

Welsh Language Impact Assessment

June 2017

Welsh Language Impact Assessment

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|---|---|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Title: New demand-led fuel poverty scheme to succeed the existing Warm Homes Nest scheme | WLIA Reference No (completed by WLU): | | | | |
| Name of person completing form: | Chelsea Preece | | | | |
| Date: | 21/06/2017 (latest update) | | | | |
| Policy lead: | Paul Moyle | | | | |
| Contact details: | 03000 250507 | | | | |
| Programme/Project Type <input type="checkbox"/> Policy <input checked="" type="checkbox"/> Project or programme <input type="checkbox"/> Legislation <input type="checkbox"/> Research, evaluation <input type="checkbox"/> Grant <input type="checkbox"/> Services <input type="checkbox"/> Business change <input type="checkbox"/> Contracts, tenders <input type="checkbox"/> Infrastructure <input type="checkbox"/> Construction, Capital <input type="checkbox"/> ICT <input type="checkbox"/> Other (Please specify below) | | | | | |
| | | | | | |
| Costs: How much is the projected whole life cost for the programme/project? If below £25k, then a full WLIA is not always required (see guidance). | | | | | |
| Under £25k | £25k - £49k | £50 - £249K | £250K - £1m | Over £1m | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Of the above, please provide details if there are any identified costs directly associated with the Welsh language? Translation costs of any marketing material or external letters. | | | | | |
| How long is the programme/project expected to run? | | | | | |
| Up to 1 yr | Up to 2yrs | Up to 5yrs | Up to 10yrs | More than 10 yrs | Unknown |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Key milestone dates for the programme/ project: | | | | | |

Commencement: 1 April 2018

Scheme contract to run for 5 years (with break clauses) and option to extend for a further 3 years.

STAGE 1: PLANNING

What are the aims and objectives of the policy?

What are the desired outcomes/ what constitutes 'success'?

Welsh Government has a statutory duty under the Warm Homes & Energy Conservation Act 2000 to do everything we reasonably can to eradicate fuel poverty by 2018.

The Fuel Poverty Strategy 2010 sets out the Welsh Government's policy and approach to tackling fuel poverty in Wales and achieving this target. Key actions include:

- provision of high quality, well co-ordinated 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.
- provision of a demand led All-Wales Fuel poverty programme, complemented by area-based fuel poverty programmes.

The Strategy also includes an action to ensure that Welsh Government funded energy efficiency measures provided through our schemes are targeted at those most in need and living in the least energy efficient homes.

These actions are currently delivered through the *Welsh Government Warm Homes programme*, which includes the demand-led Nest scheme.

The *Warm Homes Programme* is designed to achieve the following key objectives:

- Social - reduce the impact of fuel poverty on households in Wales and, as far as reasonably practicable, eradicate fuel poverty;
- Economic - create green jobs and business opportunities for the people of Wales; and
- Environmental - reduce greenhouse gas emissions in the domestic sector.

The current Nest scheme commenced in 2011 and is due to end in March 2018. The new scheme is designed to succeed and build upon the existing Nest scheme.

In line with the actions set out in the Fuel Poverty Strategy, support will continue to be targeted at those households most in need and living in the most energy inefficient homes.

The key desired outcome of the scheme is a reduction in the number of households in Wales living in fuel poverty.

The energy efficiency of the home is one of the key factors determining whether a household is in fuel poverty and the severity of the fuel poverty. Therefore, by proactively improving the energy efficiency of low income homes, we can make homes more affordable to heat. This helps address a range of negative impacts associated with living in a cold home, from health, educational attainment, social exclusion and the economy.

Success of the scheme will be measured through key performance indicators as part of the contract and through evaluation.

There is already data-linking research underway which analyses the impact of the Nest scheme on health outcomes. Latest findings indicate Nest is having a positive impact on the health of recipients, with a reduction in the use of the NHS by those recipients receiving home energy improvement measures.

**What policy options have been considered?
and
What impacts will there be if the policy is *not* implemented?**

Welsh Government has limited powers to tackle low income and energy prices, two of the main factors that influence whether a household will be in fuel poverty, making the eradication of fuel poverty a real challenge. With the limited levers available to us, we can make a significant difference by improving the energy efficiency of low income homes in Wales. This is recognised as the most sustainable way to reduce energy bills in the long term.

Whilst recent research shows the estimated number of households in fuel poverty has reduced since 2012, around 23 per cent of all households in Wales are still estimated to be in fuel poverty in 2016. This supports the case for continued action on fuel poverty

Recent research by the Building Research Establishment (BRE) 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.

As part of the Regulatory Impact Assessment (RIA) for the new scheme, we have considered the scheme design as proposed, against alternative options of doing nothing, continuing with the existing Nest scheme with no changes and various options around varying spending caps for improvement measures per household. In developing and assessing options, we have taken into account relevant research undertaken by the Centre for Sustainable Energy and BRE, as well as subsequent responses to the public consultation undertaken between July – October 2016:

Consultation:

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

Understanding the characteristics of low income households most at risk from living in cold homes, CSE

<http://gov.wales/docs/caecd/research/2016/160711-understanding-characteristics-low-income-housholds-en.pdf>

Option 4d has been identified as the preferred option, which involves the continuation of a demand-led scheme, when the current Nest schemes ends:

Option 4d – *Amend scheme design in accordance with outcome of the consultation. Extend eligibility for home energy improvement measures to low income households, which contain an occupant suffering from a circulatory or respiratory condition. Extend available support to include the provision of in-home advice to eligible households. Remove partial grants. Revise spending caps to a cap on properties relative to the existing EPC rating:*

- EPC Rating E - £5,000 for on-gas properties and £8,000 for off-gas properties.
- EPC Ratings F & G - £8,000 for on-gas properties and £12,000 for off-gas properties.

If the new Nest scheme isn't implemented and the current Nest scheme were allowed to expire, this could result in the following adverse impacts:

- a severe lack of all-Wales support to low income vulnerable households suffering from or vulnerable to fuel poverty, contrary to the Fuel Poverty Strategy and associated statutory obligation
- an increase in the number of households in Wales living in fuel poverty
- consequential negative impacts on health, education, social inclusion and the economy
- increased pressure and cost on health and care services
- an increase in excess winter deaths
- a reduction in the amount of Energy Company Obligation (ECO) funding levered into Wales
- impacts on decarbonisation targets for the domestic energy sector
- a reduction in the number of green jobs in the energy efficiency sector

These factors would equally impact on those in rural areas, which contain a high number of hard to treat properties and are therefore more expensive to improve. These rural communities may have a higher percentage of Welsh speakers as per the evidence below.

<https://statswales.gov.wales/Catalogue/Welsh-Language/WelshLanguageSkills-by-EDiv-2011Census>

Does the programme demonstrate a clear link with the Welsh Government's strategy for the Welsh language - Iaith fyw: Iaith byw?

Yes. The delivery of the new Nest scheme will be contract managed by a third party scheme manager who will be required, as part of their contract, to ensure compliance

with the Welsh Language Standards and report on compliance in the same way as for other duties and requirements under the Contract.

As with the existing scheme, the new scheme will have bilingual customer service representatives and all material will be provided bilingually.

What are the impacts/ effects (both positive and/or adverse) on the Welsh language you have identified at the initial planning stage

i.e. Welsh speakers, Welsh language communities, Welsh medium education, Welsh learners, services available in Welsh?

All services will be available in Welsh, as with the existing Nest scheme.

The scheme will have a positive impact on Welsh speakers in fuel poverty.

The scheme could also have a positive impact on the Welsh language through the improvement of homes in rural areas, where Welsh language is more frequently used. Spending caps on measures per household have been set higher for rural homes in recognition of the harder to treat nature of these properties.

In 2015-16 around 33% of all homes improved through the existing Nest scheme were in rural areas.

By making these homes more affordable to heat, this has the potential to enable Welsh speakers to remain within their Welsh language communities.

Many of the homes improved through the Nest scheme are in traditional strongholds of the Welsh language (where there are some 40% or more Welsh speakers). This includes areas such as Carmarthenshire, Anglesey, Gwynedd and Anglesey.

The scheme is also designed to create local jobs, which could increase economic prospects for Welsh speakers and communities.

There is evidence that the Nest scheme has a positive impact on health or recipient, with a reduction in the use of local health services. The new scheme will extend eligibility for free energy efficiency measures to low income homes where members suffer from respirator or circulatory conditions. This will have a beneficial impact on low income Welsh speaker with health conditions and local services.

In addition, improving the energy efficiency of homes through the scheme can free up money to spend in the local economy and address social exclusion by enabling recipients to invite neighbours into a warm home.

Who are the stakeholders? Are the needs of Welsh speakers and learners addressed? To what extent are Welsh language interest groups likely to respond positively to the proposals?

There are a broad range of stakeholders for the scheme given the cross-cutting nature of domestic energy efficiency and fuel poverty.

External stakeholders include third sector, Local Authorities, Energy Companies, SMEs, members of the public etc. There are also a number of internal stakeholders including Health, Housing, Poverty, Education, Decarbonisation etc.

The needs of Welsh speakers and learners have been addressed in the planned provision of all scheme material bilingually. The same applies to all consultation materials.

Given no negative impacts have been identified in relation to the Welsh language; we are expecting a neutral response from Welsh language interest groups. Following a full public consultation, no specific Welsh language issues have been raised.

Where an assessment was not completed, or no impacts were identified, please provide a full account for record keeping purposes?

(This could be used in the Welsh Language Tribunal in future)

In respect of the Welsh Language, the new scheme will be exactly the same as the existing Nest scheme, which has been operating since 2011. There will therefore be no new impacts as a result of the scheme as all services will continue to be provided bilingually and higher caps will continue to be applied to rural properties.

The impacts of the exiting scheme, which will continue as part of a new scheme, are discussed as part of stage 1 above.

What actions/ further work has been identified at the initial planning stage?

e.g. data requirements, need for peer review, external engagement with Welsh speaking groups, identify stakeholders or consultation list, need to contact Welsh Language Unit for advice)?

We have liaised with the Welsh Language unit who have agreed that it is unlikely there will be any negative impacts resulting from the new scheme. Given there has been a similar scheme running for over 5 years with no negative impact, it is unlikely that this will change for the new scheme.

STAGE 2: IDENTIFYING AND ASSESSING IMPACTS

Impact Assessment Summary

Summarise the detailed impact assessment carried out together with the scores assigned.

Positive effects/ impacts:

1. Bilingual customer service team
2. Bilingual publications delivered by third party scheme manager
3. Higher spending caps for improvement measures for off-gas (including rural) properties, making homes more affordable to heat and helping Welsh speakers to remain within their Welsh language communities
4. Creation of local jobs and training opportunities for Welsh SMEs
5. Positive impact on the health, wellbeing, social inclusion and educational attainment for Welsh speakers receiving measures.

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| 6. Reduction in local service use. | |
| Adverse effects/ impacts: | |
| None identified. | |
| Opportunities to promote the Welsh language e.g. status, use of Welsh language services, use of Welsh in everyday life, Welsh at work increased? | |
| There is a 50/50 ratio of Welsh Speakers in the call centre within the current scheme; this will need to be carried under the new scheme. The Welsh Government team responsible for this area also has Welsh Speakers. | |
| Evidence/ data used including demographic profile when considering the effects / impacts: | |
| Evidence has been used from the delivery of the existing Nest scheme by British Gas, as the current scheme manager. | |
| Data on Welsh language skills by electoral division used from the below. | |
| https://statswales.gov.wales/Catalogue/Welsh-Language/WelshLanguageSkills-by-EDiv-2011Census | |
| What is the overall anticipated likely impact on the Welsh language if this policy is taken forward based on the impact assessment/ risk assessment? | Positive: <input type="checkbox"/> Adverse: <input type="checkbox"/> Neutral: <input checked="" type="checkbox"/> Unknown: <input type="checkbox"/> |
| Decision following IA | 1. No major change <input checked="" type="checkbox"/> 2. Adjust the policy to improve impacts <input type="checkbox"/> 3. Continue the policy with mitigation measures <input type="checkbox"/> 4. Stop and remove the policy <input type="checkbox"/> |
| If answered 2,3, or 4 above – then answer the following: | |
| How will you address these impacts in order to improve the outcomes for the Welsh language? Details of mitigation measures/ action points/ alternative options to reduce adverse impacts and increase positive outcomes: | |
| N/A | |
| If engaging or consulting, what are your plans? What questions do you wish to ask stakeholders about the Welsh Language Impact Assessment and Welsh language related issues? | |
| N/A | |
| STAGE 3: POST CONSULTATION AND PREPARING FOR PUBLICATION, MONITORING AND EVALUATION | |

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| Following consultation, what changes have you made to address any Welsh language issues that were raised? |
| There were no Welsh language issues raised as part of the consultation. However, during a consultation event it was highlighted that rural communities will have a larger number of Welsh speakers - this has already been addressed within the current scheme and no changes from this consultation will have an effect on this. |
| How will you monitor the ongoing effects during the implementation of the policy? |
| The scheme manager will be required to report on compliance with the Welsh Language Standards as part of their contract. We will also monitor any complaints raised by stakeholders and those using the scheme. |
| Please outline how you will continue to capture effects/ impacts in future monitoring and evaluation? |
| We will ensure that the third party Welsh Language Standards are followed throughout the procurement process and specification for the new contract holder. Compliance with Welsh Language Standards will be monitored throughout the delivery of the scheme and any necessary changes made, should issues be identified. However, none are currently envisaged. |
| Any other comments – ongoing results of evaluations, emerging impacts |
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4. Declaration

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| <p>Policy lead:</p> <p><i>*Please delete as appropriate:</i></p> <p>The policy <i>*does / does not</i> have an impact upon the Welsh language. Where there were identified adverse impacts or missed opportunities, the appropriate amendments and actions have been put in place.</p> |
| Name: |
| Paul Moyle |
| Department: |

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| ESNR |
| Date (s): |
| 21/06/2017 (latest update) |
| Signature: |
| <i>P Moyle</i> |
| Planned Review Dates: 31/12/2020 |

| SRO ENDORSEMENT and REVIEW | |
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| I am satisfied that the WLIA is an accurate reflection of the programme/project at this stage of development. By signing, I am able to confirm that the Welsh Language Standards have been given the appropriate attention. I will re-assess the programme/project at key stages throughout the life of the programme/ project, including policy reviews. | |
| Signed (Senior Responsible Owner) | Date |
| Signed (Senior Responsible Owner) | Review Date |
| Signed (Senior Responsible Owner) | Review Date |
| Signed (Senior Responsible Owner) | Review Date |