheme and eligibility needed to be easy to understand for those organisations referring into the scheme as well as to enable vulnerable households to provide the necessary evidence.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

FPCC welcomes that the new schemes recognise the detrimental health effects of living in cold homes and suggested a range of organisations which could act as referral partners, many of which are currently engaged with low income clients. These include local authorities, voluntary and third sector organisations, but also health and social care professionals, as well as Welsh Government tackling poverty programmes and schemes for example.

Whilst there are a number of organisations who currently refer into the Nest scheme, a more co-ordinated and joined up approach is needed. The 2015 Fuel Poverty Monitor highlighted the key role that local authorities can play with local delivery partners often best placed to tailor support to local needs.

Stakeholders recommended that a health condition could be demonstrated by a supporting GP letter although in practice there were varying degrees of success with this approach. Stakeholders were also concerned about the onus and responsibility of any third party to get proof of the health condition and whether a level of discretion could be applied.

Whilst a number of organisations are already referring clients to Nest via other funding

streams it is suggested that support with administrative costs could be one option or alternatively grants for signed up referral partners.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

A suggestion on how to best target those with respiratory or circulatory conditions was through the primary care services via a GP referral or alternative health care professionals visiting the home. A medical diagnosis from a physician would suffice as evidence of a respiratory or circulatory condition. However, this would need a co-ordinated and joined up approach to ensure all GP practices were engaged with the scheme and could refer eligible clients either directly or through a third party. Further discussions with Local Health Boards was needed to investigate the potential for including such a stipulation in the contract terms and conditions with GP practices in Wales.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

The Fuel Poverty Coalition Cymru (FPCC) has previously commended the investment the Welsh Government has made through its energy efficiency programmes Nest and Arbed despite the difficult economic climate Wales has faced over the past 5 years, and will potentially continue to face in the light of Brexit, in the foreseeable future. For households who have benefited from home heating and insulation improvements via the Nest and Arbed schemes, it has clearly had an impact on their health and wellbeing.

The FPCC also welcomes the new fuel poverty figures (published in July 2016) which estimates that fuel poverty levels have decreased by 6% since 2012 to current levels of 23% (291,000 households) in 2016, primarily as a result of the installation of home energy efficiency improvements via Welsh Government and GB wide schemes.

#### **Scale of the Challenge**

The Welsh Government has a statutory duty under the Warm Homes and Energy Conservation Act 2000 to do everything reasonably practicable to eradicate fuel poverty by 2018. With two years to go to the 2018 target it is clear that this target will not be achieved. The FPCC remains concerned that the Welsh Government's policy direction appears to have shifted from a focus on eradicating fuel poverty to the reduction of fuel poverty as outlined in the portfolio responsibilities for the Cabinet Secretary for Environment and Rural Affairs.

The FPCC is also concerned that there is no long-term strategy for addressing fuel

poverty with the current 2010 Fuel Poverty Strategy now well out of date. Over 6000 low income households received home energy improvements via Nest in 2015-16<sup>2</sup> and if the scheme were continue to assist similar numbers each year, it would take 48.5 years to eradicate fuel poverty in Wales at current rates. Being able to afford a safe, warm home should be a basic human right, yet for 291,000 households in Wales this is not the reality and it is clear that the current investment in energy efficiency schemes is having a limited impact. It is now time for a new approach.

In its Manifesto 'Ending Wales' Cold Homes Crisis' the FPCC has called for a new and ambitious fuel poverty target based on improving a number of low income homes to a minimum standard of EPC C each year. This should be set out in a new fuel poverty strategy for which stakeholders and the wider public can hold the Welsh Government to account; and which clearly sets out the scale of resources and investment being deployed to tackle the issue over the next 5 years and beyond, driven by new housing stock data, and annual reporting on fuel poverty levels and the impact of energy efficiency schemes to ensure we are on the right track.

Clarity is needed on a number of specific areas which is key to tackling fuel poverty sustainably and ensuring that the aspirations set out in the Future Generations Act to protect future generations are realised. These areas are:

- Clarity on the Welsh Government's strategic direction and plans for eradicating fuel poverty in Wales
- Clarity on the scale of resources being earmarked specifically for fuel poverty with a clear demarcation on funding from the Welsh Government, European funding and funding from other sources eg the Energy Company Obligation
- Targets for the number of households being assisted each year
- Clarity on the Welsh Government's current fuel poverty activity and related services
- Annual reporting on fuel poverty figures
- Assessment and annual reporting on how the Nest and Arbed schemes are removing households from fuel poverty
- Assessment on the impact of advice provision via Nest in removing households from fuel poverty

## **Resources**

The FPCC has previously outlined a number of recommendations on how greater resources can be directed to fuel poverty. The Coalition recommends that domestic energy efficiency be made an infrastructure priority utilising any new tax and borrowing powers.

Welsh consumers contribute a significant amount to the UK Treasury from levies on their energy bills and the Welsh Government should press the UK Government to return this revenue to be directly spent on expanding resources for energy efficiency programmes to help more households in need.

The Welsh Government should also investigate the potential of using its new borrowing powers to substantially increase resources directed at energy efficiency improvements.

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<sup>2</sup> Nest Annual Report 2015-16. Welsh Government. Available from: [http://nestwales.org.uk/sites/default/files/Nest-Report\\_2016\\_English\\_04%20Final.pdf](http://nestwales.org.uk/sites/default/files/Nest-Report_2016_English_04%20Final.pdf)

## Energy Company Obligation (ECO) funding

The Nest evaluation report identified that Nest had not always made the most of working in partnership with other schemes such as ECO and Arbed funding or other local initiatives, to ensure households received a full package of measures. The Welsh Government must ensure that the new scheme makes the most of opportunities to utilise ECO resources from all obligated energy suppliers and works constructively with them to maximise resources coming into Wales.

## Emergency Heating Fund

The FPCC has also called on the Welsh Government to ensure vulnerable households in Wales have access to a Wales wide crisis fund for emergency heating. It is vital that crisis heating support is provided to vulnerable households to ensure that their health is not endangered if the heating system breaks down, or if they are unable to be discharged from hospital because their home is too cold. An example of such a scheme is provided by the Flintshire Affordable Warmth Programme, which provides a crisis fund for people who cannot afford to heat their homes and need immediate support. The Welsh Government should integrate a crisis fund for emergency heating into the Nest scheme.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### How to respond

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	19 <sup>th</sup> October 2016	
<b>Name</b>	Anthony Brading	
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<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
N/A
<b>Question 2</b>

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

N/A

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

N/A

### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

N/A

### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

N/A

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

N/A

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

N/A

### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

#### **Additional Funding via Platform D-Risk**

We can provide funding for, or supplement existing funding via NEST for eco-measures such as new boilers, insulation, windows, external doors etc.

All work that goes through our platform meets with Ofgem's requirements in line with energy efficiency and quality thus protecting the client and tenant alike.

We are the only organisation who can offer a AAA rated insurance policy for any work going through the platform via Hiscox.

We can manage to whole process via our own supply chain or we can integrate a client's own supply chain.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

#### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

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***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Date</b>	3 <sup>rd</sup> October 2016	
<b>Name</b>	Mrs Sam Parry	
<b>Organisation (If applicable)</b>	Conwy County Borough Council	
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<b>Telephone</b>	01492 574224	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input checked="" type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

### QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>In an environment of reducing resources, Conwy County Borough Council agrees with the proposed support to be offered by the new scheme which would ensure that there is improved targeting of and support for households most in need and at risk from living in a cold home.</p> <p>Conwy County Borough Council also agrees that in-home advice should be offered to those meeting the eligibility criteria, where appropriate. If the scheme was widened to be available to all then this could potentially put a strain on the resources available to</p>

improve the energy efficiency of homes ie too high a demand resulting in the scheme running out of funds sooner but also in terms of management and delivery of the scheme.

The evaluation of scheme undertaken in 2015 revealed high levels of customer satisfaction therefore suggesting that the current providers are best placed to provide in-home advice. Advice on fuel switching together with education of householders on how to appropriately “use their home” once the measures are installed are considered to be important.

### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Conwy County Borough Council agrees that the new scheme should continue with the whole house approach however it was noted in the evaluation of the scheme that in reality the majority of householders received only one measure. Therefore, in order to effectively continue with this approach the scheme would need to make better use of opportunities to work in partnership with other national / local schemes to ensure the best outcomes for the householder and to achieve best value for the scheme.

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Conwy County Borough Council agrees that the energy efficiency measures should continue to be subject to a spending cap and agree with the proposals put forward which retain the higher cap for off-gas properties and a variable on-gas property cap based on the SAP rating of the property.

It is noted in the evaluation report that the off-gas cap is not sufficient to deliver a “whole house approach” for rural properties in terms of maximising the property’s short and long term need ie that additional measures such as windows and external wall insulation is not covered by NEST. However, the Council acknowledges that should the cap per household be increased that this would result in less households being able to access the scheme. There are also other schemes which could assist in installing those measures eg Home Improvement Loans, however, access could be limited as such households are on low incomes and would therefore been unable to take advantage of such schemes on affordability grounds. However, other grant schemes are available to assist.

When selecting households that receive resources for energy efficiency improvements,

it is important to consider cost effectiveness. For example, if investment in excess of £10,000 results in savings of £500 annually, the investment is not viable on economic grounds, although it might be considered if it leads to other social and environmental goals being met.

Limiting the resources per household could result in a 35% increase in the number of households receiving measures. Even though the average energy savings decrease, the overall increase in the number of homes receiving energy efficiency measures results in an increase in total energy savings of 25%

The capping of funding therefore offers a more efficient form of investment, leads to higher overall savings and significantly more homes being treated. While the cap does not allow some treated homes to be brought out of fuel poverty, treatment is still provided and their energy bills are reduced.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

It appears that there is sufficient justification to support the eligibility criteria for a) and b). Although there are a significant number of persons aged 65 + that are considered to have experienced an excess winter death. According to the ONS figures released recently 92% of excess winter deaths in 2014/15 were in this age group, this compares to 80% of those aged over 75). However, the Council understands and appreciates that there is a need for a targeted eligibility criteria when there is only a finite pot of funding available.

There would be need to be some clarity around what is regarded as a “relative low income.

Although the Council accepts that private landlords are effectively running a business and the onus should be placed upon them in terms of energy efficiency in reality that doesn't appear to happen in practice with the tenant ultimately left living in an inefficient home. However, it could be argued that the removal of the PRS from the eligibility could assist Councils in that more landlords may be encouraged to work with the Council in meeting its homeless duties which would be beneficial.

The Council welcomes the focus of on the private rented sector if contributing to the alleviation or prevention of homelessness but there needs to be further clarification of an applicant would demonstrate eligibility in these circumstances. Perhaps this could be more clearly linked to the duties under Part 2 Housing (Wales) Act 2014 ie prevention, alleviation or discharge of s75 duty.

Rent Smart Wales requires Landlords to rent their properties free from category one hazards, which includes excess cold.

In terms of the list of qualifying means tested benefits this seems sensible given the proposed changes to the eligibility criteria in terms of vulnerability.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

In Conwy the owner occupied and private rented sectors equate to approximately 87% of the total housing stock; 69.4% and 18.3% respectively (as per the last Census). The PRS sector in Conwy has grown considerably since the 2001 Census from 14.7% to 18.3% in 2011 and it is anticipated it could reach 20% by 2018.

The social rented sector in Conwy (11.6%) is relatively small in comparison to the rest of Wales (16.4%). Conwy has one of the lowest social housing stocks per head of population in the whole of Wales. This lack of social stock has resulted in many households in need of social housing relying on the PRS for accommodation.

The all Wales 2011 Census figures show that the percentage of households living in the owner occupied, private rented and social rented sectors were 67%, 16% and 17% respectively. As Conwy's owner occupied and private rented sectors are larger than the Wales average coupled with a proportionately smaller social rented sector they are significant sectors. Higher proportions of older people tend to live in the owner occupied sector and generally both the owner occupied and private rented stock is older and in poorer condition.

Conwy has a lower proportion of children (0-14 age) compared with Wales, and a higher proportion of older people (60+). The result of this is an older average age for the County.

As stated above the Council is supportive of the inclusion of households living in private rented accommodation used to support homeless.

There are concerns that ultimately if the Landlord does not improve the energy efficiency of their portfolio by setting against tax or use of repayable low cost loans, it is the householder who suffers. That said it may encourage greater take up of the Home Improvement Loan scheme, which in Conwy to date has experienced low take up.

It is encouraging that even with the revised eligibility criteria that the CSE report still predicts that 49,696 households in Wales will fall within the vulnerability criteria.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

The Council supports the proposed methods for demonstrating eligibility for the households as described in a) above.

The proposed method for demonstrating eligibility for b) is along similar lines to Verification Framework introduced for administering Housing and Council Tax benefits, however, it is a little more complex in that there would not be many organisations that would be in full possession of relevant information for all cases.

It is noted that the Welsh Government are also about to proceed with a pilot to support the collaboration between Housing and Health to assist health improvement, and to reduce the risks resulting from a poor housing environment that are underlying determinants of poor health. This scheme is also targeted at older people or young children (over 60 and 12 and under) with health issues such as COPD or other respiratory illness, severe asthma, cardio-vascular disease and Raynauds, who might be living in cold homes and/or in fuel poverty. However, to be eligible for this scheme recipients of the service must be home owners and it is to be means tested. Referrals for this scheme will be required to come from Health (primary or secondary care).

Local Authorities and other organisations such as Care & Repair Agencies would be well placed to act as a third party refers as many of the households would be known to the organisation (LAs) and / or already have established processes for confirming the information required from applicants. However, whichever organisation is a third party refer it would likely need to work more closely with health colleagues to confirm all the circumstances required to evidence that a household meets the eligibility criteria.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

With respect to A), please see above.

Some individuals would be able to demonstrate that they have a qualifying health condition by their entitlement to a state benefit, however, it is likely in some cases that this would need to be confirmed by health colleagues.

As their clear benefits to health perhaps Intermediate Care funding could be used to fund a referral system.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Primary and secondary health care would have a role to play in targeting those with such conditions. As referred to above the Better Homes on prescription pilot will see Care and Repair Agencies working with primary and / or secondary care in referring those persons that have been diagnosed with such conditions. As this is a pilot it will be evaluated and therefore could provide some useful learning which could inform this aspect of the new scheme.

Social Care departments within local authorities would be aware of clients with such conditions and enquiries are routinely made at first single point contact of access.

The DWP and local authority Revenue and Benefits / Welfare Rights Teams would also be aware of clients with such conditions via their entitlement to such benefits as Employment Support Allowance for those of working age.

### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

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#### **Email:**

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### **Post:**

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Paul Moyle  
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**Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	19/10/2016	
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<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input checked="" type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>A) Overall it is agreed that the proposed support offered by the new scheme will continue to tackle fuel poverty and support households to reduce their energy bills. The combination of advice around the whole utility aspect (energy and water) is a great idea. Trivallis already provides advice on both areas and this is included within the Financial Inclusion Team activities alongside benefit checks and promoting the Warm Home Discount scheme. It is important to ensure that this advice is delivered by staff with the relevant qualifications, ability and advice</p>

accreditation.

The Financial Inclusion Team currently promotes the Warm Home Discount and water saving schemes and has completed 178 cases in the last 4 days with another 150 referrals to be processed this week alone. This is predominately a result of recently communicating this entitlement on rental account documents that are regularly provided to customers.

The Financial Inclusion Team arranged Welsh Water training which was held in Ty Pennant on Monday 17/10/2016 and delivered by Welsh Water. This trained 30 front line staff members on the various social tariffs and discounts and reductions available for our customers.

It is assumed that these energy efficiency measures offered in the new scheme will be the same as those used through the existing Nest scheme; and therefore will continue to offer the same levels of energy efficiency savings.

In addition to the measures and physical improvements, the advice and educational element of the support is considered vital to ensure behavioural change is influenced positively to reduce household energy bills further.

- B) The range of the eligibility criteria is considered too narrow. Whilst the groups mentioned are the most likely to be at risk of health implications fuel poverty, it is felt that the range only captures a small percentage of the individuals / households that would benefit from advice.

The eligibility criterion needs to be broader. Low income households without members under 5 years or over 75 years, would be not eligible to benefit from this scheme, unless they live in an energy inefficient household or have respiratory or circulatory conditions. It's understandable that energy efficient properties should not be eligible to free measures and physical improvement works. However, these households may still be on a low income and may still be operating their home inefficiently, and as a result may be in fuel poverty.

For example, an individual who is single and under 25 on JSA would only receive £57.90 per week on benefits so if they spend more than £5.79 per week on heating their home they are by definition in fuel poverty.

Trivallis' Surveying Team visits 2,000 customers a year with mould and condensation issues in their homes. The type of in-home advice that would benefit its customers and these households is education and awareness around the following issues. Customers are reluctant to heat their home continuously at a low level as they can't afford the fuel bill, which is one of the main causes of mould and condensation. Similarly, customers often block or choose not to use the air vents, in order to attempt to retain heat in the home.

These issues result in an unhealthy living environment with poor air quality and creates respiratory issues, particularly asthma in children. Educating individuals to address these issues would be most beneficial in reducing these health issues, but equally to educate on the most efficient and effective ways to reduce their energy costs and improve energy efficiency. Providing advice

and explanatory information to households on how best to heat their homes and how to manage ventilation is essential. These issues can arise in properties that are not considered energy inefficient due to incorrect use of its measures.

It is felt that they should still be considered and have appropriate access to sufficient advice and opportunities to engage in the scheme, on ways to save on energy, on how to switch to a better energy and water tariffs. Whether this support could be extended to 'in-home advice' is a consideration. Households that are relatively energy efficient by design may not be operated efficiently by its occupiers and fuel poverty could still be a risk or problem.

The type of advice is understandably depends on the customer's circumstances and there is no 'one size fits all' approach that can be undertaken. The advice on how the household / customer can reduce their spend on energy and water costs, must be delivered in conjunction with looking at ways in which they can maximise their income and improve their long term prospects through training or employment.

An organisation such as Trivallis is suitably placed to deliver and refer for its own customers. The organisation has staff that are qualified to deliver energy advice, qualified in fuel debt and advice in the community and we have already been promoting and enabling customers to apply to the Welsh Water savings schemes for a number of years. All of this in conjunction with energy switching and promoting the Warm Home Discount scheme.

### Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

It is agreed that the new scheme should continue with the whole house approach to energy efficiency measures given that a qualified energy assessor will be required to visit each property, and in doing so will be able to identify and recommend the most appropriate and cost effective measures. The spending cap also ensures that the funding can be prioritised for these measures.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

A) Yes, the measures should continue to subject to a spending cap per households in order to prioritise and distribute funding in a fair and proportionate manner. It also supports the whole house in approach in that it will ensure the most cost effective and suitable measures are used and prevents disproportionate expenditure.

B) Reducing the cap by energy efficiency rating is considered a strong and relevant measure for maintaining proportionate expenditure and achieving adequate levels of efficiency in each household.

Higher caps for off-gas properties are also considered appropriate and acceptable given the higher cost of delivering these improvements and measures to achieve the adequate levels of efficiency.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support you answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

A) As mentioned in the response to Question 1, whilst the groups mentioned are the most likely to be at risk of health implications fuel poverty can bring, the eligibility criteria is considered too narrow given that it seems it would only capture a small percentage of the individuals/households that would benefit from advice.

With reference to the specific criterion of:

*“Households with members who are aged over 75 years or under 5 years and who are in receipt of a qualifying means tested benefit, or relative low income households with a member who suffers from a respiratory or circulatory disease.”*

It appears that the following type of household would not be eligible to benefit from home improvements or ‘in-home advice’.

Low income households that are:

- without members aged over 75 years or under 5 years
- without members of respiratory or circulatory issues
- living in an energy efficient home

Whilst it’s understandable that energy efficient properties should not automatically be entitled to free measures and improvement works, households on a low income may still be operating their home inefficiently, and as a result may at risk of fuel poverty or currently in fuel poverty. In recognition of the requirement to maintain an appropriate sized pool of eligible households, it’s

suggested the 'lowest' income households could be prioritised and targeted. These could be more specific to those households also in receipt of a Qualifying Means Tested Benefit and the entitled support could be limited to 'in-home' advice, and not improvement measures.

Trivallis would also like to put forward that all households where there are dependent children present (under 16 years) and anyone in receipt of Disability Living Allowance or Personal Independence Payments are made eligible to benefit from the scheme.

In addition to this, we also support the proposed inclusion of the Pension Credit (Savings Credit) element.

The independent research commissioned by Welsh Government makes the recommendation for this scheme to target households with a relative low income and at least one additional marker of vulnerability, including: People with limiting long term health conditions (people with respiratory or circulatory diseases and people with mental health conditions). Whilst the respiratory and circulatory diseases have been included within the eligibility of the proposal, it states that mental health conditions require further work and isn't currently part of the criteria. The lack of detail provided around this further work raises the query around whether vulnerable individuals with mental health conditions will be supported in a timely manner in order to have equal opportunity to benefit from this scheme, particularly in comparison to others that are considered vulnerable. This observation also extends to wider vulnerabilities and whether households with vulnerable members are targeted and engaged effectively. This is recognised in the recommendations from the research (38).

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Given that private landlords have access to alternative funding mechanisms, in the form of repayable low-cost loans such as the Welsh Government's existing 'Home Improvement Loans' scheme, it is considered appropriate to not support private rented properties not used to support homelessness.

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Yes, the proposed methods of demonstrating eligibility are in line with existing schemes, such as Welsh Government's Discretionary Assistance Fund, where supporting organisations, such as Trivallis, are signed up and act as external verifiers. This is also in place with our partners, such as Welsh Water and the Local Authority.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

A) As mentioned in Question 1, our surveying team visits more than 6,000 households a year and would be in a position to be able to refer people for additional help and information with fuel poverty, whether that is to another internal team in the organisation or to information about this scheme directly.

In addition to what has been aforementioned regarding Trivallis' Financial Inclusion Team, the organisation offers services to its customers that offer similar or complementary advice to customers to those of the proposed scheme. Our Financial Inclusion Team supports customers with money management and benefit and grant entitlements. It is within the team's remit to identify, promote and make customers aware of opportunities to save money and access to schemes such as the warmer home discount.

Trivallis also has a tenancy sustainability team, providing holistic services to support and enable vulnerable individuals to become more independent. The service adopts a person-centred and tailored approach to support individual's needs, health, financial situation and wellbeing. In addition to direct support of this team, they work closely with other agencies to access additional support. The team also helps customers to apply for and access grants in order to save them money and reduce their costs where eligible.

Additionally, other customer facing staff such as Neighbourhood Managers / Housing Officers would be able to refer individuals to this scheme. With these services in mind, Trivallis is well placed to identify and inform low income

households of this scheme, as well as vulnerable individuals and those occupying energy inefficient properties. The organisation would also be able to raise awareness of this scheme to its broader customer base through its existing engagement and communication channels.

Similarly, it would be suitable for other housing organisations, local authorities, GP services and local health boards.

- B) Whilst it is accepted that medical records would be required to demonstrate a qualifying health condition, any charges to access medical reports is considered a barrier to customers.
- C) As aforementioned in this response, Trivallis, like other housing organisation, would be well placed to refer its eligible customers to this scheme. The organisation has information and data relating to our properties' energy efficiency ratings, previous energy efficiency measures, but also our customers' information around health conditions, ages of occupants, and their receipt of qualifying benefits. As such, we could also be a suitable referral partner for our customers specifically. Our teams have also delivered wider funded projects, such as introductions to universal credit at Job Centres. As this was a funded project we were in a position to support individuals who are not customers.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

As aforementioned, our surveying team visits over 6,000 households on average each year, with 2,000 households experiencing condensation or mould issues. These households in particular are at risk of developing respiratory conditions, such as Asthma. As such, the organisation would be in a position to identify and refer potentially eligible individuals. The organisation will also have data relating to the health conditions of individuals and may therefore be able to identify and put forward these individuals to benefit.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

The consultation paper does not make clear or disclose the specific energy efficiency measures that will be used within this scheme or whether these measures differ from those used through the existing Nest scheme. It's possible that the measures used within this new scheme could be more cost effective or energy efficient, given possible changes to type or quality of materials used or the market value of these products. If there are changes in this respect, there may or may not be financial benefits or implications associated with these usage / purchase and the scheme's reach of the number of eligible households.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ



**Annex 1 – Consultation Response Form  
Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	17 <sup>th</sup> October 2016	
<b>Name</b>	Clair Houston	
<b>Organisation (If applicable)</b>	Care & Repair Cymru	
<b>Address</b>	Ocean Way Cardiff CF24 5TG	
<b>E-mail address</b>	clair.houston@careandrepair.org.uk	
<b>Telephone</b>	02920674830	
<b>Type</b>	Individual	<input type="checkbox"/>
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	X <input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>Care &amp; Repair agencies have historically had an excellent working relationship with NEST. We have 13 agencies across the whole of Wales serving all 22 counties. Care &amp; Repair caseworkers have identified a large proportion of NEST referrals.</p> <p>Prior to this consultation Caseworkers across Wales were surveyed in July 2016 and asked if they thought NEST was working well, if there were any concerns out in the field, what they felt, if anything wasn't working, and any other problems. The response</p>

from Caseworkers was very positive. Caseworkers felt that the NEST scheme is quick, with an effective rapid response rate. They find staff and advisors helpful and friendly and feel the scheme is easy to access. They commented that clients have benefited from a range of installations from NEST including boilers and central heating replacement and that there is a good two way relationship with NEST referring clients into Care & Repair where they do not meet NEST eligibility.

Care & Repair welcomes the proposed support offered by the NEST scheme and would like see a scheme that consolidates and extends the success and services delivered by the current scheme.

Care & Repair would like to see more detailed advice available to customers over the phone. However, from our Caseworkers experience of delivering a home visiting service to owner occupiers, vulnerable families, disabled and older people, and those suffering from cold related health conditions, you cannot compare phone advice to a personal face to face home-visiting service.

Enquiries received which sound relatively straight forward over the phone, e.g. the person has no working heating, and they are on a means tested benefit, could translate through a visit for example, the need to address a range of barriers to take up of advice, specific support to claim additional appropriate benefits, options to change tariff, support to collate the information needed to refer to Nest, or ECO, or to prepare proof of income, health condition, property ownership and identification details etc. which can all be complicated, and often need consistent hand-holding and simplification for older clients. This can be time-consuming, but for some people, this is the only way that they will actually be able to take up the services on offer. This is particularly the case with clients with mental health issues or cognitive impairment; they need a person that they trust to support them to access the help.

In addition, there are often many more serious concerns in relation to a person's health, safety, income, hazards in the home e.g. no smoke alarms, security problems, damp homes, CO2, falls prevention, etc.. Home Improvement Agencies – e.g. Care & Repair agencies are well placed to provide this support to Nest customers, due to our experience, skills and the services we already run. Caseworkers – many of whom are already trained to Level 2 C&G in Energy Awareness via NEA Cymru, provide benefits advice, support, hand—holding, and is our “bread and butter”, work in the homes of vulnerable groups. Each agency has a list of preferred local contractors, if any additional repairs / works are identified or if particular issues need resolving prior to Nest installers being able to start work. We work closely in partnership with Health, Mental Health, Social Services, Occupational Therapy, social workers, etc. who are used to referring into us for their service users who are vulnerable and need us to support them to access help.

We are working across all the community networks in Wales on a day to day basis, including working with people in the most rural areas, and collaborate across county boundaries. There is an agency for every part of Wales. With the addition of an extra part or full time caseworker into each of the agencies in Wales (currently 13), who could be responsible for supporting all of the particularly vulnerable Nest clients, we would be able to ensure that those people are accessing all the support they are eligible for; annual warm home discount applications for the broader group, tariff and payment method changes, priority service registers, carbon monoxide awareness, smart meter advice, advice on how to get the most of the measures installed, Water Assist (health related tariff), Blue Badge application support, local mental health, family and disability support services and ensure the Nest objectives and outcomes are met.

In partnership with the Managing Better service, we can also provide specialist advice and support for people with a visual or hearing impairment. Some agencies have already piloted this 'specialist' approach with pilot funding to good effect but their future is threatened by lack of funding

Care & Repair Cymru are well placed to coordinate this service, in terms of further training, enabling effective partnerships and good quality recording and evaluation, in Partnership with NEST, as our agencies are a ready-trained specialist workforce, who can provide support for vulnerable people across Wales.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Care & Repair strongly supports a whole house approach. We feel the whole should be assessed as it would be inefficient to put in for example a new central heating system and not make sure the loft was fully insulated. A whole house approach ensures that opportunities for improving EPC ratings of properties are maximised which could future-proof the occupier from regressive fuel poverty. Cost effective renewables should be included in this approach.

The issue of including windows and doors as part of a whole house approach was raised by a number of Care & Repair agencies who feel that installing new central heating systems and boilers is a false economy where those homes are not properly sealed due to windows which are in very poor condition and virtually falling out. We would also like to see the NEST scheme being blended with other services i.e. Health Through Warmth and Gas Safety. We administer Health Through Warmth and Gas Safety Crisis schemes and our experience tells us that being able to blend grants means that those clients who struggle to fund large essential works due to fixed, low levels of income and savings or lack of work history are able to access effective solutions which ensure they live in safe warm properties that they are able to afford to heat.

A whole house approach is an effective method of measuring, and affecting improvements to the energy efficiency of domestic properties. If the scheme also used local Care and Repair agencies to deliver the in-house support, there is the possibility in some areas of measuring tariff savings on water and energy, smart meter take up, benefits or benevolent funding raised, CO and smoke detectors installed, qualitative health and wellbeing improvements via the Outcome Star <http://www.outcomesstar.org.uk/> and before and after fuel poverty measurements.

Care & Repair Agencies also manage and supervise building work and work with in-house and reputable external contractors. A whole house approach would need the type of 'project-management' skills that our agencies employ on a regular basis; i.e. bringing in new skills, attic clearance, plumbing, electrical work, trade builders, etc. to ensure a planned, good quality, systematic approach is provided for, and not a staggered, poorly-considered and chaotic approach. This would maximise outcomes for beneficiaries and ensure a positive client experience.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Yes. It is agreed that a spending cap should be in place to ensure cost effective measures are installed to homes with different efficiency ratings with the least efficient homes receiving additional funding to bring the property up to the required sap rating / band.

We would like to see the scheme ensuring that vulnerable households, which have no working or repairable heating that these works can be funded, as this is a crucial element of Nest's work, and is vital to the health and morbidity of vulnerable groups. Targeting towards those most in need and for high priority groups in terms of health and living circumstance is crucial.

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

We agree to some extent with the eligibility with the most vulnerable accessing the most help and acknowledge that the fund is not unlimited.

However in our experience, it is working age people, who are unable to work due to primarily mental health problems or chronic ill health who are, more likely to not even be able to engage with services enough to claim the correct benefits, e.g. DLA / PIP, and so are only in receipt of income-related ESA (approx. £100 per week) they are also the most likely to self-disconnect, and be in the 'heat or eat' situation.

Under the proposed eligibility criteria, there is no provision for people with mental ill health under 75 at all. There is a proven direct connection between home warmth and mental health symptoms. Whilst this group does not represent those most at risk of excess winter death, they are identified earlier in the consultation document, as being part of the target group identified by the CSE's report, alongside people with respiratory and cardiovascular conditions.

There is concern that Council Tax Benefit has been removed from the criteria. Many of our older clients receive this benefit and, as a result of its removal, will now not qualify.

The criteria also excludes people with significantly limited mobility who are under 75, subsequently ceasing all provision for disabled people in poverty and fuel poverty. This

significantly limits provision for another very vulnerable group of people who are greatly at risk of ill health as a result of living in a cold home. The NICE guidelines provides a clinically proven list of the conditions or vulnerability factors:

- people with cardiovascular conditions
- people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)
- people with mental health conditions
- people with disabilities
- older people (65 – not 75 - and older)
- households with young children (up to school age)
- pregnant women
- people on a low income

This could be used to frame the eligibility criteria. We administer hardship fuel poverty home warmth schemes through Gas Safety and Health Through Warmth it may be beneficial for NEST to compare their eligibility criteria against these schemes.

Including individuals with a chronic health conditions would allow those households with a relatively low income and a relevant health condition who may fall just outside the income threshold for a means tested qualifying benefit. Caseworkers often identify people who need these measures but are unable to access assistance. It might be worth reflecting on how some Health and Housing partnerships are sharing data to target limited resources; and specifically how cold homes increase the likelihood of a fall, which increases NHS costs and provides significant pressures on unscheduled care.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Whilst we agree that private landlords should be responsible for installing energy efficiency measures in their properties, unless there are incentives available for them to do so, there is little evidence to suggest that they would go further than their legal obligations.

Whilst accepting the principle that private landlords are running a business, it is important not to lose sight of the fact that tenants should not lose out on available support because they cannot afford to do the work themselves and the landlord refuses to do so. It is important to empower landlords to take responsibility to ensure that their properties are adequately heated using the most cost effective system

This would in turn enable more clients to be more efficiently targeted as it would concentrate on low incomes / most vulnerable groups

Affordability of tenants to heat their homes is a separate issue and needs be addressed through means tested benefits.

A proposal for consideration could be an equity charge loan as well as the HIL (Home Improvement Loan) scheme which could be made available based upon a means test of the landlord's financial circumstances, whereby the value of the works are loaned by

a local authority, and payable upon sale or transfer of the property, maybe with an additional repayable part if the property is not sold in a reasonable amount of time. If there are “at risk” clients in the property a chargeable way should be found so that the vulnerable person is not at risk

We believe this aspect of the proposals needs to be revisited to ensure those who meet the other eligibility criteria are not excluded from support.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Agency Caseworkers are ideally placed to identify clients during their initial Home visit they carry out a full assessment, the benefits / income they receive and can further assist in provision of the necessary supporting documentation where necessary (e.g. requesting benefit entitlement letter from DWP). The age of the client is checked at the initial telephone call stage to the Agency. Health and medication are both discussed routinely through the caseworker’s assessment – often clients will have prescriptions – even if they don’t know what the medication is for, this can be followed up by the caseworker via internet access.

Agency Caseworkers are used to supporting people to provide the proof of ownership and occupancy, and the proof of means tested benefits. Point number 66. Currently, EST requires the appropriate award letter to be in the persons hands during the initial referral phone call. It is not clear under point number 66 whether that will remain or not? It would be useful, if it could be just the letter is provided during the whole house assessment.

We can see the need for and would welcome the opportunity to be a referral partner and our trained caseworkers would be able to make a case for older people who have are living in poor conditions with a low income which is affecting their health and may fall just outside the criteria. Care & Repair would strongly oppose the raising of the eligibility criteria to those households over 75 years of age. We currently deliver a number of hardship funds and our experience is that some of the most in need are 65 plus on a means tested benefit. Raising the eligibility to 75 years and over would exclude a huge number of people living in the poorest housing conditions. Some younger older people are experiencing very poor health and living conditions and we need to have a way of highlighting these to the scheme so it really does support those most in need where it can have the most positive impact.

It is difficult and often costly to get letters from GP’s confirming health conditions. Requesting GP confirmation of relevant health conditions can also delay the applications and associated works.

We feel strongly that as a publicly funded scheme NEST should be working closely in partnership with Health and that GP practices as a key partner should be fully committed and signed up to this programme and should not be charging as part of this process.

As a trusted delivery partner we take direct responsibility for processing hardship fund applications against agreed criteria. We have been successfully delivering these schemes for a number of years.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

Care & Repair are a trusted hardship fund delivery partner for Gas Safety, NEA Small Measures and Npower's Health Through Warmth hardship schemes. Our caseworkers identify clients and applications are submitted to Care & Repair Cymru by the Caseworker on the client's behalf.

We would welcome the opportunity to share best practice and discuss how and why these schemes have been successful and how we have disseminated funding for those most at need across Wales. Care & Repair caseworkers are used to finding the appropriate evidence if required, to prove a person's health condition, as so much of the funding work for repairs, aids and adaptations are connected to people's health conditions and disabilities.

It is difficult and often costly to get letters from GP's confirming health conditions. Requesting GP confirmation of relevant health conditions can also delay the applications and associated works. Alternatively, caseworkers on their initial home visit / client assessment will identify client's health condition / relevant medication and can, through this assessment, verify their medical conditions.

Care and Repair Agencies via their Healthy Homes Check also identify the homeowner's eligibility working in partnership with other Health and Social Care professionals.

In some areas Care & Repair agencies work directly with the pulmonary rehabilitation classes, which regularly refer directly into them for help with home repairs, heating, benefit maximisation etc., this could be an excellent route into this particular vulnerable group. There is also scope to approach the cardiovascular rehabilitation groups.

Clients could demonstrate their diagnosis through their repeat prescriptions for appropriate medication e.g. Inhalers for asthma, certain antibiotics for COPD, attendance of a rehab class for the particular condition. Letters from consultants, GP's, physios, OT's, social workers, district nurses, etc.

Several Care and Repair agencies are piloting partnership referrals Warm Home Prescription services with GP's, hospital discharge teams, district nurses, health visitors, which are an excellent foundation upon which to build a referral stream into this group of people (and under 5's / over 65's). This approach would ensure effective and efficient targeting of limited resources, as well as an added benefit of enabling secondary prevention.

With appropriate funding for one Caseworker in each Local Authority, in a similar

structure to our Managing Better service, hosted within each Care and Repair agency across Wales, we would be perfectly positioned to provide ample support to the referrals into this particular stream of the Nest scheme.

Many of the caseworkers in the agencies have completed the Trusted Assessor training (similar level to Disability Officer in social services), which enables them to provide aids; equipment and fit grab rails in properties. We work closely with social services, and are often called upon to help with clearing properties which are severely over cluttered, but need heating replacements and insulation installed. We provide support and practical assistance with hospital discharges across all regions, and have access to contractors for problems with penetrating, rising and condensation-related dampness, replacement windows, roof works, drainage works, and a range of other home maintenance measures.

### **Question 8**

#### **Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Making the community aware of what we offer, what help is available – speaking to clients, their families and making them aware of the referral process....again Caseworkers are visiting clients on a daily basis and identifying at first point of contact those who need help / those eligible for help.

Cardiff & The Vale Care & Repair is working with Warm Wales, Wales and West Utilities and Cardiff University to generate 'fresh' data that they can then use to target clients in specific areas. Piloting this approach the agency is working with a GP surgery to send letters about grants and our services to people over 70 with COPD and Asthma on their list in the postcode areas that come highest in fuel poverty and with chronic health conditions and low incomes. The surgery can target different conditions and ages and generate a mailing list. We would however need funding for stamps and stationary. Using this approach across Wales is a possibility with involvement from the GP surgeries in the target areas.

Another area that could be considered is the priority services register. This is currently being reviewed to update and join up data on vulnerable people shared by Western Power, Wales and West utilities and possibly the local Water supplier. People on this register are often reliant on medical equipment and have many of the health conditions mentioned as a priority for NEST.

Working in partnership with Health and demonstrating that the health of the house affects the health of an individual is crucial. It is also worth noting that leaflet promotion is not sufficient on its own and Care & Repair and our wider community partners not only visit homes, but promote services through community centres, OAP groups, surgeries, clinics, etc. and this is an important way to amplify messages. It is our experience that many people in the most need, are both too proud to ask, and fear that many offers hide a hidden price-tag. Our strong brand and honest broker approach is well-placed to ensure the most vulnerable get the information, advice and intervention they need.

### Question 9

We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

#### How to respond

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

### Annex 1 – Consultation Response Form

#### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Date</b>	19 <sup>th</sup> October 2016
<b>Name</b>	Carole Morgan-Jones

<b>Organisation (If applicable)</b>	National Energy Action Cymru	
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<b>Telephone</b>	02920 229322	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input checked="" type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p><b>About NEA</b></p> <p>NEA and its sister charity Energy Action Scotland are the only charities in the UK which are solely dedicated to eradicating fuel poverty for the 4.5 million low income and vulnerable households living in cold homes which are expensive to heat and hazardous to health.</p> <p>Now in its 35<sup>th</sup> year NEA works throughout Wales, England, and Northern Ireland to influence and increase strategic action against fuel poverty and the charity works collaboratively with supporters and partners from a wide range of sectors to improve access to energy advice, training, and energy efficiency products and services.</p> <p>Some of NEA's current projects which are assisting fuel poor households in Wales include:</p>

- a £26.2 million Health and Innovation Programme which will bring affordable warmth to over 7,000 fuel poor and vulnerable households in Wales, England and Scotland;
- leading a consortium of partners to help Smart Energy GB to ensure that vulnerable households in Wales, England and Scotland can realise the benefits of smart meter technology;
- jointly funding the Big Energy Saving Network with the UK Government. The £1.7 million programme is supporting organisations to deliver a programme of outreach to vulnerable households and train frontline workers to tackle exclusion within the energy market;
- educating and supporting mental health practitioners, carers and individuals in energy efficiency, fuel poverty and how to deal with energy arrears through its 'Warm Minds' project in Wales and England;
- training over 600 frontline advisors and community workers throughout Wales to enable them to help clients struggling to pay their energy bills. It is estimated that over 140,000 customers will be assisted as a result;
- upskilling 94 advisors who gained a formal Level 2 City & Guilds accredited fuel debt qualification, expanding the expertise of the fuel debt advice sector in Wales;
- assisting over 700 people in Wales's most deprived areas with practical energy help at community events

Our wider policy and stakeholder engagement work includes hosting the only fuel poverty focused annual conference in Wales to enable stakeholders to share ideas, explore policy initiatives and fuel poverty solutions which can be implemented in Wales.

During our fuel poverty forums held in September 2016, NEA Cymru consulted with stakeholders on the new scheme proposals. This response is informed by their feedback.

**Question 1 - Do you agree with the proposed support to be offered by the new scheme? Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

NEA Cymru and stakeholders at our fuel poverty forums generally agreed with the proposed support being offered by the new scheme which should include the provision of a free one stop shop advice service for all households in Wales to access advice and support if they are worried about their energy bills and free energy efficiency measures for eligible households. The advice line should remain free to call.

Since being established in April 2011 the Nest brand is gaining better recognition amongst stakeholders and members of the public through its marketing and communications activities. It should continue to build on the established marketing channels to provide continuity for stakeholders and members of the public.

The provision of in-home advice should be offered to those meeting the eligibility criteria for energy efficiency measures as a matter of course to enable households who have had a new central heating system installed to understand their heating controls

and optimise the use of the heating system. For households who are receiving central heating systems for the first time this is particularly important so that they understand not only how to use the heating controls to ensure the heating system is used efficiently, but also that they understand the ongoing costs of fuel. It was noted in the independent evaluation of the Nest scheme undertaken by Miller Research (UK) Ltd that some clients of heating systems were unable to meet their fuel bills as a result of receiving a new boiler<sup>3</sup> so additional in-home advice is key for these households.

However, NEA Cymru does not believe that the provision of in-home advice should only be limited to those eligible for measures through the scheme. Home visits should be offered to all households who call the Nest advice line for assistance including those not eligible for measures because they are equally in need of assistance. Evidence from the evaluation of Nest showed that 85% of those initially enquiring to Nest were in fuel poverty and 63% of these received a measure. The remaining 22% or 1 in 5 fuel poor clients not receiving household improvements should also be offered in-home advice. This call was reinforced by many stakeholders at our fuel poverty forums. NEA Cymru also recommends that advisors providing in-home advice should be appropriately trained to deliver advice and accredited training provided to ensure the quality of advice given.

Providing advice at the time of installation is not the optimum time to do this as installers are often in a hurry to complete the works and move on to the next job. In addition they may have limited knowledge and training on how to engage with vulnerable clients, a point noted in the Nest evaluation where it was observed that some installers were insensitive to the needs of certain client groups.

Whilst all households can benefit from energy efficiency advice it is particularly low income and vulnerable households which need more tailored advice which is provided in a format and way that meets their particular needs. The Nest evaluation revealed the limitations of advice provided by advisors on the phone with nearly a third (32%) of clients surveyed reporting not taking any action as a result of the advice they received, and just over half felt they were better able to heat their homes as a result of contacting Nest.

There are many examples of how the provision of tailored, bespoke in-home advice can be beneficial to assisting households to make the most effective use of their new energy efficiency improvements. One such example of how households can be supported to understand their energy usage and save money on energy bills is provided by Ymlaen Ceredigion's Home Energy Coaching Project. The project run in partnership with Ceredigion Council and Aberystwyth University used a behaviour change approach to improve household energy usage in 40 electrically heated homes with poor energy efficiency in Ceredigion. As a result 41% of participating households decreased their electricity consumption while maintaining or increasing mean living room temperature.

A case study from the project includes a householder who was assisted following the installation of new storage heaters through the Nest scheme. The householder did not know how to use the storage heaters, and found them expensive to run. As a result she returned to using her portable oil filled radiators, largely on peak electricity. With

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<sup>3</sup> Evaluation of the Nest energy efficiency scheme, Miller Research (UK) Ltd, Welsh Government March 2015

support from the home energy coach she returned to using the storage heaters and felt confident enough to experiment with adjusting their controls.

The Ymlaen Ceredigion project showed that for people on low incomes for whom finances are scarce this affects their capacity for decision making as they lack the confidence to experiment with their energy. It is clear that building a relationship built on trust via third parties is key for these households to enable them to make changes to their energy usage.

Over the next five years smart meters will be offered to every household across Wales as well as the rest of the UK. NEA Cymru has previously recommended that there is an opportunity for the Welsh Government to work with energy suppliers to pilot an approach to link up the installation of smart meters with its Warm Homes Programme with the potential for referrals and in-home advice provision being offered to households identified as in need and vulnerable.

In relation to the type of in-home advice which would be most beneficial households in fuel poverty can benefit from a wide range of advice. This can include energy efficiency advice, income maximisation via benefit entitlement checks, fuel switching advice, referrals to the Warm Home Discount Scheme, specialist fuel debt advice, applications to trust funds to assist with fuel debt, support services such as the Priority Services Register, as well as how to use heating controls to best effect.

There is a debate about how much behaviour change people in fuel poverty can make, particularly if they are already rationing energy or self-disconnecting. However, even for people on low incomes small changes can have an impact.

Additionally there are a large number of households who could be lifted from fuel poverty by a variety of advice and income support measures. For example by accessing cheaper energy deals and energy tariffs which could save hundreds of pounds a year. However, this is a particular challenge for many low income households who may have limited or no access to the internet, or lack the confidence to engage with online switching and price comparison websites.

Following an investigation by the Competition and Markets Authority (CMA) into the energy market a number of improvements have been recommended.<sup>4</sup> The CMA's investigation found that consumers were paying £1.4 billion a year more than they should be for their gas and electricity bills in a fully competitive market, with 70% of domestic customers of the BIG 6 energy companies still on an expensive default standard variable tariff. The CMA has rightly highlighted that energy is an essential service but many customers are currently excluded from signing up to the cheapest deals. In particular NEA has highlighted that many low-income consumers are also not on pre-payment meters and need to benefit from extra support, fairer and cheaper tariffs as well.

There needs to be a more integrated and joined up service via Nest to demonstrate the impact on fuel poverty of combined energy efficiency measures and additional income support outcomes provided via Nest advice.

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<sup>4</sup> Energy market investigation Final report, June 2016. Competition and Markets Authority. Available from <https://assets.publishing.service.gov.uk/media/5773de34e5274a0da3000113/final-report-energy-market-investigation.pdf>

Stakeholders at our fuel poverty forums identified a range of parties who could provide such advice including local authorities, voluntary and third sector organisations, as well as energy suppliers. No one party was identified as best placed to provide such advice but it is important that advice is independent and impartial.

In addition, stakeholders at the forums were generally confused about the advice provision households could receive via Nest and whether this was in fact duplicating advice currently provided by a wide range of other organisations. Clarity was also needed about the role of the new Resource Efficient Wales (REW) service which provides advice and support for domestic consumers on energy efficiency, transport, and water efficiency (as well as to business, community, third and public sector organisations). There was uncertainty regarding how Nest and REW interact and whether this was resulting in duplication of effort, with resulting implications for the cost effectiveness of the scheme. There are also a number of other telephone advice services in operation that offer similar help and information, for example the Citizens Advice Consumer Service and the Energy Saving Advice Service.

The current Nest portal referral system in place for stakeholders was not working as effectively as it could. Stakeholders who refer into the Nest scheme mentioned that there was a long time lag between referring a client to Nest and receiving the outcome that the client had received measures. Some felt the reports received via the portal were incomplete and better feedback was needed to partners who make the referrals.

There is also a need to map fuel poverty schemes and assistance across Wales to provide a clear picture of support available throughout Wales for clients. Whilst Nest Partnership Development Managers have built up a wide range of contacts and partnerships with local organisations there needs to be a better two way referral system for those who were not eligible for measures so that Nest advisors can refer clients to local agencies for alternative support.

Stakeholders also expressed that appropriate funding would need to be available for selected third parties to provide in-home advice and that this type of advice often needed more than one visit to the same household to provide ongoing support particularly for vulnerable clients.

### **Partial Grants**

A number of stakeholders at the forums who provide in-home energy efficiency advice were not aware that partial grants existed, what they were for, or how to refer clients to Nest to access them. As a result stakeholders felt that the low take up could in part be due to a lack of awareness that partial grants existed in the first place and rather than removing their provision immediately more clarity was needed on the criteria for accessing them.

Some stakeholders felt that partial grants needed to be re-evaluated to understand why they were not being used and promoted more effectively to encourage take up.

### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you**

**suggest? Please provide evidence to support your answer.**

NEA Cymru and stakeholders at our fuel poverty forums fully support the original aims of the scheme to offer a whole house approach to energy efficiency measures. However, the evidence suggests that this aim has not materialised.

The Nest evaluation report notes that whilst some households received up to four separate measures the overwhelming majority (84%) of households received only one measure with gas boilers accounting for 62% of the measures. It is therefore unclear whether the new scheme offer of a whole house approach will follow a similar pattern and what mechanisms will be put in place to ensure this does not happen.

Stakeholders suggested that there should be better integrating and linkages with other schemes for example to link Nest with Arbed and ECO funding to enable a holistic approach to materialise. For example, where a household was receiving a gas boiler from the Nest scheme it could be linked up with the provision of external wall insulation being installed via Arbed or other local energy efficiency grant schemes thus enabling the realisation of a whole house approach. In order for this to happen improved communication was needed between the Nest scheme manager and contacts in local authorities so that the schemes could complement each other. This was reinforced in the evaluation report suggesting that Nest had not always made the most of working in partnership with other schemes such as ECO funding or other local initiatives, to ensure that people were getting a full package of measures.

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

The original objectives of the Nest scheme were to remove as many households as economically practical from fuel poverty and improve the Standard Assessment Procedure (SAP) rating of a house to the C band where possible. Unfortunately, it is unclear whether the spending caps in place and which are proposed to continue within the new scheme have acted as a barrier to enable households to be removed from fuel poverty and improved to the C band SAP rating.

According to the Nest evaluation report only 31% of properties receiving a measure were improved to SAP ratings C or above, thereby suggesting that the spending caps might be acting as a barrier to meet the original objectives of the scheme.

Further information is needed on the number of households who have not been assisted because of the spending caps in place under the current scheme and how the caps have impacted on the ability to raise the properties to the required C rating.

Whilst stakeholders at our forums generally supported the principle of spending caps to

ensure as many households can benefit from the scheme as possible within the limited resources available it was unclear how these caps were impacting on the ability to meet the whole house objective. Having such a spending cap allowed the scheme to prioritise and be cost effective but it was felt that flexibility was needed in individual cases and a 10% leeway on the spending threshold could be applied if this would enable the property to achieve a higher SAP rating to the next band.

Also, it is unclear how the spending caps have impacted on the ability to tackle fuel poverty in rural areas. The evaluation of Nest highlighted the difficulty of improving rural, off gas homes within the cap available but more information is needed to assess the impact of the spending cap in tackling fuel poverty for these homes.

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Stakeholders at our forums welcomed the recognition within the consultation of the impact of cold homes on health and including those with cardiovascular and respiratory conditions in the eligibility criteria for Nest. This was a very welcome step. Stakeholders recommended a list of eligible conditions would be needed for referral agents to ensure the criteria was easy to understand and the process of referring clients as simplified as possible.

Stakeholders had many reservations regarding the proposed new eligibility criteria which would leave significant gaps for a range of groups who will be ineligible for assistance under the new scheme. It was felt that the criteria was too narrowly focused and needed to be extended. In particular participants identified the following groups who would no longer be eligible for assistance: low income working families with children over 5, those with mental health conditions, disabled adults and a large pool of low income pensioners. These groups would be equally in need if they live in energy inefficient homes but would be ineligible under the new scheme criteria. The new criteria does not enable a sustainable approach to tackling fuel poverty in the long-term and does not recognise the importance of preventative health measures.

It was also unclear why the new criteria was not targeting all the groups identified in the Centre for Sustainable Energy's research 'Understanding the characteristics of low income households most at risk from living in cold homes' which had recommended that low income households with additional markers of vulnerability should be the target group for a future energy efficiency scheme. These additional groups vulnerable to living in cold homes include older adults aged 65 years and over, children, disabled people and those with a long term health condition, and those with mental health conditions.<sup>5</sup>

<sup>5</sup> Understanding the Characteristics of Low Income Households Most at Risk from Living in Cold Homes, July 2016. Published by the Welsh Government.  
<http://gov.wales/statistics-and-research/understanding-characteristics-low-income-households-risk-living-cold-homes/?lang=en>

The CSE research identified that targeting those households containing older adults aged 75 years or over and households with dependent children under five years of age should only be considered when the scheme budget is below £10 million. This would suggest that the budget available for the Nest scheme is likely to be substantially lower than previous years given that the Nest scheme was funded to a value of approximately £58 million between April 2011 and September 2014.

NEA Cymru believes that the new criteria will drastically reduce the number of people eligible and would ultimately impact on the ability for organisations to target and refer clients. It should be noted that many people are missing out on benefits such as pension credit and it has been estimated that in 2014-15, £3.5 billion of low income benefits (pension credit and housing benefit) went unclaimed by older people. It is therefore important that the advice provided by Nest is joined up so that any clients who are subsequently successful in receiving new means tested benefits can be referred back to the scheme for energy efficiency improvements.

A number of stakeholders also wanted further clarification on determining low income for those households who would become eligible if they had a respiratory or circulatory disease. This would need to be clarified to ensure referring agents were able to easily identify eligible clients. Some suggested that this would increase the cost of evidencing the eligibility.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

The 'Fit to Rent' report produced by Shelter Cymru outlined the dramatic growth in the sector over recent years (the sector has grown by 42% in 10 years between 2001-2011)<sup>6</sup>, and the Bevan Foundation's report 'The shape of Wales to come: Wales' economy, environment and society in 2020'<sup>7</sup> predicts that the private sector will increase to 1 in 5 households by 2020. Additionally, the private rented sector represents some of the least energy efficient housing stock in Wales, whilst a third (30%) of tenants live with dependent children under 18; and a significant proportion (32%) in the sector have a household income under £15,000. The 'Fit to Rent' report found that 42% of tenants reported poor insulation and excess cold and for one in 10 tenants these problems were severe enough to damage their health and that of their children in the last year.

Faced with this growing challenge, NEA Cymru agrees with the principle that private landlords should ultimately be responsible for improving the energy efficiency of their properties at their own cost. Ultimately a more energy efficient home results in an increased value of the property asset. In addition, since April 2016, tenants in England and Wales have the right to request consent from their landlord for reasonable energy efficiency improvements where financial support is available from national or local

<sup>6</sup> Fit to Rent? Today's Private Rented Sector in Wales. <http://sheltercymru.org.uk/wp-content/uploads/2015/02/Fit-to-rent-Todays-Private-Rented-Sector-in-Wales.pdf>

<sup>7</sup> The Shape of Wales to Come: Wales' economy, environment and society in 2020, Bevan Foundation

schemes. And from April 2018, new regulations will come into force where it will be unlawful to let properties with an F or G EPC rating subject to there being no upfront financial cost to landlords. The regulations also exempt properties where works cannot be covered under the Green Deal or ECO. The Department for Business, Energy and Industrial Strategy should however shortly be consulting on removing some of these unnecessary caveats so that landlords will be required to upgrade their properties to Band E up to a defined cap, potentially up to £5000. There is therefore an opportunity for the Welsh Government to reflect these new regulations within the Nest scheme. In addition, the Committee on Fuel Poverty, an advisory non departmental public body which advises the UK government on the effectiveness of policies aimed at reducing fuel poverty in England has recently outlined a number of recommendations to strengthen standards in the private rented sector. These recommendations also include removing the complexity of the caveats mentioned above; reintroduce the Landlord's Energy Savings Allowance, a landlord's tax relief of £1,500 on energy efficiency home improvements; review the current Housing Health and Safety Rating System guideline scores for the health and safety impact of cold homes on children and pensioners; and strengthen enforcement action where regulations exist to protect households at risk from cold homes. The Welsh Government should signal its support for the Committee's recommendations to strengthen regulation in this area.

Until these additional steps are taken however, only including those properties that support homelessness and removing all others when there are no alternatives in place could leave a significant gap for fuel poor households in this sector. In the short-terms, removing the private rented sector for support via Nest will inevitably impact on local authorities environmental health functions to enforce improvements to housing conditions via the Housing Health and Safety Rating System (HHSRS) standards. These regulations should ensure all houses are safe and of a decent standard. The main relevant enforcement category is excess cold, and local authorities have a duty to take action to ensure the hazard is removed and the landlord is liable for the full cost of the works. Additionally, local authorities are also responsible for enforcing the new regulations within the Energy Act. However, local authority enforcement action has been badly effected as a result of limited resources and competing pressures on local authorities, especially environmental health officers. The Welsh Government will need to ensure that local authorities are adequately resourced to ensure enforcement of HHSRS and the new regulations.

The consultation notes that further work is required and the Welsh Government has requested CSE to undertake some additional work to assess the impact of removing the private rented sector from the scheme. NEA Cymru believes that the proposal to remove the private rented sector should be delayed until this report and its recommendations are published. As noted above, NEA Cymru also recommends that any assessment of the impact of removing the private rented sector should be undertaken alongside the Welsh Government setting out how it will work with local authorities and Environmental Health Officers (EHOs) to adequately enforce current housing standards. Without this dual approach, the proposal on its own could ultimately trap people in fuel poverty in the private rented sector. More clarity is also needed on the plans for a low-cost home improvement loan scheme for landlords and how it will work alongside enforcement action. Noting the failure of the previous Green Deal mechanism that tied a charge to the energy meter, overall, it is important for the Welsh Government to know how likely it will be that landlords will take up such a scheme. It is also important that tenants should not have to pay increased rents via a publicly

subsidised loan scheme which improves the value of the rental property.

In relation to the proposal that properties that are used to address homelessness would continue to receive support from Nest, some stakeholders at our recent forums felt that local authorities would already have Service Level Agreements in place with these landlords which would guarantee rental income for their properties and there was mixed feelings about offering landlords another incentive via Nest. Stakeholders at the forums offered suggestions as to what else the Welsh Government could do to address fuel poverty in the private rented sector which included suggestions for greater resources for enforcement, a recyclable loan fund, and that inspection costs for HHSRS should be self-financing with repeat offenders charged for the costs of the enforcement action taken against them. With further legislative powers and devolved taxation powers there are also opportunities to do things differently, for example, by imposing a levy on inefficient homes linking council tax bands to EPC ratings.

The Welsh Government's Rent Smart Wales was also recently set up to administer the registration and licensing of landlords and agents in Wales to comply with the Housing (Wales) Act 2014. Licensing can play an important part in driving higher levels of energy efficiency. It offers an opportunity to both engage with, and improve both landlords and tenants awareness of energy efficiency. Landlords should be encouraged to improve their homes energy rating thereby making the property more attractive to tenants and potential buyers. In addition, tenants who are more able to afford their energy bills will be less likely to fall into rent arrears. Similarly, tenants should be encouraged to consider the Energy Performance Certificate to understand the likely costs of their gas and electricity bills. In 2015, as part of a British Gas funded Community Action Partnership programme, NEA Cymru provided free CPD accredited training for landlords in Cardiff. The training enabled landlords and letting agents to understand the new energy efficiency legislation and their responsibilities; recognise the impacts of fuel poverty on their tenants, help tenants reduce condensation and damp; and identify grants and assistance available to improve energy efficiency, reduce fuel bills and fuel debt. Expanding this form of awareness raising would also support the broad aims of improving conditions in the PRS.

In addition, there are also over 18000 Houses in Multiple Occupation (HMOs) in Wales and these houses are often highly energy inefficient, with residents who are often vulnerable and predominantly on low incomes.<sup>8</sup> A report on fuel poverty and energy efficiency standards in HMOs undertaken by NEA in conjunction with Future Climate made a number of recommendations to improve conditions in this area. These included extending mandatory licensing to a wider group of HMOs; set standards for cost effective heating and insulation in HMOs, using national HMO regulations; update HHSRS Operating Guidance; make clear that EPCs are required at point of letting HMO units and clarify how EPCs should be produced for larger HMOs. The report outlined some good practice licensing arrangements that councils are implementing to improve standards and guidance for insulation and heating in HMOs. The Welsh Government should consider the recommendations within the report and work with councils to consider how improvements could be implemented in Wales.

## **Question 6**

<sup>8</sup> Fuel Poverty and Houses in Multiple Occupation: Practitioners' Views, Produced for DECC by National Energy Action working with Future Climate, March 2016

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

Demonstrating eligibility for means tested benefits is identified as the same as the current scheme ie via proof of benefit letter. This seems a sensible approach to demonstrate eligibility.

Any proposals for demonstrating eligibility needs to be cost effective so as not to increase the administrative costs of the scheme and eligibility needs to be easy to understand for those organisations referring into the scheme as well as to enable vulnerable households to provide the necessary evidence.

An example of a scheme which targets fuel poor households with health conditions is NEA's Warm and Healthy Homes Fund (WHHF) which provides grants for heating, insulation and other complementary measures, to support local health and housing partnerships to better address the needs of households at risk of cold-related illness. Eligible individuals must be 'at risk of' or 'living in' fuel poverty, living with a diagnosed long-term condition and have a gross household income less than or equal to £16,010 or be on a qualifying benefit. They can demonstrate qualifying benefit(s) and proof of income via a 'proof of benefit' letter including name, address and benefit receipt, award notices, annual review award notices, amended award notices, or provisional award notices. They should be on official letterhead depending on the type of benefit from HMRC, DWP/Jobcentre Plus, HM Government or the Pension Service. Bank statements showing official letterhead of a recognised bank operating in the UK suffices as proof of household income for those qualifying on an income only basis.

There were concerns that if a small number of pre-approved third parties were allocated to refer those with respiratory or circulatory conditions to the scheme then there would be a risk that people who are not in contact with the pre-approved organisations might not get support particularly as a wide range of organisations come into contact with such clients. It might also affect referrals from other agencies.

As noted in CSE's research report the take up rate for benefits is not 100% and there will be a number of households who are not receiving the benefits they are entitled to and therefore unlikely to be reached via this method.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

A range of organisations could act as referral partners, many of which are currently engaged with low income clients. These include local authorities, voluntary and third sector organisations, but also health and social care professionals, as well as Welsh Government tackling poverty programmes and schemes for example.

Through NEA's Warm and Healthy Homes Fund (WHHF) eligible individuals are referred for grant assistance to the health and housing partnership primarily by a health or social care practitioner working in a local authority, the NHS or voluntary sector, or a local authority Environmental Health Officer, a local authority or social landlord practitioner, or a Fire Service or community safety practitioner.

Stakeholders recommended that a health condition could be demonstrated by a supporting GP letter although in practice there were varying degrees of success with this approach. Stakeholders were also concerned about the onus and responsibility of any third party to get proof of the health condition and whether a level of discretion could be applied.

Whilst a number of organisations are already referring clients to Nest via other funding streams it is suggested that support with administrative costs could be one option or alternatively grants for signed up referral partners.

Whilst there are a number of organisations who currently refer into the Nest scheme a more co-ordinated and integrated method is needed. This could be led by local authorities who have a key role to play with local delivery partners often best placed to tailor support to local needs. NEA Cymru has previously called for a statutory duty to be imposed on local authorities to work with other local partners in tackling fuel poverty and that this duty should be supported with adequate financial resources.

However, it should be recognised that using a system that uses third party agencies is unlikely to engage with and reach all vulnerable households, for example those who have minimal engagement with agencies and individuals should be able to refer themselves directly into the scheme.

#### **Question 8**

#### **Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Stakeholders at our forums suggested the best way to target those with respiratory or circulatory conditions was through the primary care services via GP referrals or alternative health care professionals visiting the home. However, this would need a Wales wide system in place to ensure all GP practices were engaged with the scheme and could refer eligible clients either directly or through a third party. Further discussions with Local Health Boards was needed to investigate the potential for including such a stipulation in the contract terms and conditions with GP practices in Wales.

The Health through Warmth scheme was set up in 2000 by the energy provider npower working together with NEA and the NHS. The scheme operates across Wales and England and funds heating systems or loft and cavity wall insulation for people who have a long-term illness such as cancer, heart disease, arthritis, and respiratory disease. The scheme works closely with health and housing statutory and community

organisations, Home Improvement and Care and Repair agencies and charities to identify residents eligible for help with heating and insulation measures.

## Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

NEA Cymru has previously commended the investment the Welsh Government has made through its energy efficiency programmes Nest and Arbed despite the difficult economic climate Wales has faced over the past 5 years, and will potentially continue to face in the light of Brexit, in the foreseeable future. For households who have benefited from home heating and insulation improvements via the Nest and Arbed schemes, it has clearly had an impact on their health and wellbeing.

NEA Cymru also welcomes the new fuel poverty figures (published in July 2016) which estimates that fuel poverty levels have decreased by 6% since 2012 to current levels of 23% (291,000 households) in 2016, primarily as a result of the installation of home energy efficiency improvements via Welsh Government and GB wide schemes.

### Scale of the Challenge

The Welsh Government has a statutory duty under the Warm Homes and Energy Conservation Act 2000 to do everything reasonably practicable to eradicate fuel poverty by 2018. With two years to go to the 2018 target it is clear that this target will not be achieved. NEA Cymru remains concerned that the Welsh Government's policy direction appears to have shifted from a focus on eradicating fuel poverty to the reduction of fuel poverty as outlined in the portfolio responsibilities for the Cabinet Secretary for Environment and Rural Affairs.

The FPCC is also concerned that there is no long-term strategy for addressing fuel poverty with the current 2010 Fuel Poverty Strategy now well out of date. Over 6000 low income households received home energy improvements via Nest in 2015-16<sup>9</sup> and if the scheme were continue to assist similar numbers each year, it would take 48.5 years to eradicate fuel poverty in Wales at current rates. Being able to afford a safe, warm home should be a basic human right, yet for 291,000 households in Wales this is not the reality and it is clear that the current investment in energy efficiency schemes is having a limited impact. It is now time for a new approach.

In its Manifesto 'Ending Wales' Cold Homes Crisis' the FPCC has called for a new and ambitious fuel poverty target based on improving a number of low income homes to a minimum standard of EPC C each year. This should be set out in a new fuel poverty strategy for which stakeholders and the wider public can hold the Welsh Government to account; and which clearly sets out the scale of resources and investment being deployed to tackle the issue over the next 5 years and beyond, driven by new housing

<sup>9</sup> Nest Annual Report 2015-16. Welsh Government. Available from: [http://nestwales.org.uk/sites/default/files/Nest-Report\\_2016\\_English\\_04%20Final.pdf](http://nestwales.org.uk/sites/default/files/Nest-Report_2016_English_04%20Final.pdf)

stock data, and annual reporting on fuel poverty levels and the impact of energy efficiency schemes to ensure we are on the right track.

Clarity is needed on a number of specific areas which is key to tackling fuel poverty sustainably and ensuring that the aspirations set out in the Future Generations Act to protect future generations are realised. These areas are:

- Clarity on the Welsh Government's strategic direction and plans for eradicating fuel poverty in Wales
- Clarity on the scale of resources being earmarked specifically for fuel poverty with a clear demarcation on funding from the Welsh Government, European funding and funding from other sources eg the Energy Company Obligation
- Targets for the number of households being assisted each year
- Clarity on the Welsh Government's current fuel poverty activity and related services
- Annual reporting on fuel poverty figures
- Assessment and annual reporting on how the Nest and Arbed schemes are removing households from fuel poverty
- Assessment on the impact of advice provision via Nest in removing households from fuel poverty

## **Resources**

NEA Cymru has previously outlined a number of recommendations on how greater resources can be directed to fuel poverty. The Coalition recommends that domestic energy efficiency be made an infrastructure priority utilising any new tax and borrowing powers.

Welsh consumers contribute a significant amount to the UK Treasury from levies on their energy bills and the Welsh Government should press the UK Government to return this revenue to be directly spent on expanding resources for energy efficiency programmes to help more households in need.

The Welsh Government should also investigate the potential of using its new borrowing powers to substantially increase resources directed at energy efficiency improvements.

## **Energy Company Obligation (ECO) funding**

The Nest evaluation report identified that Nest had not always made the most of working in partnership with other schemes such as ECO and Arbed funding or other local initiatives, to ensure households received a full package of measures. The Welsh Government must ensure that the new scheme makes the most of opportunities to utilise ECO resources from all obligated energy suppliers and works constructively with them to maximise resources coming into Wales.

## **Emergency Heating Fund**

The FPCC has also called on the Welsh Government to ensure vulnerable households in Wales have access to a Wales wide crisis fund for emergency heating. It is vital that crisis heating support is provided to vulnerable households to ensure that their health is not endangered if the heating system breaks down, or if they are unable to be discharged from hospital because their home is too cold. An example of such a

scheme is provided by the Flintshire Affordable Warmth Programme, which provides a crisis fund for people who cannot afford to heat their homes and need immediate support. The Welsh Government should integrate a crisis fund for emergency heating into the Nest scheme.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### How to respond

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Appendix 1 — Consultation response form

### Consultation on the demand-based future fuel poverty scheme, which is to succeed Welsh Government's Warm Homes – Nest

<b>Date</b>	18.10.16
<b>Name</b>	Elliw Llŷr
<b>Organisation (if applicable)</b>	Gwynedd Council
<b>Address</b>	Council Offices Caernarfon

<b>E-mail address</b>	UnedStrategolTai@gwynedd.gov.uk	
<b>Telephone number</b>		
<b>Type</b>	Individual	<input type="checkbox"/>
	Business	<input type="checkbox"/>
	Local Authority	x <input type="checkbox"/>
	Government agency/Other public sector body	<input type="checkbox"/>
	Professional body/interested party	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other group not listed above	<input type="checkbox"/>

### **QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support outlined in the new plan?</b></p> <p><b>B) Do you agree that advice should be offered in the home to those who meet the eligibility criteria, where appropriate? What sort of advice in the home would be best and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>Agree, support should be given to residents on ways of saving energy as well as including an element of advice in the home on issues such as changing energy suppliers and benefits.</p> <p>One option is to continue with the current Nest scheme. This is an impartial service currently provided by Nest advisers.</p>
<b>Question 2</b>
<p><b>Do you agree that this new scheme should continue to operate on a whole household basis in terms of energy efficiency measures? If not, how do you suggest we should operate? Please provide evidence to support your answer.</b></p>
<p>Agree, efficiency measures should consider the entire household, and the most suitable measure should be identified for the house.</p>
<b>Question 3</b>
<p><b>A) Do you agree that energy efficiency measures should continue to be subject to maximum spend per household? If you disagree, how should we balance the work of supporting individual households with the high improvement costs and ensuring the scheme benefits as many low-income households as possible,</b></p>

**within the available budgets? Please provide evidence to support your answer.**

**B) Should maximum spends be proportionate to properties' energy efficiency? If so, what maximums should be set for properties with a gas supply and properties without a gas supply? Please provide evidence to support your answer.**

- a) Agree, there should be a maximum spend per household, but this should be applied in a flexible manner, i.e. the system shouldn't be so strict as to reject a property if it exceeds the maximum spend by a small amount.
  
- b) Agree, the measure should be proportionate to energy efficiency. Those with the lowest score EPC will need the biggest expenditure. Properties with a gas supply and without a gas supply need to be considered separately as costs will be higher for those without a gas connection.

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of benefits that depend on means tested eligibility for the new scheme?**

**If not, what criteria would you propose? Please provide evidence to support your answer. Any alternative proposal would need to consider the requirement to maintain an adequate number of eligible households.**

We do not agree with the eligibility criteria, as it is restrictive.

- It should include households with school age children
- The age for including older people should be in line with the age that is considered an older person, which is 55 years.

It is believed the above would contribute more extensively to preventing health issues in the future and as part of the 'spend to save' agenda.

It would be very difficult to get medical information confirming the conditions named in the document. It is unlikely that surgeries would be willing to confirm information, personal and medical matters in a consistent way throughout Wales. Surgeries might ask for a payment for this service and the household applying for the grant should not have to pay.

We do not agree with the list of benefits. The scheme is limited only to people who receive benefits. It is believed that a great number of households are exempt because they are on low wages and are not eligible for benefits. They very often struggle to pay their bills and are at risk of being in fuel poverty. A way of including households that are on a low income should be considered.

Not including Council Tax benefits, housing benefits and Working Tax Credit exacerbates the above concern. In the past Gwynedd Council has worked closely with Nest to target households by using data from the benefits list for Council Tax benefits. A joint letter is sent by the Council and Nest to households, encouraging them to contact the Nest helpline. The above recommendation would mean that this would not be possible in the future.

Houses that have an EPC rating of E, F, G, should be included, as well as those with a

D rating. Fewer measures would be needed to improve properties with an EPC rating of D, therefore the costs would also be lower.

It is possible that information on income levels will be more readily available in the future. At the moment, the Council can only use CACI paycheck.

#### **Question 5**

**Do you agree that we should continue to support the private renting sector for those who use their property to help homeless people, but that other private landlords should be encouraged to improve their property's energy efficiency with low cost redeemable loans?**

Not including the private sector is a step backwards as these houses are very often the most ineffective houses in terms of energy. Many households depend on the private sector. Quite often, these are the households mentioned in response to question 5 – those on low incomes, but do not meet the threshold to be eligible for benefits. It is predicted that the number of those renting privately will rise as financial hardship means that households are unable to save up to buy their own home.

Many landlords own just the one house. Rarely do landlords have a large portfolio of houses, other than in more populated areas such as Bangor, where there are many student houses. We understand that a landlord can have up to 3 properties improved through the Nest scheme, and believe that this should continue.

If the concern is that Nest is giving free subsidies to landlords, consideration should be given to providing a redeemable grant that is repaid when the landlord sells the property. This will ensure a cyclical grant and will be a way of imitating national schemes such as the HILS scheme.

Another option would be to include a clause stating that tenants can stay in the property after the work is completed. If the landlord asks the tenant to leave then they would have to repay the cost of the work.

We welcome the aim of supporting homeless families, which demonstrates a link across schemes and legislation, but this is likely to only relate to a small proportion of these properties, in comparison to the total stock. It is unclear how this would be implemented and verified. Including a clause to keep tenants in the house after the work is completed would be a way of preventing homelessness.

#### **Question 6**

**Do you agree with what is proposed in terms of showing that the following households are eligible: Wales:**

- a) Households that receive benefits based on means tested eligibility and with a member above 75 years of age or under 5 years of age.**
- b) Households with a relatively low income with a member who has a respiratory disease or circulatory disease?**

**If you disagree, how would you propose households should demonstrate eligibility? Please provide evidence to support your answer.**

We do not agree with the eligibility criteria, it is restrictive.

- It should include households with school age children
- The age for including older people should be in line with the age that is considered an older person, which 55 years.

It is believed the above would contribute more extensively to preventing health issues in the future and as part of the 'spend to save' agenda.

We do not agree with the list of benefits. The scheme is limited only to people who receive benefits. It is believed that a great number of households are exempt because they are on low wages and are not eligible for benefits. They very often struggle to pay their bills and are at risk of being in fuel poverty. A way of including households that are on a low income should be considered.

Not including Council Tax benefits, housing benefits and Working Tax Credit escalates the above concern. Gwynedd Council in the past has worked closely with Nest to target households by using data from the benefits list for Council Tax benefits. A joint letter is sent by the Council and Nest encouraging them to contact the Nest helpline. This would not be possible in the future with the above recommendation.

- a) It would be very difficult to get medical information confirming the conditions named in the document. It is unlikely that surgeries would be willing to confirm information, personal and medical matters in a consistent way throughout Wales. Surgeries might ask for a payment for this service and the household applying for the grant should not have to pay.

#### Question 7

**A) Which organisations are best placed to act as referral partners for households on relatively low incomes, with a member who has a respiratory condition or heart circulatory condition?**

**B) How can individuals show that they have an eligible health condition?**

**C) How should a referral system be funded in your opinion?**

There are so many external organisations representing a wide range of groups in the society, it is difficult to foresee one organisation being able to represent all groups that would potentially be eligible for Nest.

There is a need to consider what resources the Health sector could contribute if medical referrals were needed. Ultimately, energy efficiency measurements would help create savings for the Health service in the future.

#### Question 8

**Do you have any suggestions with regard to the best way of targeting those with a respiratory or blood circulation condition?**

It would be very difficult to get medical information confirming the conditions named in the document. It is unlikely that surgeries would be willing to confirm information, personal and medical matters in a consistent way throughout Wales. Surgeries might ask for a payment for this service and the household applying for the grant should not have to pay.

There would be a way of connecting with third sector organisations, but again some sort of medical information would be needed as evidence of the condition.

#### Question 9

**We have asked several specific questions. If you have any relevant issues we have not discussed specifically, please use this space to identify them:**

**It is likely that responses to the consultation will be made public, either on the internet or in a report. If you would prefer for your response to remain confidential, please tick this box:**

#### **How to respond**

You should present your comments by **19 October 2016** via e-mail or by post.

#### ***E-mail:***

Please send the consultation response form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation response form to:

Paul Moyle  
Energy Efficiency and Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Consultation response – Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest**

**Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

Yes, we are content to support the proposed support to be offered by the new scheme. We consider the term 'front end service providing advice' to mean a freephone

telephone/email/text/web service as present arrangements.

Yes we agree that in-home advice be offered to those meeting the eligibility criteria. Presently, where eligibility is met, a Nest assessor will visit properties and recommend a tailored package of improvements that will help to make properties warmer and save money on energy bills. This arrangement should continue as it is crucial that a skilled and informed expert is able to make a full assessment of whether energy efficiency measures are required or whether advice on making other low cost changes is sufficient.

Of course, many eligible households will already have contact with other trusted individuals and organisations who may be able to support, but who will not have sufficient knowledge and expertise on energy efficient matters. Their role we have discussed in our response to Question 9.

### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes, we agree with the principle of the new scheme continuing with the whole house approach, which is more cost effective both for the schemes budget in terms of reducing the need to return to properties at a later date, and for the customer with lower fuel bills.

However, as the Miller evaluations has informed, the overwhelming majority of customers only had one intervention under the current scheme, questioning whether a whole house approach is presently being applied.

So whilst we agree with a whole house approach being undertaken in terms of a full assessment of the needs of the property, intervention should only be undertaken when it is determined that the energy reducing benefits will deliver noticeable benefits to reducing fuel poverty amongst householders. We would not wish to see intervention for intervention sake. This supports our response to Question 1 in requiring that a skilled and sufficiently trained individual undertakes the whole house assessment.

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Yes. Whilst we agree that energy efficiency measures should continue to be subject to a spending cap per household, the document doesn't provide sufficient information in terms of the numbers of householders likely to be effected by a cap. If it proves that a significant number of householders will be excluded, then we would wish to see some consideration of what other options are available for customers.

We are also unsure of the average spend of customers under the existing scheme.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

No, we strongly disagree with the proposed eligibility criteria.

Whilst we recognise the need *'to improve the targeting and support for households most in need and most at risk of living in a cold home'* (point 26, page 6), as 40% of current NEST beneficiaries are estimated not to be in fuel poverty, we do not consider that the revised eligibility criteria reflects this objective.

Whilst we welcome the inclusion of eligible households with children under 5 as an eligible category, the revised criteria will exclude a significant number of households with children currently negatively affected by fuel poverty.

The proposed criteria has only partially and selectively reflected the recommendations from the independent report of the Centre for Sustainable Energy (point 38). In that report, it was recommended that the target groups include

- **Children** (particularly, but not exclusively, children under 5 year olds)
- **Disabled people** (including households with a disabled child or parent/carer)

These groups were identified as meeting the criteria for support from being

- **'most vulnerable to the harmful effects of living in a cold home'** and
- **'in greatest need of energy efficiency interventions'**

The rationale for Welsh Government not accepting the recommendations in full from this independently commissioned report, or the evidence within that report which informed the recommendations, is not included in the consultation document.

**Disability** - The evidence is overwhelming that low income households with a disabled adult and/or a child are at greater risk of fuel poverty than most other household types. There is evidence, for example that conducted by Children in Wales through our annual survey of Child and Family Poverty in Wales, that fuel poverty and its effects on disabled parents and children are a significant issue being routinely brought to the attention of advice and local third sector family support type services. The independent reports commissioned by Welsh Government have responded to the evidence and made recommendations that all 'disabled people' should be included as an eligible

category. Whilst we recognise that some disabled people will qualify for support through the *'relative low income with respiratory or circulatory'* category (which is welcome), many households in or at risk of fuel poverty will not qualify for support, regardless of their need for energy efficiency measures to help cut their fuel costs (which are often higher for those with restricted mobility). There is a danger that we introduce a hierarchy of disability and health conditions, with certain disabilities and health conditions being eligible for energy efficiency support and others excluded.

**Children** - The exclusion of eligible households with children over 5 years of age and parents of pre-birth children is also concerning. Once again, the independent reports commissioned by Welsh Government have responded to the evidence and made recommendations that Children (particularly, but not exclusively, children under 5 year olds) should be included as an eligible category. Evidence shows that there is a negative impact on health outcomes for children of all ages from living in energy inefficient home, where health problems can be aggravated and exacerbated, which will often cause suffering to the child and require more costly health intervention. Poor health outcomes is but one negative product of fuel poor homes. Other wellbeing indicators and measures are poorly effected, such as education attainment and socialization measures such as having friends and family to the home. These issues have been identified by children and young people, many of whom had direct experience of living in cold and damp homes with poor energy inefficiency, in the report 'Keeping Warm this Winter' by Children in Wales published in 2011.

The overwhelming evidence of the characteristics of those households most at risk of fuel poverty, and therefore the households to be prioritised under the new scheme, supports the recommendations from the CSE report that **households with children** and **households with disabled person(s)** are included within the new criteria. If this evidence is not supported by Welsh Government, then we would welcome understanding the rationale behind this decision which this consultation document does not provide.

We therefore propose that the new scheme includes

- **households with disabled person(s)**
- **children (a person under the age of 16)**

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

No, we disagree with the proposal to no longer provide energy efficiency measures for low income households in the private rented sector (at this point in time).

We are not sufficiently clear on what the rationale for this change is and the basis this decision has been made.

The consultation document makes reference to the **'additional work'** being

undertaken by CSE examining the impact if the PRS was removed, and that the findings from this work will be used to develop the eligibility criteria. (points 39-40).

In the absence of the recommendations from this forthcoming report, is the decision at this point in time in danger of being seen as somewhat premature?

The Welsh Government has not conducted a **national survey of housing conditions** since the 'Living in Wales' survey in 2008. We note that a contract specification to deliver a national housing conditions survey for 2017/18 has recently been publically released. Given the lack of current data on the condition of the PRS in Wales, the evidence base for removing PRS from the current scheme is very weak.

Evidence informs the overrepresentation of low income households in the PRS, with support and advice services recording a high number of families accessing services for poverty related issues. Families living in PRS neither have the resources to put towards energy efficiency measures, and in most cases, do not have the power to make any changes. Fuel poverty rates amongst non-eligible households in the PRS are sure to increase as a result of this decision.

In the absence of a strong evidence base, it is highly questionable whether private landlords will respond positively to any 'encouragement' to improve the energy efficiency of their properties through the provision of repayable low cost loans. If there is any evidence to suggest otherwise then a reference to this evidence would be helpful.

We would not wish to see vulnerable low income families and children trapped in fuel poverty PRS households.

We suggest that Welsh Government consider delaying a final decision on whether to remove the PRS from the new scheme until robust evidence is available which sets out the impact of such a decision and alternatives to consider.

Whilst in principle we accept that private sector landlords and related private property businesses have a duty of care to their tenants and should work towards ensuring that all of their properties are energy efficient, we have to consider the consequences on tenants, many of whom clearly meet most definitions of being at risk and vulnerable. It is for this reason that we suggest that a **decision is delayed for now, but revisited as soon as new evidence with recommendations are available**.

The new scheme can be introduced as planned in September 2017 but with the PRS included 'to being with', with a decision to be made at a later stage as to whether PRS continues to be included for the whole duration of the 5 year scheme or removed at a date to be agreed (when evidence is available and properly considered). Meanwhile, existing legislation can be reviewed to see what powers are available or should be made available to ensure that PRS landlords comply (if PRS is later removed) and that there are robust enforcement measures in place where compliance is not secured. Making the links with the Rent Smart Wales programme should be explored.

## Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

We support the continuation of current arrangements whereby households demonstrate eligibility to a means tested benefit (as revised) and provide evidence of tenure

As we do not agree with either the Eligibility Criteria or the immediate removal of PRS (see responses to Questions 4 & 5) we cannot provide a more comprehensive response.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

The consultation document makes reference to work being undertaken with Local Health Boards in Wales. The role of LHBs throughout Wales is crucial in the context of progressing this specific eligibility criteria.

People with respiratory or circulatory conditions will be known to **local GP practices**, or will typically approach their GP as their first point of contact. As this is a universal and readily available service in place across all parts of Wales, we suggest that there is a clear role for **health services** in referring patients for specialist advice and support, as they will already have demonstrated that they have qualifying health conditions. This could be GPs and/or **Practice Nurses**, most of whom already see returning patients with respiratory conditions, such as asthma, at regular intervals. The cost of this additional work would be offset in terms of the long term savings to the health budget from individuals having energy efficiency measures installed which will undoubtedly help many with their health conditions.

We would not support any costs being passed on directly to the patient/eligible person by GP practices.

We note that the Programme for Government makes reference to investment in community pharmacies to take pressure off GP services. Could this be an avenue to explore?

There is also a role for school nurses and other specialist health staff, such as Looked after Children Nurses, who will have regular contact with children and young people in

education settings.

Health professionals, knowledgeable, trained and skilled, with the full confidence of the patient, will be best placed to identify and determine qualifying health conditions in a non-intrusive manner, governed by strict confidentiality codes of practice. It is not easy to identify any other body who could provide such a role.

If this approach does not prove agreeable, we would wish to ensure that finite resources are not re-directed away from households accessing energy efficiency advice and support to a growing array of referral partner agencies.

#### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Please see our response to Question 7 (referral agency) and Question 9 (role of other agencies)

#### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

##### **Promotion and Marketing**

The Miller report made a recommendation that the '**marketing and targeting of the scheme could be improved for socially excluded groups**'. We would wish to see some consideration as to how the new services will be effectively marketed and promoted to the eligible groups.

In terms of households with children, Children in Wales would be able to promote the scheme to our extensive membership base of public, health, education and third sector organisations working directly with children, young people and families.

There is a need to maximize the extent of available resources and identify organisations and programmes already well placed to support this agenda.

**Flying Start** Programme works directly with parents of very young children in the most economically disadvantaged areas. **Integrated Family Centres** operate in each local authority area and host a range of services for parents and children, and would also be ideally placed to promote the scheme. **Families First** is presently being refocused and likely to be more strategically linked with the parenting and early intervention priorities of Welsh Government. In addition, there are a host of **national and local third sector providers** of services for parents, families and children, who again would be well placed to signpost. Many parents and young people engage well and better with 'trusted adults', many of whom work in third sector services. These professionals could

provide a vital signposting and introductory service for eligible low income families.

It is important however that marketing is not limited to a few leaflets and posters being displayed at relevant points (including GP surgeries and health centres) – although this would be welcome. Those ‘trusted’ individuals responsible for delivering face to face services will need some level of basic awareness raising training so that they feel sufficiently able and confident to promote the scheme in their settings, and act as potential advocates and referral agents.

**Budget**

It would be helpful to have clarity around the budget which is available for the next 5 years for the new scheme.

We would hope that at least the same level of funding as the current scheme is made available for the new scheme

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

**British Gas**

**QUESTIONS**

**Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

2.1 British Gas agrees with the proposed support that is to be offered through the new scheme as it focuses on tackling the wider poverty agenda through working with appropriate partners to deliver energy efficiency measures that it is proven will have the greatest impact on helping customers manage their bills, as has been demonstrated to date.

2.2 Nest has worked to ensure the wider utility services are incorporated to support those households in most need, through providing advice. This has included ensuring eligible householders are receiving their Warm Home Discount from their energy supplier. Over 1,000 people have benefited from a rebate on their bill through the Warm Home Discount, with a total value of over £140,000.

2.3 We recommend there should be flexibility within the new scheme to work with organisations that are most able to deliver in tackling poverty, as the current scheme has demonstrated.

2.4 We have found that these partnerships result in income maximisation measures which are set out in the table below.

Benefit Entitlement Checks	Over £2.37m in additional benefits being claimed which was on average £1,990.
Warm Homes Discount	Over £140,000 of WHD claimed by Householders across Wales.
Welsh Water – Help U	HelpU is for low income households, Dwr Cymru Welsh Water (DCWW) may lower the household water bill by up to £250 per year.
Welsh Water – Water Direct	Water Direct allows benefit recipients to pay their water bill directly from their benefits, and offers a £25 discount.
Welsh Water – Customer Assistance Fund	The customer assistance fund establishes a regular payment mechanism with customer and once 6 months of payments have been met DCWW pay off 50% of the arrears. After a further six months DCWW will pay off any remaining arrears.
Welsh Water – Water Sure	The scheme is available to all household customers who have a water meter fitted. It helps low income households who have either a large family, or a family member with a medical condition that requires the use of a significant amount of extra water.
Home Safety Report	Over 550 homes across Wales have benefited through having this completed, demonstrating a focus on the customers safety.

2.5 As part of the Nest marketing strategies, a key focus has been to work closely with the health sector. Partnership Development Managers have worked with Local Health Boards across Wales to communicate the impact of cold homes on health and well-being. For example, in Mid and West Wales, Nest has delivered presentations at Mid Wales Healthcare collaborative engagement events which have brought together representatives from Local Health Boards and GP surgeries. Detailed below are some examples of the health events Nest have been engaged with.

Health, Social Care & Wellbeing Networking Forum

Mid Wales Healthcare collaborative engagement events

Llanfyllin Group Medical Practice

NHS Primary Care

Public Health Wales

Tanyfron Medical Practice

Hywel Dda Health Board

Flu jab clinics across Wales

Under the successor scheme, we would like to see the potential to build on these success stories by working more closely with a range of organisations which have broadly similar objectives in formalised partnerships. We see the potential for greater alignment with other Welsh Government initiatives to promote energy efficiency, including Resource Efficient Wales.

2.7 It is also crucial that the successor scheme works in tandem with support available elsewhere which is targeting the same group. As BEIS is currently reviewing ECO so that it becomes a fully fuel poverty focussed obligation from April 2018, we believe there is an increased opportunity to maximise leverage from other schemes, such as a successor to Nest. Aligning a successor scheme with ECO in terms of eligibility of both customers and measures would benefit the new scheme by allowing maximum use of ECO funds in Wales and also allowing obligated energy companies to deploy ECO funding in partnership with the new scheme.

2.8 Unless there is alignment between the new scheme and the changes expected under ECO, the result is likely to be a reduction in the compatibility between the two schemes. This is likely to be particularly acute in terms of the number of gas boiler replacements expected under ECO and also as a result of the expected reduction or removal of funding for generic carbon saving measures such as loft and cavity insulation in households not identified as fuel poor under ECO. These factors should be considered in the final design of the scheme, including how support is provided.

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best-placed to provide such advice? Please provide evidence to support your answer.**

3.1 We agree that energy efficiency advice is most effective when it is provided by the scheme assessor whilst he/she is in the home, is then followed with outbound calls, and an on-line energy efficiency assessment at regular intervals – ideally twice a year.

3.2 In-home assessors will be best equipped to give meaningful advice when they have an understanding of behaviour change as well as potential measures that can be installed. We recommend that consideration is given as to how assessors can be trained to provide the best service.

3.3 We also see the potential of the Welsh Government Warm Homes Nest branding to drive others who will benefit from advice on energy efficiency to save money on their bills. In particular, we believe there is an additional opportunity to look at incorporating

smart meters into the proposed scheme over the coming period, when the roll-out of this new technology will be proceeding at an increased rate.

3.4 We believe there is scope to work closely with Smart Energy GB in Wales and its partners to provide advice on energy efficiency at the same time as the roll-out, as customers are receiving more information on their energy usage. This could be achieved through recognising the chance to effect behaviour change through the roll-out and inviting householders to contact a service provided under the new scheme, which would then offer in-home assessments to those who meet the eligibility criteria.

3.5 Similarly, there is an opportunity to look at using remote heating and hot water control products such as Hive, as appropriate and according to the customer's priority needs. This could include developing products branded specifically for the scheme.

Through the work of the British Gas Energy Trust and the Healthy Homes programme, we have been developing our understanding of providing advisory services to address energy efficiency and fuel poverty, for those whose health is being put at risk by poor quality housing.

3.7 We provide more detail on this in our answer to question 8, including a case study from our partnership with Care and Repair Cardiff and the Vale. Through this partnership, the British Gas Energy Trust has been funding Warm and Well caseworkers who visit older people in their homes who are experiencing difficulty in paying their energy bills and/ or have a health condition that has been caused or made worse by cold living conditions.

## **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

4.1 British Gas broadly believes that the new scheme should continue with a whole house approach that allows us to make the biggest impact. The successor scheme presents an opportunity to improve the whole house approach by completing an Energy Performance Certificate for all properties rather than an Energy Performance Rating, with this information then being used to support wider Welsh Government initiatives in terms of better understanding of the housing stock in Wales.

4.2 At the same time, the new scheme should look to maximise any ECO opportunity, as has been successfully delivered to date, and also look to utilise the potential for behaviour change to amplify the benefits of new installations.

4.3 As mentioned above, the smart meter roll out provides useful insight into promoting behaviour change through innovation. British Gas has installed over 3m smart meters in homes and businesses across Britain. In a recent sample of customers with smart meters, we found that customers had reduced their consumption by around 3% on average across Dual Fuel. Our credit customers have been telling us that they have made simple changes to the way they use energy, for example by unplugging devices and switching off appliances when not in use, fitting energy saving light bulbs and

turning down their thermostat by a couple of degrees. They have been inspired to make these changes because they can see how much their appliances are costing to run, are receiving accurate bills and received energy efficiency advice during the installation of their smart meters. Through the smart meter roll out, we are able to give our customers more information about their energy use – more than half (54%) tell us that this

increased information has helped them better understand how to cut their household's bills.

4.4 Furthermore, the whole house approach should not be at the exclusion of providing additional support where it is cost effective to do so since there is an opportunity to bring in innovation in terms of new low cost measures that can make a difference (LED lighting, infrared heating, Calor Gas) to homes across Wales.

4.5 Paramount to maintaining high levels of customer satisfaction and keeping complaints to a minimum is providing a whole customer approach, having regard of specific needs at every stage of the customer journey from initial referral to installation and after care. This is particularly the case for vulnerable customers.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

5.1 While the whole house approach is a good principle, there are challenges in delivering on this as a result of imposing spending caps. With almost nine out of 10 houses (85% plus) taking a heating measure such as a boiler under the current scheme, a cap of £8k-£12k leaves little scope for carrying out further work such as Solid Wall Insulation.

5.2 If caps are to be maintained, then it should be accepted that these will act as a constraint on the whole house approach and expectations will need to be managed in delivering the scheme. The proposed cap for on-gas properties is not high enough for F and G rated properties, given that these properties will almost certainly be solid wall and would

require Solid Wall Insulation installed to make a material difference to their energy efficiency. The expected changes to ECO will also put greater pressure on Nest funding within the caps, particularly where gas boilers are replaced.

5.3 We recommend there is a case for considering a higher cap in certain cases. This could potentially be in off-grid areas to encourage opportunities for innovation in rural

areas. For example, to make the most of new technologies and their potential in off-grid areas, we recommend a cap of £12k for E-rated properties and £15-20k for F and G rated properties in these areas. As an indicator, the Energy Saving Trust estimates the following current costs for technologies that Welsh Government may wish to support in a successor scheme: biomass boiler - £9-21k; air source heat pump - £7-11k; and ground source heat pump - £13-20k. Our experience suggests that costs for new technology reduce as they become more widespread.

5.4 Given the stated aim of addressing long term health conditions through the new scheme, we would suggest that consideration is given to looking to incorporate a costs versus benefits analysis in finalising any caps. A simple cap based on energy efficiency will fail to take into account the potential savings to the NHS and other budgets from providing assistance.

5.5 Research carried out by Oxford Economics to understand the impact of support through the British Gas Energy Trust provides an indication of the added value that can be achieved on top of grants to alleviate fuel poverty. This research, completed in 2015, revealed that getting a grant made a positive difference to the mental and physical health of those in fuel debt in 90% and 65% of cases respectively.

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

6.1 British Gas is in broad agreement with the proposed eligibility criteria and the list of means tested benefits as set out in the consultation document.

6.2 As outlined above, we would urge Welsh Government to work closely with BEIS as it develops the successor obligation to ECO. Ensuring that the eligibility criteria for the scheme is similar to and compatible with ECO will maximise the amount of co-funding that can be achieved. In lieu of confirmed eligibility criteria from BEIS, Welsh Government may alternatively wish to build a degree of flexibility in to the Nest criteria at this stage to take into account any changes to ECO at a later date.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

British Gas is aware that Welsh Government is looking at using regulation introduced through the Renting Homes legislation to require landlords to provide their tenants with safe and secure accommodation that is also sustainable. The fitness for habitation regulations provide another route to ensure the private rented sector meets minimum standards for energy efficiency and warmth. Similarly, we understand Welsh Government is intent on ensuring Rent Smart Wales allows for the determination of whether properties are addressing homelessness and channel support in that direction.

7.2 British Gas suggests that Welsh Government should continue to support insulation measures across the private rented sector. Our experience suggests that landlords will replace a boiler when required to do so, as they have an obligation to provide a working heating system. However, our experience suggests that landlords are unlikely to install insulation of their own accord. This should be considered in the context of the regulations being introduced in the private rented sector in Wales.

7.3 Welsh Government should also consider support for energy efficiency in the private rented sector in the context of the expected changes to ECO. Support for boilers is set to reduce significantly under ECO while opportunities to deliver insulation to the fuel poor are likely to increase. Allowing insulation in the private rented sector would help further facilitate leveraging of ECO funds, subject to alignment on eligibility criteria.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

8.1 British Gas agrees with this approach which is consistent with householders demonstrating eligibility through the current Nest scheme and has a proven track record of being robust in terms of governance and control.

8.2 Our experience of working with support groups for specific health conditions has indicated that the 'hard to reach' are not able to get to the support meetings due to their reliance on oxygen and their debilitating condition. The support groups are also run by volunteers therefore having the 'trusted referral partner evidence' would not be suitable under this route.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

9.1 We note that BEIS is consulting to allow greater flexibility in terms of referral partners. It would make sense for there to be consistency across the schemes.

9.2 The following organisations would be best placed to act as referral partners for households on relative low incomes and with respiratory or circulatory condition:

Specialised care nurses within specific targeted clinics at Local Health Boards and surgeries

- GP surgeries (with an emphasis on chronic health events and our engagement with these services)
- Hospital discharge teams within the Local Health Board.

9.3 Individuals could demonstrate they have a qualifying health condition either through a qualified practitioner or a referral letter or document signed by a trusted referral partner. This could be funded through commercial arrangements with a network of key partner organisations across Wales and through setting annual targets for payments on eligible referrals. We recommend that targets should be set quarterly, with appropriate monitoring.

## **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Potential routes to target those with respiratory and circulatory conditions include: outreach events at specific clinics, surgery drop in sessions, community events with the discharge teams in each Local Health Board, and engagement with nurses and patient care teams within each Local Health Board

10.2 During 2016, the British Gas Energy Trust Healthy Homes Fund programme has been working with organisations around Britain to promote solutions for tackling fuel poverty and improving health. British Gas is the sole funder of the Trust which operated independently of British Gas and is administered through Charis Grants. The Healthy Homes Fund, which received £11.1m in a voluntary redress agreement with Ofgem, has focused on addressing health problems which are exacerbated by fuel poverty. With 43 projects continuing to deliver the programme, we are continuing to evaluate the best approach for future work on this agenda. The initial evidence suggests that the biggest impact can be achieved through wrap-around services, offered by multiple partners and delivered in-person with follow-up support provided over time to deliver a

suite of solutions.

10.3 The 43 funded projects include a wide range of approaches to the challenge of identifying people who are at risk of suffering ill-health (or worsening health) due to their living conditions, and referring those people to sources of help. Some are using traditional, analogue solutions (training volunteers to go door-to-door in isolated rural communities with leaflets). Others are using social media to engage key sections of the community. And a further group are putting GPs at the heart of the referral process, using the latest technology as well as face-to-face meetings to win their hearts and minds.

10.4 We are using an expert evaluation consultancy, MEL, to identify the approaches that have the greatest impact and we will share our findings with key influencers in Wales when they are ready in the spring. We believe this could be a ground-breaking exercise which will help focus efforts to help those most in need.

10.5 We do know from our own experience of trying to identify customers in vulnerable circumstances that data sharing can play a vital role. Many vulnerable customers do not make their needs known to companies like British Gas – whether through pride or a misplaced belief that they are not entitled to or deserving of help. We train all our people to recognise signs of vulnerability, and we send regular communications to customers to let them know what help is available, but we do not have a magic light which lets us see who is vulnerable and who is not. Data sharing can help us identify and direct help to those in need, and we enjoy excellent relationships with many local authorities (eg Flintshire), charities (for example Macmillan and Shelter) and home improvement and debt advice bodies (eg Care and Repair, Speakeasy in Cardiff) who regularly refer customers in need to us. We also share data with Western Power Distribution and Scottish Power Networks and we have an excellent relationship with them and with Wales and Western Utilities.

10.6 However, many local authorities are reluctant to share data which could help us target assistance, and we are still at the early stage of building true partnerships with health professionals in both primary and secondary care. We strongly feel that the Welsh Government has a leadership role to play in addressing this.

10.7 In Wales, partners for the Healthy Homes programme have been Age Connects North Wales, South East Wales Energy Agency and Care and Repair Cardiff and the Vale.

## Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

**Case study from Healthy Homes project with Care and Repair Cardiff and the Vale**

Mrs D was referred for help by her Assembly Member as she had problems with her loft insulation and was finding her home very cold, giving rise to concerns about her health. She lives alone in a small semi-detached bungalow in Cardiff which she owns. She has a low income and due to expensive fuel bills and spending 11% of her income on fuel, she is living in fuel poverty. A home visit to Mrs D found that insulation in the loft was very patchy and required extra insulation fitting. We were able to obtain a grant to pay for this and one of our contractors carried out the works (£160). Mrs D had a 20 year old boiler which was working but was inefficient to run. Mrs D was not at the time eligible for a grant from Welsh Government Warm Homes Nest or ECO as she wasn't in receipt of any means tested benefits. A benefit check found however that Mrs D was eligible for some Council Tax Benefit. We were then able to refer Mrs D to Nest, who a few weeks later provided her with a new efficient boiler worth £2,500. We also found funding to pay for an extra radiator to be fitted in the living room to increase the warmth in this room (£463.20). This was quite a large room with only one radiator present originally. Additionally funding was secured to replace the glass in her living room bay window as the seals had gone and the windows were misting up internally (£90). Mrs D is now warmer in her home and financially better off.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

**How to respond**

Please submit your comments by **19 October 2016** by email or post.

***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government

Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	18/10/16
<b>Name</b>	Andy Davis
<b>Organisation (If applicable)</b>	The Speakeasy – Energy Advice Project
<b>Address</b>	The Speakeasy, 166 Richmond Road, Roath, Cardiff, CF24 3BX
<b>E-mail address</b>	andy.davis@speakeasyadvice.co.uk
<b>Telephone</b>	02921 660789
<b>Type</b>	Individual

	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input checked="" type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>A) We agree with the proposed support to be offered by the new scheme.</p> <p>B) Yes, as much as is affordable. Effective energy efficiency advice must be tailored to the beneficiary and being in a person's home makes it clear what advice is helpful for that person. In-home advice is the most effective way to encourage individuals to switch energy supplier and make behavioural changes, both of which yield the greatest savings from fuel bills.</p> <p>2</p> <p>Particular focus should be given to advice on how to operate their hot water and central heating system and highlighting expensive devices (e.g. fan heaters or tumble dryers) as these are the biggest contributors to high energy bills. There are dozens of other ways to reduce energy costs, but most will only have a tangible impact when many are followed together and tailored to the individual's circumstances. When a home assessment is done the assessor would not be able to advise on how new central heating works because it would not have been installed at that point. The assessor providing the in-home advice would therefore provide non-maximal benefit. The Nest successor could take lead from ARBED to provide advice. When Cardiff Council regenerated some estates through ARBED, they contracted Melin Homes to provide advice and 'soft measures' to ensure beneficiaries made the most of the hard measures that had been installed. This project was called Little-by-Little, now being run out of Melin Homes under the title Being Greener. We worked closely with Little-by-Little and they reported to us that a significant proportion of homes they visited did not understand how to operate their heating systems. Home visits from someone when this advice is their sole role means that they have dedicated time to ensure the beneficiary's fuel poverty needs are addressed. As a result, they discovered many people in fuel debt who were then referred to The Speakeasy for advice and assistance. It would also provide a chance to signpost to other services to get assistance with problems like debt, inadequate housing conditions, benefits problems etc. This would provide not only a 'whole house' but a 'whole person' approach to the</p>

beneficiary. There are multiple social and economic problems that leave people in poverty and therefore fuel poverty. Home visitors giving energy efficiency advice and signposting to other services would be significantly more effective than just energy efficiency upgrades to properties.

While this is likely an expensive option, in-home advice provides significant amplified benefits and outcomes. When Nest is evaluated as value for money, these factors will be taken into consideration.

We expect that it is only economically feasible to give in-home advice to those receiving Nest upgrades. I understand that there is always a follow up visit to ensure that measures have been installed properly. Perhaps this could be used as the time to provide the in-home advice.

We suggest that Nest employs dedicated home-visiting energy efficiency advisers but partners with local schemes that are already doing similar work to avoid duplication.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes. A significant majority of our referrals to Nest for assistance are for people who have a very old, inefficient or non-functioning central heating system. A whole-house approach means that Nest are able to see what other measures can raise the energy efficiency of the property. However, it has been noted in the 2015 review of Nest that a whole house approach is not always employed now. We would like to see an improvement of the range of measures (including low-cost ones such as LED lightbulbs) that Nest provides.

## Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

A) As an advice agency, we are not in a position to give informed opinions on the economics of a spending cap. However, we would be keen to ensure that people are still able to access help to increase the efficiency of the hardest to treat homes. B) If a spending cap were to be applied, then it seems reasonable for the cap to be proportional to the energy efficiency of the property. If a property is G rated, solid stone walls, off the gas grid and has no central heating then it will require far more expensive treatments. These properties are very common in Wales and we do not want to see rural people disadvantaged because of an arbitrary cap. Again, we are not able to give expert opinions on what the level of caps should be for on or off-grid properties.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

We strongly disagree with the proposed eligibility criteria. It is our opinion that in the proposed form, these criteria would exclude the vast majority of people who are in desperate need of energy efficiency upgrades and who currently qualify for Nest. We will address our concerns with the proposed criteria in turn: 1: "Households with members who are aged over 75 years or under 5 years and who are in receipt of a qualifying means tested benefit". We welcome the recognition that people aged over 75 or under 5 are more vulnerable and susceptible to health related problems caused by fuel poverty. However, it is overly restrictive to make this an eligibility criterion for accessing help from the scheme. The number of people who would fall into this criterion is very small. The vast majority of fuel poor households that we come into contact with are working age. This criterion would exclude most older people/families with children who are living in fuel poverty. A 70-year-old living alone or family with three children aged between 5-16 are surely just as in need of assistance. 2: "Relative low income households with a member who suffers from a respiratory or circulatory disease" We believe that very few people will qualify under this criterion, largely due to the fact that it is so hard to identify people with these health conditions. We welcome the recommendation that relative low income households should be able to access Nest. We also welcome the recognition that fuel poverty and poor health are very closely linked. However, from our experiences with attempting similar schemes, we are wholly convinced that it would be very difficult to find people who are suffering from a respiratory/circulatory disease in order to help them. It is almost impossible to reach out and locate people with health problems; instead a scheme would have to rely on these people being referred for help. We have run a project for the past twelve months which intends to partner with GP surgeries, health centres and hospitals to provide direct help to fuel poor patients with related health problems. To date we have had 5 direct referrals from health professionals in the NHS and 15 from health related charities, while receiving 164 direct referrals from other sources. It has proven extremely difficult to engage with the health sector and therefore to find people with these health issues. We know of many other third sector organisations who have launched similar schemes trying to target people with health related problems and all have reported similar difficulties. The only scheme that we are aware of that works successfully is based in Scotland and has arranged to have direct referrals from NHS Scotland for fuel poverty advice. Unless a similar mechanism could be established with NHS Wales, we are convinced that this criterion will merely act to disqualify fuel poor people who do not have respiratory/circulatory conditions. I find it hard to see Nest managing to make effective partnerships with the health sector quicker than we or other organisations have done. This means that seeking out people with health problems will take a long time to implement and may never work effectively, significantly complicating the programme. We fully endorse any efforts made to increase awareness among people with fuel poverty related health issues, however,

making it a criterion for receiving help will not increase the number of fuel poor households with health issues being helped but will exclude the majority of Wales. The recommendation is that a third party be used to assess people who qualify under this criterion, but there are further problems with this idea (see answer to question 7). There are two further fundamental problems with this being used as a criterion. Firstly, it moves Nest from being a scheme that prevents ill-health through warmth, to being a scheme that treats ill-health. Nest is a golden example of preventative medicine that proactively treats the environmental causes of poor-health before it develops. Waiting until people are already ill negates this benefit and the associated savings for the NHS of people never getting ill to start with. The second fundamental problem is that this criterion completely overlooks people with other ill-health or disabilities, who are particularly in risk of further health problems due to a cold home. For example, a person who is disabled and unfit for work will spend more time stationary and at home, meaning that they will need to stay warm for longer and the cost of their heating will therefore be higher. From our experience, it seems that living in a cold home increases the chances of and exacerbates existing mental ill-health. These conditions then act as a barrier to work and escaping poverty. Serious mental health conditions should therefore not be overlooked when assessing who is vulnerable and in need of energy efficiency upgrades. In summary, we believe that this criterion would complicate Nest, severely restrict the number of eligible applicants, stop it being a proactive and preventative measure, and fail to capture many people with other health conditions (including disabilities) who require assistance. 3: "Households living in a privately owned home or in private rented property that is used to support homelessness." Households in privately owned homes or in private rented properties used to support homelessness should be able eligible for energy efficiency upgrades. However, it also means that private rented tenants who are not in a property intended to support homelessness will not be eligible for help. We strongly recommend relaxing this criterion. The majority of fuel poor households are in private rented properties. Social tenants tend to get support from their housing association or council and homeowners qualify for ECO and various other energy efficiency schemes. Currently in Wales Nest is the main source of energy efficiency upgrades for private tenants. Therefore, excluding most private tenants would severely restrict the help that most fuel poor households can access. The consultation notes that landlords have a responsibility to upgrade their properties and there are sources of funding to help them to do this. While the argument that this is a fairer way of treating landlords could be made, it is indisputable that this approach will severely impact the most fuel poor private tenants. It has always been the case that landlords are able to improve the efficiency of their properties and there have been different sources of funding to facilitate this, but the reality is that this is rarely utilised.

Households with the lowest income are likely to be in the lowest rent private housing. Due to this very fact, private rented housing for the poorest is likely to be in poorer state of repair with landlords less likely to make repairs and improvements. There is no incentive for landlords to make these energy efficiency improvements themselves for low quality housing. Properties that are rented at a high rate are more likely to improve the efficiency to remain competitive. The Green Deal offered energy efficiency at no visible cost, due to paying the loan back through the savings you make. Despite this, barely anybody took the deal up on their own properties. Landlords are even less motivated to access schemes like this because they are not actually living at the property in question. Of the people we have referred to Nest, 46% have been in private

rented properties. We are certain that this criterion would severely restrict the number of people able to access Nest, regardless of their level of fuel poverty. We understand that part of the motivation to remove the private rented sector is the fact that from 2018 private landlords are meant to have improved the efficiency of their properties to an EPC rating of E. However, local authority housing officers have assured me that there is no way that they can actually enforce this. There are also generous exemptions which will allow many landlords to avoid having to do the upgrades. If there was a realistic expectation that private landlords would be forced to improve their properties by themselves, then they could be removed from the eligibility criteria, but this is not the case. Additional concerns In addition to the above concerns about the eligibility criteria, we have some concerns regarding the change in qualifying benefits. While this is clearly an effort to target the help provided to the most vulnerable, it will still exclude many fuel poor people who are in need of help. For example, I once referred a client who was 29 and had just lost his job. He lived in a mortgaged property but for two years had lived without central heating or hot water because he could not afford to replace the boiler (even while he was working). Claiming JSA qualified him for Nest and he received the support he needed. This man would not have qualified under the proposed eligibility criteria. Another major concern that we have with the proposed eligibility criteria is that it is too complicated for the majority of third sector referral partners and members of the public to understand. In our experience, when someone tries referring clients/customers to a service and get no positive response after a few tries, they stop referring altogether. We stopped routinely considering ECO as an option for our clients after the funding was cut and each supplier restricted their criteria. In summary, while we can understand the intention behind each change to the current criteria, they all exclude people who are still in fuel poverty and require help. When taken in combination, they rule out almost everyone who currently qualifies for help. The Speakeasy's Energy Advice Project covers all of Wales giving expert fuel debt advice. Of all the referrals we have made to Nest who qualified and we have data on, only 4% would qualify under the proposed criteria. We would certainly stop considering

Nest a genuine option for helping to improve energy efficiency until all other options had been depleted. We believe that these changes would be devastating and would relegate Nest's successor to being a fringe scheme instead of one of the UK's leading anti-fuel poverty projects. Proposed alternatives We have outlined two possible alternatives in response to Question 9.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

We do not agree that private rented homes that are not used for homelessness should be excluded. As discussed in the response to question 4, this would exclude a huge portion of fuel poor households. Of our clients referred to Nest, 46% were private rented. There have been multiple schemes, loans and funding mechanisms that facilitate landlords making improvements to their rented properties, but these have very little take up. The most vulnerable, fuel poor people live in properties what are the least efficient and with landlords who do not care about improving them. If there was a realistic plan to force landlords to upgrade their properties, then they could be excluded from Nest, but there is not. Under the current proposals, fuel poor private rented households would be stuck in the least energy efficient properties because they have

an irresponsible landlord.

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

We agree that the methods currently used by Nest work well and should be continued: namely, benefit data matching and supporting documentation for proof of tenancy/ownership and benefits at the home assessment stage. There is no mention in the proposal of demonstrating the age of house occupiers, but presumably this would be with a drivers licence, passport, birth certificate or similar documentation, all of which would suffice. However, as stated in response to earlier questions, we have strong objections to

this criterion being used at all. b) We are in favour of the proposed third party referral system as long as it is not the only way of accessing the scheme. Approved third parties who perform the majority of the assessment would be an effective tool to help some people access Nest, but for many others this is not an option. There are relatively few organisations that would be willing to undertake this level of assessment for direct Nest referrals and most are likely to only consider doing so for their target customers/client base. For example, Shelter Cymru might consider being a partner, but may only do so for clients who have housing issues. If people on low incomes with chronic health conditions cannot apply to Nest directly, then the vast majority will be unable to access the scheme. The consultation suggests there would only be a few third parties for referrals, but we do not think that Nest would be able to have a Wales-wide reach unless there is a long list of third parties who can refer. Even then, it is likely to be piecemeal and fragmented coverage. As with section (a) we have strong objections to health being used as a criterion anyway.

#### Question 7

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

### **C) How do you think a referral system should be funded?**

If this approach is adopted, then it needs to cover all of Wales. There are very few organisations that cover all of Wales who would spend time on Nest applications for people who are not existing customers/clients. Some possible options are: Care and Repair, Age Cymru and Citizens Advice. To genuinely cover all of Wales effectively, Nest should have a much larger group of third parties who can refer, including smaller, local organisations. These could include local advice centres and local charities. However, none of these organisations would be trained or equipped to undertake medical assessments so would either need training or would need to see medical evidence. See point (b) for further details on this. We are convinced that the NHS and most health-related bodies will not work well as referral partners. We have worked for over 12 months on a project specifically aimed at getting referrals for people with cold-related health conditions. We have been based in GP surgeries, talked to hospitals, midwives, physiotherapists and more but still receive very few referrals. We know of several other third sector organisations who have attempted similar projects and all have reported difficulty engaging with the health sector (see our response to Question 2 for more detail).

It would be extremely difficult to reliably demonstrate qualifying medical conditions. In our experience, the majority of people with health conditions do not have any documents to hand that they can use for evidence. Usually, they will only have prescriptions or letters from a doctor/hospital with details of when appointments are, neither of which demonstrate what their health condition actually is. GPs usually charge between £50 and £150 for a doctor's letter to evidence ill-health, which excludes almost all of the households who need help from Nest. Staff at authorised third party organisations would not be able to perform medical assessments themselves. This leaves very few people who would be able to demonstrate their ill-health.

c) The funding levels and structure depend on the referral system used. If there are a limited number of partners and they are the only means of applying to Nest for people with health conditions, then they will need direct funding. I would expect that these referral partners would only sign up if they had funding to employ new staff to deal with the increased workload. It will be very hard for referral partners to predict the number of inbound referrals and therefore amount of staff to employ. If very few people contact them due to the restrictive eligibility criteria (as we expect will be the case) then only a few staff will be needed. If current levels of referrals are maintained and have to be processed by referral partners, then they will need to employ substantially more staff to cope. Approved third parties could be used in a way that would improve customer experience and be cost neutral to Nest. Instead of people only being able to apply through a referral partner, customers should be able to apply directly or through referral partners. This would reduce the strain on those third party organisations and allow more people to be able to access the scheme by letting them apply themselves. Under these circumstances, third parties are more likely to be willing to do the necessary assessment for their clients/customers without additional funding, resulting in a broader group of referring third parties. This would in turn reduce the workload of Nest who would not need to assess applications coming from third parties and so save money. This would provide more accessibility than the original proposal. It also creates an

opportunity for Nest to provide more holistic fuel poverty support. Each referring partner could inform Nest of other support they can give (e.g. Citizens Advice could add 'General Debt Advice' or Shelter could add 'Housing Advice'). These could be collected to a list on the bottom of any application done by a third party, so that when one organisation applies to Nest, they can tick any box for further services that the applicant needs. Nest can then refer that client on to their approved third parties. This two-way referral system would provide a low-cost, holistic support to Nest applicants and provide an incentive for organisations to become a Nest approved third party.

#### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

We are certain that it will be difficult to target people with respiratory or circulatory conditions. Having tried to target people with health conditions for the last year, in our experience health professionals, especially GPs, are very resistant to anything that will increase their workload, including referrals. Of the few doctors who have agreed to work with us, we have received next to no referrals. Any attempts to reach out to groups with these health conditions will be very time-intensive and are unlikely to be successful. Relationships with people who have more regular contact with those with health issues take a long time to build and will probably have limited impact. We are sceptical any attempts to secure direct referrals of those with respiratory or circulatory conditions will work well. However, we do welcome any efforts to increase awareness and to reach out to those with cold-related ill health. Again we recognise that this target group are those who would benefit most from Nest measures, but strongly disagree with the prospect of this being a criterion for applying.

#### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

Throughout the consultation we have expressed our concerns on various levels. I have summarised these below: 1. The proposed eligibility criteria will drastically reduce the number of people who can access help from Nest. Of our past clients the new rules would disqualify 96% who currently can receive help. 2. The proposed eligibility criteria are so complicated and restrictive that charities and organisations will stop routinely referring customers/clients. This will further reduce the number of people accessing the scheme. 3. An attempt to reach those with cold related ill health would be beneficial, but it will be extremely hard to find and identify such people. 4. Suggestions that landlords will improve the efficiency of their properties through other funding schemes are naïve and would result in a significant proportion of the neediest fuel poor households being excluded from Nest. 5. A third party referral scheme could improve Nest, but only if it is in addition to allowing the public to apply by themselves. In short, the proposals would spell the end of mass home improvements in Wales and transform Nest into a fringe project helping a very small group of homeowners. We have two suggestions for a revised Nest outlined below Suggestion A: existing size and budget  A whole house approach to measures and in-home energy efficiency advice  There are 1 or 2 follow-up, in home meetings with an adviser who can explain how to use the central heating, give tailored energy efficiency advice, help switching supplier and make referrals/signpost to other services to help with other problems, such as fuel debt

or welfare benefits. Eligibility criteria would require the house to be E-G rated, be private rented or owned and someone in the household to be in receipt of a means tested benefit or the total household income to be under a set threshold. A set threshold for total household income should take into account the number of people in the house. The common benchmark used now is £16,200, but this is a generous threshold for a single person, but unfairly low for a family of five. □ Operational costs could be reduced by allowing approved third parties to perform much of the assessment process. Nest applications could then allow two way referrals so that applicants are referred to whatever schemes can help underlying problems beyond their inefficient homes. Suggestion B: a lower budget □ A whole house approach to measures and in-home energy efficiency advice. □ There is 1 follow-up, in home meeting with an adviser who can explain how to use the central heating, give tailored energy efficiency advice, help switching supplier and make referrals/signpost to other services to help with other problems, such as fuel debt or welfare benefits. □ The scheme would still be accessible to private rented tenants and home-owners and use means tested benefits to show that the household is on a low income. However, the eligibility can be restricted further depending on the efficiency of your property. □ E rated properties may only be eligible if there is someone claiming a means-tested benefit as well as there being an additional vulnerability. These could include there being: children, someone aged over 65, or a person with a disability or long term health condition living in the household. □ F rated properties would be eligible if a person in the household claims a means tested benefit □ G rated properties would be eligible if the household income is under a given threshold (which depends on the number of people living there). For example, this could be £10,000 plus £2,000 per person. □ This would balance the need to provide help to vulnerable fuel poor households against the difficulties of having a limited budget. □ To avoid confusion, Nest could be marketed as having broadly the same criteria as the Warm Home Discount, but being more flexible for F or G rated properties.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	18th October 2016
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<b>Telephone</b>	02920 493322	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>We note that take up of the partial grants (as outlined on page 4 of the consultation document) have received a poor take up. Whilst the consultation document states that only 50 certificates have been issued in the past 5 years, It is not clear what the potential eligible claimant number is for this grant scheme, nor what the reason for poor take up has been. It is assumed that the issue with top-up funding being required to be provided by the householder, or has this support had too little marketing?</p> <p>Follow-up advice and support needs to be provided by REW (and others) for householders who have received energy efficiency improvements. It is not possible to see what longitudinal improvements have been made by the delivery of Nest or Arbed due to limited evaluation being publicly available. Welsh Government needs to ensure that householders are fully aware of how to operate any new technologies, or simple systems such as trickle vents. This training and / or user guides mean that householders (whether owner occupier or tenant) can be confident that they will operate their home in the most practical way to achieve energy efficiency, reduced fuel bills, improved health and avoid unintended consequences such as damp or mould.</p>

Evidence collected by the Zero Carbon Hub's ventilation project<sup>1</sup> may be useful. This study whilst focusing on new build homes has identified many issues which would remain in existing / refurbished homes. The publication indicates that user understanding of both natural and mechanical ventilation within homes is very limited, with indoor air quality being compromised with undesirable health impacts and in some cases examples of damp and or condensation damaging properties. The Scottish Government's "Quick Start Guides" template<sup>2</sup> could be a suitable template to make householders be more aware of how to operate their homes efficiently. It is assumed that with the Rent Smart Wales<sup>3</sup> scheme now in place it will be easier to track rental properties through the Nest programme and to ensure that all landlords and their tenants benefit equally through support the programme offers. What mechanisms will be put in place to align the two programmes?

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

It is evident that the new scheme will continue to only reduce fuel poverty in Wales but contributes significantly to reducing carbon emissions associated with our built environment. We feel that the most cost effective and practical approach to refurbishment is that of a whole house approach. However, this approach does require sufficient training and procedures in place to ensure works are carried out appropriately to a property, for the current occupants and potential future tenants and quality ensured. The consultation document sets out capped budgets of £8,000 for on-gas properties and £12,000 for off-gas properties. The Nest annual report 2015-16 indicates that an average household spend is closer to around £4,000-£4,500 per property. Providing a real whole house approach is likely to require a higher cap in the region of £12-15,000 per property and include for more individual, in depth property surveys to be completed. Funding, particularly property funding caps, and programme infrastructure would need to be altered to facilitate a true and successful whole house approach to refurbishment. Constructing Excellence in Wales understand that at present neither whole-life costing or carbon budgeting currently inform the decision making process for Nest. Boilers for example, may not be the most efficient available on the market and may require replacement within 5 years, requiring a re-visit to the property rather than more robust product selection ensuring a lifetime performance of 15-20 years. It is evident from the recent work undertaken by the Solcer project<sup>4</sup>, that a higher capital cost investment in deep retrofit could produce a better payback rate and alleviate fuel poverty more rapidly. We would encourage WG to consider a deeper retrofit agenda than that currently being delivered through Nest, which is providing some alleviation to many households but still locking many in to carbon-heavy fuel sources and energy bills (Nest annual report 2015/16 indicates that 21% of refurbished homes remain at a rating of E & F). Through establishing a more whole-life cost assessment at both a property level and a programme level could ensure that the scheme delivers a future proofed refurbishment. CEW also believe that by providing a whole house assessment and improvement programme it becomes easier to co-ordinate with other public engagement programmes, for example climate change preparedness. Integrating with householders on energy efficiency, enables simultaneous discussions on flood risk or the risk of summertime overheating in their home should the occupiers be vulnerable. The London Climate Change Partnership through their "your home in a changing climate"<sup>5</sup> have been trialling this multi-agency

approach and could offer much to the Nest programme and Welsh Government's wider sustainable development, wellbeing goals. BRE, on behalf of CEW have completed a review into the legacy issues of retrofitting cavity wall insulation and external wall insulation to homes in Wales. The published report includes a number of recommendations for industry and policy<sup>6</sup>. It appears that there is much need for improvement in the supply chain who work on properties in Wales, this is beyond solely issues with pre-1919 centres. However, CEW is interested to hear how pre-1919 homes are treated by the Nest programme (no information is presented within the annual report). We are supportive of the "specialist" heritage centres in West and North Wales<sup>7</sup> and their ambitions to become more integral to the supply chain and not be seen as specialist ventures. Concerns are not limited to fabric improvements, where renewable technologies are deployed there are further points to consider. Findings from the NHBC Foundation's "Sustainable Technologies – the experience of housing associations"<sup>8</sup> could help improve the programmes deployment of renewable technologies and water efficiency equipment and the support that householders require to maximise efficiencies from a technology to realise a financial benefit. In addition to developing a more enhanced whole house approach the new programme should include property maintenance activities and be future proofing in terms of smart energy and connectivity. For example, utility companies are starting to offer smart pre-payment meters where by top-up is via an app, online or by text<sup>9</sup>. The technologies applied at Maes yr Onn<sup>10</sup> and the (new build) Solcer house<sup>11</sup> also demonstrate that rapid improvements in technology, particularly batteries, are enabling renewable technologies to complement each other more than ever before. This helps to deliver even more carbon and financial savings than in the past. Further advice on this topic is also available from the NHBC's "The connected home"<sup>12</sup>, which again whilst focusing on the delivery of new housing, provides advice applicable to those undertaking refurbishment works in order to avoid a "tiered" housing sector where an occupants opportunity to manage their own home differs significantly. The report covers a number of areas but of particular interest may be smart metres and energy display devices, lighting and heating controls, local energy storage and assisted living. By integrating smart technologies they may also be able to assist in managing comfort take / rebound impacts the programme may have.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

The Wellbeing of Future Generation Act sets out a goal for an equitable Wales, determining whether an energy efficiency retrofit programme should be equitable by pound spent or by the final SAP rating achieved post-refurbishment is difficult to determine. Cost analysis completed on the Retrofit for the future programme<sup>13</sup> may, if corrected for inflation, help with establishing benchmark costs for a future fuel poverty scheme. CEW would encourage more information on the "spend per household" to be detailed within the annual report. It is clear to see from the Nest Annual Report 2015-16

that the current local authority average spend (page 16) is approximately from £3,500 to £7,200. These figures seem some way below the spending caps outlined in the consultation document of £8,000 for homes on-gas and £12,000 for homes off-gas network. Rather than looking solely at a single capped figure per property, it may be worthwhile to benchmark some ranges for costs £/m<sup>2</sup> for external wall areas, or “total refurbishment costs per m<sup>2</sup> or property”. With the scheme now operational for 5 years, a wealth of expenditure records, supply chain efficiencies and so on should be able to involve this benchmarking exercise and support any single property cap, or £/m<sup>2</sup> ranges to be developed. CEW would encourage a more sustainable approach to be taken and for equality to consider the operational cost and long-term alleviation of fuel poverty. For example, a focus should be made on 19% of homes which are off-gas network directly to appropriate renewable technologies and heating systems. Whilst this may require an initial enhanced “per household” spend the longer term impact on both fuel poverty and carbon emissions is positive. Continuing to extend the gas network to homes in Wales seems contrary to the aspirations of recent legislative commitments in Wales. Opportunities to link off-gas communities with community energy schemes in parallel to property refurbishment could be better co-ordinated by Welsh Government. A collaborative approach of funding between Nest, Arbed and Local Energy could demonstrate a real change in refurbishment culture where by the “whole house approach” could become a “whole terrace” or “whole village” approach providing local, renewable heating to refurbished homes. The focus on spending caps also needs to ensure that quality can be maintained. For example, if external wall insulation is being installed, there may be additional costs incurred to retrofit trickle vents to windows and / or a positive input ventilation system. These “supporting” systems are needed to avoid unintended consequences such as damp and condensation in the future and their costs need to be incorporated within the costs of any fabric upgrade works. More information on quality aspects of external wall and cavity wall insulation are available in the publication “Post Installation Performance of Cavity Wall & External Wall Insulation”<sup>14</sup>. The consultation document indicates that spending caps will undergo further impact assessment analysis for different spending caps. It is critical that the items costs and incorporated into the whole house refurbishment are fully inclusive of all aspects and associated costs. For example this must include changes to guttering, window reveals, window replacement, controls, trickleventilation/mechanical ventilation as required, not solely the capital cost of the energy efficiency measure alone e.g. just the insulation material and installation costs.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support you answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

No comment.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all**

**other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

No comment.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

No comment.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

No comment.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

As part of their “Out of the cold” and work assessing excess winter deaths, the NICE portal includes “shared learning” case studies<sup>15</sup>. These schemes may offer some guidance to the Nest programme. Other shared learning may be available in Gentoo’s “Boiler on prescription trial – closing report”, published in March 2016<sup>16</sup>.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

CEW note that section 41 of the consultation document outlines the National Home Improvement Loan Scheme<sup>17</sup>. With funding being provided by each local authority CEW believe this leaves room for quality of workmanship to go unchecked and consumers vulnerable to substandard installers. It would appear that qualifying criteria used by local authorities vary between authorities which could mean that not as many people are able to benefit from this loan scheme as possible. The “Post Installation Performance of Cavity Wall & External Wall Insulation”<sup>18</sup> publication includes a number of recommendations with regards enhancing compliance scheme requirements and supply chain performance. CEW would encourage Welsh Government to ensure future schemes address the recommendations of this report. Welsh Government could demonstrate further its commitment to best practice by requiring a quality control check, for example a sample of installations are surveyed fully pre and post installation. Learnings from this quality control work can then be feedback to the programme supply chain and wider industry.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### How to respond

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

### Annex 1 – Consultation Response Form

#### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

<b>Date</b>	19/10/2016
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<b>Organisation (If applicable)</b>	SSE

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<b>Type</b>	Individual	<input type="checkbox"/>
	Businesses	<input checked="" type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## **QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>A) SSE believes that an energy efficiency scheme should be customer-centric, cost effective, simple to administer and fair. SSE agrees with Welsh Government insofar as improving a building's energy efficiency is the most sustainable way to reduce energy bills in the long term. SSE welcomes the Welsh Government's proposals to provide funding for measures, particularly if the scheme is designed to focus on those living in fuel poverty or on a low income. However, SSE believes that there is the opportunity to provide partial funding, if funding from other schemes can be used to complement Nest. Schemes in Scotland have proved successful in</p> <p>taking this approach – the area based aspect of Scotland's Home Energy Efficiency Programmes (HEEPS) provides capped funding (up to a maximum of £6,500 for flats, £7,000 for terraces and £7,500 for detached and semi-detached properties in 2016/17) for the installation of energy efficiency measures. This funding is often blended with ECO funding, thus attracting energy suppliers and installers to work in certain areas and maximising the number of households Scottish Government's budget can help. SSE recognises that this is an area based approach rather than a demand-led</p>

approach, however both schemes are similar in explicitly identifying leveraging ECO funding as a target.

If a new Welsh scheme is focused on leveraging ECO funding, consideration needs to be given to the mechanism through which this is achieved, to ensure that no state aid rules are breached. SSE recommends engaging with Ofgem and the Department for Business, Energy and Industrial Strategy (BEIS) on this matter. Due attention should also be given to the status of the managing agent, so that no party is inhibited from participating, the number of households helped can be maximised and obligated energy suppliers are not precluded from discharging their ECO obligation in combination with Nest's successor.

B) SSE agrees that advice is a crucial aspect of an energy efficiency scheme focusing on improving people's homes. As the Welsh Government Fuel Poverty Strategy highlights, 'advice needs to be easy to access so householders can make the most of help available to reduce their energy bills and maximise income.' There are already a number of organisations, normally a trusted intermediary independent of any commercial processes, set up to provide advice on energy efficiency. This type of advice plays a part in helping householders improve the energy efficiency of their homes but is often not measure-specific. SSE would be wary of encouraging any discussion about switching energy supplier to take place 'in home', as this could be viewed as a form of doorstep selling. If this were to be included as part of the scheme, 'in home' advice must be provided compliantly, completely impartially and the householder must be comfortable with the conversation taking place.

SSE believes that domestic energy efficiency programmes also need an advice and support component to ensure that appropriate measures are identified for each household. As the Welsh Government Fuel Poverty Strategy identifies, assurance is key to encouraging participation in energy efficiency schemes. Companies tasked with installing energy efficiency measures should be able to provide sound advice which householders can rely on and recommend appropriate measures. Should something go wrong, householders should be able to seek recourse and support.

At a UK level, we are awaiting the report from the Bonfield Review; an independent review of consumer advice, protection, standards and enforcement of UK home energy efficiency and renewable energy measures. We hope to see recommendations which seek to establish a robust framework of standards to ensure that consumers are protected and get good quality outcomes when measures are installed in their homes. SSE believes that any relevant changes proposed by the Bonfield Review should be fast-tracked in order to be in place for the beginning of the ECO transition year scheme, due to start in April 2017. Recommendations and any framework coming from the Bonfield Review should also be incorporated into a new demand-led scheme in Wales, so householders benefit from the same level of protection, and the two schemes do not have different requirements. SSE notes the requirement for a Nest qualified assessor to complete a whole house assessment. While we value the attention given to ensuring that households have the right advice, we believe that the more the requirements for Nest, or its successor, diverge from ECO, the harder it will be to leverage ECO funding, bearing in mind that BEIS are proposing to largely remove the need for domestic energy assessors.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

SSE believes that the most appropriate and cost-effective solution should be sought when improving household energy efficiency. SSE acknowledges that a whole house approach is desirable as it can make the installation of measures more cost effective, due to economies of scale. SSE notes that the majority of households have only received one measure under Nest. This falls in line with past experience we have of Nest and other similar schemes; a whole house approach has been difficult to achieve. SSE is concerned that committing to improving homes to an EPC band C, combined with a whole house approach, could result in fewer households being helped. Householders who would otherwise be eligible and in need may be excluded from receiving help because funding is used too quickly. It is our understanding that this is not in line with policy aims, as highlighted in the phrasing of question three. We believe that a demand-led scheme in Wales should be designed with an approach that ensures eligible households receive the measure(s) which would provide maximum benefit, with flexibility for this to be achieved by working with other schemes. Opportunities to integrate a new demand-led scheme in Wales with other schemes should be explored further. For example, a Welsh scheme could fund window improvements, while ECO funds external wall insulation. This would achieve a quasi-whole house approach, which may otherwise be unachievable under each separate scheme. If this approach were to be taken, ECO measures would need to be installed first. Under ECO, if recent improvements have been made to a property, a new EPC is required. This would increase the cost of improving the property and may act as a disincentive for blending the two schemes.

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

SSE understands that it can be difficult to reconcile a number of different policy objectives when designing a scheme; in this case, supporting the installation of energy efficiency measures which may be high in cost while making sure that as large a number of low income households benefit as possible. SSE agrees that spending caps can be an appropriate mechanism through which to manage this. However, SSE believes that any spending caps should be driven by the aims of the scheme – it is not clear to SSE what these strategic aims are. Is the focus on lifting as many households out of fuel poverty? Is the focus on improving as many homes as possible? Is the focus on lifting domestic properties to an EPC of C? Or is it trying to achieve something else? When looking at the proposed caps, it is not clear why these have been identified or what the proposed aims of the scheme are. For example:  caps based on heating

type suggest that the scheme is trying to incentivise rural delivery,

where non-mains gas is seen as a proxy for rural properties (something that we are keen to see across the energy industry); □ caps based on SAP rating focus the scheme on improving buildings, rather than helping people; and □ the size of the proposed caps suggests that the scheme will be more focussed on improving the SAP rating, rather than helping as many low income high cost households as possible. For example, caps for some Scottish schemes are almost 50% lower than one of the caps suggested in this consultation (as highlighted in our response to question one). SSE would like to highlight that, while an off-gas property is generally more expensive to heat, this does not necessarily dictate that it is more expensive to improve its energy efficiency. Cost is driven by measure and property type, and not each in isolation. Often, for rural areas, extra funding is needed to enable the installation, (for example covering the cost of delivering the required materials). From experience, SSE would also like to highlight that a spending cap should not be viewed as a spending target, so as to allow as many households as possible to benefit. Under similar schemes, the maximum grant available has been claimed irrespective of the cost of the install. There should be a thorough process in place to ensure that an appropriate level of funding is claimed, with flexibility to ensure that delivery is optimised. Consideration should also be given to the size of spending caps on measures which can be funded by other schemes, such as ECO. This will help to meet a number of objectives: □ encouraging a Welsh scheme and ECO to work in co-operation with each other (i.e. not competing for the same measures); □ helping a Welsh scheme to provide support to as many low income households as possible within existing budget constraints (i.e. funding can be blended with ECO for more expensive measure types, therefore leaving a larger amount of money to help other households); and □ unlocking the potential for an amount of Welsh scheme funding to be spent on measures which would not otherwise be subsidised by other schemes. When setting caps, SSE urges Welsh Government to allow for some flexibility in legislation, so that caps can be amended to suit market conditions, as the cost of measures can fluctuate. B) As explained in our response to question three (a), we believe that caps should be set based on the policy drivers, to help effectively target those most in need. It is not clear what the policy intent or allocated budget is for a new Welsh energy efficiency scheme. SSE believes that there is value in setting spending caps which are proportional to the existing energy efficiency of the property, if the scheme is focussed on improving SAP ratings. These caps have the capacity to ensure that as many homes as possible benefit from increased energy efficiency. However, if caps are set too high, some properties may be improved excessively (e.g. to SAP rating of C) at the detriment of other properties and households living in fuel poverty. Equally, if funding is spread too thinly, the impact of the scheme will be minimised. However spending caps are set, consideration needs to be given as to how the relevant requirements will be evidenced, so the customer journey is as smooth as possible. Requiring EPCs could add an extra cost to the scheme if they are not readily available for householders. SSE believes that, if spending caps are applied, they should provide a level of flexibility, both legislatively and operationally, and should be based on the policy aims.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means**

**tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

A) SSE fully supports a scheme which focuses on providing help to those most in need. While we recognise that evidence suggests that households with young children, those who are more elderly and those suffering from long term illness are more vulnerable to the effects of living in a fuel poor home, we do not feel that we are best placed to say whether the proposed eligibility criteria identify those most in need. SSE is aware that fuel poverty or living in a cold home can affect people at any age; the proposed age-based eligibility criteria would exclude a large number of working age households. SSE believes that it is important for any Welsh Government scheme to work in co-operation, rather than in competition, with other schemes to install energy efficiency measures in consumers' homes. We anticipate that this new scheme will work mainly in conjunction with a supplier obligation operating from 2018 onwards. While we do not have sight of the proposed eligibility criteria for this scheme yet, we anticipate that it will be similar to that proposed for the ECO transition year scheme. We have already raised concerns about the size of the pool of eligible households proposed under ECO with the Department for Business, Energy and Industrial Strategy and the constraints placed upon this pool which could unnecessarily increase the market cost to deliver these energy efficiency measures. For this reason, we believe it would be beneficial for a Welsh scheme to provide partial funding for measures which are eligible under ECO. This will ensure that those measures can be blended for delivery under ECO, while retaining funding in the Welsh scheme to fully fund other measure types. SSE is pleased to see that there is a cross-over between the qualifying benefits currently proposed for the ECO transition year scheme and the qualifying benefits proposed for a Welsh scheme. A cross-over pool of eligible customers, combined with a spending cap under the Welsh scheme for measures which could be funded by ECO, will act as an incentive for the two schemes to work together, will ensure that ECO measures are still available in Wales, will allow households not already eligible under ECO to benefit under a Welsh scheme and will enable a whole house approach by blending the two schemes, as referenced in our response to question two. B) SSE would like to see eligibility criteria under a Welsh scheme more aligned with ECO eligibility criteria, taking into account not only qualifying benefits but also additional eligibility criteria. This will allow ECO funding to be leveraged more easily; cited as 'an important objective of a demand-led scheme' in this consultation document. It would also be useful to see a mechanism which allows measures to be transferred to ECO, thereby releasing additional funding for a Welsh scheme. It is important to note that we do not believe that the eligibility criteria should be restricted to ECO eligibility criteria, for two reasons:

- To allow a Welsh scheme to target different groups of customers who would otherwise not benefit from energy efficiency measures. Scottish schemes have identified those groups of fuel poor households that they want to target, separate to ECO eligibility criteria, and have set scheme specific eligibility criteria to enable this.
- ECO is evolving and eligibility criteria may well change.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all**

**other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

SSE understands the rationale behind this proposal, but would like to draw attention to the fact that private landlords are currently responsible for providing a functioning heating system, not for improving the energy efficiency of the property. At present, tenants are able to request consent from their landlords for carrying out reasonably energy efficiency improvements. It is the responsibility of the tenant to ensure that the works are funded and that no upfront cost should fall on the landlord, unless the landlord agrees to contribute – tenants may well look to such schemes as Nest to fund work. New regulations from 1 April 2018 will mean that landlords will not be able to rent out properties which have an EPC lower than E. Even with this legislation, tenants in privately rented properties could still be living in fuel poverty. ECO recognises this, and includes private tenants as eligible. SSE would like to highlight that previous loan schemes administered by energy suppliers, such as Green Deal, have not been successful (as highlighted by the Public Accounts Committee in their inquiry into household energy efficiency schemes, published on 20 July 2016). As such, SSE does not believe that a similar model should be used if loans to private sector landlords are included as part of the support provided by Nest's successor.

**Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

In order for a Welsh scheme to work in conjunction with ECO, evidencing eligibility must be straightforward. An installer must be confident that the household is eligible for both streams of funding before any work can take place. As mentioned in our response to question four, we're pleased to see that there is a cross-over between the qualifying benefits identified for ECO and for Nest's successor. As further explained in our response to question four, while we welcome the cross-over, we do not believe that eligibility criteria for a Welsh scheme should be restricted to that of ECO, so that funding available in Wales can be maximised. However, where eligibility criteria overlaps, we do not believe that a Welsh scheme should place any additional restrictions on evidencing eligibility beyond those put in place under ECO, as this could cause the two schemes to diverge. In our response to BEIS' consultation on the ECO transition year, we emphasised the importance of not only having a straightforward upfront evidencing system (e.g. a benefits letter which clearly demonstrates if a household is eligible or not), but also the importance of being able to data match households so suppliers can ultimately confirm eligibility. We suggested that eligibility

criteria should not be introduced if it could not meet both of these requirements. If the Welsh scheme were more aligned to the ECO eligibility criteria, the Department for Work and Pensions data matching service could be used to identify eligible households. This is a system that already exists and is used across the

7

industry to deliver ECO. SSE believes that a replacement Nest scheme should be set up in order to allow for the use of the DWP data matching service, with consideration given to agreements around data protection.

#### Question 7

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

SSE believes that evidencing eligibility should be straightforward. If a new scheme for Wales is to work in conjunction with ECO, it is important that installers can be confident that households are eligible for funding under both schemes. As we said in our response to question six, we are proponents of eligibility criteria which can be easily evidenced. If the demands for evidencing eligibility become too strenuous, householders could self-exclude themselves from any such energy efficiency scheme. This may particularly be the case when any evidence asked for is of a sensitive nature, for example health records. Again, as highlighted in our response to question six, there already exists a data matching service which is utilised across the industry to deliver ECO. SSE would encourage Welsh Government to work with or build upon this service. If referral partners are used, then SSE believes that these partners should already be in possession of any required evidence (e.g. a medical professional) and should seek suitable consent from the individual/householder before referral. However, from experience, SSE would like to highlight that partners can be unlikely to refer households if there is no guarantee that they will benefit. Equally, care should be taken when identifying a managing agent, to ensure that there is nothing to inhibit energy suppliers and other third parties from acting as referral partners. Under ECO, there are proposals for something called 'flexible eligibility'. This mechanism is looking to mobilise local authorities (and potentially other third party partners) to identify households either:  living in fuel poverty but not in receipt of qualifying benefits; or  on a low income and vulnerable to the effects of living in a cold home. These households, once identified, will be eligible for support under ECO. However, there will be a limit on the number of households that can be helped through this mechanism and energy suppliers are not obligated to engage with this approach; if it is a cost effective mechanism suppliers are much more likely to pursue this approach. If local authorities act as referral partners for both a Welsh energy efficiency scheme and ECO, they will be well placed to identify households which can be helped under both schemes. This will increase the amount of funding accessible to Welsh households living in fuel poverty, making it a cost effective mechanism for both schemes.

<b>Question 8</b>
<b>Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?</b>
SSE does not have a strong opinion on this and believes that other organisations would be better placed to answer this question.
<b>Question 9</b>
<b>We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:</b>
As referenced in our response to question one, SSE would not like to see too many restrictions placed on those who can install or operate under a Welsh energy efficiency scheme, above and beyond those under ECO. We believe that the more requirements for Nest's successor scheme differ from the requirements for ECO, the more likely it is that the schemes will diverge, making it harder to leverage in ECO funding. □ SSE would like to see a mechanism in place to assess the success of the scheme against a clear strategic aim. SSE believes that this will help to identify any future policy aims and approaches.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
 Energy Efficiency & Fuel Poverty Branch  
 Welsh Government  
 Cathays Park

Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	18 October 2016	
<b>Name</b>	Veronica Davies	
<b>Organisation (If applicable)</b>	E.ON UK	
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<b>E-mail address</b>	Veronica.davies@eon-uk.com	
<b>Telephone</b>	02476 183488	
<b>Type</b>	Individual	<input type="checkbox"/>
	Businesses	<input checked="" type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## **QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>A) We agree with the overall approach of continuing to take action on fuel poverty and for the scheme to be prioritised to low income households who are most at risk from living in cold homes. The proposed support for the new scheme involving a front end service complemented by free energy efficiency measures and in-home advice strikes the right balance between physical measures to improve the fabric of the home and helping households to control their energy use and use only what they need.</p> <p>Support provided by the scheme will help towards achieving the Wellbeing goals of a healthier and more equal Wales. The approach is also consistent with the principle of sustainable development as the measures to improve the energy efficiency of the worst homes will go on to benefit future generations.</p> <p>Lastly, energy efficiency is recognised in the Welsh Energy Efficiency Strategy as</p>

being a cornerstone of achieving the Wellbeing of Future Generations goals. The support proposed by the new scheme is, therefore, wholly consistent with both the vision of the Strategy and the aims of the Wellbeing goals.

B) Yes, we agree that in-home advice should be offered to those meeting the eligibility criteria, as it is now. This could be done by an accredited partner like the Energy Saving Trust (EST) or by energy suppliers who are well placed to offer advice in conjunction with the installation of measures, thereby creating a seamless one-stop shop.

Local, independent organisations who may partner with the NEST provider to identify vulnerable households also have a key role to play in providing advice. This may be in-home or through other face-to-face contact, the key factor being that the advice will be provided by trusted organisations that people go to for help and support.

A recent report<sup>1</sup> looking at the provision of local support to help alleviate fuel poverty found that long-term, professional initiatives appear most effective at coordinating local support services for fuel poor householders. According to the report, this is due to them being able to reach large numbers of households through marketing and referral networks, the ability to provide a range of support and advice and their referral of vulnerable households to other local support services. Community organisations can complement this by signposting people to the service and aiding the delivery of visits, but a lack of resource often prevents them from targeting fuel poor households or offering a sustainable service.

The report also found, from one of the groups studied, that householders who were given tailored, behavioural advice on how to minimise heating usage while still keeping warm reported high satisfaction.

Another recent study<sup>2</sup>, carried out in Ceredigion, targeted electrically heated homes with poor energy efficiency and sought to understand how people interpret and use information. Recent advances in understanding how we make decisions can inform approaches for changing peoples' behaviours, specifically around home energy efficiency. Whilst the report focused on home energy 'coaching' over a period of time, the findings can be seen to support the approach of providing tailored in-home advice, thereby making the information relevant to households.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes, we agree that the new scheme should continue with the whole house approach to energy efficiency measures. In order to maximise cost effectiveness, it is important that the scheme allows the combination of funding from NEST with other sources of funding such as the Energy Company Obligation (ECO), or similar schemes. This will enable the NEST budget to go further, helping as many vulnerable fuel poor households in Wales as possible. Blending different sources of funding will also improve the prospects of delivering multiple measures in homes, without which it may be challenging to deliver a whole house approach.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

A) Yes, we agree that energy efficiency measures should continue to be subject to a spending cap per household, although this cap should be applied as an average across the scheme rather than on individual homes. This flexibility will help to deliver the whole-house approach more effectively within communities by allowing homes that, individually, may exceed the cap to receive the improvements that they need. This, alongside the ability to combine NEST funding with funding from other sources, is important for maximising value for money from the scheme and helping as many fuel poor households as possible. B) Yes, we believe that spending caps should be related and proportional to the energy efficiency of the property. This will help to ensure that the scheme delivers value for money by focussing the funding on improvements that make the most difference. The level of the caps will need

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Yes, we agree with the proposed eligibility criteria and the list of qualifying benefits, including those linked to certain health conditions. In order for the scheme to take full advantage of the potential to leverage in funding from ECO, it would help to make the eligibility criteria for NEST as closely aligned as possible to ECO. A third party referral mechanism for identifying people with qualifying health conditions has been proposed for ECO2 and we would support the introduction of a similar system under NEST. It is important that the design of any referral system should expedite the delivery of measures to households in need and should not complicate or introduce delays into the process.

### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of**

### **their properties through the provision of repayable low-cost loans?**

We agree that the scheme should continue to support the private rented sector where properties are used to address homelessness. We also agree, in principle, that private landlords should be encouraged to finance improvements to the energy efficiency of their properties themselves, with the help of low-cost loans. However, with respect to schemes like NEST, we believe that extending support to all private rented sector properties should be considered given the strict focus of the scheme to help vulnerable, fuel poor households. A high proportion of fuel poor households live in private rented sector (PRS) properties and excluding them from being eligible for support would greatly reduce the number of households that could be helped. Whilst we recognise that it is not within the spirit of the scheme to benefit landlords, the decision to exclude the majority of PRS properties from the scheme should not be taken lightly. We understand that most residential landlords are residential home owners with only one or two rental properties and are not operating a property portfolio as a commercial business. They may be unlikely to take out a personal loan to upgrade the rental property, leaving fuel poor households in this sector stranded from accessing support.

We believe that it would be preferable to retain PRS properties within the NEST scheme, but there are ways in which the scheme could be structured in order to balance the needs of vulnerable households with the need to push landlords to do more. One option is to reduce the trigger for referring applications to the Welsh Government for determination from three properties in the same landlord portfolio already having received support through the scheme, to two. Alternatively, assistance could be capped at two properties unless the landlord could demonstrate that any additional properties are being used to address homelessness. Another option is to cap funding for PRS properties at a percentage of the cost of the measures so that a significant contribution is required from the landlord or other sources. In this way, the scheme would be able to leverage in additional funds, in turn enabling the support to reach more households. In the case of support for PRS landlords, it would be reasonable not to allow NEST funding to be combined with support from other incentives. For example, if the UK Government reintroduces incentives for landlords to invest in energy efficiency measures, then NEST should exclude these properties.

### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

We agree with the inclusion of the age criteria in (a) alongside a qualifying benefit. We also agree with the inclusion of relevant health criteria as proposed in (b). As noted in our response to Question 4, it is important that the design of any referral system should expedite the delivery of measures to households in need and should avoid complicating or introducing delays into the process. The administration should be kept as simple as possible and suppliers must be able to deliver measures without having to demonstrate additional evidence once an eligible property has been identified.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

A) We believe that organisations with a bona fide interest in representing a relevant group of people within a community area should be able to act as referral partners. However, we also recognise that it would be impractical and costly to approve large numbers of organisations to act as referral partners. There would be more value in a smaller number of organisations representing the relevant vulnerable groups undergoing a rigorous pre-approval process. B) Individuals with a qualifying health condition could be given a referral letter by an accredited referral partner, similar to the flexible eligibility arrangements proposed for ECO2. C) The costs of running the referral system, insofar as they are reasonable, should be covered under the contract for running the NEST scheme. However, if additional funding from ECO, for example, was brought in to be used in combination with NEST funding then this should be required to meet the cost of any referrals. This would help ensure that the NEST money goes further overall, and that as much as possible goes towards installing measures.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

The most effective way to target those with respiratory or circulatory conditions would be to join forces with the health sector. This could be through either primary care givers or associated charities already in contact with individuals who may be eligible for support under the scheme.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

We have no additional comments.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## **Annex 1 – Consultation Response Form**

### **Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest**

<b>Date</b>	19-10-16
<b>Name</b>	Andrew Regan
<b>Organisation (If applicable)</b>	Citizens Advice Cymru

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<b>Telephone</b>	03000 231 493	
<b>Type</b>	Individual	
	Businesses	<input type="checkbox"/>
	Local planning authority	<input type="checkbox"/>
	Government agency/other public sector	<input type="checkbox"/>
	Professional bodies/interest groups	<input type="checkbox"/>
	Voluntary sector	<input checked="" type="checkbox"/>
	Other groups not listed above	<input type="checkbox"/>

## QUESTIONS

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>A) Yes. The broad package of support - dedicated energy advice, and grants for energy efficiency measures offered on a demand led basis - is an approach we endorse. We welcome the plan to offer a successor scheme to Nest, and believe that very close integration with the Energy Company Obligation (ECO) is vital to delivering the greatest benefit to fuel poor households.</p> <p>Given that ECO itself is under review, ahead of the transition year in 2017-18, and liable to be revised further in future, we believe that the Welsh Government's future demand led scheme should be designed to be flexible and responsive to change. The scheme should aim to fill gaps in the ECO offering, and to leverage in ECO funds to individual households.</p> <p>Looking at the distribution of spend across the five components of ECO, Scotland consistently receives a higher proportion of overall spend than you would expect based on population size. Wales receives more than might be expected in three components; 6.73% of CSCO, 7.05% of HHCRO, and 8.95% PSWMR, but in two of those components Scotland receives disproportionately more again; 23.01% of CSCO, and 27.54% of PSWMR. There is clearly scope for devolved nations to</p>

integrate schemes with ECO and leverage higher levels of funding than in England where no equivalent to Nest and the Scottish Government's HEEPS scheme. This will also reflect the greater need in terms of fuel poverty levels and housing conditions.

B) Citizens Advice believes that consumer advice on energy efficiency in general needs improvement. Consumers can't engage in energy efficiency if they don't know or understand enough about it. Another recent research report for Citizens Advice<sup>2</sup>, with able-to-pay consumers, suggests that awareness and understanding of available measures is low. Greater engagement could be encouraged by improved information and advice provision. Currently, energy efficiency advice and information is often delivered in a piecemeal way. In some areas, there is a lack of sufficient impartial information for consumers. An easily identifiable, comprehensive, trustworthy and long-term source of information on energy efficiency and renewable measures would be helpful not just for consumers seeking advice, but also for firms and advice agencies dealing with consumers.

We expect to see this addressed in the medium- to long-term by the Advice and Guidance workstream of the Bonfield Review, and would urge the Welsh Government to look closely at the review's recommendations when they are published. We will be interested to discuss with Welsh Government how the review findings will inform the development of both the new fuel poverty scheme, and any ongoing development of Resource Efficient Wales.

In home advice In terms of in-home advice, we would support the provision of holistic, independent, quality assured advice to eligible applicants. Advice should begin with client need, and advice services should be well placed to make referrals to specialist support where needed. For that reason, caution should be applied when prescribing the channel or content of advice to scheme applicants.

We know that energy bills and energy efficiency are rarely a key driver of clients coming to our services, but that reducing energy costs is most often discussed as part of a suite of debt management and income maximisation support. Clients struggling with energy bills may also be facing benefit or debt issues, which require specialist advice, and which may be more pressing in the client's mind than the need to reduce energy bills. So any in-home offer of advice which focuses too closely on energy in itself risks only addressing one aspect of a client's needs, or putting them off engaging with the advice offer.

The type of agency best placed to deliver advice as part of the future demand led scheme will be any organisation that can provide independent, quality assured advice on all issues affecting a client and their household. Citizens Advice is clearly one such service operating nationally, but other organisations offer this to specific client groups or in local areas. It is important to ensure any bespoke service within a future demand led fuel poverty scheme complements rather than duplicates energy advice from established services. Identifying gaps in provision in different parts of Wales, potentially using emerging methodologies for assessing unmet need from the National Advice Network, will be crucial to this.

There is, however, a clear need for clients who have received new heating systems to be given training in how to use it, and to have the opportunity to follow this training up with queries. We regularly hear about clients failing to benefit from new heating systems because they do not know how to set timings, or adjust

temperatures. It would make sense for this to be incorporated into the installation visit, and for arrangements to be made for the client to be contacted proactively by partner advice agencies at the same time.

### Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Citizens Advice has consistently endorsed taking a whole house approach to energy efficiency support, and been critical of schemes which simply replace boilers without addressing insulation and building fabric, meaning much of the heat coming from a new, more efficient boiler, is likely to still be wasted. Nest aspired to offer a 'whole house' evaluation to eligible applicants. However, the Miller evaluation of the scheme found that 'gas boilers accounted for the majority of measures - almost two-thirds of all interventions' and that 'the majority (84 per cent) of households received one measure'. Whilst we understand that a 3 'single measure' can in fact mean an entire heating system with multiple components, it is still clear that such systems are being installed without associated insulation improvements. This suggests that whole house evaluations have not necessarily led to whole house solutions.

This concern is echoed by Nest delivery team members in the Miller evaluation, which notes:

*'the delivery team had noticed that households in urban areas are unlikely to be eligible unless their boiler has broken down. This led to concerns that Nest could become a boiler replacement service rather than adopting the 'whole house approach'.* Future fuel poverty schemes in Wales are likely to operate in tandem with revised versions of the UK Government's ECO scheme, which has historically also predominantly provided replacement boilers. Citizens Advice Cymru believes the Welsh Government should ensure that future schemes complement the new ECO with a different offering, focussing more on substantial measures for those properties where the benefits of a replacement boiler may be offset by poor thermal efficiency of the building itself.

So whilst we would support the new scheme continuing to offer a whole house approach, we feel that the existing Nest scheme was not wholly successful in delivering 'whole house' outcomes. It may be focusing on EPC rating improvements rather than more direct impacts on health and wellbeing is a contributing factor.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

A) We do agree that a spending cap is appropriate, but there should be a degree of discretion within the scheme to exceed the cap where there is a compelling case for assisting a household in severe need, and/or with vulnerable members. For example, a household of multiple members, living in a very hard to heat and hard to treat home, with multiple health conditions, and young children in residence can potentially benefit more from the same measure(s) than a single occupant household with no significant health conditions, but the same financial situation. We would also wish to see more evidence around what households were turned down for which measures as a result of the existing cap (which is very similar to the proposed caps), and how much additional spend above the cap would have been needed to bring their property to the required EPC. If this data is not available for previous schemes, it should be recorded as part of the future scheme, and considered as part of any ongoing review of qualifying criteria and spending caps. The Welsh Government should consider allocating a proportion of the overall budget to funding measures above the cap threshold where there is a particularly high level of underlying need to be addressed, or where funding could be used to address or avoid adverse childhood experiences (ACEs) such as impacting on educational performance.

We would be happy to work with the Welsh Government to develop what that proportional approach could look like.

B) This is a reasonable approach. However we would again urge the Welsh Government to build flexibility into the scheme design and allow discretion for the scheme manager to consider household need. There is an apparent shift in scheme design towards directly addressing health outcomes through new eligibility criteria (though we express concerns about these below) and targeting. This means 'cost effectiveness' should not be thought of solely in terms of how to move a property from a low to high EPC rating, but also in terms of the potential improvement to residents' health, and associated savings to health budgets.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Citizens Advice Cymru has significant concerns around the proposed changes to eligibility. Prior to the consultation, our research found that, of low income households who had tried to get help from an energy efficiency scheme but were unsuccessful, over a third (35 per cent) mentioned eligibility criteria as the reason. For people who had never tried to get help, a fifth (22 per cent) said this was because they *believed* they would be ineligible, whether or not this perception was in fact accurate.

Citizens Advice Cymru would argue that eligibility criteria are both a **real** and **perceived barrier** to some low income households getting help. This is particularly of concern given that Nest and similar schemes offer support beyond grants and measures. So it is likely that, without the incentive of energy efficiency

grants, some potential clients might not contact the new scheme, and so miss out on advice, support, and referrals to additional help.

We would therefore have hoped to see a more flexible and inclusive set of eligibility criteria, which allowed, for the first time, people to be eligible because of physical or mental health conditions. We did not want to see a withdrawal of eligibility from households who currently benefit from the scheme, without a clear explanation of how these households will be lifted out of fuel poverty in the absence of Nest support.

We strongly support the introduction of a qualifying criteria linked to health conditions. There will clearly be individuals who can benefit from funded energy efficiency measures, at the same time as saving money to health services through keeping them healthier and reducing GP visits and hospital admissions.

The Miller evaluation of Nest, and our own research both found that there were groups in need of help, and actively seeking help from Nest, but not receiving it.

*“The quantitative data further indicate that many of those who were ineligible for household improvements were forced to make similar choices about heating to those who were deemed eligible. Whilst the scheme has reached some households in need, there is a risk that others equally in need, have been unable to access the support they need as they failed to meet all of the qualifying criteria.”* 5 Within our own research, some stakeholders interviewed criticised eligibility criteria:

*“Because their income levels are so low, they quite quickly meet the fuel poverty criteria don’t they [but]... they’re not eligible because they’re not on a means tested benefit...and then you’ve got private landlords who probably own property and maybe own a couple of other properties, who are relatively wealthy and well off, but they can access free heating systems via their tenants. Very odd, it doesn’t make sense.”* (West Wales Credit Union)

### **Future Generations Act**

As a service we consistently see individuals on low incomes who are ‘not quite poor enough’ missing out on multiple forms of support because of inflexible eligibility criteria. Over time their situation worsens until they finally become eligible for help, at which point interventions are costlier, and often the household has experienced harm or detriment which could have been avoided with a preventative intervention.

The Welsh Government has recognised this principle and put it at the heart of the Future Generations Act, and associated statutory indicators. The specific indicators 5 Miller Research ‘Evaluation of the Nest Energy Efficiency Programme’ (page vi)

which could be positively impacted by fuel poverty / home energy efficiency would be:

6. Measurement of development of young children

14. The Ecological Footprint of Wales

18. Percentage of people living in households in income poverty relative to the UK median: measured for children, working age and those of pension age

19. Percentage of people living in households in material deprivation

29. Mean mental well-being score for people

30. Percentage of people who are lonely

33. Percentage of dwellings with adequate energy performance  
41. Emissions of greenhouse gases within Wales

However by focussing the new eligibility criteria exclusively on households where people are already experiencing health problems the opportunity for a long term preventative intervention may be lost. It is possible that a demand led energy efficiency scheme can play a part in reducing the prevalence of damp related health conditions, as part of a suite of policies to improve energy performance in residential properties.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Partially agree. We can appreciate the rationale behind this proposal in principle, given the need to prioritise resources, and to avoid the risk of landlords taking advantage of the funding. However we are aware that consistently around a third<sup>6</sup> of Nest clients are from the private rented sector, and are likely to be experiencing fuel poverty. We would want to see a much clearer set of guarantees that support will be available to PRS tenants following any removal of their homes from the scheme. 6 15.2% of recipients in 2011-12, 26% in 2012-13, 33% in 2013-14, 29% in 2014-15, and 28% in 2015-16 according to Nest Annual Report.

We do not consider that home improvement loans will be an adequate replacement for the current grants regime. Our report *Energising Householders*<sup>7</sup> explored the motivations of owner-occupiers to take action on improving home energy efficiency - we found very weak motivation to spend and / or borrow money to fund home energy efficiency, even in the context of loans being available at attractive rates of interest.

To succeed, any loan scheme aimed at landlords must address their motivation to borrow by being part of a suite of policies combining positive and negative incentives. Positive incentives would include reduced rates of council tax for their properties - making them more attractive to tenants, and improvements to the value of their property. Negative incentives would include increased costs through varying council tax rates linked to EPC's, and enforcement of higher energy performance standard via Rent Smart Wales.

Consumers identified that with the right combination of financial support (loans, grants, potential savings) in the short term and penalties in the long term (increased costs / taxation) they would be persuaded to take out energy efficiency measures which they otherwise had little to no interest in. The report also identifies the need for a clear and easily accessible consumer protection and redress framework in place. Homeowners are concerned that work will not be of a suitable standard, or may actually risk damaging their property if it is done incorrectly, and this can put them off getting work done. To complement any loan scheme, the Welsh Government should ensure landlords have a clear avenue to advice and redress if they have any concerns or complaints about measures installed under the scheme. In conclusion, we would only support this change to eligibility if there was a fully developed proposal for a suite

of policies to support PRS tenants in fuel poverty. At present the alternative proposal in the consultation only sets out the beginnings of one possible solution, and not a solution which will work for all consumers.

On properties used to address homelessness, we would support their continued inclusion in the scheme. However given the more stringent criteria used by local authorities to approve properties for the scheme it may be the case that the number of households that would be eligible for support would be small.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

The consultation proposes three approaches to demonstrate eligibility, and we broadly support each one (in the context of our wider concerns around what the eligibility criteria will be). We have additional comments on each approach below. We would urge the Welsh Government to acknowledge the resource implications of participation in a third party referral system for services. Within our network, Citizens Advice are seeing an aggregate effect of other service's retrenchment from face to face support and advice is increasing demand on agencies such as ourselves who operate on the frontline. With funding for our front line advice increasingly linked to specific projects, the scope to absorb the resource implications of a time consuming referral process is limited, and other agencies will be in a similar position.

**“Using the receipt of means tested benefits to build on existing established systems to allow households to demonstrate their eligibility for the scheme.”**

Please refer to our comments on question 4 regarding eligibility criteria as a real and perceived barrier to seeking help. We recognise that the use of pre-existing criteria such as receipt of means-tested benefits is desirable as it reduces the complexity and additional costs of scheme design. However the use of benefits to passport clients to packages of support is a consistent problem for households on low incomes who consistently just miss out on vital support.

Benefit receipt should remain a qualifying criteria, but we hope to see eligibility widened beyond this group to enable support for people who are ‘not poor enough’, thereby enabling an additional degree of preventative spend. The use of benefits will in itself become more complex given the transition to universal credit and movement in the labour market towards less stable jobs, more variable contracted hours, insecure employment and wider income instability. A low income client may find themselves in and out of work more regularly, and receiving variable amounts of universal credit (UC) as a result. It should be possible for a future scheme to establish eligibility for clients who are

consistently in receipt of benefits, even where the amount of UC they receive varies significantly month to month.

**“Using some element of self-qualification involving the referral to the scheme by a third party for households where eligibility is complex to evidence.”**

**“Using a pre-approved third party referral system that allows those with relative low incomes and certain health conditions but who are not receiving means tested benefits to be included.”**

Taking these two approaches together, we broadly support the approach of having one or more dedicated third party referral partners who are able to check eligibility and make pre-approved referrals. With health criteria, it would be helpful to understand whether individual applicants will have to prove that they have the relevant medical conditions, and whether they will have to demonstrate a particular level of severity before qualifying.

It would be desirable to involve medical professionals such as GPs in the pre-approval process, to prove a diagnosis, rather than relying on subjective assessments by unqualified third parties. However GPs and their offices are unlikely to have the knowledge to evaluate wider financial criteria, and may be under-resourced to provide high numbers of doctor’s notes.

We are aware, in some cases, of clients seeking to prove they have medical conditions being charged to obtain a doctor’s note to evidence the diagnosis. This can be enough of a barrier to prevent them progressing an application.

Thought should be given to how to avoid this within the scheme design, and how third party referral partners can enable GPs to provide confirmation of medical diagnoses in a simple and streamlined way to a central referral ‘hub’. This will also involve addressing consent issues around data sharing, something which could be facilitated centrally by Welsh Government.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

#### **Health and consumer experience of energy efficiency programmes**

Our research found that only 2 per cent of people mentioned health concerns as their main motivation for seeking help from an energy efficiency scheme, and only 6 per cent mentioned it as a motivation at all. Unsurprisingly, financial reasons are a bigger motivator, with 25% of respondents mentioning reducing energy bills, or the fact the scheme was free (17%) as their main motivation for seeking help.

By contrast, of those surveyed for the Miller evaluation, almost half of 8 beneficiaries agreed that they had noticed improvements in their/their family’s health as a result of the home improvements. Unfortunately, the evaluation does not go into much detail about this, but the examples cited are around people with asthma or respiratory problems.

What we see therefore is that despite health being a low reported priority for

those seeking help, there is nevertheless quite substantial agreement amongst respondents who had received measures that they experienced improved health. So these clear health benefits are not currently a huge motivational driver for consumers to engage with the scheme. We therefore strongly support the proposal to use third party referral partners who are already dealing with clients with these conditions.

A) 44% of Citizens Advice Cymru's clients have a disability or long term health condition<sup>9</sup>, often on low incomes and seeking advice and support with financial problems. We would therefore be well placed to support them in making applications to the new demand led scheme.

We would suggest that Care and Repair, Age Cymru, and local age organisations would also be good partners for reaching over 75s, however we are not aware of an obvious organisation that would support working age people with circulatory and respiratory conditions in the same way. There is no question within the consultation addressing how to refer households with children under 5, as per the proposed criteria. However our own network of local Citizens Advice could continue to refer families with eligible children, but thought should be given to outreach through schools, nurseries, health visitors, and social services.

B) We would defer detailed comments on this to medical professionals and health organisations.

C) Fixed grant support to referral partners provides a more stable baseline from which meet set up costs, plan staff resources and deliver training to support applications over the long term. Associated KPI's and targets should be discussed and agreed.

We would not support a solely results-based 'per referral' approach to funding as this does not provide the financial stability to properly resource organisations like Citizens Advice to make referrals. Given the more stringent eligibility criteria, we may also find that the number of clients we are able to refer reduces or we need to adopt different approaches to reach potential beneficiaries. Without stable financial support it becomes harder to keep skills and knowledge up to date.

## Question 8

### **Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

We would endorse a combination of two approaches:

- referrals from organisations and health bodies which deal with people *because they have these conditions* to advice services who can assist with applications, or to the new scheme directly
- partnerships with independent advice and support giving bodies and training to help them sensitively identify clients with diagnoses of respiratory and circulatory conditions in the course of advice sessions on wider financial issues. This could be facilitated via the Independent Advice Providers Forum (IAPF) the National Advice Network (NAN), the Financial Capability Fora and other networks.

To support this, the role of Welsh Government and / or the scheme manager should be to foster good relationships between these two types of body, and provide a central 'portal' where evidence (e.g. doctor's note, evidence of income) can be submitted by multiple bodies confidentially in support of a single application.

We would not want a situation where an application needs to be aborted and begun from scratch because a single piece of evidence is missing. This will be frustrating for clients and may lead to some giving up on the process. It should be possible to 'save' an application in draft form and have the client be supported to obtain any additional evidence needed.

### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

There are a number of key areas of concern for Citizens Advice Cymru which are not covered by the consultation as it stands. These are

- 1) Support for young people
- 2) People with mental health problems
- 3) Agricultural properties - residential vs business status

#### **1) Young people 'falling into a gap' in fuel poverty support**

Fuel poverty is, understandably, more commonly associated with older than younger people. As one stakeholder interviewed for our research noted:

*Fuel poverty figures (...) do bear out the fact that it can be a particular problem for older people. There are a few reasons why this is the case, probably in terms of older people spending a large proportion of their time at home on average, so needing to use the heating more. [They are] likely to live in older, less insulated properties...and perhaps having inefficient heating systems. (Age Cymru)*

However, a key finding of our research was that younger people were more likely to self-identify as being in fuel poverty than older people . 95 per cent of low 10 income 16-34 year olds who took part in our research said they had experienced at least one of the 'symptoms' of fuel poverty , compared to 74 per cent of over 11 65's. Less than half (45 per cent) of people over 65 said they were worried about managing energy bills if prices rise in future , compared to over half of all other 12 age categories (between 61 and 64 per cent of people in these groups). Younger people are also more likely to have cut back on their spending to help pay for their energy bills (71 per cent) compared to older people (38 per cent).

#### **Why are young people in fuel poverty?**

Younger working age people are more likely to be impacted by the recent reforms to welfare benefits, compared to older people whose state pensions have been protected. This means that younger people's incomes can be more volatile, even when they are not necessarily lower than a state pension recipient's would be.

Younger people are also more likely to live in the private rented sector, where there has been less progress in improving energy efficiency than the social housing sector. They are also more likely to be in insecure employment, including

those who are self-employed, or on a zero hours contract.

This would potentially explain the finding that they are more likely to be worried about price increases, as they cannot say with certainty what their income will be in the future. Many pensioners undoubtedly have to manage on a very low income, but it is a stable income.

### **Literacy and Financial Capability**

Stakeholders interviewed speculated that young people may also be struggling more because of poor literacy and financial capability, and that this may also explain why they are less likely to access help.

*“... some of our young people struggle to read and write... we will assist them to understand, we’ll break things down for them, so they have a clearer understanding of what is actually being said to them and stuff like that. [it needs to be] explained to them in more of a manner that they’ll understand, as opposed to a formal manner... Nine times out of ten they’ve come from a very difficult background, and don’t take too well to that sort of thing.”* (Llamau)

*“It’s the 25s to 35s with young families. They’re trying their best and some of them they are working but they’ve got a family, but they are on a low income and they are struggling. I’m finding that the younger people are suffering more than the older people. Only because the older generation, their money management skills are better than the younger generation, so I’m finding that we are targeting the wrong people.”* (RCT Council) Based on this, Citizens Advice Cymru believes that future schemes should aim to tailor their messaging and referral pathways to anyone who lacks money management skills, who may be thinking seriously about managing their energy costs and usage for the first time. Energy is rarely the most pressing financial problem a household faces, so those who are attempting to get to grips with their money for the first time may be overwhelmed with information about dealing with a number of different creditors. The best way to support them may be allow them ‘breathing space’ to address their problems at a pace that they can deal with. Some young people living independently for the first time may also lack confidence in negotiating with landlords, or other authority figures, about having measures installed in a property they don’t own. Schemes could offer support to mediate or negotiate with property owners, or provide information on the benefits of the proposed measures to the landlord.

### **How young people cope with their energy bills**

The overwhelming majority of 16-34 year old respondents on low incomes, had taken steps to reduce the amount of energy they used (92 per cent). Younger respondents said they had:

- Had the heating on less (63 per cent)
- Put on additional layers instead of the heating (64 per cent)
- Turned the thermostat down (60 per cent)
- Used appliances less (56 per cent)
- Turned the hot water off / used less hot water (37 per cent)

By turning down the heat, young people are cutting their energy usage in a way that can be harmful to their health and wellbeing in the longer term, **storing up problems for future generations**, and costs to future public services.

### **Young people and support from energy efficiency schemes**

The Nest annual reporting shows that only 2.5 per cent of householders receiving

help are aged under 24 , compared to 44.7 per cent of recipients being aged 60+. 13 The report does not break down recipients aged 25-59 into smaller age bands. Our research suggests younger people are amongst those 'falling into a gap' in support. Over half (55 per cent) of over 65's we spoke to have benefited from an energy efficiency measure in their home compared to a quarter (27 per cent) of people aged 16-34.

In many respects this is to be expected, younger people are more likely to rent their home, and therefore less likely to be eligible for help from schemes like Nest or ECO. They are also less likely to come into contact with support organisations - like social services, health professionals, Care & Repair and equivalents - who often make referrals to fuel poverty schemes.

The Miller evaluation corroborates this view:

*"Across interviewee groups (stakeholders, the delivery and management team) it was reported that Nest had been particularly successful in targeting groups who already access services. For example engagement with older people had been facilitated through groups such as Age Concern and Care and Repair."*

This could partly explain why fewer younger people report receiving help from the schemes, as there are fewer equivalent support services for under 65s.

## **Summary**

We believe that younger people are finding it harder to access the schemes because:

- they are less aware of support available, partly because they are less likely to be in contact with support services who can refer them
- they are more likely to rent from landlords who are not helping them access support
- they are less likely, according to stakeholders interviewed, to have the personal financial skills to navigate the application process

## **2) Support for people with mental health problems**

All the stakeholders interviewed also expressed concern about the mental health of those within their client groups experiencing fuel poverty. Several said worry about energy bills and fuel debts increased anxiety, depression, and it could, in the most severe cases, even lead to suicidal thoughts.

*We know that people with mental health problems are furthest away from the workplace, amongst the most vulnerable and are amongst the groups of people that have the lowest income levels in Wales. A lot of our clients are in fuel poverty, yeah, and also, not only are they in fuel poverty, they're in poor quality housing, so the two together is not a good combination. (Mind Cymru)*

*In general a lot of our young people have lost their self-esteem, they've lost their self-confidence. Mainly because they're living on low incomes and they're on benefits, and they've lost the ability to budget effectively in their own accommodation... And of course, this can lead then to mental health issues because they're suffering with depression, anxiety, because it's all linked together. You'd be surprised that even something as much as a high utility bill, where someone struggles to pay, can actually have a detrimental effect on their mental health in the long term. (Llamau)*

*Absolutely it impacts on their mental health and wellbeing. Levels of anxiety are increasing. The impact is significant, and particularly coupled with some of the negativity that there is still, and the discrimination against people with mental health problems; that they are scroungers, and we know of people who have*

*had serious thoughts of suicide because of the impact, and we know people who have committed suicide because of that impact. (Mind Cymru)*

Again, there is no explicit link within the design of any previous fuel poverty scheme to alleviating mental health problems, and no scheme includes mental health as an eligibility criteria. Given the impact fuel poverty has on mental health, and the seeming shift to a preventative health approach, it would be valid to consider including mental health based eligibility criteria alongside respiratory and circulatory conditions.

### **3) Exclusions for people in agricultural properties**

We have received reports, through our network, of clients who feel the current rules discriminate against rural, agricultural workers on low income. If a person owns a farm, and lives in a farm house, although it is their domestic residential property, Nest classify it as a business premises, and won't do the work.

Whilst this represents a small amount of anecdotal evidence, it does point to a potential discrepancy wherein applicants live in a property which is also used for business. There should be clarity within future eligibility criteria to ensure that people in need do not miss out on support because they also use their home as their place of work.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

#### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPoverty&EnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

**The Builders Merchants' Federation (BMF)**

**QUESTIONS**

**Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be**

**most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

### **Whole House Approach**

Para 46: The BMF fully supports a 'whole house' approach. Some works go together as a package - i.e. replacing windows & doors and exterior wall insulation. We are not aware of any formal requirement under ECO for energy suppliers to treat homes as a 'whole house' project. If a home is not improved by multiple actions, at the same time, in a logical sequence, the advantage of a new boiler, heating controls, etc, is lost due to heat escaping from a poorly-insulated home

### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

### **Spending caps on energy-efficiency measures per household**

Para 47-50: spending caps are necessary to control taxpayer-funded support that must be concentrated on homes in most need and on fitting the correct improvements in as many homes as possible. A higher cap for off-gas grid properties is right and recognises higher rural costs.

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

### **Who should be eligible for the new scheme ?**

Para 51-62: the proposed removal of private rented accommodation from the eligibility criteria is justifiable for the reasons described. Landlords can offset some costs of improvements against tax - or in the case of homelessness, they can bid for repayable low-cost home improvement loans.

### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

**How do applicants demonstrate eligibility?**

Para 63-70: we are not qualified to comment on benefits, entitlements, health or vulnerabilities.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

The BMF is not qualified to answer any of these.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

The BMF is not quailed to answer any of these.

#### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

The BMF is not quailed to answer any of these.

#### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

#### CONCLUSION

There are three and a half years until 2020 and the effort required to improve millions of homes is unlikely to be completed. Household energy-efficiency is a national infrastructure priority. The Scottish Government has taken that decision which puts them ahead of the other UK nations.

Ministers of all political persuasions must urgently explain what they are going to do to increase the number of homes being treated. With a chronic shortage of new homes, we must make the most of existing housing. That is why we welcome the chance to help inform policy and shape the Welsh Government's thinking towards alleviating fuel poverty and improving cold, draughty homes

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

#### How to respond

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

**Post:**

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

Date:	06/10/2016
Name	Rhian Nowell-Phillips
Organisation	RNIB Cymru
Address	Jones Court, Womanby Street, Cardiff, CF101BR
E-mail address	<a href="mailto:rhian.nowell-phillips@rnib.org.uk">rhian.nowell-phillips@rnib.org.uk</a>
Telephone	02920 82 85 64
Type	Third sector

## **QUESTIONS**

### **Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

RNIB Cymru is Wales' largest sight loss charity. We provide support, advice and information to people living with sight loss across Wales, as well as campaigning for improvements to services and raising awareness of the issues facing blind and partially sighted people.

There are currently around 106,000 people in Wales living with sight loss Access Economics, (2009). Future Sight Loss UK 1: "The economic impact of partial sight and blindness in the UK adult population.")

This number is projected to increase significantly over the next 25 years due to the ageing population. 1 in 9 people over the age of 60 and 1 in 3 people over the age of 85 are living with sight loss. (Access Economics (2009)).

As the population ages and the number of people with sight loss are expected to increase, it is increasingly important that environments are designed to be heat efficient to enable people to be warm as possible.

(1) It is estimated that up to 90 per cent of an older person's time is spent in their home (ODPM, (2006). "A sure start to later life: ending inequalities for older people." Social Exclusion Unit.) So their housing has a direct impact on their wellbeing and independence.

We support Welsh Governments proposal that the new demand led scheme should provide both a front end service which will offer households advice on energy saving measures, plus free energy efficiency measures and hand holding advice for eligible households.

Disabled people often have particularly high energy costs, often due to needing a higher temperature in their homes because of reduced mobility, living with health conditions that are aggravated by cold weather or on medication that actively lower their body temperatures

Due to the barriers around securing employment many people with sensory loss are

not currently working and this means that they may spend more time indoors, and so need the heat on for more of the day than those who are in employment or able to leave their homes.

Older people with sight loss, particularly those over the age of 75, are often living with up to three or more long term health conditions, making it even more of a challenge to maintain independence, wellbeing and keeping warm, many need care and support.

Sight loss impacts on every aspect of a person's life: their physical and mental health, their ability to live independently, their ability to find or keep a job, their family and social life.

Access to impartial advice and guidance on ways to save energy would also be of benefit to those households not yet at the threshold for support, but where intervention now could keep them from doing so in the future.

**A) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

We agree that in-home advice should be offered to those meeting the eligibility criteria although consideration should also be given to expanding this element of the service to allow a greater number of vulnerable people to benefit from this sort of advice.

The type of advice that could be offered will to a large extent be determined by their proximity to services, for example in rural areas many householders may be off-gas and so the type of advice may be far different to those in urban areas.

This element of the scheme could provide a valuable signposting service for householders and could provide information on any local support or initiatives that may be available.

Consideration should also be given to whether advisory aspect of the scheme could be extended to the provision of advice on switching tariffs or energy bills, which can be the single most significant saving a low income household could make.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

The current Nest scheme is run as a 'whole house initiative' and we believe that this should continue under the new arrangements, however, given the fact that under the current arrangements the majority of households have only received funding for one measure there may be a need to examine what real or perceived obstacles there are to further works or is it just that the one item reaches the current cap on funding.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Whilst recognising that there is a valid argument for allocating spending caps per household, it is important to ensure that there is some flexibility within the system to reflect the need for the process to reflect rural proofing to ensure that resources do not end up being polarised in areas of high population density, merely because it is more cost effective to do so.

Deep rural areas have significant infrastructure issues in terms of access to mains gas, water and occasionally electricity and so it is important to ensure that any capping reflects these properties.

**A) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

We believe there is merit in the consideration of developing caps which are proportionate to the starting **Standard Assessment Procedure (SAP)** rating of a property which would allow for higher caps in those properties with the lowest SAP ratings.

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Whilst the eligibility criteria seem to cover the most vulnerable in society we are concerned that the independent evaluation of the Nest scheme commissioned by Welsh Government raised concerns about the accessibility of the application process to groups which included those with sight loss.

We welcome some of the improvements already introduced for the 2015/16 scheme, which include additional targeting to remove access barriers and measures to encourage engagement and hope that these strategies will be further developed as part of the successor scheme.

We do have concerns about the proposal to restrict private rental properties to those used to support homelessness. Vulnerable people often have no choice to private rent due to bedroom tax. Often those on low income already. Could we say if tenant can not apply, landlord must?

Whilst we agree that private landlords should be responsible for installing energy efficiency measures in their properties, unless there are incentives available for them to do so, there is little evidence to suggest that they would go further than their legal obligations.

Whilst accepting the principle that private landlords are running a business, it is important not to lose sight of the fact that tenants should not lose out on available support because they cannot afford to do the work themselves and the landlord refuses to do so.

We believe that this aspect of the proposals needs to be revisited to ensure that those who meet the other eligibility criteria are not excluded from support.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Work undertaken by the University of York (Fuel Poverty and disabled people: the impact of policy change; Carolyn Snell, Mark Bevan and Harriet Thomson) showed that fuel poverty rates were found to be highest in the private rented sector, and the qualitative findings also demonstrated the concerns about this amongst key stakeholders, and some of the private sector residents interviewed. Disabled people may be especially disadvantaged here given the limited supply of appropriate social housing.

As outlined above, there needs to be a high level discussion on how private landlords can be encouraged to consider energy efficiency measures, whether through incentives or negative solutions such as Council tax.

The review of the current scheme has highlighted that grants are not generally taken up in any significant level, although if some level of inducement was introduced this may well change in the future.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

The evidence shows that those people suffering with a respiratory or circulatory disease are more vulnerable to cold and so we agree that these should be a priority, although we believe that consideration should be given to referencing disabled people within the eligibility criteria.

We know that the impact of disability-related costs on people's standard of living is significant. Whether it's paying for assistive technology, additional healthcare, household bills or transport, these extra costs can have a catastrophic effect on disabled people's disposable income, leaving them at much higher risk of poverty and financial exclusion.

Work undertaken inIndeed researchers have estimated that once disability-related costs are taken into account the numbers of households with a disabled occupant assessed as living in poverty jumps from 23 per cent to between 40 per cent and 60 per cent

### Question 7

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

RNIB Cymru believes that there are number of organisations who are dealing with vulnerable people on a daily basis who could be resourced and trained to act as referral partners to the new scheme.

Many health charities, third sector organisations, information and advice services Care and repair, local authorities and GP service could provide data and signposting on vulnerable households and it should not be restricted to a single referral system as any Welsh Government funded service should be in a position to signpost to the scheme.

**A) How could individuals demonstrate they have a qualifying health condition?**

It is important to ensure that whatever system is put in place, it should not be confrontational in that a person has to prove they have a qualifying condition and there should not be a cost to the potential applicant.

Welsh Government should also be mindful that the process should be simple and uncomplicated to ensure that potential applicants are not put off by overly complicated and bureaucratic processes which will dissuade them from trying again.

**B) How do you think a referral system should be funded?**

We believe that a referral service should be funded from central funds and not from the scheme itself.

### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

N/A

**Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

N/A

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

**How to respond**

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**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

**One Voice Wales**

**QUESTIONS**

**Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the**

**eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

One Voice Wales agrees in general with the support structures suggested.

**C) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

One Voice Wales agrees with the concept of providing in-home advice, and would particularly add that sector councils could be well placed to support this role in general. One Voice Wales is recognised by the Welsh Government as the national representative body for community and town councils in Wales. It represents the sector on the Local Government Partnership Council and over three-quarters of the 735 community and town councils are already in membership, with numbers growing year on year. As well as our representative role, we also provide support and advice to councils on an individual basis and have previously launched, with Welsh Government support, a modular training programme for councillors, which continues to deliver effectively. We believe strongly that community councils are well-placed to develop the economic, social and environmental well-being of the areas they serve and, as such, are active and proactive in debating key issues such as energy policies, environmental issues and strategic planning. Our sector will support and wish to participate in much of the locally based aspects of this field of work, and it is hoped that our members will increasingly be enabled to do so with the help and support of the Welsh Government either in terms of training and modest amounts of funding or else at the very least by councils being encouraged to operate in partnership with other organisations possessing expertise in the field.

## **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

One Voice Wales agrees generally that the “whole house” approach would be ideally the best way to target this scheme although, if funding is significantly reduced, it might well be that a partial approach would become necessary.

## **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

One Voice Wales agrees that there should be a cap for the scheme in general although there could be a mechanism for dealing with truly exceptional cases where, for instance, applying the cap would result in failure to undertake any improvement work at all. (There could be a cap placed on the total amount of such exceptional expenditure for any year of the scheme.)

B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.

One Voice Wales does not have any comments to add in relation to this question.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.

One Voice Wales does not have any comments to add in relation to this question.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

One Voice Wales would suggest that a complementary scheme for the private rented sector should be considered, but not necessarily one that uses identical criteria as that for home owners. Additionally, for those grants that are offered under the proposed scheme in respect of genuine homelessness, it is assumed that appropriate measures would be in place to recover moneys should the correct criteria not remain in place beyond a certain time limit. Beyond this, One Voice Wales does not have any comments to add in relation to the question at this time.

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

- A) One Voice Wales does not have any comments to add in relation to this question, other than to point out that school age in Wales is usually from 4 years, which presumably means that the child is not therefore at home during school days.
- B) One Voice Wales does not have any comments to add in relation to this question.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

- A) One Voice Wales does not have any comments to add in relation to this question, other than to indicate that sector councils could be well placed to support this role in general.
- B) One Voice Wales does not have any comments to add in relation to this question, other than to suggest that the Public Health sector will be in a position to advise on the matter.
- C) One Voice Wales does not have any comments to add in relation to this question.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

One Voice Wales does not have any comments to add in relation to this question, other than to suggest once again that the Public Health sector will be in a position to advise on the matter.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

N/A

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Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

Information Commissioner's Office

#### **QUESTIONS**

##### **Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

## Background to the Information Commissioner's Office

The Information Commissioner has responsibility in the UK for promoting and enforcing the Data Protection Act 1998 (DPA) and the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations (EIR) and the Privacy and Electronic Communications Regulations. The Information Commissioner's Office (ICO) is the UK's independent authority set up to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals. The Commissioner does this by providing guidance to individuals and organisations, solving problems where she can, and taking appropriate action where the law is broken. The ICO will provide a response only to consultation issues relevant to the scope of this office. In this instance we would like to take the opportunity offered by the consultation to emphasise the importance of undertaking a Privacy Impact Assessment on your proposals, and ensuring that appropriate provisions are in place to ensure that all personal data used by the scheme is handled in accordance with the Data Protection Act 1998.

### A) Fair and Legal Processing of Personal Information

Our understanding from the consultation document is that the Nest scheme as currently operated and also in the proposed new scheme, requires consideration of a significant amount of personal information about members of potentially eligible households. Some of the information required - such as information relating to health or disability 2

status of occupants – falls into the DPA's category of sensitive personal data. Under principle one of the DPA, for processing of personal data to be legal, it must – amongst other things – satisfy at least one condition for processing as set out in Schedule 2 of the Act. Where the data to be processed falls within the definition of sensitive personal data, then at least one condition from Schedule 3 of the Act must also be met. These are known as conditions for processing, and clear identification of which ones are to be relied upon is the first step to ensuring that any project involving personal data is legal. If the *consent* of individuals is being relied on as a condition for processing, please note that Schedule 3 requires that for sensitive personal data this must be *explicit*, ie that the individual understands exactly why you need their sensitive data and has expressly consented to the actions you have told them you want to take with that data. In addition, individuals have a right to revoke consent at any time and your information systems should take this into account. Principle one also states that that handling of peoples' personal data must be fair. A key element to meeting this requirement is to provide individuals with clear information about why you need the data, what you intend to do with it, and what organisations (or types of organisation) you may share it with. You must also state clearly the identity of the organisation that is the data controller, and how to contact them if the individual has any queries or wishes to request a copy of their personal data. This is known as a fair processing or privacy notice, and the ICO's new Code of Practice on Privacy Notices, Transparency and Control provides detailed guidance.

Please note that the EU General Data Protection Regulation (GDPR) is due to come into force in May 2018. Whilst the result of the EU referendum means that the implications of this for the UK are currently unclear, the ICO is advising organisations to give GDPR careful consideration in their policy making. Even if the UK does not adopt the EU law, in order to support trade with the EU it will need to put in place very similar

legislation.

## B) Data Sharing

The existing and proposed schemes involve sharing personal data between various organisations about individuals who may be eligible for support, for example the third party referral organisations, Nest, service providers and DWP. The points in the paragraph above relating to the 3 importance of fair processing and a clear legal for processing basis also apply to information sharing. The sharing of personal data should be underpinned by a clear Information Sharing Agreement, such as those made under the Welsh Government's WASPI scheme (Wales Accord for Sharing Personal Data). WASPI sets out a clear template to help organisations through the complex process of sharing personal data legally, and fully reflects the ICO's comprehensive Data Sharing Code of Practice. The EU legislation referred to above also contains measures in relation to data profiling which may be relevant if this scheme is seeking to identify eligible individuals through data matching.

## C) Privacy Impact Assessment

Privacy Impact Assessments (PIAs) are an excellent way of ensuring that data protection matters are taken into account at the early stages of planning any project that uses personal information. ICO strongly recommends their use so that risks are identified and appropriate measures to protect individual's data can be built in throughout the project. If the EU data protection reforms come into effect in the UK in 2018, PIAs will become a legal requirement in certain situations, and the ICO will expect organisation to have a process for conducting PIAs embedded into their procedures.

For guidance on how to undertake a PIA, see the ICO's Conducting a Privacy Impact Assessment Code of Practice. Please contact Helen Thomas at the ICO's Cardiff Office on 01625 545298 if you would like to discuss any aspect of the above response.

### Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas**

properties? Please provide evidence to support your answer.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

#### Question 7

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

#### Question 8

Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?

#### Question 9

We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

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Please send the consultation form to:

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### Annex 1 – Consultation Response Form

## Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

Trawsnewid Llandrindod Transition

### QUESTIONS

#### Question 1

A) Do you agree with the proposed support to be offered by the new scheme?

B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide

**evidence to support your answer.**

Agreed. No other comments.

### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Agreed.

We would additionally like to see the advice on each option for energy saving include a guide to the carbon reduction that would be achieved by the measure, to help households in choosing energy efficiency measures that make the greatest contribution to the reduction of greenhouse gas emission.

While all energy efficiency measures help achieve carbon reduction targets, householders should be shown the difference between solutions that use renewables and those that use fossil fuels. This is consistent with The Environment (Wales) Act 2016.

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Mid Wales has a far higher than average proportion of properties in EPC bands F or G (CSE, 2016). The majority of properties are Victorian or earlier and are built with a single skin brick or stone wall and this presents a particular challenge for improving energy efficiency. In addition to the provision of a different cap for on-gas-grid and off-gas-grid properties, we propose a higher cap for properties which do not benefit from cavity wall construction. The higher cap would allow for the costs of internal or external wall insulation to be met within the cap, which are by far the most effective ways of reducing energy bills for households as well as having the best outcome for carbon reduction targets.

### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

No comments.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

No comments

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

No comments

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

No comments

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

No comments

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

Llandrindod Transition Group would like to see the new scheme clearly demonstrate that it plays an integral part in the Welsh Governments carbon reduction objectives as set out in the Environment (Wales) Act 2016.

In particular we propose that the successor scheme should:

- prioritise insulation, improvements to air-tightness and other measures that reduce the need for heating over the provision of new/replacement heating systems (though recognising that these can play an important part in a "whole house" approach).
- positively favour use of "renewable" sources including biomass and "green electricity" over fossil fuel heating sources
- provide clear information to householders of how proposals for improvements through the scheme help reduce carbon emissions
- publish monitoring information on the reduction in carbon emissions achieved through the scheme

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

**The Speakeasy – Energy Advice Project**

**QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>A) We agree with the proposed support to be offered by the new scheme.</p> <p>B) Yes, as much as is affordable. Effective energy efficiency advice must be tailored to the beneficiary and being in a person's home makes it clear what advice is helpful for that person. In-home advice is the most effective way to encourage individuals to switch energy supplier and make behavioural changes, both of which yield the greatest</p>

savings from fuel bills. Particular focus should be given to advice on how to operate their hot water and central heating system and highlighting expensive devices (e.g. fan heaters or tumble dryers) as these are the biggest contributors to high energy bills.

There are dozens of other ways to reduce energy costs, but most will only have a tangible impact when many are followed together and tailored to the individual's circumstances. When a home assessment is done the assessor would not be able to advise on how new central heating works because it would not have been installed at that point. The assessor providing the in-home advice would therefore provide non-maximal benefit. The Nest successor could take lead from ARBED to provide advice. When Cardiff Council regenerated some estates through ARBED, they contracted Melin Homes to provide advice and 'soft measures' to ensure beneficiaries made the most of the hard measures that had been installed. This project was called Little-by-Little, now being run out of Melin Homes under the title Being Greener. We worked closely with Little-by-Little and they reported to us that a significant proportion of homes they visited did not understand how to operate their heating systems. Home visits from someone when this advice is their sole role means that they have dedicated time to ensure the beneficiary's fuel poverty needs are addressed. As a result, they discovered many people in fuel debt who were then referred to The Speakeasy for advice and assistance. It would also provide a chance to signpost to other services to get assistance with problems like debt, inadequate housing conditions, benefits problems etc. This would provide not only a 'whole house' but a 'whole person' approach to the beneficiary. There are multiple social and economic problems that leave people in poverty and therefore fuel poverty. Home visitors giving energy efficiency advice and signposting to other services would be significantly more effective than just energy efficiency upgrades to properties.

While this is likely an expensive option, in home advice provides significant amplified benefits and outcomes. When Nest is evaluated as value for money, these factors will be taken into consideration.

We expect that it is only economically feasible to give in-home advice to those receiving Nest upgrades. I understand that there is always a follow up visit to ensure that measures have been installed properly. Perhaps this could be used as the time to provide the in-home advice. We suggest that Nest employs dedicated home-visiting energy efficiency advisers but partners with local schemes that are already doing similar work to avoid duplication.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes. A significant majority of our referrals to Nest for assistance are for people who have a very old, inefficient or non-functioning central heating system. A whole-house approach means that Nest are able to see what other measures can raise the energy efficiency of the property. However, it has been noted in the 2015 review of Nest that a whole house approach is not always employed now. We would like to see an improvement of the range of measures (including low-cost ones such as LED lightbulbs) that Nest provides.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

A) As an advice agency, we are not in a position to give informed opinions on the economics of a spending cap. However, we would be keen to ensure that people are still able to access help to increase the efficiency of the hardest to treat homes.

B) If a spending cap were to be applied, then it seems reasonable for the cap to be proportional to the energy efficiency of the property. If a property is G rated, solid stone walls, off the gas grid and has no central heating then it will require far more expensive treatments. These properties are very common in Wales and we do not want to see rural people disadvantaged because of an arbitrary cap. Again, we are not able to give expert opinions on what the level of caps should be for on or off-grid properties.

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

We strongly disagree with the proposed eligibility criteria. It is our opinion that in the proposed form, these criteria would exclude the vast majority of people who are in desperate need of energy efficiency upgrades and who currently qualify for Nest. We will address our concerns with the proposed criteria in turn:

1: "Households with members who are aged over 75 years or under 5 years and who are in receipt of a qualifying means tested benefit".

We welcome the recognition that people aged over 75 or under 5 are more vulnerable and susceptible to health related problems caused by fuel poverty. However, it is overly restrictive to make this an eligibility criterion for accessing help from the scheme. The number of people who would fall into this criterion is very small. The vast majority of fuel poor households that we come into contact with are working age. This criterion would exclude most older people/families with children who are living in fuel poverty. A 70-year-old living alone or family with three children aged between 5-16 are surely just as in need of assistance.

2: "Relative low income households with a member who suffers from a respiratory or circulatory disease" We believe that very few people will qualify under this criterion, largely due to the fact that it is so hard to identify people with these health conditions. We welcome the recommendation that relative low income households should be able

to access Nest.

We also welcome the recognition that fuel poverty and poor health are very closely linked. However, from our experiences with attempting similar schemes, we are wholly convinced that it would be very difficult to find people who are suffering from a respiratory/circulatory disease in order to help them. It is almost impossible to reach out and locate people with health problems; instead a scheme would have to rely on these people being referred for help. We have run a project for the past twelve months which intends to partner with GP surgeries, health centres and hospitals to provide direct help to fuel poor patients with related health problems. To date we have had 5 direct referrals from health professionals in the NHS and 15 from health related charities, while receiving 164 direct referrals from other sources. It has proven extremely difficult to engage with the health sector and therefore to find people with these health issues.

We know of many other third sector organisations who have launched similar schemes trying to target people with health related problems and all have reported similar difficulties. The only scheme that we are aware of that works successfully is based in Scotland and has arranged to have direct referrals from NHS Scotland for fuel poverty advice. Unless a similar mechanism could be established with NHS Wales, we are convinced that this criterion will merely act to disqualify fuel poor people who do not have respiratory/circulatory conditions. I find it hard to see Nest managing to make effective partnerships with the health sector quicker than we or other organisations have done. This means that seeking out people with health problems will take a long time to implement and may never work effectively, significantly complicating the programme. We fully endorse any efforts made to increase awareness among people with fuel poverty related health issues, however, making it a criterion for receiving help will not increase the number of fuel poor households with health issues being helped but will exclude the majority of Wales. The recommendation is that a third party be used to assess people who qualify under this criterion, but there are further problems with this idea (see answer to question 7).

There are two further fundamental problems with this being used as a criterion. Firstly, it moves Nest from being a scheme that prevents ill-health through warmth, to being a scheme that treats ill-health. Nest is a golden example of preventative medicine that proactively treats the environmental causes of poor-health before it develops. Waiting until people are already ill negates this benefit and the associated savings for the NHS of people never getting ill to start with.

The second fundamental problem is that this criterion completely overlooks people with other ill-health or disabilities, who are particularly in risk of further health problems due to a cold home. For example, a person who is disabled and unfit for work will spend more time stationary and at home, meaning that they will need to stay warm for longer and the cost of their heating will therefore be higher. From our experience, it seems that living in a cold home increases the chances of and exacerbates existing mental ill-health. These conditions then act as a barrier to work and escaping poverty. Serious mental health conditions should therefore not be overlooked when assessing who is vulnerable and in need of energy efficiency upgrades. In summary, we believe that this criterion would complicate Nest, severely restrict the number of eligible applicants, stop it being a proactive and preventative measure, and fail to capture many people with other health conditions (including disabilities) who require assistance. 3: "Households living in a privately owned home or in private rented property that is used to support

homelessness.” Households in privately owned homes or in private rented properties used to support homelessness should be able eligible for energy efficiency upgrades.

However, it also means that private rented tenants who are not in a property intended to support homelessness will not be eligible for help. We strongly recommend relaxing this criterion. The majority of fuel poor households are in private rented properties. Social tenants tend to get support from their housing association or council and homeowners qualify for ECO and various other energy efficiency schemes. Currently in Wales Nest is the main source of energy efficiency upgrades for private tenants.

Therefore, excluding most private tenants would severely restrict the help that most fuel poor households can access. The consultation notes that landlords have a responsibility to upgrade their properties and there are sources of funding to help them to do this. While the argument that this is a fairer way of treating landlords could be made, it is indisputable that this approach will severely impact the most fuel poor private tenants. It has always been the case that landlords are able to improve the efficiency of their properties and there have been different sources of funding to facilitate this, but the reality is that this is rarely utilised.

Households with the lowest income are likely to be in the lowest rent private housing. Due to this very fact, private rented housing for the poorest is likely to be in poorer state of repair with landlords less likely to make repairs and improvements. There is no incentive for landlords to make these energy efficiency improvements themselves for low quality housing. Properties that are rented at a high rate are more likely to improve the efficiency to remain competitive. The Green Deal offered energy efficiency at no visible cost, due to paying the loan back through the savings you make. Despite this, barely anybody took the deal up on their own properties. Landlords are even less motivated to access schemes like this because they are not actually living at the property in question. Of the people we have referred to Nest, 46% have been in private rented properties. We are certain that this criterion would severely restrict the number of people able to access Nest, regardless of their level of fuel poverty.

We understand that part of the motivation to remove the private rented sector is the fact that from 2018 private landlords are meant to have improved the efficiency of their properties to an EPC rating of E. However, local authority housing officers have assured me that there is no way that they can actually enforce this. There are also generous exemptions which will allow many landlords to avoid having to do the upgrades. If there was a realistic expectation that private landlords would be forced to improve their properties by themselves, then they could be removed from the eligibility criteria, but this is not the case. Additional concerns In addition to the above concerns about the eligibility criteria, we have some concerns regarding the change in qualifying benefits.

While this is clearly an effort to target the help provided to the most vulnerable, it will still exclude many fuel poor people who are in need of help. For example, I once referred a client who was 29 and had just lost his job. He lived in a mortgaged property but for two years had lived without central heating or hot water because he could not afford to replace the boiler (even while he was working). Claiming JSA qualified him for Nest and he received the support he needed. This man would not have qualified under the proposed eligibility criteria. Another major concern that we have with the proposed eligibility criteria is that it is too complicated for the majority of third sector referral

partners and members of the public to understand. In our experience, when someone tries referring clients/customers to a service and get no positive response after a few tries, they stop referring altogether. We stopped routinely considering ECO as an option for our clients after the funding was cut and each supplier restricted their criteria.

In summary, while we can understand the intention behind each change to the current criteria, they all exclude people who are still in fuel poverty and require help. When taken in combination, they rule out almost everyone who currently qualifies for help.

The Speakeasy's Energy Advice Project covers all of Wales giving expert fuel debt advice. Of all the referrals we have made to Nest who qualified and we have data on, only 4% would qualify under the proposed criteria. We would certainly stop considering

Nest a genuine option for helping to improve energy efficiency until all other options had been depleted. We believe that these changes would be devastating and would relegate Nest's successor to being a fringe scheme instead of one of the UK's leading anti-fuel poverty projects. Proposed alternatives We have outlined two possible alternatives in response to Question 9.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

We do not agree that private rented homes that are not used for homelessness should be excluded. As discussed in the response to question 4, this would exclude a huge portion of fuel poor households. Of our clients referred to Nest, 46% were private rented. There have been multiple schemes, loans and funding mechanisms that facilitate landlords making improvements to their rented properties, but these have very little take up. The most vulnerable, fuel poor people live in properties what are the least efficient and with landlords who do not care about improving them. If there was a realistic plan to force landlords to upgrade their properties, then they could be excluded from Nest, but there is not. Under the current proposals, fuel poor private rented households would be stuck in the least energy efficient properties because they have an irresponsible landlord.

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

a) We agree that the methods currently used by Nest work well and should be continued: namely, benefit data matching and supporting documentation for proof of tenancy/ownership and benefits at the home assessment stage. There is no mention in the proposal of demonstrating the age of house occupiers, but presumably this would be with a drivers licence, passport, birth certificate or similar documentation, all of which would suffice. However, as stated in response to earlier questions, we have strong objections to this criterion being used at all.

b) We are in favour of the proposed third party referral system as long as it is not the only way of accessing the scheme. Approved third parties who perform the majority of the assessment would be an effective tool to help some people access Nest, but for many others this is not an option. There are relatively few organisations that would be willing to undertake this level of assessment for direct Nest referrals and most are likely to only consider doing so for their target customers/client base. For example, Shelter Cymru might consider being a partner, but may only do so for clients who have housing issues. If people on low incomes with chronic health conditions cannot apply to Nest directly, then the vast majority will be unable to access the scheme. The consultation suggests there would only be a few third parties for referrals, but we do not think that Nest would be able to have a Wales-wide reach unless there is a long list of third parties who can refer. Even then, it is likely to be piecemeal and fragmented coverage. As with section (a) we have strong objections to health being used as a criterion anyway.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

a) If this approach is adopted, then it needs to cover all of Wales. There are very few organisations that cover all of Wales who would spend time on Nest applications for people who are not existing customers/clients. Some possible options are: Care and Repair, Age Cymru and Citizens Advice. To genuinely cover all of Wales effectively, Nest should have a much larger group of third parties who can refer, including smaller, local organisations. These could include local advice centres and local charities. However, none of these organisations would be trained or equipped to undertake medical assessments so would either need training or would need to see medical

evidence. See point (b) for further details on this. We are convinced that the NHS and most health-related bodies will not work well as referral partners. We have worked for over 12 months on a project specifically aimed at getting referrals for people with cold-related health conditions. We have been based in GP surgeries, talked to hospitals, midwives, physiotherapists and more but still receive very few referrals. We know of several other third sector organisations who have attempted similar projects and all have reported difficulty engaging with the health sector (see our response to Question 2 for more detail).

b) It would be extremely difficult to reliably demonstrate qualifying medical conditions. In our experience, the majority of people with health conditions do not have any documents to hand that they can use for evidence. Usually, they will only have prescriptions or letters from a doctor/hospital with details of when appointments are, neither of which demonstrate what their health condition actually is. GPs usually charge between £50 and £150 for a doctor's letter to evidence ill-health, which excludes almost all of the households who need help from Nest. Staff at authorised third party organisations would not be able to perform medical assessments themselves. This leaves very few people who would be able to demonstrate their ill-health.

c) The funding levels and structure depend on the referral system used. If there are a limited number of partners and they are the only means of applying to Nest for people with health conditions, then they will need direct funding. I would expect that these referral partners would only sign up if they had funding to employ new staff to deal with the increased workload. It will be very hard for referral partners to predict the number of inbound referrals and therefore amount of staff to employ. If very few people contact them due to the restrictive eligibility criteria (as we expect will be the case) then only a few staff will be needed. If current levels of referrals are maintained and have to be processed by referral partners, then they will need to employ substantially more staff to cope. Approved third parties could be used in a way that would improve customer experience and be cost neutral to Nest. Instead of people only being able to apply through a referral partner, customers should be able to apply directly or through referral partners. This would reduce the strain on those third party organisations and allow more people to be able to access the scheme by letting them apply themselves. Under these circumstances, third parties are more likely to be willing to do the necessary assessment for their clients/customers without additional funding, resulting in a broader group of referring third parties. This would in turn reduce the workload of Nest who would not need to assess applications coming from third parties and so save money. This would provide more accessibility than the original proposal. It also creates an opportunity for Nest to provide more holistic fuel poverty support. Each referring partner could inform Nest of other support they can give (e.g. Citizens Advice could add 'General Debt Advice' or Shelter could add 'Housing Advice'). These could be collected to a list on the bottom of any application done by a third party, so that when one organisation applies to Nest, they can tick any box for further services that the applicant needs. Nest can then refer that client on to their approved third parties. This two-way referral system would provide a low-cost, holistic support to Nest applicants and provide an incentive for organisations to become a Nest approved third party.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

We are certain that it will be difficult to target people with respiratory or circulatory conditions. Having tried to target people with health conditions for the last year, in our experience health professionals, especially GPs, are very resistant to anything that will increase their workload, including referrals. Of the few doctors who have agreed to work with us, we have received next to no referrals. Any attempts to reach out to groups with these health conditions will be very time-intensive and are unlikely to be successful. Relationships with people who have more regular contact with those with health issues take a long time to build and will probably have limited impact. We are sceptical any attempts to secure direct referrals of those with respiratory or circulatory conditions will work well. However, we do welcome any efforts to increase awareness and to reach out to those with cold-related ill health. Again we recognise that this target group are those who would benefit most from Nest measures, but strongly disagree with the prospect of this being a criterion for applying.

### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

Throughout the consultation we have expressed our concerns on various levels. I have summarised these below:

1. The proposed eligibility criteria will drastically reduce the number of people who can access help from Nest. Of our past clients the new rules would disqualify 96% who currently can receive help.

2. The proposed eligibility criteria are so complicated and restrictive that charities and organisations will stop routinely referring customers/clients. This will further reduce the number of people accessing the scheme.

3. An attempt to reach those with cold related ill health would be beneficial, but it will be extremely hard to find and identify such people.

4. Suggestions that landlords will improve the efficiency of their properties through other funding schemes are naïve and would result in a significant proportion of the neediest fuel poor households being excluded from Nest

5. A third party referral scheme could improve Nest, but only if it is in addition to allowing the public to apply by themselves. In short, the proposals would spell the end of mass home improvements in Wales and transform Nest into a fringe project helping a very small group of homeowners. We have two suggestions for a revised Nest outlined below Suggestion A: existing size and budget

A whole house approach to measures and in-home energy efficiency advice, There are 1 or 2 follow-up, in home meetings with an adviser who can explain how to use the central heating, give tailored energy efficiency advice, help switching supplier and make referrals/signpost to other services to help with other problems, such as fuel debt or welfare benefits.

Eligibility criteria would require the house to be E-G rated, be private rented or owned and someone in the household to be in receipt of a means tested benefit or the total household income to be under a set threshold o A set threshold for total household income should take into account the number of people in the house. The common

benchmark used now is £16,200, but this is a generous threshold for a single person, but unfairly low for a family of five.

Operational costs could be reduced by allowing approved third parties to perform much of the assessment process. Nest applications could then allow two way referrals so that applicants are referred to whatever schemes can help underlying problems beyond their inefficient homes. Suggestion B: a lower budget

A whole house approach to measures and in-home energy efficiency advice.

There is 1 follow-up, in home meeting with an adviser who can explain how to use the central heating, give tailored energy efficiency advice, help switching supplier and make referrals/signpost to other services to help with other problems, such as fuel debt or welfare benefits.

The scheme would still be accessible to private rented tenants and home-owners and use means tested benefits to show that the household is on a low income. However, the eligibility can be restricted further depending on the efficiency of your property. o E rated properties may only be eligible if there is someone claiming a means-tested benefit as well as there being an additional vulnerability. These could include there being: children, someone aged over 65, or a person with a disability or long term health condition living in the household. o F rated properties would be eligible if a person in the household claims a means tested benefit o G rated properties would be eligible if the household income is under a given threshold (which depends on the number of people living there). For example, this could be £10,000 plus £2,000 per person.

This would balance the need to provide help to vulnerable fuel poor households against the difficulties of having a limited budget.

To avoid confusion, Nest could be marketed as having broadly the same criteria as the Warm Home Discount, but being more flexible for F or G rated properties.

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle

Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

**Dŵr Cymru Welsh Water**

**QUESTIONS**

**Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the**

**eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

We are grateful for the opportunity to respond to your proposals for a successor to your current fuel poverty scheme, Welsh Government Warm Homes - Nest.

Dŵr Cymru Welsh Water is the statutory water and sewerage undertaker that supplies over 3 million people in Wales and some adjoining parts of England. We are the UK's only non-profit utility company, with all financial surpluses being returned to our customers. We provide essential public services to our customers by supplying their drinking water and then taking away and cleaning their wastewater before returning it safely to the environment. In this way we make a major contribution to public health and to the protection of the environment. Our services are also essential to sustainable economic development across our operating area.

Whilst we are not part of the energy sector, there are clear parallels between water poverty and fuel poverty. We have been working closely with Welsh Government fuel poverty schemes such as Nest and Arbed to provide water saving measures as part of support packages. We have a referral scheme in place by which Nest send us details of customers who could benefit from our social tariffs such as HelpU. This generated over 100 referrals between April and August this year. In addition, we are currently working to update the water efficiency information and services provided as part of the Resource Efficient Wales advice service. We are keen for these links to be retained.

We have developed a water efficiency programme to support our customers to reduce the amount of water they are using, and also to save money where they are on a water meter. As part of this we will be offering a free water efficiency audit and products to applicants to our HelpU tariff from April 2017. The savings realised from being more water efficient (such as shorter showers), when coupled with the resulting energy bill reductions, can be significant for customers. We think there is value for customers in strengthening the link between water and fuel efficiency and for water efficiency to form part of any new demand-led scheme.

The definition of water poverty in the UK relates to those spending more than 3% of their net disposable income on their water and sewerage bills. Our HelpU scheme is a means tested social tariff that is in place to support those experiencing water poverty to pay their water and sewerage bills. The current upper eligibility income limit for HelpU is £15,000, after tax, national insurance and housing related benefits are deducted. We have a commitment to support a minimum of 100,000 customers via HelpU by 2020 and see partnering with demand-led fuel poverty schemes such as this as an important way to identify eligible customers and ensure that they are supported.

In your consultation you refer to a new demand-led scheme comprising a front-end service that will provide advice on saving money on water costs and how to switch to better water tariffs. We support this approach and see it as a key opportunity to communicate our social tariffs to eligible customers and support them with their application.

We look forward to seeing the results of this consultation and how the new demand-led scheme will look. We would be happy to work together to identify opportunities for

further aligning the Welsh Government's fuel poverty scheme and our social tariffs and water efficiency scheme.

#### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

#### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

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**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

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If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.

**Question 7**

A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?

B) How could individuals demonstrate they have a qualifying health condition?

C) How do you think a referral system should be funded?

**Question 8**

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**Email:**

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

**Post:**

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

CCWater

**QUESTIONS**

Question 1

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

### Summary

CCWater welcomes a revamped Nest scheme that would aim to integrate advice and ways to be supported in relation to energy and water costs. Linking water poverty and wider cost of living issues, such as fuel poverty, is a key step in integrating wider affordability advice and tackling poverty initiatives in Wales (See response to question 1a).

We think, however, the scheme should be re-scoped to offer efficiency advice and support across the water and energy utility sectors. A reduction in water usage has been proven to have a direct impact on reducing energy bills. Nest could be the leading scheme to offer support on costs and efficiency for both sectors equally, making the most of the opportunity to access the homes and lives of people who could benefit from it (See response to question 1a).

We support the 'in home' and 'whole house' approaches to advice and support, which builds on our research findings that face-to-face interactions help engender trust, and are particularly effective in getting through to hard-to-reach and vulnerable groups (See responses to question 1b & 2).

Training Nest advisors on water efficiency offerings with support and contributions from the water industry in Wales would seem the sensible way forward in delivering whole house, in home advice. We have spoken to the water companies that serve Wales and they have confirmed their support for this approach. Our response refers to the RENEW project as an example of similar interactions on water and energy efficiency advice (See response to question 2).

The current Nest eligibility criteria should be reconsidered to see if it is possible to extend assistance (affordability and efficiency) and support on water to wider audiences. For example, extending assistance to households with children could help contribute to child poverty reduction objectives (See response to question 4).

When setting up eligibility criteria and triggers, the development of packages/tools/ advice that can be tailored to households would be beneficial. It is important not to limit water related advice to metered properties and the promotion of metering to households without a meter but to provide advice and support that would help raise awareness of the value of water, especially as only 39% of homes in Wales have water meters. (See response to question 4).

The Making Every Contact Count (MECC) agenda (an approach to influencing behavioural change) should be considered as it is of potential relevance to Nest in accessing groups with respiratory or circulatory conditions (question 8).

## 2. Response to specific questions

### Question 1A.

The Consumer Council for Water (CCWater) welcomes the proposed support in the new scheme which will aim to integrate advice on ways to be supported in relation to energy and water costs. Establishing a link between water poverty and wider cost of living issues, such as fuel poverty, is a key step in progressing solutions to integrating wider affordability advice and tackling poverty initiatives in Wales, an objective stated in Welsh Government's Water Strategy for Wales.

CCWater's recent affordability research<sup>1</sup> supports the proposed approach of integrating poverty advice across utilities. Some of its key relevant findings are:

- A greater level of cross-sector partnership working could bring many potential benefits in reaching out to customers, including access to better data and intelligence on customers; opportunities to communicate water affordability messages to a broader range of customers including the most vulnerable and hard to reach; and the generation of a greater number of referrals to water affordability schemes.
- When specifically examining Nest one of its successes was identified as the value of 'cascading' advice through the long list of partners that Nest Partnership Development Managers have engaged in the delivery of the scheme. This further illustrates the need to work with the broadest possible range of partners in order to reach more of those households that are most in need of support.
- It cautioned on the importance of good, two-way, cross-referral arrangements between the utility industry and Nest so that householders contacting either Nest or their utility providers have a better opportunity to find out about the wide range of assistance and efficiency offerings/advice available to them.

The scheme should be further strengthened to include advice on water efficiency as part of the second element of its objectives relating to the provision of free in-home energy efficiency measures and advice. Accessing households and the provision of in-home support is a great opportunity to provide tailored advice to eligible households and to promote overall resource efficiency, rather than just energy. This is important as CCWater's most recent research<sup>2</sup> on water efficiency shows more could be done to raise awareness of the ways to save water and that more people in Wales than in England are unaware of campaigns and initiatives on how to use water wisely (Wales - 45% v. England - 38%).

Nest advice on water efficiency could specifically extend to:

- Helping people to use (hot) water more efficiently with an explanation on potential benefits for household bills (i.e. both water and energy).
  - Tailored water efficiency offerings and advice – something that would require
- 1 Sheffield Hallam University, July 2016, 'Delivering Affordability Assistance to water customers: cross sector lessons.'

<http://www.ccwater.org.uk/wp-content/uploads/2016/07/Delivering-Affordability-Assistance-to-water-customers.pdf>

2 CCWater (2016) Attitudes to Tap Water and Using Water Wisely Survey

<http://www.ccwater.org.uk/wp-content/uploads/2016/08/Consumer-Attitudes-to-Tap-Water-and-Using-Water-Wisely-August-2016.pdf>

collaboration with the water companies operating in Wales, which we are happy to facilitate. Integrating water and energy efficiency advice within the scheme at a policy level would be another step towards practically attaining the full set of well-being goals set out in the Well-being of Future Generations (Wales) Act 2015. This would support its aim to enhance the economic, social and environmental wellbeing of people and communities across Wales, achieving a better quality of life for present and future generations in ways which promote social justice and equality of opportunity, but also the enhancement of the natural and cultural environment and respect its limits.

There are other collaborative approaches outside Wales on the provision of water efficiency. An on-going project between Southern Water, Brighton, Hove City Council and CCWater aims to understand the relationship between providing tailored water efficiency advice and the effects this may have on the affordability of water bills. The aim is to provide eligible households with water efficiency audit and advice as well to assess the impact this can have on their water bills. In addition, eligible customers will also receive further advice to make sure they are on the most appropriate water tariff. For more information you can visit the project's website:

<https://www.southernwater.co.uk/latest-news/ambitious-water-saving-project-underway>

Question 1B.

CCWater agrees that in-home advice should be offered where appropriate. Our research<sup>3</sup> notes that achieving face-to-face engagement with customers wherever possible is widely heralded as good practice across the water, energy and debt advice sectors, particularly in relation to the engagement of vulnerable and hard-to-reach groups.

Face-to-face interactions are considered particularly effective in engendering trust and allowing the advice provider to scope the full range of issues impacting on the individual's or household's circumstances. The adviser should be well informed and able to deliver the message in a manner which the householder will understand.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

We agree that a whole house approach is best. It seems sensible that for energy this is carried out by a qualified energy assessor who recommends the most appropriate, household specific and cost effective energy efficiency measures to improve eligible properties.

In addition, this would be a great opportunity to train energy assessors on water efficiency as well, so that they maximise the benefit of the face-to face interaction with customers by providing tailored advice on water efficiency. Advice on water efficiency should not be limited to households with water meters, as saving hot water can contribute to energy efficiency, lower energy bills and would be in line with the Well Being for Future Generations goals of the government which includes the delivery 3 Sheffield Hallam University, July 2016, 'Delivering Affordability Assistance to water customers: cross sector lessons.' of a resilient Wales.

<http://www.ccwater.org.uk/wp-content/uploads/2016/07/Delivering-Affordability-Assistance-to-water-customers.pdf>

Training on the water efficiency element should be provided with the involvement of the water companies operating in Wales. It is important that the water industry in Wales is involved in the development of criteria to identify the eligibility of households for water efficiency advice as well as the definition of water efficiency advice offerings. It is important to extend tailored advice beyond the existing online tips and product portal (catalogue) currently offered by companies in Wales.

In the past, there have been successful examples of how this interaction can take place. One example has been the RENEW project, carried out between Waterwise and the Energy Saving Trust and we think it should be considered in the redefinition of NEST, <http://www.waterwise.org.uk/pages/campaigns-life-renew-project-203.html>.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.

The current eligibility criteria should be reconsidered to see if it is possible to extend Nest assistance (affordability and efficiency) and support on water to wider audiences. Currently these criteria would target a limited group and reflect objectives for energy rather than water. With a redefined focus and additional support from the government, the scheme could potentially extend to assist a wider age range of water customers in need of help. This may be more practicable for water advice as some of the offerings are likely to be less costly than those for energy.

Under the current Nest eligibility criteria significant help could still be delivered to households with older members who would benefit from the installation of a water meter. We think that for water this should be extended to other groups to explore water affordability options, for example targeting households which include young children is likely to deliver benefits in addressing child poverty – an issue we are aware is high on the Welsh Government’s agenda.

CCWater believes that more analysis and discussion is needed regarding the eligibility criteria for this scheme. We think water companies and Nest should work together to identify the criteria for a water efficient home or to identify households that would benefit from assistance. Households without water meters should be included in the list of criteria that triggers water efficiency advice action with an aim to facilitate an understanding of the value of water.

Water efficiency advice should not be limited to metered properties or to metering those which do not have a water meter. Nest should focus on the importance of tailoring advice and work with the water companies operating in Wales on delivering their packaged advice and toolkits to be tailored to household needs. CCWater would support such a development and would be happy to contribute to further discussions

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

The approach seems reasonable in terms of energy but low cost saving solutions could still be deployed within the private rented sector and affordability advice offered to residents living in such properties. The integration of water and energy efficiency advice within the scope of this project could help achieve this.

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

#### Question 7

- A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**
- B) How could individuals demonstrate they have a qualifying health condition?**
- C) How do you think a referral system should be funded?**

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

Through our research<sup>4</sup> we have identified the Making Every Contact Count (MECC) agenda (an approach to influencing behavioural change) as one of potential relevance to Nest. Utility providers are not yet identified as MECC partners but have the potential to influence the wellbeing of their customers in variety of ways, including positively through the provision of affordability assistance and the promotion of financial inclusion.

More specifically, the premise of the MECC initiative is that the millions of routine engagements that organisations have with their client base on a daily basis provide a previously untapped opportunity to pass on (very brief) messages about healthier lifestyles and the importance of maintaining physical and mental wellbeing. The brevity of these exchanges is critical to the success of the initiative, as participation in MECC is not intended to place additional strain on busy professionals or to impinge on the primary purpose of the conversation (Making Every Contact Count, Public Health England, 2016).

Enquiries

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

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Cathays Park  
Cardiff CF10 3NQ

**Annex 1 – Consultation Response Form**

**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

CITB Cymru

**QUESTIONS**

**Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

RE: Welsh Government Warm Homes – Nest

I write to you with regards to the ongoing consultation into a future demand-led fuel poverty scheme to succeed Welsh Government's Warm Homes – Nest.

CITB Cymru Wales does not have any firm views on the nature and contents of the offer that is being developed. However, we have significant research on the delivery of energy efficiency interventions that we believe may be of relevance in designing the successor to the Nest Programme. This has been highlighted in our submission to Welsh Government on the draft Energy Efficiency Strategy which has been attached for your reference.

### **Sector confidence**

In terms of retrofitting schemes such as Arbed and Nest, under the right conditions, and with the right incentives, the energy efficiency sector will continue to present a fantastic opportunity for business growth, market diversification and innovation for SMEs in Wales, while promoting sustainable development, addressing fuel poverty, energy security and climate change action.

Our research has demonstrated that skills and knowledge gaps in the existing workforce, particularly relating to energy performance, are a major contributor to the performance gap observed between intervention design and performance. This is an issue that needs to be addressed if we are to maximize the social and economic impact of retrofitting schemes and achieve the net environmental benefits anticipated. Our industry has a fantastic track record for training, but needs the clarity about proposed government schemes to inspire the sector to invest in the necessary training.

### **Energy efficiency assessments**

Our research suggests that a significant proportion of the current workforce involved in advice and assessment around energy efficiency measures do not have the required level of skill and knowledge, and that widespread upskilling is required. For instance, 19.4% of the workforce does not have skills around ascertaining the hierarchy of energy efficiency measures, with a further 11.5% lacking knowledge of advantages and drawbacks of installing energy efficient measures for buildings constructed pre and post 1919.

### **Trust in the Sector/Quality Assurance**

Sector and trade body opinion gathered in May and June 2015 is especially strong in respect of the need for an improved, clear set of verification and certification processes that will ensure compliant, quality assured workmanship in the energy efficiency sector.

Whilst evidence available from consumers that have had energy efficiency measures assessed or installed suggests their satisfaction levels are generally high, there have also been studies (mystery shopping exercises) and objective measures (quality checks) that suggest not all work is consistently delivered to the standard it should be. For instance, some stakeholders in our recent report into traditional building skills highlighted Arbed as a scheme that has suffered from inconsistent standards in the past. This can negatively impact industry reputation and consumer confidence.

Examples include the high number of rejected installations in the Energy Company Obligation and evidence from the new build and retrofit sectors of a 'Performance Gap'

between designed and as-built energy performance. Recent research has identified a number of challenges with the range of schemes currently used to verify competence with a range of suggestions put forward, including an industry competency scheme to demonstrate energy awareness.

There is a need to balance quality assurance with the ambition to limit the proliferation of bureaucracy that could present barriers to market growth. We would recommend a strategic review of verification and certification for energy efficiency in a domestic and non-domestic retrofit context.

### **Conclusion**

Drawing on our evidence-base, CITB Cymru Wales believes that having appropriately skilled practitioners in the energy efficiency sector is crucial to ensure the efficacy of interventions. Welsh Government should examine the standards and skill levels involved in the Nest scheme closely and seek to ensure any verification and certification involved in the project is appropriate.

### **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

### **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

<b>Question 5</b>
Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?
<b>Question 6</b>
Do you agree with the proposed methods for demonstrating eligibility for the following households:
a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.
b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?
If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.
<b>Question 7</b>
A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?
B) How could individuals demonstrate they have a qualifying health condition?
C) How do you think a referral system should be funded?
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Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?
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Cathays Park  
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## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

Scottish Power

### **QUESTIONS**

Question 1
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>We believe it is important to determine what the Nest scheme is aiming to achieve in order to determine the most appropriate support to be provided. For example, is the objective to provide help to as many homes as possible, to remove homes from fuel poverty and/or to improve the energy efficiency of homes?</p>

We believe that the proposal to target the most vulnerable homes with the most cost effective measures seems sensible. However, it is important that the support provided by Nest complements, rather than competes with, the support provided by the Energy Company Obligation (ECO). If the two schemes complement each other a greater number of homes in Wales will benefit from energy efficiency improvement measures. Home energy advice is also an important element of the scheme and will enable vulnerable householders not only to benefit from potential support from Nest but also to gain access to advice about energy switching, benefits entitlement, Warm Homes Discount and ECO.

Generic advice can be provided by phone when EST advisers are speaking with householders assessing their eligibility for NEST. However, more specific face-to-face advice given in the home can be more helpful to identify energy efficiency interventions specific to each individual home. Face-to-face advice in the home is also useful post installation of measures, in particular for measures such as a new heating system, in order to explain to the householder how to operate the controls effectively to suit their personal lifestyle. It is also important that energy advice needs to be delivered by a suitably qualified individual and that their advice is accurate, consistent and delivered in an empathetic manner, particularly to vulnerable householders. The Nest advisers are also able to offer valuable advice to householders on further support that is available to them in their Local Authority area. For example, a householder may be eligible for support towards the cost of their heating through Nest but if they live in a Local Authority area where there is an Arbed scheme providing solid wall insulation (supported by ECO), it may be possible for the adviser to direct the householder to other funding sources to get additional measures installed in their home.

## **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you support? Please provide evidence to support your answer.

Given the cap on funding, it makes sense to deliver as many measures as practical within a home, though we believe the scheme should only focus on the most cost effective measures that cannot be funded by schemes such as ECO.

Given homes in rural communities often have different needs and are less likely to have been targeted by previous Welsh Government and supplier obligation schemes, we would support a rural safeguard for the scheme. In some Local Authority areas these rural properties may well be able to benefit from additional support for solid wall insulation funded through Arbed and ECO.

## **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject**

to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.

As discussed in our response to Question 1, it is important to determine the aims of the scheme in order to determine whether there should be a spending cap and if so, at what level it should be set. It would seem sensible to focus the funding on measures and households that are not funded by other energy efficiency improvement schemes. This will help to ensure as many homes as possible in Wales benefit from energy efficiency improvements.

In our response to Question 2 we suggest that a rural safeguard would be helpful as we recognise homes in rural communities are less likely to have benefited from measures and that installation costs are often higher.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Yes, we support the proposed eligibility criteria as they complements the ECO eligibility criteria, helping to benefit a greater number of vulnerable householders in Wales.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

Do you agree that we should continue to provide support to the private rented sector for those properties that are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 require private landlords to ensure that the properties which they rent out meet at least minimum energy efficiency standards (EPC Band E), subject to conditions on the cost effectiveness and/or financing of any necessary measures. Landlords may wish to improve homes beyond this level, and the Welsh Government's existing "Home Improvement Loans" scheme should be helpful here.

However, we are aware that many vulnerable householders live in private rented

properties and if these properties are removed from Nest, consideration should be given to providing alternative energy efficiency support for vulnerable householders living in private rented properties. We agree that Nest should in any event remain available for homes used to address homelessness.

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

The decision around which groups should be eligible for support is fundamentally a decision for the Welsh Government, informed by robust cost benefit analysis. It is important that eligibility is not over-complicated as experience shows that householders are often unable or unwilling to provide sensitive personal information. If the eligibility criteria and evidence requirements are complicated it is likely to put applicants off applying for the scheme. As such, we would always recommend that eligibility criteria are kept as simple as possible. We would hope that any applicants who are not eligible for Nest, but that might be eligible for support through ECO, will be referred for ECO funding support by the Nest advisers.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

There are many organisations that can provide referrals into the scheme and the fact that the scheme has a single point of contact for referrals works well. The Nest scheme is already well known in Wales and the new scheme can build on this.

Health professionals are ideally placed to act as referral partners for households with health needs. We would suggest a simple declaration referral form is used with clear guidelines for health professionals. Local Authorities also have a key role to play in referring vulnerable householders to the scheme. We would suggest a simple declaration referral form with clear guidelines similar to the one used by health professionals is used. It would be best to test the effectiveness of a health and Local Authority referral system before any consideration is made about how a referral system is funded. It is important that it is simple and easy for referrals to be made to a scheme and any costs associated with a referral may act as a barrier.

**Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

We would consider health professionals to be best placed to help target vulnerable households with respiratory or circulatory conditions.

**Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

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**Consultation on a future demand-led fuel poverty scheme to  
succeed Welsh Government Warm Homes - Nest**

**Warm Wales Cymru**

**QUESTIONS**

**Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

(Warm Wales supports the provision of in-home visits within the NEST budget but accepts that criteria should be developed so that a graded response be available to those ranging from Severe to Moderate Vulnerability. The work of the House Doctor service , where Warm Wales is supporting partnership working with Care & Repair in

the Cardiff and Flintshire Fuel Poverty Reduction Hubs will enable us to determine the cost feasibility of offering a graded response for in-house advice, where possible building upon existing resources already deployed or which can be harnessed in a more concerted and cost effective way)

(Warm Wales believes a multi agency approach is essential. The partnership developed with Care & Repair , involving a One-stop Whole House DEA Service with full Benefits & Debt Advice Service linked to NHS Hospitals and GP Practices and Local Authority Social Services – can be built upon, harnessing the support of the three main Utility companies)

(With approaching 80% of Fuel Poor households in the Private Sector, Warm Wales believes that 100% grant funding limits the scope of a Fuel Poor Scheme . NEST could be developed to reach a far wider number of vulnerable households by taking account of a combined grant and loan package, with 100% grant funding concentrated on those with no property equity value)

### Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

(Warm Wales agrees with the Whole House approach and indeed has extended this by the House Doctor service to include a One Stop, single referral process centred on the specific needs of the Individuals within the house. Warm Wales is full conversant with the full range of measures and benefits they bring and accepts that a combined heating and insulation scheme within defined budget caps is a sensible way to allocate public funding to greatest benefit)

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

( Warm Wales has extensive cost/benefit information available to determine how best to deploy limited resources to achieve the greatest overall benefit. As part of the Gas Fuel Poor Network Extension Scheme we deliver on behalf of Wales and West Utilities, we plot gas grant eligibility on our UNO software to demonstrate the degree of fuel poverty and how far gas connection lifts the overall SAP rating and the degree of fuel poverty. **We are happy to demonstrate the impact of various measure interventions )**

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

( Warm Wales strongly supports and encourages the direct link to reducing the morbidity impact on health conditions experienced in Cold Damp Homes. WW accepts that targeting resources to the most needy will mean that some groups, with less vulnerable conditions may not merit grant intervention. WW believes a graded response can be developed to extend the eligibility – developed as a **Health Vulnerability Index** - See Appendix A, attached below)

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

(Warm Wales works with Flintshire County Council who have a very active engagement programme in trying to enforce better standards in the PRS . They have suggested that a carrot -and-stick approach has been shown to be far more effective. **Flintshire suggest a 25% grant be offered to those PRS households where tenants are in the highly vulnerable category** ( Cold Hazard plus existing related Heath Condition). If the Scheme is to be Launched excluding PRS, we advocate that this be reviewed within the first year. We would propose that NEST could undertake a pilot study in conjunction with CSE to examine the merits of a grant/loan package for the PRS)

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

( Warm Wales believes that eligibility via a means tested benefit as proposed is predominantly a proxy for vulnerability and gives limited or no attention to actual health vulnerability, particularly preventing existing health conditions from worsening . The use of Third parties who have detailed health information such as Care and Repair working with GP Practice Managers and NHS Discharge Units would demonstrate **actual health vulnerability** and these cases should be prioritised in allocation of the NEST funding eg 50% of the funding / cases could be allocated in Year 1 and reviewed and adjusted at 6monthly intervals, in consultation with the FPCC membership – perhaps as a **Best Practice Health Review Group**)

### Question 7

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

(As above, Warm Wales believe that our partnership ( offering gas connection grants and whole house assessment funding ) with Care & Repair offers a tested approach under the House Doctor – and is directly linked to the area local authority using FRESH analytics – co-ordinating EHO , Energy, Housing with Social Services cases)

### Question 8

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

( As demonstrated by the Fuel Poverty Reduction Hubs, Warm Wales believes that each local Care and Repair is best placed as they already take multi referrals from GP Practices and NHS Discharge Units utilising **existing data sharing protocols**. Local Care & Repair units are Wales-wide and could be joined under a NEST Consortia, with a single lead agency. We believe a NEST Consortia would attract support from the three Utility Providers – operating a Local Priority Services Register, with inputs from Third Sector agencies.

The December 7<sup>th</sup> ( Swalec Stadium, Cardiff ) Stronger Together Conference: Healthy Homes for All, Helping Vulnerable Customers could examine and endorse that approach ) . Third Sector agencies could be rewarded by simple relatively low cost referral fees . They could receive support for their individual work programmes such as support for Best Practice training of their staff and inclusion of their members , where eligible, on the Priority Services Register. The Chair of WCVA is chairing the Conference ( Peter Davies ) and the Conference can examine support for this approach)

### Question 9

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

( Warm Wales supports most of the FPCC requests , but would also commend Wales to work with other UK lead bodies tackling Fuel Poverty – and look to the learning points emerging from Scotland, where a special Task Group is forming a New Fuel Poverty Strategy. Please see the **briefing note attached**- See Appendix A, attached below.

Warm Wales would seek a more realistic and pragmatic approach to tackling fuel poverty , rather than the aspirational, but non-defined, “where reasonably practical” approach. Our strong preference is to expand the overall resources available by examining how grants can leverage greater resources via zero cost loans – reflecting the current Scottish debate, and the fact that approaching 80% of fuel poor households

are in the Private Sector. We believe a local authority-backed NEST Consortia, with a lead agency would have the best prospect of garnering local support but with Wales-wide impact . WW would commend this to the Welsh Government)

### **Emergency Heating Fund**

The FPCC has also called on the Welsh Government to ensure vulnerable households in Wales have access to a Wales wide crisis fund for emergency heating. It is vital that crisis heating support is provided to vulnerable households to ensure that their health is not endangered if the heating system breaks down, or if they are unable to be discharged from hospital because their home is too cold. An example of such a scheme is provided by the Flintshire Affordable Warmth Programme, which provides a crisis fund for people who cannot afford to heat their homes and need immediate support. The Welsh Government should integrate a crisis fund for emergency heating into the Nest scheme.

### **Appendix A**

#### **Warm Wales Commentary on Scottish Fuel Poverty ( see detailed note below )**

#### **WW Recommendations**

- **Seek 80% Target Reduction in LIHC/severe fuel poverty over 10 years with interim targets monitored**
- **Broaden the use of LA 0% interest free loans, blended with grants**
- **Establish LA ESCO's to fund capital work, with savings repaying 0% interest**
- **Introduce a 5 year fuel switching programme targeting 100,000 Pre Pay FP Welsh households saving typically a further £200 ( beyond the £75 cap ) plus extra income from Benefits advice**
- **Create a Health Vulnerability Index for assessing Cases**
- **Prepare Common Templates for a LA Cold Weather Plan**

**Craig Anderson**  
**CEO**  
**Warm Wales CIC**

#### **Scottish Fuel Poverty Strategic Working Group SWG - June 2016**

Based on statement issued by SWG Chair, Professor David Sigsworth, OBE

Warm Wales Summary ( WW commentary – in blue , with **key points highlighted in bright blue** )

#### **Background**

- Short-life group set up by the Scottish Government in September 2015
- To develop a vision for the eradication of fuel poverty in Scotland and a report outlining a new fuel poverty strategy by the end of 2016.

- SWG's vision for the eradication of fuel poverty is based on the principle of social justice – fairness, prosperity and participation for all.
- SWG believe that tackling fuel poverty is part of the wider anti-poverty agenda and should form a distinctive part of efforts to address poverty and inequalities.

High level interim findings of the group to Scottish Ministers.

- Targets Missed - It is clear the target to eradicate fuel poverty by November 2016 will be missed ( WW comment – current complete eradication targets are now recognised as counter-productive as they are not based on realistic funding programmes and proper prioritisation of resources including ECO. This is a UK-wide problem. Better to say seek 80% Reduction in LIHC/severe fuel poverty over 10 years with interim targets monitored )
- Existing approaches Inadequate - while beneficial, they are not sufficient to meet the task.
- New Approach Needed - Scottish Government needs to adopt a different approach to eradicating fuel poverty in Scotland
- Enhanced EE Programmes Required - will require strong leadership and enhanced government programmes to improve the energy efficiency of homes.
- Energy Efficiency not Enough - experience over many years has shown that this alone will not reduce fuel poverty significantly. ( WW comment – The vast majority of EE work is targeted on cheap carbon not the needs of the most vulnerable LIHC Fuel Poor. Fortunately, the new ECO3 approach to targeting ECO on Fuel Poverty is a step in the right direction, but ECO is unlikely to typically contribute even 20% of whole house project costs as Carbon Values of £40tc will continue to incentivise pursuit of cheap carbon. We therefore **need to meet the c 80% funding gap by broadening the use of 0% LA Public Works Loans** supported by local grant assistance. Looking to future funding, the potential exists for capital works to be assisted by LA-backed Energy Companies offering Energy+ Improvements Packages. This merits serious early attention )
- Targeted Community Service Required “We need to adopt a different approach which would, in the context of sustaining community empowerment, be led by local community services and would be tailored to individual circumstances” ( WW comment – Strongly Agree. Integration by Joining Up existing local services linking LIHC Cold Hazard Homes with those suffering Cold-related Health Conditions will make best use of scarce resources – as per the new Fuel Poverty Reduction Partnership Hubs and WW House Doctor Service delivered by Care & Repair Services in partnership with WW)
- Lower Energy Costs + Raise Incomes - “We will be asking that the strategy also links in closely with efforts to raise incomes and make energy more affordable. ( WW recommend – The CMA £75PPM cap helps but does not resolve gross overcharging. We need a radically improved **5 year fuel switching programme** targeting 100,000 Pre Pay FP Welsh households saving typically a further £200 ( beyond the £75 cap ) plus extra income from Benefits advice . By tackling expensive tariffs and benefits income we can bring immediate benefit to all vulnerable groups, then use those contacts to prioritise scarce capital grant to house improvement works for the most needy)
- New Fuel Poverty Definition Required - The new approach requires the current definition of fuel poverty to be reconsidered. ( WW comment – ECO3 likely to be

using the LIHC definition. WW sampling of our IES SW England cases indicates LIHC starts at 16-18% FP rising to cases of 32-36% FP – so LIHC identifies predominantly levels of Severe Fuel Poverty. Some flexibility to consider cases below 20% should be considered – especially if cold-related health conditions. In Wales , BRE ( 2016) estimate that 132,000 homes are within the LIHC FP Definition which equates to 10% of all households. FPCC is seeking to understand why Wales would have LIHC at rates below SW England which is over 12% )

- New FP Strategy by end of 2016 - “Over the next few months, the Strategic Working Group will be developing our recommendations further and will present them as a coherent set of recommendations for a new fuel poverty strategy by the end of the year.”
- Welcome Feedback – “We will engage further with stakeholders over the coming months and welcome feedback and discussion on these ideas as we take this work forward.” ( WW Comment: Even though Scotland has been devoting significant resources to Energy Efficiency **the New Scottish Fuel Poverty Strategic Working Group has identified the need for a new , more realistic approach, to tackling fuel poverty – tackling fuel poverty through targeting greatest need by harnessing local community based services. This frank admission of the need for a ‘new approach’ acknowledges that current energy efficiency approaches are not tackling the heart of the fuel poverty problem.**
- The benefit of harnessing local services has also been identified in Wales under the Well Being & Future Generation Act and Stronger Together theme. This is typified by the new Healthy Homes Healthy People Initiative joining up Public Health , Local Authority and local Trusted Intermediaries. This is developing targeted service provision by working more effectively together, re-organising the AW Groups into Fuel Poverty Reduction Partnership Hubs ( starting in Flintshire and Cardiff ). These are setting improved service delivery standards by co-ordinating existing health, care and repair, energy and consumer services , to address the most needy ‘Super Priority health-related cases’.as a **Health Vulnerability Index**
- National Best Practice Approaches: There is a need to share and develop experiences in tackling disadvantage, including fuel poverty. It would be helpful to consider if Citizens Advice, NEA and Energy Action Scotland could engage on behalf of FP stakeholders to prepare **common templates for LA Cold Weather Action Plans?** These templates could then be shared nationally and the devolved administrations could use these as a basis for creating their local Fuel Poverty Strategies. It is obviously essential that these are based then on realistic targets which are achievable within identified resources. In effect, each Local Council would set clear identifiable goals based on local needs, agreed with the Public Health Services. in Wales, these would be monitored under the Healthy Homes Healthy People reporting system)

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### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

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[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ

## **Annex 1 – Consultation Response Form**

### **Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest**

**UKLPG**

#### **QUESTIONS**

<b>Question 1</b>
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
UKLPG support the Welsh Government's proposed two-element support system

comprising of both advice to households regarding energy management and free energy efficiency measures for eligible households.

There are considerable savings to be made by improving consumer behaviours, by modifying the way in which they consume energy and mobilising them to engage with their bills and compare suppliers. Offering practical advice to households is a cost effective and powerful means to achieving real improvements for those in fuel poverty.

In addition to day-to-day practical advice, Nest should also aim to reduce energy consumption by promoting efficient appliance installations and insulation which improves the performance of the building fabric. Such measures could deliver considerable savings for off-gas grid properties which are fundamentally different to their urban counterparts. Often in exposed rural locations, these properties tend to be older, larger dwellings with solid walls which are harder to heat and more costly to treat. To achieve further gains on these improvements UKLPG advocate the use of reliable and efficient low carbon fuels such as LPG which can offer heat and hot water to households on demand.

UKLPG support in-home advice but maintain that a tailored approach must be adopted in order to achieve the most effective results. A one size fits all solution will fail to properly address the symptoms that may be exclusive to a particular household, location or community. On this basis, we would welcome the involvement of trusted local actors with specialised knowledge of off-gas grid communities and the typical issues associated with these types of property. This should ensure the correct solutions are delivered to the correct recipients.

## Question 2

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

UKLPG supports the notion of a whole house approach to energy efficiency measures. The range of housing stock across Wales means that it is not possible to capitalise on economies of scale with a 'one size fits all' solution. It is therefore more sensible to spend time and financial resources delivering solutions carefully and effectively so that the residents in receipt of measures achieve and can feel real-world improvements. It is further sensible to improve the whole property heating set-up by considering both measures such as insulation which reduce household demand, and the heating system which provides supply to the home. Going one step further, should off-gas grid residents be at the point of system replacement UKLPG support presenting residents with all alternative fuel options available including gas powered systems fuelled by LPG.

LPG offers almost identical functionality to that of natural gas. It is cleaner, more efficient and emits less carbon than the alternative off-grid fuels available and can be used for space, process and water heating as well as cooking. LPG fuels all familiar commercial and domestic household gas appliances and benefits from the technological advancements in the gas appliance sector, meaning that operational efficiencies and carbon savings continue to improve all the time.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

UKLPG are encouraged that the Welsh Government recognises that off-gas grid properties are by their nature different to those connected to the grid and as such they require a greater level of support. LPG is the lowest carbon fossil fuel available to domestic homes and businesses which are not connected to the natural gas network. Almost 4 million UK households are not connected to the mains gas grid and use other fuel sources for their heating. Of these, 2 million are rural off-grid properties of which 193,000 households are supplied by LPG for their energy needs.<sup>1</sup> The map shown in Appendix 1 demonstrates that a vast proportion of Welsh regions have more than half of their properties off-gas grid. It is well documented that fuel poverty when experienced by rural residents is suffered more deeply and more harshly than by their urban counterparts. Rural properties by definition tend to be older, larger dwellings which are often hard to heat and difficult to insulate. Therefore, the Welsh Government's decision to focus Nest funding on fuel poverty, with recognition for the fact that offgas grid properties have greater and more complex needs is extremely encouraging. UKLPG appreciate the Welsh Government's logic in trying to develop spending caps that are proportional to the energy efficiency of the property however we feel that this approach is flawed.

Due to the use of fuel costs in SAP methodology which feed into EPCs, the A – G ratings fail to accurately reflect the true energy efficiency of a property. This distortion means that the cost of the input fuel tends to have a greater influence on the rating than the buildings fabric or the efficiency of the boiler or heating mechanism. This affect is exacerbated in rural areas where households are heated by a wider range of fuels, and price differences between them will further distort the neutrality of an energy efficiency rating between dwellings of the same type. The supplementary UKLPG User Information Sheet 023 (attached) demonstrates how identical properties in terms of building fabric and energy efficiency measures can achieve different EPC ratings, (despite the fact that they are only meant to show energy performance), solely due to their differing primary fuel sources. Whilst UKLPG therefore are encouraged by the priorities that the Welsh Government have identified in the future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes – Nest, and particularly for the identification of off-gas grid properties needing greater, specialised support we would ask that you take into account the limitations and flaws of EPCs as a tool to address his.

### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

#### **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

- a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**
- b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

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## **Annex 1 – Consultation Response Form**

### **Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest**

**Residential Landlords Association**

#### **QUESTIONS**

##### **Question 1**

**A) Do you agree with the proposed support to be offered by the new scheme?**

**B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.**

We agree with the proposal to ensure the provision of support.

We agree with the principle of a raised public awareness campaign in terms of educating the public about ways to avoid or overcome fuel poverty. We support the proposal for the provision of free energy efficiency measures and the provision of in-home advice. However, we would like to see more partnership building and collaborative working between existing groups to establish a more streamlined process for users. In particular, we are concerned about duplicate services; the elderly and those on low income with vulnerabilities, especially, are unable to contend with multiple referrals, for example.

We support continued collaboration with the Community Action Partnership- a national fuel poverty programme delivered by the fuel poverty charity National Energy Action (NEA) and British Gas, in partnership with councils across the UK as they provide the services detailed in this consultation document. We support continued management by British Gas and the Energy Savings Trust, as the front end service provider. The range of services include benefit entitlement checks, tariff evaluation, and advice on how to save money on energy bills, and eligibility is unrestricted.

What is needed is more joint working and targeted campaigning by and with fuel poverty partners, which will hopefully result in some savings for the Nest scheme. Constructive stewardship of savings that would otherwise have been allocated on a duplicate service would engender more opportunities to facilitate the actual improvements to properties, for example, via grants and low cost, Government-subsidized loans to PRS landlords. We believe this is a more equitable distribution of these resources. It does not cut out an entire sector that is trying to do its part to help alleviate the housing crisis. Given that government help for PRS landlords to meet compulsory energy efficiency requirements has been systematically withdrawn, e.g. removal of tax relief through the landlord energy saving allowance (LESA) and the effective ending of Green Deal, it is ever more vital that funding for combatting fuel poverty is as diligently allocated as possible.

Lastly, we do not believe that advice should be restricted solely to those meeting the eligibility criteria. This is not in-line with a “demand-led” scheme, and if it is the Government’s intention to broadly encourage fuel efficiency, it needs to be done across all housing tenures, through an unrestricted awareness campaign. This is particularly important in order to target the hard to reach and in light of the recommendation of this consultation to exclude the private rented sector from the current Nest eligibility criteria. PRS tenants whose landlords fall outside the eligibility criteria should not be penalised.

## **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Yes, we agree with this proposal. 3

## **Question 3**

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance**

**supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Yes, we agree with this proposal.

Yes, we agree that spending caps should be proportional to the energy efficiency of the property

#### **Question 4**

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Yes, we agree with the proposal of means-testing to identify those who are able to pay.

#### **Question 5**

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

It is essential that the private rented sector (PRS) receive its fair share of support, which has not been the case up to now. The sector plays an important role in the Welsh economy, and we believe that restricting opportunities for PRS landlords to facilitate energy efficiency measures will have detrimental consequences not only for those seeking energy efficient homes, but on the economy itself.

A 2014 UNISON Energy report on investigating the multiple benefits of a national domestic energy programme found that a widespread energy efficiency programme could have a significant positive macro-economic impact on the economy in the UK as a whole.

*“This arises through the stimulating effect the spending on energy efficiency has on the wider economy combined with the positive knock on impact on individuals. The impact would also be fairly immediate, with economic growth stimulated in areas that have struggled most during the recent recession and generally lag behind economically. Evidence from Germany and the Czech Republic demonstrated the positive macroeconomic return generated and showed that such energy efficiency programmes had a number of positive spin offs including increased tax revenues.”*

Given what positive outcomes can be derived from a widespread energy programme, we think it farcical to restrict access of those measures to a small section of the housing market, particularly in a time when landlords in the PRS sector are grappling

with multiple new and costly regulatory burdens and are barely able to tread water. Further, the number of households in the PRS who are fuel poor is also a higher share than in the case of other tenures. These two key facts demonstrate the need to back up the PRS with effective public financial assistance to enable improvements works to be carried out.

In April 2018, privately rented homes must achieve a minimum E rating under EPC. It is estimated that 330,000 PRS properties will be affected by the compulsion provisions. It will be illegal to rent out a non-compliant property, generally speaking. This measure is being introduced just at the time the PRS is being deprived cash flow due to the restrictions in mortgage interest relief and other tax changes, like the coming Land Transaction Tax in Wales. Further, under the Housing (Wales) Act 2014, local authorities are now able to discharge their homelessness duties into the private rented sector, which is placing more demands on an already constrained sector.

As things stand, implementation of minimum energy efficiency requirements in the PRS will now be highly regressive and damaging to tenants. Removing PRS landlords from the eligibility criteria directly harms tenants. What is going to happen, particularly when compulsion is introduced, is that those who would otherwise benefit from energy efficiency improvements will end up paying the cost themselves through higher rents which will, at best, cancel out the savings in their utility bills or, at worst, mean that they end up paying even higher living costs overall driving them further into poverty. These are individuals who are on low wages or in receipt of State Benefits. As a result, this very real opportunity which has been presented to help tenants achieve affordable warmth by helping landlords facilitate energy efficiency improvements will be squandered.

We are happy with the intention of this proposal to continue support for PRS landlords helping to house the homeless, but again, something must be done to help the landlords of the other 330,000 properties facing compulsion in the not too distant future. Without a significant injection of outside funding, the reality is upgrading properties, especially those most difficult to treat like F and G rated properties in the PRS, will flounder. We are supportive of the proposal for provision of low-cost loans, so long as the repayment period spans many years. We consider a repayment period spanning a maximum of 10 years to be appropriate. However, we are concerned that this only goes part-way and further funding, beyond loans, will be needed particularly to help those landlords struggling to contend with the stipulations of compulsion. We believe that the proposal to eliminate partial grant vouchers whilst also restricting a large section of the private rented sector from the eligibility criteria deals a double blow to this sector. We believe that a broadened public outreach campaign, particularly as the clock ticks closer to compulsion for minimum EPC E ratings, will help increase take up levels.

We disagree with the point made at 53 of the consultation document that “[landlords] can offset the cost of some energy efficiency improvements against their tax bill.” As stated already in our answer to question 3B, landlords will only be able to recoup the costs through tax relief if, and when, they dispose of the property through offsetting the cost against their capital gains tax.

## **Question 6**

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

We are in agreement with this proposal, but must emphasise that fuel poverty remains a substantial problem in the private rented sector and although some tenants may become eligible for help through the eligibility requirements, this will not necessarily capture all those that may be vulnerable. We have some concern that the threshold, whilst useful for targeting families with children who are likely to be in fuel poverty, may disadvantage small and single person households. However, we are hopeful that the expanded criteria will help target the hard to reach.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

No comment.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

The Energy Savings Trust (EST) maintains a Priority Service Register of those individuals with "critical needs." This might be a useful first step in obtaining data on those with the stated conditions. Again, this underscores the need for collaborative working, as the EST already maintains the register, it is best placed to advise of this opportunity to eligible registrants.

We thank you for consideration of the RLA's response.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

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## Annex 1 – Consultation Response Form

### Consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

Calor

#### **QUESTIONS**

Question 1
<p><b>A) Do you agree with the proposed support to be offered by the new scheme?</b></p> <p><b>B) Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.</b></p>
<p>We agree that support and advice should be provided by the Welsh Government in order to address fuel poverty across Wales. By focusing on the provision of both advice</p>

and energy efficiency measures, the scheme is best able to be flexible and thereby provide the highest level of support to citizens.

Nest should seek to both reduce energy demand through the installation of insulation, and also to encourage the deployment of less carbon intensive fuels such as LPG. Importantly, the opportunities to achieve energy demand reduction and low carbon supply are different depending on tenure, rurality and other building characteristics. In particular, rural properties are typically very different to urban counterparts, with rural households more likely to be off the gas grid and living in less energy efficient properties – for example with solid walls and/or floors or using non-traditional heating systems.

Given this, while fuel poverty is a problem in all communities, there is a greater proportion of properties in rural locations that occupy the lowest fuel poverty bands - as illustrated by Figure 1. In addition, the causes of fuel poverty and costs of addressing it will vary substantially between rural and urban properties. Given this we welcome the Welsh Government's decision to recognise the additional cost burden on rural properties by allowing such households to access additional funds.

We agree that in-home advice is beneficial, but believe that this advice must be tailored to both the property type and the occupant rather than proposing 'one size fits all' solutions or advice. Educating residents at a local level about appropriate rural energy efficiency measures is vital in ensuring that when capital works are undertaken, the correct choices for the house type, energy option, and lifestyle, are being made.

Working directly at a local level and applying bespoke solutions to fit specific community and householder needs, rather than applying a blanket approach, provides the most effective assistance to those most in need.

We do not have a strong view regarding who is best placed to deliver this advice, however our experience of working with NEA Cymru in delivering energy efficiency advice to Welsh rural off-gas grid householders, is that a trusted intermediary, with local knowledge, is vital to ensure successful engagement. Local buy-in and co-operation is key to successfully engaging rural off-gas grid communities where often there is a single person or group that can galvanise activity and secure participation from residents – i.e. the Parish Council, a local energy champion, community worker etc.

## **Question 2**

**Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.**

Given the range of housing stock across Wales we appreciate that a generic 'one size fits all' approach would not deliver the best results. As such we support a whole house approach to delivering efficient, low carbon and low-cost heating systems which is able to be tailored to each home. It is sensible to consider how to improve the whole heating set-up by considering both measures such as insulation which reduce household demand, and also the heating systems which provides supply to the home.

We also believe that gas boilers replacements are amongst the most cost effective ways of delivering energy bill savings to homes – for example a home in fuel poverty with a new boiler and heating system controls could see up to £350 per year in fuel bill savings. Nest has already helped thousands of homes to explore new boiler options.

This has made a huge difference to the energy efficiency of homes and the fuel bills of householders. Calor believe that boiler replacements should continue to be supported – but that a fair proportion of these boiler replacements should be mandated to be heating oil or LPG to ensure rural off-gas grid householders can also benefit from the advantages of a new boiler.

### Question 3

**A) Do you agree that energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do we balance supporting individual households with high cost improvements against ensuring that the scheme benefits as many low income households as possible, with existing budgets? Please provide evidence to support your answer.**

**B) Should spending caps be proportional to the energy efficiency of the property? If so, what caps should then be applied for on-gas and off-gas properties? Please provide evidence to support your answer.**

Off-gas grid, rural properties typically use more carbon intensive fuels which can be more expensive than natural gas, such as heating oil and electricity. Given the particular characteristics of rural off-gas grid properties, we are pleased to see that the Welsh Government has chosen to recognise this by having a larger spending cap than those connected to the mains gas network.

Going further, we believe that there are substantial benefits to addressing fuel poverty and high carbon emissions in rural areas as a priority. Put simply this is because such houses have, on average, deeper fuel poverty gaps and utilise more carbon intensive fuels than their urban counterparts. In addition, retrofit jobs in urban areas can benefit from economies of scale, greater competition and thus lower prices than are available in rural communities. Thus additional financial barriers make renovation less likely in rural off-gas grid areas – increasing the additionality and benefit of prioritising these communities.

Calor notes that the use of EPCs to determine energy efficiency rating of properties is flawed, as these ratings are determined by fuel bill costs, which though linked to the efficiency characteristics of properties are also influenced by prevailing energy prices. The crash in oil prices has for example increased the EPC ratings of a number of off-gas grid, rural properties running on oil. This increase of EPC rating can suggest that improvements were made to the environmental performance of the property when no change to the building fabric or heating system took place.

Figure 2 below uses EPC modelling to demonstrate that for a new-build property, the changing oil price has a substantial impact on the reported value of the property's EPC/SAP rating. Here as the heating oil bill falls from 2014 onwards, the EPC rating starts a corresponding rise – with the house moving from a *B* rating to an *A* rating by 2016 without any changes to the heating systems used or building fabric at all.

Given the recent slump in oil prices, the use of EPC ratings will likely present an exaggerated story of improvements to ratings – especially in leaky, rural off-gas grid properties which are in reality most in need of improvements. Given the volatile tendency of fuel prices – especially oil prices – a sole EPC based target may provide an unrealistic interpretation of improvements made. This has implications for carbon targets as well. Figure 3 demonstrates that despite the oil heated home - with cheaper fuel prices - having a higher EPC rating than the equivalent LPG property, the oil home has significantly higher dwelling emission rates (15.1gCO<sub>2</sub>/m<sup>2</sup> against 10.9gCO<sub>2</sub>/m<sup>2</sup> for LPG). EPC values are intended to act as a proxy for energy efficiency and environmental performance of buildings. Here changes to these values driven by the oil price crash will mask the impact of using a carbon-intensive fuel on the environment and carbon emission targets, and falsely portray a trend of improving standards in the building stock.

#### Question 4

**Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?**

**If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.**

Given that rural off-gas grid areas suffer from larger fuel poverty gaps, and because of the depth and cost of renovations needed in rural areas, improvements are less likely to be undertaken without government support. As such we believe it is important that rural delivery is ensured through a sub-obligation target. This has been successfully implemented within the Energy Company Obligation where 15% of the CSCO element was mandated to be delivered in rural areas. We would propose a similar sub-target be adopted within Nest to ensure adequate and fair levels of rural delivery.

#### Question 5

**Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?**

We do not hold a strong view.

#### Question 6

**Do you agree with the proposed methods for demonstrating eligibility for the following households:**

**a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.**

**b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?**

**If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.**

We do not hold a strong view.

#### **Question 7**

**A) Which organisations would be best placed to act as referral partners for households on relative low incomes and with a respiratory or circulatory condition?**

**B) How could individuals demonstrate they have a qualifying health condition?**

**C) How do you think a referral system should be funded?**

We do not hold a strong view.

#### **Question 8**

**Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?**

We do not hold a strong view.

#### **Question 9**

**We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

**Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:**

#### **How to respond**

Please submit your comments by **19 October 2016** by email or post.

#### ***Email:***

Please send the consultation form to:

[FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk](mailto:FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk)

#### ***Post:***

Please send the consultation form to:

Paul Moyle  
Energy Efficiency & Fuel Poverty Branch  
Welsh Government  
Cathays Park  
Cardiff CF10 3NQ