

Equality Impact Assessment (EIA) – Part 1

Policy title and purpose (brief outline):	Provision of an all-Wales demand-led energy efficiency and fuel poverty scheme to succeed <i>Warm Homes Nest.</i> The main purpose of the scheme is to reduce the impact of fuel poverty on households in Wales and, as far as reasonably practicable, eradicate fuel poverty. There are also economic objectives to create green jobs and business opportunities for the people of Wales and environmental objectives - to reduce the greenhouse gas emissions in the domestic sector.
Name of official:	Paul Moyle
Department:	Environment & Rural Affairs
Date:	July 2017
Signature:	P Moyle

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1. Please provide a brief description of the policy/decision.

The Welsh Government has a statutory obligation to eradicate fuel poverty, as far as is reasonably practicable, in all households in Wales by 2018. We have limited powers to tackle low income and energy prices, making the eradication of fuel poverty a real challenge, but we can make a significant difference by improving the energy efficiency of homes in Wales.

Wales has some of the oldest and least thermally-efficient building stock in Europe. The prevalence of older buildings in Wales' stock leaves a considerable legacy of non-energy efficient features. Therefore, it simply takes more energy to keep our homes warm than elsewhere in Europe, and this drives up energy bills. Improving the energy efficiency of homes is the most direct and sustainable way to reduce energy bills in the long term, allowing households to keep warm at a more affordable cost.

Our Fuel Poverty Strategy 2010 sets out the actions we will take to reduce the number of households in Wales living in fuel poverty. Key actions include:

- Provision of a demand-led all-Wales fuel poverty scheme targeted at those householders most in need and living in the most energy inefficient homes, complemented by area-based investment.
- Provision of well-coordinated advice and support services to ensure that all householders in Wales can access help to reduce their fuel bills, maximise their income, improve the energy performance of their homes and reduce their risk of becoming fuel poor.

We are currently doing this effectively through our energy efficiency and fuel poverty programme, *Welsh Government Warm Homes*, which includes the demand-led *Nest* and area-based *Arbed* schemes.

As the current Nest scheme contract expires in March 2018, we are undertaking an Equality Impact Assessment on a new demand-led energy efficiency and fuel poverty scheme to succeed *Nest* from April 2018. The scheme is designed to provide households in Wales with access to a range of free, impartial advice and support to help them reduce their energy bills and keep warm at a more affordable cost. This support includes a referral for a package of free home energy improvements for certain low income, vulnerable and energy inefficient households, subject to eligibility criteria.

Evidence from a number of social research reports¹, along with lessons learnt from the existing scheme, were used to develop proposals for the new scheme which include revised eligibility criteria to improve targeting and the provision of in-home advice to eligible households. Support will be prioritised to those households most in need (i.e. low income, vulnerable and energy inefficient households).

¹ <u>http://gov.wales/statistics-and-research/understanding-characteristics-low-income-households-risk-living-cold-homes/?lang=en, http://gov.wales/statistics-and-research/production-estimated-levels-fuel-poverty/?lang=en, http://gov.wales/statistics-and-research/evaluation-nest-energy-efficiency-scheme/?lang=en.</u>

2. We have a legal duty to engage with people with protected characteristics under the Equality Act 2010 (please refer to Annex A of the EIA guidance) identified as being relevant to the policy. What steps have you taken to engage with stakeholders, both internally and externally?

Internal engagement

As energy efficiency and fuel poverty are cross-cutting issues through which action can bring multiple benefits across the goals set out in the Wellbeing of Future Generations Act, we have been working closely across government, and will continue to do so. Internal consultation has included the following departments: Natural Resources, Health and Social Services, Finance and Corporate Services, Local Government and Communities; and Education and Skills.

External engagement

An external consultation was undertaken between 27 July and 19 October 2016 seeking stakeholder views on the Welsh Government's proposals for a new demandled fuel poverty scheme. The consultation sought comments on the design and delivery of the new scheme. The Welsh Government's Response to the consultation was published on 23 December 2016.

A large number of stakeholders were consulted, including groups representing people with protected characteristics. Those consulted include:

- Advice Services Alliance
- Advice UK
- Age Connects
- Age Cymru
- Barnardos
- Bevan Foundation
- Care and Repair Cymru
- Coalfields Regeneration Trust
- Coed Cymru
- Community Housing Cymru
- Fairpoint
- Flintshire Affordable Warmth Partnership
- Shelter Cymru
- Joseph Rowntree Foundation
- Kin Cymru
- Macmillan Cancer Support
- MIND Cymru
- National Energy Action (NEA) Cymru
- One Voice Wales
- Oxfam Cymru
- Penny Smart
- Shelter Cymru
- Tenovus
- Trussell Trust

- Wise Kids
- Children in Wales
- Children's Commissioner for Wales
- Citizens Advice Cymru
- Community Housing Cymru
- Disabilty Wales
- Equality and Human Rights Commission in Wales
- Flintshire Affordable Warmth Partnership
- Shelter Cymru
- North Wales Housing
- Older Peoples Commission for Wales
- Public Health Wales
- Rep for Equality and Human Rights Commission in Wales
- Royal National Institute of Blind People
- Social Service Improvement Agency
- Sustainable Futures Commissioner
- Welfare Rights Advisers Cymru
- Welsh Centre for Voluntary Action
- Welsh Language Commissioner
- Welsh Local Government Association
- Welsh Tenants Federation

A number of stakeholder engagement events were also undertaken during the consultation period with a cross-section of stakeholders to seek input on key elements of the consultation.

A total of 44 responses were received to the consultation from a wide range of individuals and organisations. A full summary of responses to the consultation has been produced.

https://consultations.gov.wales/consultations/future-demand-led-fuel-povertyscheme-succeed-welsh-government-warm-homes-nest

The engagement process has not identified any significant negative impacts from this scheme on people with protected characteristics. Positive impacts are predicted.

In addition, recommendations from the *'Evaluation of the Nest Energy Efficiency Scheme'* in relation to protected characteristic groups have already been taken on board in the current scheme and will be built upon in the new scheme. Actions include:

- Additional targeted action to remove access barriers for people who lack mainstream communication channels. This focused on targeted engagement through specific partner organisations and the use of information in easy-read, braille, audio, large print and digital formats.
- Action to engage with community groups in rural areas and other groups including BAME (black, Asian and minority ethnic) communities.
- Development of relationships with Local Health Boards and Health sector partners.



3. Your decisions must be based on robust evidence. What evidence base have you used? Please list the source of this evidence e.g. National Survey for Wales. Do you consider the evidence to be strong, satisfactory or weak and are there any gaps in evidence?

Proposals in relation to the provision and design of the new scheme have considered a range of evidence, which is summarised below.

Estimated Fuel Poverty Levels 2012-2016, Building Research Establishment (BRE)

The most recent Welsh Government statistics on fuel poverty in Wales are modelled estimates for 2012 to 2016 produced by the Building Research Establishment (BRE). BRE's report, *"The Production of Estimated Levels of Fuel Poverty in Wales: 2012-2016"*, was published on 11 July 2016. The report provides estimates of fuel poverty and severe fuel poverty in all households, fuel poverty in vulnerable households and fuel poverty in social housing from 2012 to 2016. It also estimates the impact of energy efficiency improvements on levels of fuel poverty.

The findings have been considered in deciding whether the Welsh Government should continue to offer a demand-led fuel poverty scheme. Whilst the research shows that the estimated number of households in fuel poverty has reduced since 2012, around 23 per cent of all households and 24 per cent of vulnerable households² in Wales are estimated to be in fuel poverty in 2016.

This supports the case for continued action on fuel poverty, with support prioritised to low income households who are most at risk from living in cold homes.

The BRE research also highlights the positive impact of home energy efficiency improvements on levels of fuel poverty. This indicates that an all-Wales scheme supporting low income households with such provisions, alongside a comprehensive package of advice and other support, continues to be a highly effective way to further reduce levels of fuel poverty.

Making a Difference: Investing in Sustainable Health and Well-being for the People of Wales, Public Health Wales

This report offers research, evidence and expert opinion in support of preventing ill health and reducing inequalities to achieve a sustainable economy, thriving society and optimum health and well-being for the present and future generations in Wales.

The report makes the case that investing in the prevention of poor health would result in healthy outcomes for our population and far-reaching benefits across all aspects of our society and our lives. It includes a number of noteworthy findings and statements relating to insulation, energy efficiency, heating and housing conditions:

² A vulnerable household is defined as one with any member aged 60 years or over, with a child/young person under the age of 25 years or with any long-term limiting condition or disabled member.

- Investing in insulation and heating to address cold and damp housing could return savings of nearly £35 million for the NHS in Wales;
- Babies living in fuel poor homes (cold and damp) are more likely (by 30%) to be admitted to hospital or attend primary care;
- Poor quality housing, including issues such as mould, poor warmth and energy efficiency, is linked to physical and mental ill health. It impacts the individual, as well as costs to the individual, society and the NHS in terms of associated higher crime, unemployment and treatment costs.
- Investing in housing improvements provides a cost-effective way of preventing ill-health and reducing health inequalities. It could lead to less time off school or work, increased use of the home for study and leisure, and improved relationships between household members.

Understanding the Characteristics of Low Income Households Most at Risk from Living in Cold Homes, Centre for Sustainable Energy (CSE)

In 2015, the Welsh Government commissioned independent research to help inform the targeting of any future demand-led energy efficiency and fuel poverty scheme.

The research looked at which low income households are the most vulnerable from living in cold homes and therefore are likely to be in the greatest need of a home energy efficiency intervention.

This informed recommendations that the scheme should target households with a relative low income and at least one of the following additional markers of vulnerability:

- o Older adults
- Children (particularly children under 5 years old).
- Disabled people.
- People with limiting long term health conditions (people with respiratory or circulatory diseases and people with mental health conditions).

All recommendations in the report have been fully considered in determining which households should be eligible for support.

Evaluation of the Nest Energy Efficiency Scheme - Miller Research (UK) Ltd

In 2014, the Welsh Government commissioned an independent evaluation of the Nest scheme to assess whether or not it had met its objectives. The evaluation looked at the extent to which the scheme had reached households most in need, had resulted in energy savings for householders and had provided value for money. The full report was published in March 2015.

The findings have been used in development of the new scheme, building on any successes and improving on weaknesses.

Consultation (27 July – 19 October 2016)

Internal and external consultations were undertaken from 27 July – 19 October 2016. A stakeholder workshop event was also carried out during the consultation period. All responses have been considered in developing final proposals. This includes

amending eligibility following initial concerns from stakeholders regarding gaps in support for certain fuel poor groups. A full summary of responses can be found at http://gov.wales/consultations/environmentandcountryside/a-future-demand-led-fuel-poverty-scheme-to-succeed-warm-homes-nest/?lang=en.

Fuel Poverty Data Linking Project

We are jointly funding SAIL (Secure Anonymised Information Linkage) Research looking at using linked administrative data to evaluate the impacts of our energy efficiency and fuel poverty schemes on health outcomes. The project uses the SAIL databank, which securely brings together the widest possible array of anonymised routinely-collected data for research and evaluation purposes.

We published an Emerging Findings report focused on the health outcomes of *Nest* recipients in October 2016 and published the latest findings in April 2017.

Key findings of the latest report are:

- A significant positive effect on respiratory health for recipients of Warm Homes Nest measures, with the same significant pattern found when looking specifically at asthma.
- The data suggests a 'protective effect' for infection (with a smaller increase in the average number of prescriptions for infection for those receiving measures compared to the comparison group).
- The data suggests a positive impact on emergency hospital admissions for both cardiovascular and respiratory conditions.

Future reports will include longer term impacts of *Nest*, *Arbed* and impacts on educational attainment.

Impact

4.1 Do you think this policy / decision / practice will have a positive or negative impact on people because of their age?

Poor quality housing, including issues such as mould, poor warmth and energy efficiency is linked to physical and mental ill health. It impacts the individual, as well as costs to the individual, society and the NHS in terms of associated higher crime, unemployment and treatment costs³.

Investing in housing improvements provides a cost-effective way of preventing ill health and reducing health inequalities. It could lead to less time off from school or work, increased use of the home for study and leisure, and improved relationships between household members.⁴

³ Making a Difference: Investing in Sustainable Health and Well-being for the People of Wales, Public Health Wales, 2016

⁴ As above.

The proposed scheme provides two key areas of support for households: - A) advice and referrals for all households aimed at improving energy and water efficiency and maximising income; and B) provision of a package of free home energy improvement measures for low income households, subject to eligibility criteria.

As the majority of benefits from support apply to all households, there will be an element of duplication in the comments below. Briefly, these relate to improved energy efficiency, an ability to keep warm at a more affordable cost, increased disposable income to spend in other areas and consequential benefits to health, education, wellbeing etc.

We have provided a brief summary of some of the main benefits and evidence for each group.

Age	Positive	Negative	None / Negligible	Reasons for your decision (including evidence) / How might it impact?
Age Younger people (<i>Children and</i> young people, up to 18)	X	Negative		(including evidence) / How
				Babies living in fuel poor homes (cold and damp) are more likely (by 30%) to be admitted to hospital or to attend primary care (Public Health Wales, 2016). Those meeting the eligibility criteria will receive a package of free measures which will improve the energy efficiency of their home, allowing them to

		heat their homes and keep warm at a more affordable cost.
		Qualifying means tested benefits aimed at targeting households with children include:
		Child Tax Credit; and
		 Income related Jobseekers Allowance plus demonstrating responsibility for children (e.g. in receipt of Child Benefit)
		In addition, all households will be entitled to receive free advice in areas such as energy saving, water and maximising income.
		A recent report by Public Health Wales concluded that investing in energy efficiency improvements provides a cost- effective way of preventing ill health and reducing health inequalities. It could lead to less time off from school or work, increased use of the home for study and leisure, and improved relationships between household members
		A Children's Rights Impact Assessment has also been completed.
People 18- 50	х	The new scheme is targeted at low income households with additional vulnerabilities so will benefit households with members of all ages.
		Those meeting the eligibility criteria will receive a package of free measures which will improve the energy efficiency of their home, allowing them to heat their homes and keep warm at a more affordable cost.

Older people (50+)	x	In addition, all households will be entitled to receive free advice in areas such as energy saving, water and maximising income. The CSE report identified that amongst the 240,000 households in Wales estimated to be on incomes below the low income threshold, 30 per cent included an older person (aged 65 years or over).
		As well as being more likely to live in cold homes, older people are more likely to be vulnerable to the harmful effects of living in cold homes. The vast majority of studies included in the NICE guidance evidence review identified greater winter- and cold-related mortality at older ages (NICE 2015). This is very clear in the numbers of excess winter deaths amongst older people in England and Wales. As reported in the NICE guideline, in 2013/14, 51 per cent of cold related deaths were among people aged 85 years and older and 27 per cent were among those aged between 75 and 84 years (NICE, 2015).
		The eligibility criteria ensure that households in receipt of a qualifying means tested benefit will be eligible for a package of free measures which will improve the energy efficiency of their home, allowing them to heat their homes and keep warm at a more affordable cost. In-home advice will also be provided, where appropriate. Qualifying means tested benefits aimed at targeting households with older people

include Pension Credit.
In addition, all households will be entitled to receive free advice in areas such as energy saving, water and maximising income.

4.2 Because they are disabled?

Impairment	Positive	Negative	None /	Reason for your decision
			Negligible	(including evidence) / How might it impact?
Visual				All households will be entitled to
impairment				receive free advice in areas such
				as energy saving, water and
				maximising income, whether or
				not they have a disability.
				Households may also be eligible
				for a package of free measures
				which will improve the energy
				efficiency of their home, allowing them to heat their homes and
				keep warm at a more affordable
				cost.
	X			The new scheme will build on
				improvements from the current
				scheme including additional
				targeted action to remove
				access barriers for people who lack mainstream communication
				channels. This has focused on
				targeted engagement through
				specific partner organisations
				and the use of information in
				easy-read, braille, audio, large
				print and digital formats.
Hearing	x			As above.
Impairment Rhysically				The CSE report identified that
Physically disabled				amongst the 240,000
				households in Wales estimated
				to be on incomes below the low
	х			income threshold, 43 per cent
				included at least one person with
				a disability or long term illness.
				There is also evidence that

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		 people who spend a larger part of their time at home due to chronic conditions or restricted mobility may be more vulnerable to the negative impacts of cold indoor temperatures. Based on the evidence in the CSE Report, low income households with Disabled people are a target group for the new scheme. All households will be entitled to receive free advice in areas such as energy saving, water and maximising income, whether or not they have a disability. In addition, eligible households will receive a package of free home energy improvement measures, enabling them to keep warm at a more affordable cost.
		Qualifying means tested benefits aimed at targeting households with disabled people include: Income Support paid
		because of illness or disability
		Employment & Support Allowance (previously Severe Disablement Allowance)
		Households will also be eligible for measures where they are in receipt of a low income and contain an occupant with a circulatory or respiratory health condition.
		In-home advice will also be provided, where appropriate.
Learning disability	x	All households will be entitled to receive free advice in areas such as energy saving, water and

			maximising income, whether or not they have a disability. In addition, all occupants of eligible households will benefit from the impacts of free energy efficiency measures, whether or not they have a disability.
Mental health problem	x		As above. In addition to trialling a health conditions pilot extending eligibility under the new scheme to low income households with certain health conditions, we will be looking at the evidence base on mental health to identify which specific mental health conditions should be eligible for free energy efficiency measures longer term.
Other impairments issues	x		As above.

4.3 Because of their gender (man or woman)?

Gender	Positive	Negative	None / Negligible	Reason for your decision (including evidence)/ How might it impact?
Male			x	The scheme applies equally irrespective of gender.
Female			х	As above.

4.4 Because they are transgender?

Transgender	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
			х	This scheme applies equally irrespective of gender identity.

4.5 Because of their marriage or civil partnership?

Marriage and Civil Partnership	Positive	Negative	None / Negligible	Reason for your decision (including evidence)/ How might it impact?
Marriage			x	This scheme applies equally irrespective of marriage.
Civil Partnership			x	This scheme applies equally irrespective of civil partnership.

4.6 Because of their pregnancy or maternity?

Pregnancy and Maternity	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
Pregnancy	x			There is evidence that people who spend a larger part of their time at home, which could include pregnant mothers as well as babies and young children, may be more vulnerable to the negative impacts of

Maternity (the	x		living in a cold home. Any Households in receipt of income support, for which pregnant mothers and lone parents with a child are eligible, will be eligible for a package of free energy efficiency measures which will improve the energy efficiency of their home, allowing them to heat their homes and keep warm at a more affordable cost. In-home advice will also be provided, where appropriate. In addition, all households will be entitled to receive free advice in areas such as energy saving, water and maximising income. As above.
period after birth)			

4.7 Because of their race?

Race	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
Ethnic minority people e.g. Asian, Black,			x	Several reports suggested that black and minority ethnic households (BME) were at greater risk than white households of living in a cold home (CSE, 2016). The new scheme is aimed at low income, vulnerable households in Wales regardless of ethnic origin. The same eligibility criteria for

		 improvement measures apply to all households. The scheme has targeted marketing activity working with minority groups including BAME (black, Asian and minority ethnic) communities. All households will also be entitled to receive free advice in areas such as energy saving, water and maximising income.
National Origin (e.g. Welsh, English)	x	This scheme applies equally to all households.
Asylum Seeker and Refugees	x	This scheme applies equally to all households.
Gypsies and Travellers	X	The scheme is aimed at low income, vulnerable households in Wales. The same eligibility criteria for improvement measures apply to all households including caravans; however, the caravan must be static. In addition, all households will be entitled to receive free advice in areas such as energy saving, water and maximising income.
Migrants	х	The scheme is aimed at low income, vulnerable households in Wales. The same eligibility criteria for improvement measures apply to all households. In addition, all households will be entitled to receive free advice in areas such as energy saving, water and maximising income.

4.8 Because of their religion and belief or non-belief?

Religion	Positive	Negative	None /	Reason for your decision	
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and belief		Negligible	(including evidence)/ How
or non – belief			might it impact?
Different religious groups including Muslims, Jews, Christians, Sikhs, Buddhists, Hindus, Others (please specify)		x	The scheme is aimed at low income, vulnerable households in Wales. The same eligibility criteria for improvement measures apply to all households. In addition, all households will be entitled to receive free advice in areas such as energy saving, water and maximising income.
Belief e.g. Humanists		x	As above.
Non-belief		х	As above.

4.9 Because of their sexual orientation?

Sexual Orientation	Positive	Negative	None / Negligible	Reason for your decision (including evidence)/ How might it impact?
Gay men			X	The scheme is aimed at low income, vulnerable households in Wales. The same eligibility criteria for improvement measures apply to all households. In addition, all households will be entitled to receive free advice in areas such as energy saving, water and maximising income.
Lesbians			x	As above.
Bi-sexual			x	As above.

4.10 Do you think that this policy will have a positive or negative impact on people's human rights?

Human Rights	Positive	Negative	None / Negligible	Reason for your decision (including evidence) / How might it impact?
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Human Rights including Human Rights Act and UN Conventions	X	The importance of housing is recognised in the <u>United</u> <u>Nations Covenant on</u> <u>Economic, Social and Cultural</u> <u>Rights</u> , which includes 'the right of everyone to an adequate standard of living for himself and his family, including adequate housing'.
		Public Health Wales' report makes the case that investing in the prevention of poor health would result in healthy outcomes for our population and far-reaching benefits across all aspects of our society and our lives.
		Improving energy efficiency in homes through this scheme will have a positive impact on Human Rights.

Equality Impact Assessment – Part 2

1. Building on the evidence you gathered and considered in Part 1, please consider the following:

1.1 How could, or does, the policy help advance / promote equality of opportunity?

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The scheme aims to improve the energy efficiency of low income, vulnerable homes right across Wales. The scheme is specifically targeted at the poorest and most socially deprived in society. This has beneficial impacts across a broad range of areas:

- Tackles ill health and reduced excess winter deaths
- Improves educational attainment by providing a quiet, warm space to study and reducing time off due to sickness
- Tackles social exclusion by providing a warm inviting environment within which to invite friends and neighbours and through freeing up money for food, other day to day expenses and social activity.
- Creates local jobs and business opportunities

As identified in the recent Public Health Wales report discussed earlier in this assessment, investing in housing improvements provides a cost-effective way of preventing ill-health and reducing health inequalities. It could lead to less time off school or work, increased use of the home for study and leisure, and improved relationships between household members. All of these promote equality of opportunity.

1.2 How could / does the policy / decision help to eliminate unlawful discrimination, harassment or victimisation?

The scheme is likely to have minimal impact on eliminating unlawful discrimination, harassment or victimisation.

1.3 How could/does the policy impact on advancing / promoting good relations and wider community cohesion?

Well managed energy efficiency schemes provide a wide range of community benefits, including support for jobs and green growth. Local small and medium sized enterprises (SMEs) are also used to install the improvements, for example, since the existing Nest scheme started, all energy efficiency improvements have been installed by Wales-based SMEs and over 130 jobs, apprenticeships and training opportunities have been created.

As mentioned above, making homes warmer improves community cohesion by providing a warm inviting place within which to invite neighbours.

2. Strengthening the policy

2.1 If the policy is likely to have a negative effect ('adverse impact') on any of the protected groups or good relations, what are the reasons for this? What practical changes/actions could help reduce or remove any negative impacts identified in Part 1? N/A.

2.2 If no action is to be taken to remove or mitigate negative / adverse impact, please justify why.

N/A.

3. Monitoring, evaluating and reviewing

How will you monitor the impact and effectiveness of the policy?

List details of any follow-up work that will be undertaken in relation to the policy (e.g. consultations, specific monitoring etc).

Scheme performance will be reviewed regularly through targets, performance meetings with the scheme manager and annual reports. An independent evaluation will also be undertaken during the lifetime of the scheme.

4. Declaration

The policy does not have a significant impact upon equality issues

Official completing the EIA
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Department:
Environment & Rural Affairs
Date:
July 2017
Signature:
P Moyle
Head of Division (Sign-off)
Name:
Prys Davies
Job title and department:
Deputy Director, Decarbonisation and Energy Division
Date: 23/7/18
Signature: Prys Davies
Review Date: 31 December 2020

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