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Llywodraeth Cymru
Welsh Government

Welsh Government Consultation – summary of response

A future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes - Nest

December 2016

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

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Section 1 - Introduction

1. On 27 July 2016, the Welsh Government published a 12-week consultation on a future demand-led fuel poverty scheme to succeed Welsh Government Warm Homes – Nest from September 2017. The consultation closed on 19 October 2016 and the consultation document is available at:

<https://consultations.gov.wales/consultations/future-demand-led-fuel-poverty-scheme-succeed-welsh-government-warm-homes-nest>

2. A total of 9 questions were asked, seeking stakeholder views on a range of issues relating to the proposed design and delivery of the new scheme. The questions focused on proposals relating to the following key areas:

- support provided by the scheme
- eligibility criteria including how households demonstrate eligibility
- spending caps on home energy improvement measures per household
- targeting of eligible households.

3. A full list of questions can be found at Appendix 1.

4. As part of the consultation, the Welsh Government ran a stakeholder engagement workshop on 5 October 2016 bringing together a range of key stakeholders from different sectors to discuss key aspects of the consultation. The event was well attended with 29 representatives from a range of sectors including voluntary/third sector organisations, energy suppliers, local authorities and advice providers. A summary of the event can be found at Appendix 2.

5. Section 2 of this document provides a summary analysis of all responses and Section 3 sets out the Welsh Government response to the issues raised. Given the wide range of comments made, it is important to note that this document does not attempt to respond individually to every comment received during the consultation period, but rather responds to predominantly significant issues that respondents raised. However, all points raised during the consultation have been taken into account.

6. We would like to thank all stakeholders for taking the time to respond to the consultation and for providing their comments and suggestions for the design and delivery of the new demand-led fuel poverty scheme in Wales.

7. Enquiries about this document should be addressed to:

FuelPovertyandEnergyEfficiency@wales.gsi.gov.uk

Section 2 - Overview of responses

1. A total of **44** written responses to the consultation were received from a range of stakeholders. A full breakdown of responses by sector is provided below and a full list of the organisations that responded to the consultation is provided at Appendix 3.

Responses by type of respondent

Type of respondent	Number of responses	%
Individuals (Members of the public)	1	2
Businesses	17	39
Local authority	6	14
Government agency/other public sector	3	7
Professional bodies/interest groups	4	9
Voluntary sector	12	27
Other	1	2
Total:	44	100%

2. The table below provides a breakdown of response statistics split into the categories: 'agree', 'disagree' and 'other'. Responses are recorded as 'other' where the respondent did not explicitly indicate whether they agreed or disagreed with the proposal. Questions 7 – 9 have not been calculated as they asked more open questions with multiple answers.

Breakdown of responses

		Agree		Disagree		Other		Total #
		No.	%	No.	%	No.	%	
Question 1 (Scheme Support)	A)	33	85	0	0	6	5	39
	B)	33	85	0	0	6	5	39
Question 2 (Whole House Approach)	-	34	92	1	3	2	5	37
Question 3 (Spending Caps)	A)	22	61	2	6	12	33	36
	B)	16	89	2	11	-	-	18
Question 4 (Eligibility Criteria)	-	8	24	20	61	5	15	33
Question 5 (Private Rented Sector)	-	10	29	17	49	8	23	35
Question 6 (Demonstrating Eligibility)	A)	16	55	1	3	12	41	29
	B)	11	38	0	0	18	62	29
Question 7 (Third Party Referral System)	-	-	-	-	-	-	-	29
Question 8 (Targeting)	-	-	-	-	-	-	-	26
Question 9 (Other comments)	-	-	-	-	-	-	-	24

Note: Some percentages may not total 100% due to rounding.

Section 3 - Analysis of responses & Welsh Government response

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?

1. A total of **39** stakeholders answered this question with the majority – 33 respondents (85%) agreeing with the proposed support to be offered by the new scheme. The remaining 6 respondents (5%) did not express a view either way. No respondents (0%) disagreed with the proposals, although a small number questioned the removal of partial grants, suggesting the low take-up could be down a lack of awareness.
2. The majority of respondents agreed with the provision of in-home advice to those meeting the eligibility criteria, with many respondents highlighting the benefits of this approach. A small number of respondents felt that in-home advice should be available to all households.
3. Key recurring themes included a need for in-home advice to be holistic, tailored, independent, impartial and quality assured, complimenting (rather than competing with) existing advice services. Many respondents felt that more than one visit would be necessary to properly assess the household's needs and encourage ongoing behaviour change.
4. A range of suggestions were put forward regarding what in-home advice would be most beneficial with the most popular topics being: other support available, reducing the cost of energy, using installed measures and tariff switching.
5. Whilst some respondents used this question to put forward ideas for suitable advice providers, the general consensus was that there is no single organisation best placed to cover all areas and groups, with suggestions for a multiple-agency approach, with cross-referrals between support schemes.

Welsh Government response to Question 1

1. We have decided to continue with the proposed support to be offered by the scheme, consisting of front-end advice, support and referrals to other relevant support services and free home energy improvement measures with in-home advice to eligible households.

2. We will require the Scheme Manager to deliver an end-to-end service for Nest beneficiaries, building on the success of the current Nest scheme and continuing relationships with other support providers.
3. Under these arrangements, advice and support will continue to be provided, covering a wide range of areas including (but not limited to) energy and water efficiency, debt, energy tariffs, benefit entitlement checks and installed measures.
4. We have decided to following through on the proposal to provide in-home advice to those households eligible for home energy improvement measures, as they will have been identified as living in low income, energy inefficient properties. This is consistent with our policy to target support at the most vulnerable households.
5. We have also decided to continue with the removal of partial grants, an option which was available within Nest to ensure an element of non means-tested benefit support. Partial grants have not been heavily marketed as they have only been offered where they represent the best solution for the household, which is reflected in the low numbers. Under the new proposals, home improvement measures will be available to certain households not in receipt of means-tested benefits (low income households suffering from a qualifying health condition) and will be reviewed in future years.

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

1. A total of **37** stakeholders answered this question with the majority - 34 respondents (92%) agreeing that the scheme should continue with the whole house approach to energy efficiency measures. Only 1 respondent (3%) disagreed with the whole house approach, with the remaining 2 respondents (5%) not explicitly indicating either way.
2. A number of respondents questioned whether a whole house approach is achieved through Nest, highlighting that only one measure (generally boilers) has been installed in various cases. Many respondents pointed to the importance of maximising other sources of funding, such as the Energy Company Obligation (ECO) to achieve a true whole house approach.
3. Several respondents recommended expanding the range of home energy improvement measures offered by the scheme, with the most common being windows. Others suggestions included doors, low energy light bulbs, home energy monitors, infrared heating and LPG.
4. The respondent who disagreed with the whole house approach pointed to the trade-off with the lesser amount of homes that can be treated under this approach due to more measures being installed.

Welsh Government response to Question 2

1. We have decided to continue with the whole house approach to energy efficiency measures, whereby the most appropriate and cost effective package of measures is installed in a property following a whole house assessment. There is overwhelming support from stakeholders to continue with this approach.
2. Some stakeholders have questioned whether this approach has been achieved through Nest, commenting that only one measure has been installed in many instances. This may be down to the way certain measures are currently reported as they infer a single measure e.g. a 'Central Heating Installation', when this actually consists of a new boiler, radiators, room thermostats, pipework etc. However, we recognise there are other low cost measures that could usefully be provided such as energy efficient lighting, draft insulation etc.
3. Whilst we do not propose to completely exclude any measures from the new scheme, only the most appropriate and cost effective measures will be installed as determined by a qualified scheme assessor. However, our intention is to maximise the range of low cost measures, such as low energy light bulbs, to enable a wider range of measures per property and will keep this under review as new cost effective technologies emerge. We would not expect internal wall insulation to be recommended in many instances given the level of disruption and resulting redecoration costs for households. In addition, we envisage that the installation of windows will only be considered in exceptional circumstances such as where this would enable the delivery of other measures.
4. We will ensure the design of the scheme allows maximum funding to be levered from other sources such as ECO.

Question 3

A) Do you agree energy efficiency measures should continue to be subject to a spending cap per household? If you do not agree, how do you suggest 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.

1. A total of **36** stakeholders answered part A) of this question with the majority – 22 respondents (61%) agreeing that energy efficiency measures should continue to be subject to a spending cap per household. Only 2 respondents (6%) disagreed, with the remaining 12 respondents (33%) not explicitly indicating either way.
2. Those who agreed with the proposal gave reasons including avoiding disproportionate amounts being spent on single properties, ensuring greater equity across the scheme and allowing more households to benefit from improvements and reduced energy bills. In contrast, those who disagreed felt that caps undermine the value of the whole house

assessment approach, arguing that the scheme should undertake any and all works required. However, there was no explanation as to how this would achieve a balance of supporting individual households against helping as many low income households as possible.

3. Flexibility was a key theme with respondents suggesting allowing a percentage allowance to caps (with 10% being the most common suggestion) in exceptional circumstances, such as cases where strict application of the cap would result in a failure to install any measures.
4. Some respondents questioned whether existing caps have acted as a barrier to achieve the objectives of the current scheme, with some feeling that caps are too low and leave little scope for costly measures such as Solid Wall Insulation. However, respondents unanimously agreed with the continuation of a higher cap for off-gas properties, with similar questions on whether caps are high enough.
5. Only 18 respondents answered part B) of this question, which relates to proposals to make caps proportional to the starting energy efficiency rating of the property. 16 of these (89%) agreed that spending caps should be proportional to the energy efficiency of the property, with the remaining 2 respondents (11%) disagreeing. There was no common alternative suggested to the proposed approach.

Welsh Government response to Question 3

1. We have decided that energy efficiency measures will continue to be subject to a spending cap per household and that caps should be proportional to the starting energy efficiency rating of the property. This enable more low income, vulnerable households to benefit from the scheme, tackling fuel poverty on a wider scale and ensure funding is prioritised to the most energy inefficient properties. In addition, we will look to make the most of all opportunities to lever in funding from other sources, such as ECO, to maximise the support provided to households in Wales.
2. We are minded to include a small element of flexibility (potentially 10%) to spending caps in exceptional circumstances, such as where the spending cap would result in no measures being installed in an eligible property. These cases will be subject to approval by the Welsh Government on a base by case basis to ensure consistency and appropriateness.
3. The exact level of caps will be determined following a full Impact Assessment. As part of this assessment, we will look at the impact of different caps on the objectives of the 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.

1. A total of **33** stakeholders answered this question. 8 respondents (24%) agreed with the proposed eligibility criteria and a further 5 respondents (15%) did not explicitly indicate either way. However, the majority – 20 respondents (61%) disagreed with the proposed eligibility criteria with some feeling that they have only partially reflected the recommendations in the CSE report.
2. The most common reason for disagreeing with the eligibility criteria was the proposed introduction of age requirements. Many respondents felt that the proposed criteria were too restrictive, leaving significant gaps in a range of groups such as low income working families, households with disabled occupants and those with low income pensioners under 75.
3. In relation to the proposed list of means-tested benefits, some respondents felt that certain benefits should become or remain eligible with a common theme being the “working poor” and with Housing Benefit and Council Tax Reduction being mentioned the most.
4. Overall, respondents welcomed and agreed with proposals to extend eligibility to low income households with health conditions but many felt that other conditions such as mental health should also be included. In addition, some felt that very few people would qualify under this criterion due to difficulties in identifying people with these health conditions.
5. Where respondents suggested making additional groups eligible for support, none of these were able to suggest a solution which takes into account the requirement to maintain an appropriately sized pool of eligible households.

Welsh Government response to Question 4

1. We have decided not to continue with the proposed eligibility criteria in light of strong concerns from stakeholders regarding the resulting exclusion of certain groups of low income, vulnerable households. We have decided to retain the existing Nest eligibility criteria, which are generally supported by stakeholders.
2. We note that some respondents felt that the proposed criteria had only partially reflected CSE’s recommendations. It appears that stakeholders are actually referring to the ‘target group’ recommended by CSE, rather than the recommended eligibility criteria, which is designed to maintain a manageable sized pool of eligible households and formed the basis of the proposals outlined in the consultation document.

3. Whilst we will be maintaining the main Nest eligibility criteria, we have decided to continue with our proposal to extend eligibility to low income households with a member suffering from a respiratory or circulatory condition. These are the conditions identified by CSE as being most vulnerable to the impacts of living in a cold home. We are minded to ring fence a proportion of scheme funding specifically for these households, to be carried out as a trial with a review after 12 months. During this time we will look at whether other conditions should be included in the longer term.
4. With regards to mental health, we will look to build on the evidence base to better understand which mental health conditions are the most affected from living in cold homes and will work closely with health partners to identify which conditions should be prioritised for support and the most appropriate way to target this group.

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?

1. A total of **35** stakeholders answered this question. 10 respondents (29%) agreed with the proposals and a further 8 respondents (23%) either partially agreed or did not explicitly indicate either way. However, the largest group – 17 respondents (49%) disagreed with the proposals citing the weak evidence base at the current time, the high levels of fuel poverty and low energy efficiency of the housing stock in the private rented sector.
2. Most respondents generally accepted that private landlords should be responsible for installing energy efficiency measures in their properties but felt that now is not the right time to remove them from grant support under the scheme due to the current lack of alternative support mechanisms. The majority of respondents felt that ‘Home Improvement Loans’ did not provide a sufficient alternative on their own due to the lack of incentives or disincentives to ensure landlords take action in this area.
3. A number of alternative support options were suggested including the provision of equity charge loans, redeemable grants, partial grants, linking EPC ratings to council tax bands and awareness training for private landlords. There was also a suggestion of self-financing inspection costs for The Housing Health and Safety Rating System (HHSRS) with repeat offenders charged for the costs of enforcement action.
4. Some respondents felt that the governing legislation needed to be strengthened, as well as greater liaison with Rent Smart Wales to identify opportunities for encouraging landlords to improve the efficiency of their properties.

5. The majority of respondents agreed that private rented properties supporting homelessness should remain eligible. However, there was reference to existing SLAs that some local authorities already have with these landlords guaranteeing income, with mixed feelings amongst stakeholders about whether another incentive is actually required via the scheme.

Welsh Government response to Question 5

1. We have decided not to proceed with the proposal to remove the private rented sector from grant support (free home energy improvement measures) at the current time.
2. Our policy position is to remove the private rented sector from eligibility for grant support over time; however, we recognise that the alternative support mechanisms necessary to achieve this are not currently in place. Therefore, we will work with partners to address this, ensuring that fuel poor tenants in private rented properties do not get left behind. In the meantime, we propose that private rented properties will remain eligible, subject to additional requirements. For example, we are considering whether the Housing Health and Safety Rating System (HHSRS) should be built into the process, with landlords being required to remove any identified hazards.
3. We will also work with Rent Smart Wales to identify opportunities for encouraging the private rented sector to invest in the energy efficiency of their rental properties. Private landlords are already required to be registered with Rent Smart Wales in order to apply for support through the existing Nest 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.**

1. A total of **29** stakeholders answered this question, with some providing individual answers to a) and b), some providing an overall yes or no and others providing only general comments.

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

2. 16 respondents (55%) agreed with the proposed method for demonstrating eligibility for these households, only 1 respondent (3%) disagreed and 12 respondents (41%) did not explicitly indicate either way. Respondents generally agreed with the continued use of means-tested benefits to demonstrate eligibility, either through data matching, where available, or through the provision of supporting documentation at the whole house assessment stage

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

3. 11 respondents (38%) agreed with the proposed method for demonstrating eligibility for these households, with the remaining 18 respondents (62%) not answering this part of the question or not explicitly indicating either way. No respondents (0%) disagreed.
4. Respondents generally welcomed the proposed third party referral system, though concerns were raised around cost, consistency between referral partners and that households who are not in contact with these bodies might not get support. Common themes included a need for the process to be simple and cost effective, maximise data matching, to work in conjunction with ECO and stand up to robust challenge.
5. Many respondents referred to the need for medical professional involvement in order to confirm qualifying health conditions in a way which results in no cost to applicants. Respondents highlighted a need to develop a straightforward procedure for GPs in order to achieve this and to raise awareness with GP surgeries to encourage referrals and signposting.

Welsh Government response to Question 6

1. We have decided to continue with the proposals for demonstrating eligibility as set out in the consultation document, maximising data matching wherever possible.
2. Guidance will be produced for all approved third party referral partners to ensure consistency with eligibility checks. This will include details of what respiratory and circulatory health conditions are eligible and guidance on the relevant categories for relative low income, which will be based on household composition. Taking into account the number of children is particularly important, as they can have a significant impact on how fuel poor a household is likely to be.
3. The involvement of health professionals in confirming the health element of eligibility is discussed in the Welsh Government response to question 7.

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?

1. A total of **29** stakeholders answered this question. Common themes included the need for referral partners to be recognised, independent and trusted organisations with the necessary reach to provide a robust and cost effective service throughout Wales. A range of potential referral partners were suggested with the most common being Care and Repair Cymru, Local Authorities, Citizens Advice and more generally, third sector organisations. However, many respondents felt that there is a lack of all-Wales organisations that would be willing to spend time on Nest applications for those who are not existing customers/clients.
2. Respondents highlighted that referral partners would require additional funding to provide this additional service with mixed feelings as to whether this should be in form of grant funding or a fee per successful referral. Those favouring grant funding felt that this provided a more stable baseline to plan staff resources and deliver necessary training. In contrast, some other respondents felt this would take away funding from the service itself, favouring a fee per referral approach.
3. There was an overall consensus that the referral system would require input from health professionals who would be trained to identify and determine qualifying health conditions in a non-intrusive manner. The most common suggestions included GPs, Health charities, Local Health Boards and hospital discharge teams. Suggested methods for evidencing conditions including through a letter from a GP, receipt of a non means-tested benefit, a prescription for pre-determined medication, read codes / ICD-10 codes held by GPs and data matching.
4. Some respondents provided examples of similar schemes / approaches, which the new scheme could build on with references to the 'House Doctor', 'Warm Homes on Prescription' and other boiler prescription schemes.

Welsh Government response to Question 7

1. We would expect all partners and support providers to continue to provide referrals and signposting to the scheme. In addition, the successful scheme manager will be responsible for procuring and funding a small number of suitable 'third party referral partners' (a maximum of 3) to achieve an all-Wales, all age groups coverage. These organisations will be responsible for checking and confirming the income element of eligibility against clear guidance from the scheme manager to ensure consistency.
2. We will work with health and social care partners to develop a straightforward, efficient and cost-effective system for demonstrating a qualifying health condition in a manner which avoids any costs to applicants.

Question 8

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

1. A total of **26** stakeholders answered this question. A common theme was the need for a multi-agency coordinated approach with respondents suggesting organisations that should be involved in targeting these households. In particular, respondents highlighted the importance of links with health professionals such as Local Health Boards, GP surgeries, community nurses and specialist clinics to encourage direct referrals and signposting.
2. Some respondents suggested the use of direct mail outs managed by GP practices and the possible use of GP held 'Read Codes / ICD-10 Codes' to target those with qualifying health conditions. Other suggestions included engagement with front line workers, charities, respiratory and asthma clinics, outreach events and the use of 'Priority Services Registers'. A key theme in many of these responses was the important role of data sharing.
3. In addition, a number of examples were provided of existing programmes, which could be used for learning and best practice.

Welsh Government response to Question 8

1. We will use data-matching wherever possible to target those eligible for support. We will also work with relevant health and social care partners to establish appropriate referral and targeting mechanisms to reach this new target group, building on lessons learnt from existing and previous schemes, where available.
2. For example, we will look at the feasibility of a mail-out from GP practices to those with qualifying health conditions to notify them of the support available through the scheme and provide contact details for referral partners in order to confirm the remaining elements of eligibility.

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. **24** stakeholders provided additional information as part of this question with many respondents reiterating points made in response to earlier questions or outlining findings of research in areas covered by the consultation. An overview of the comments not mentioned previously is provided below.
2. A number of respondents felt there was lack of clarity regarding the Welsh Government's strategic objectives for the scheme with references to a shift from a programme to eradicate fuel poverty to a scheme with a strong focus on preventing GP and hospital admissions.

3. A wide range of suggestions were put forward on the design of the scheme such as incorporating a 'crisis fund' for emergency heating, allocating separate pots of money for different groups (including those on the brink of fuel poverty) and targeting scheme messaging at anyone who lacks money management skills.
4. Some respondents highlighted the need to consider specific legislation or data handling requirements. Others used this question to seek clarity on elements of the consultation including the scheme budget and whether park homes would be eligible.
5. A number of broader comments were raised in relation to wider energy efficiency and fuel poverty policy, which is outside the scope of this consultation. These included calls for clarity on the Welsh Government's strategic direction and plans for eradicating fuel poverty in Wales, the scale of resources and current fuel poverty activity. There were requests for a new fuel poverty target based on improving a target number of low income homes each year and for domestic energy efficiency to be made an infrastructure priority.

Welsh Government response to Question 9

1. The Welsh Government's fuel poverty objectives and actions are set out in the Fuel Poverty Strategy 2010, which remains live. This includes an action to ensure that measures delivered through our schemes are targeted at those householders most in need and living in the most energy inefficient homes. The proposed eligibility criteria have been designed with this in mind, based on CSE's recommendations. We have however decided to make further changes taking account of stakeholder comments, as set out in our response to question 4.
2. The breakdown of scheme funding will be determined before the start of the financial year, following publication and approval of the Welsh Government's Final Budget on 20th December 2016.
3. As set out in our response to question 2, we do not propose to exclude any measures from the scheme, but the most appropriate and cost effective measures will be determined by a qualified scheme assessor following a whole house assessment. The current measures are listed in The Home Energy Efficiency Schemes (Wales) Regulations 2011 as amended.
4. We do not propose to create a 'crisis fund' or allocate separate funding for those not meeting the eligibility criteria as the scheme is designed to prioritise support at the most vulnerable households. Households who are not eligible for measures will be entitled to receive impartial advice, support and referrals to other available support.
5. Park homes will remain eligible under the new scheme, subject to meeting the remaining eligibility criteria.

What happens next?

We are working with the National Procurement Service to take forward the procurement process for scheme managers for *Welsh Government Warm Homes*, which includes our *Nest* and *Arbed* schemes. We expect to go out to tender for *Nest* around February 2017.

We will be running a small number of focus groups to seek feedback from potential scheme recipients in the first few months of the New Year and will work with partners in preparation for the start of the scheme on 1 September 2017.

We will also be working on the Regulations for the new scheme and would expect to publish a Regulatory Impact Assessment in Spring 2017. This will include an assessment of various options for spending caps.

Appendix 1 – List of consultation questions

Question 1
<p>A) Do you agree with the proposed support to be offered by the new scheme?</p> <p>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.</p>
Question 2
<p>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.</p>
Question 3
<p>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.</p> <p>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.</p>
Question 4
<p>Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?</p> <p>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.</p>
Question 5
<p>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?</p>
Question 6
<p>Do you agree with the proposed methods for demonstrating eligibility for the following households:</p> <p>a) Households in receipt of a qualifying means tested benefit and with a member over 75 or under 5 years.</p> <p>b) Households on a relative low income with a member suffering with a respiratory or circulatory disease?</p> <p>If you do not agree, how would you propose householders demonstrate eligibility? Please provide evidence to support your answer.</p>

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.

Appendix 2 – Summary of stakeholder workshop

As part of the consultation, the Welsh Government hosted a stakeholder engagement workshop on 5 October 2016 bringing together a range of key stakeholders from different sectors to discuss key aspects of the consultation. The event was well attended with representatives from a range of sectors. A full list of the attendees is below.

- British Gas
- Caerphilly County Council
- Care and Repair Cymru
- Centre for Sustainable Energy
- Children in Wales
- Citizens Advice Cymru
- EMME Group Limited
- Energy Saving Trust
- Gwynedd County Council
- Cardiff & Vale UHB
- National Energy Action
- Neath Port Talbot Council
- Warm Homes Nest
- One Voice Wales
- Powys County Council
- Public Health Wales
- Rhondda Cynon Taff Council
- RNIB Cymru
- Scottish and Southern Energy
- Scottish Power
- South East Wales Energy Agency
- Speakeasy Advice Centre
- Sustainable Development Group - Cardiff
- The Administrative Data Research Centre for Wales
- Torfaen County Council
- Utilita
- Vale of Glamorgan Council
- Warm Wales
- WLGA

The purpose of the event was to provide background to stakeholders on the Welsh Government's proposals for the design and delivery of the new scheme and to seek stakeholder views, comments and ideas on each proposal, including how these might work in practice. This focused on four key questions in the consultation document (questions 1, 3, 4 and 7) relating to the support offered by the scheme, spending caps per household, eligibility criteria and a third party referral system for households with members suffering from health conditions.

Attendees were split into four mixed-sector groups and asked to discuss each question with key themes being recorded by a table facilitator / note-taker. The table below summarises the recurring discussion points as well as any additional written comments / suggestions received at the event.

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.

Key Discussion Points

- Agree with the support to be offered, though in-home advice will be challenging to deliver cost effectively across Wales. In-home advice should utilise existing services provided by other organisations and take a holistic approach.
- Advice needs to be wide-ranging, ongoing and flexible with sign-posting to other support services. It should not use a “one size fits all” approach.
- Advice should include a walkthrough on how to use and get the most of the measures installed.
- There could be potential issues with “doorstep selling” relating to any advice on supplier switching.
- Any advice regarding appropriate measures for properties needs to be properly governed. Reference was made to the Bonfield Review.
- Energy efficiency hampers should be provided to households who don’t meet the eligibility criteria.
- Rural communities have different heating systems so different advice would be required. This should be provided by the installer and should be an independent advice delivery.
- Partial grants could be removed by linking to ECO, with a focus on insulation measures.

Additional Written Feedback

- Adequate funding is required for Local Authorities to deliver interest free measures to clients at zero cost to applicant.
- Rural issues - knowledge of Air Source Heat Pumps, LPG, Oil and associated payment methods and oil clubs is important in rural 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.

Key Discussion Points

- Agree that caps are a valuable mechanism but should be more flexible and dictated by what the scheme is trying to achieve.
- Agree with caps being proportional to starting SAP rating with higher caps for F and G rated properties. This should be kept under review. Agree D rated properties should not be included.
- The scheme should enable cross-funding from other sources, helping to achieve a holistic whole house approach. Suggestion to link with Arbed and other WG funding to maximise benefit to properties.

- The scheme should take a population approach with a rural safeguard.
- More flexibility is required for the householder and the needs of the property rather than just caps and SAP rating. Suggested flexibility of 10% in exceptional circumstances.
- More measures should be added to suit a wider range of properties – on-gas, off-gas, age of the property. For example: doors, windows, oil etc.
- Data should be used from previous schemes to inform scheme design.

Additional Written Feedback

- Complementing gas infill projects with spending caps would help - suggestion for an Area based gas infill project.
- Option to have a combination of a spending cap with a minimum SAP rating to reach (e.g. SAP D), applying whichever is lowest.
- Consider including SAP D properties as some households took advantage of single measures under energy obligation funded schemes, which have raised the SAP level slightly but still need further assistance.

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.

Key Discussion Points

- Removal of the private sector is a major concern if a viable alternative is not put in place to support these households. There is a lack of evidence to support loans as a suitable solution and more research is required to evaluate this.
- There is currently little incentive or appetite amongst private landlords to improve the energy efficiency of their rental properties.
- There needs to be more pressure and incentive (or disincentive for not taking action) for private landlords to ensure action and take up of other options. Suggestions put forward included 0% interest loans and linking energy efficiency bands to council tax, stamp duty etc.
- Partial grants could be offered to private rented sector.
- There is a need to raise the bar in relation to the legal requirements on landlords in the PRS sector. Current requirements are too general. Possibility to utilise Rent Smart Wales to achieve this.
- Eligibility criteria should be designed to closely align with other schemes and sources of funding (e.g. ECO) to ensure maximum support and benefit for households.
- More information and analysis is required in relation to support for those with mental health conditions.
- Introducing age requirements is a drastic change and “over 75” is too high. This would exclude support for working age people.

- A number of suggestions for widening eligibility to include different groups.
- In-home advice should be expanded to households who are not eligible for measures.

Additional Written Feedback

- The proposed criteria are so restrictive and complex that third parties will stop referring, as they have done with ECO.
- Of our referrals to Nest over the past 3 years, only 4% would qualify under the new rules.

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?

Key Discussion Points

- The third party referral process will need multiple partners to undertake both checks, e.g. GPs and third party frontline organisations. It will be important to refer both ways.
- The process should make use of bodies or groups that already exist, particularly where they may already have access to certain health data. Suggestions included Care and Repair, Citizens Advice and Speakeasy. Any solution will require extra resources and funding.
- There is a need to raise awareness amongst GPs to refer to the scheme.
- Close links between partners is essential.
- Need to make sure there is training available and that the right support is provided. This may be a long term process.
- Referral partners could include Charities, Local Authorities, Schools, GP's, Flying start, Energy Suppliers, Communities First

Additional Written Feedback

- In terms of third party referral system it may be useful to look at existing schemes such as 'health through warmth' where grants are delivered through care and repair Cymru as a third party.
- If there are lots of referral partners, will need consistency if they are approving eligibility. Or are they just passing the person on for further eligibility checks?
- Local Authorities could also be referrers. RCTCBC has an energy officer who gives tariff advice, behavioural change advice and referral to other partners i.e. Nest. This has been very successful over past years.

Appendix 3 - List of respondents

Name	Name
<i>Businesses</i>	<i>Voluntary sector</i>
BHHPA	Care and Repair Cymru
British Gas	Care and Repair N E Wales
Builders Merchants' Federation	Ceredigion Citizens Advice
Calor	Children in Wales
CCWater	Citizens Advice Cymru
CITB Cymru	Fuel Poverty Coalition Cymru
Constructing Excellence in Wales	NEA
Dwr Cymru	One Voice Wales
E.ON UK	Anonymous
Energy Saving Trust	S.E.W Energy Agency
Meyrick Estate Management	Speakeasy
Platform D-Risk - EMME Group	Trivallis
Residential Landlords' Association	RNIB Cymru
ROCKWOOL Ltd	
Scottish Power	
SSE	
UKLPG	
<i>Government agency/other public sector</i>	
Ministerial Advisory Forum on Ageing	
Anonymous	
Information Commissioner's Office	
<i>Individual</i>	
Mr Brian Gresty	
<i>Local Authority</i>	
City of Cardiff Council	
Conwy County Borough Council	
Gwynedd Council	
Powys County Council	
Rhondda Cynon Taf County Borough Council	
Torfaen Council	
<i>Other</i>	
Tackling Poverty External Advisory Group (TPEAG)	
Trawsnewid Llandrindod Transition	
<i>Professional bodies/interest groups</i>	
Mineral Wool Insulation Manufacturers Association	
Warm Wales	