



Llywodraeth Cymru  
Welsh Government

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Welsh Government  
Consultation – summary of response

# Improving home energy efficiency to support a just transition and greener Wales

Proposals for the next iteration of the Warm Homes Programme

June 2023

Mae'r ddogfen hon ar gael yn Gymraeg hefyd / This document is also available in Welsh  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg / We welcome correspondence and telephone calls in Welsh

## **Overview**

This document provides a summary of the responses to the consultation on proposals for the next iteration of the Warm Homes Programme.

## **Action Required**

This document is for information only.

## **Further information and related documents**

Large print, Braille and alternative language versions of this document are available on request.

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## **Additional copies**

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

[Consultation documentation](#)

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## Introduction

Since the Warm Homes Programme launched in 2010, more than £420m has been invested in delivering home energy efficiency improvements to more than 73,100 low-income households across Wales. This investment has saved bill payers, on average, more than an estimated £300 a year on their domestic energy bills.

The investment has contributed to a significant reduction in homes in fuel poverty in Wales, through the improvement in the energy efficiency of an estimated 5,000 properties per year and advice to 16,000 households. The energy and cost of living crisis has, however, resulted in additional financial pressure on households and more households are now struggling to pay their fuel bills.

In 2018, we estimated 12% of all households were in fuel poverty. The increase in the domestic energy price cap in October 2021 meant that this rose to 14%. Detailed analysis of the modelled estimates was published in November 2022<sup>1</sup>.

A further increase in the energy price cap in April 2022 resulted in typical domestic dual fuel bills rising by almost £700 a year. The Welsh Government projected this increase meant that up to 45% of all households, and up to 98% of low-income households<sup>2</sup> in Wales could be in fuel poverty. Whilst the Energy Price Guarantee has mitigated further increases by limiting the cap to £2,500 until June 2023 for a typical household, this still represents a doubling in the average cost since April 2021 and people in Wales are struggling.

Keeping homes warm in winter is important. A just transition to low carbon heating, ensuring our homes are thermally and energy efficient, is crucial if we are to fairly meet our net zero Wales targets by 2050. The effects of global warming are being felt now. Last summer we saw record breaking high temperatures in Wales and across the UK. This is likely to worsen, so homes need to be energy efficient to be kept warm in the winter, and cool in the summer.

The consultation on the next iteration of the Warm Homes Programme was published on 22 December 2021<sup>3</sup>. A Written Government Statement<sup>4</sup> accompanied the start of the public consultation and the consultation ended on 1 April 2022.

The loudest and clearest message we heard during this consultation exercise was that our homes need to be adapted to provide safe and decent places for people to live, and made resilient for the challenges to come in the years ahead.

This report provides a summary of the responses we received to the public consultation and the outcomes from the engagement events we completed. It also includes the Welsh Government's initial response to the evidence provided, which

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<sup>1</sup> [Fuel poverty modelled estimates for Wales: as at October 2021](#)

<sup>2</sup> A lower income household is defined as one whose income is less than 60% of the median household income in the UK before housing costs. [Households Below Average Income \(HBAI\) statistics \(UK Government\)](#).

<sup>3</sup> [Proposals for the next iteration of the Warm Homes Programme | GOV.WALES](#)

<sup>4</sup> [Written Statement: Next iteration of the Warm Homes Programme \(22 December 2021\) | GOV.WALES](#)

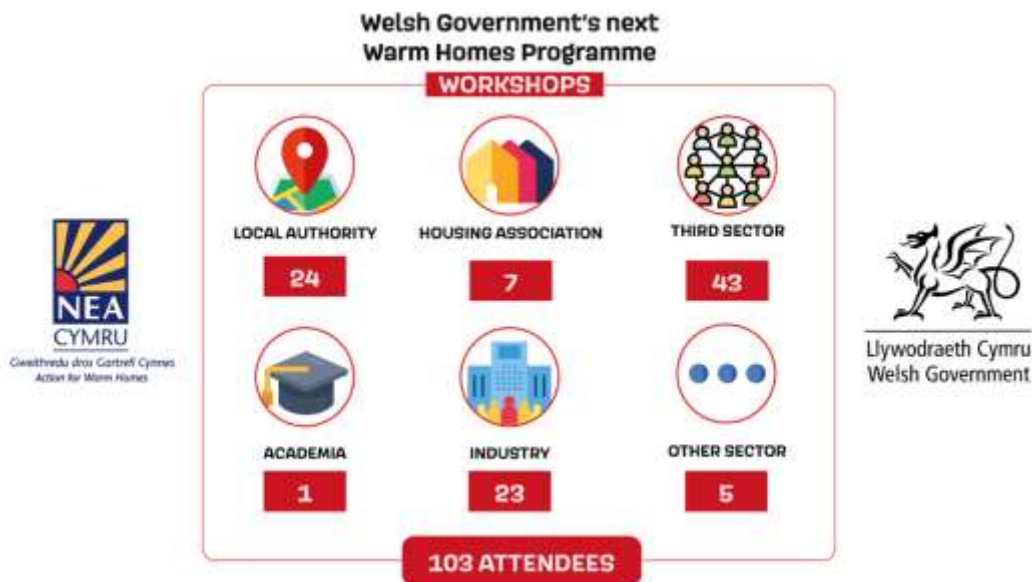
will support the development of the future policy, legislation and the design of new delivery mechanisms.

We are very grateful to everyone who contributed.

## Consultation Outputs

### Virtual workshops

During the consultation period, three virtual stakeholder workshops were held on 28 February, 1 and 3 March. The workshops comprised opening presentations from the Welsh Government and National Energy Action, followed by thematic breakout sessions. The workshop held on 3 March was dedicated to energy efficiency and fuel poverty issues in rural areas. In total, 103 external delegates attended the workshops from across the sector, as set out below.



### Workshop discussion summary: 28 February

Delegates felt it was important that eligibility criteria should not be overly rigid. People in need must be able to access support. Eligible households, including households registered for the purpose of business but that are not commercial premises, need to be aware that support is available and may need to be supported through the process.

The principle of supporting households on a worst first basis was discussed. Delegates suggested clarity was needed about how this principle should be defined. They said people with mental health issues should not be overlooked in the

development of the new programme. Delegates also supported the principle of a fabric first approach to housing retrofit.

Overwhelmingly, delegates felt the next iteration of the Warm Homes Programme should be targeted at people in fuel poverty whilst contributing to decarbonisation goals.

Delegates were generally content with the range of measures currently available through the Warm Homes Programme. Many felt replacement doors and windows should be added to the measures available, emphasising that if windows and doors are leaky, the benefit of new home energy efficiency measures can be lost. Delegates suggested the inclusion of heat pumps was important, but education and support were needed to ensure householders understand the systems and how to live with them.

Localised heating was also suggested as a possible measure. There was a consensus that measures recommendations based on a Whole House Assessment were best for the home and the householder.

There was also consensus that the Welsh Government needs to have an outcome focused view of what success looks like, such as the impact on householders and whether they have been lifted out of fuel poverty. Delegates also discussed how targets should include EPC performance improvements.

Some of the complexities in relation to scheme delivery were discussed. Too many agents risk increasing administration costs but a single national agent could lose community links so important for delivery and positive outcomes. Delegates supported the need for area-based projects within the next programme.

Delegates considered the current spending caps to be too low and restrictive to deliver effective retrofit and that multiple applications should be permitted under the next programme.

## **Workshop discussion summary: 1 March**

Delegates supported the worst first approach. There was a concern that sufficient emphasis is not given to homes that are off the gas grid. There was general support for moving away from the over-reliance on means tested benefits to define eligibility for household incomes and delegates agreed homes in the private rented sector need to be retained in the eligibility for the next programme.

Delegates felt that the eligibility relationship between the Warm Homes Programme and UK government schemes such as the Energy Company Obligation Scheme needed to be complementary.

There was support for the fabric first approach. Delegates questioned whether gas boilers are the right measure to install when we are struggling with carbon reductions from housing to meet the climate change challenge and agreed gas boilers should be repaired and not replaced. There was, however, recognition of reducing the heat

demand of the property to a certain level before a heat pump, or low carbon heating technologies become a viable solution.

There was a consensus that significantly more funding will need to become available if we are going to reduce fuel poverty and achieve decarbonisation targets.

There was some support for an area-based approach because it supports decarbonisation, if not fuel poverty. And notwithstanding some of the issues that were experienced under Arbed 3, the Welsh Government should not necessarily abandon the area-based approach to energy efficiency retrofit. Delegates felt there are benefits in terms of strategic buying and getting householders involved that otherwise might not be involved.

Delegates noted three times as many people receive advice compared to households who receive measures through the current programme. They felt the advice service could be more visible to help raise awareness of the various support mechanisms that are available to householders.

### **Workshop discussion summary: 3 March – rural housing focus**

There was a consensus homes off the gas grid need to be prioritised in the next iteration of the Warm Homes Programme. Delegates discussed how fuel poor households in off grid areas have difficulties in terms of accessibility and timeliness of fuel deliveries how many will likely require a greater investment than on-grid properties to transition to low carbon heating systems.

There was also widespread support for a fabric and worst first approach to retrofit. Whilst a just transition to low carbon heating was acknowledged as important, some felt a ban on oil and gas boilers could prove problematic for some homes where air source heat pumps are not a viable solution. Delegates suggested not all areas of Wales are suitable for some of the measures that may be recommended.

The importance of householder education and support was noted, for example in navigating the application and appeal processes, in using new technologies, as well as the dangers of self-disconnection and self-rationing.

Delegates expressed some concern about the threat to tenancies if private rented sector landlords were asked to do more to improve their domestic energy efficiency to save tenants money on their energy bills.

Whilst supportive of the inclusion of a low-income threshold, delegates stressed the need to carefully consider any threshold for household savings.

Delegates discussed the inclusion of replacement doors and windows, together with minor enabling works. The discussion included how many low-income households find it difficult to retain the resilience of the property as it was initially designed, so should there be support to maintain current energy efficiency standards.

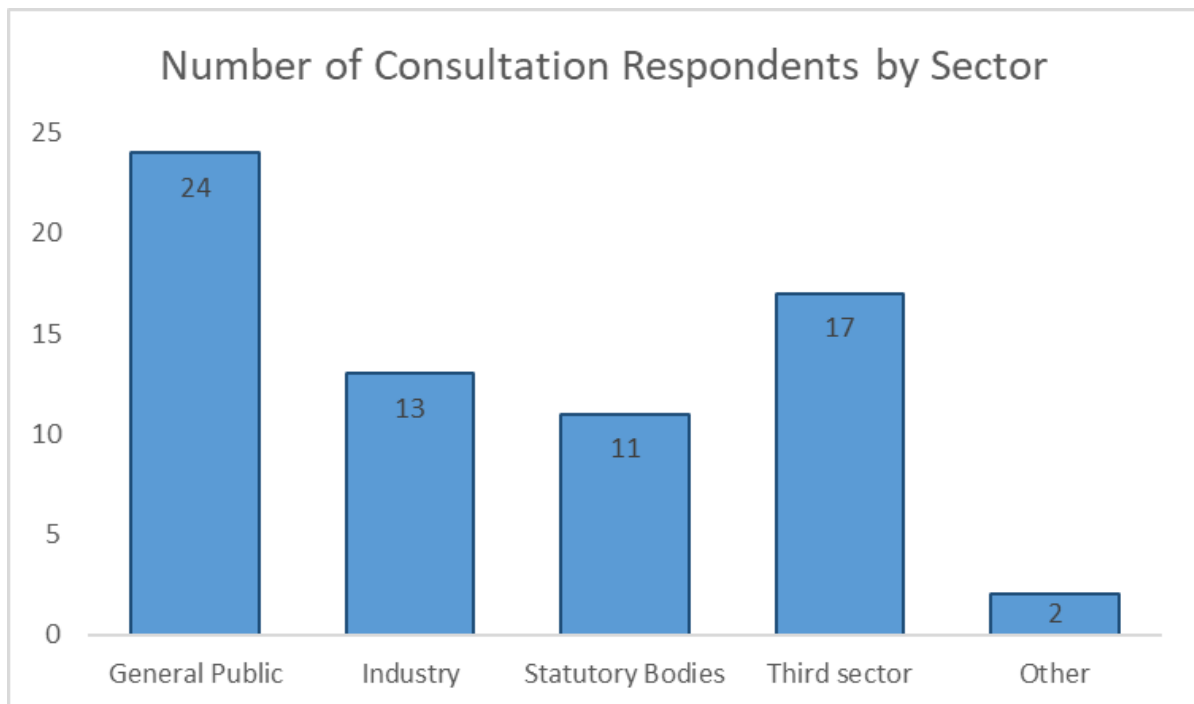


There was broad support for an area-based scheme in the programme. Strategic buying and the benefits of working on a number of homes in the same geographical locality at the same time were considered to be the key benefits, also in terms of the engagement that it can bring, working with the local authorities.

Finally, delegates felt new regulations would commit future governments to tackling fuel poverty and improving domestic energy efficiency.

## Online consultation responses

The online consultation on the next iteration of the Warm Homes Programme started on 22 December 2021 and ended on 1 April 2022. 67 written responses were received by the end of the consultation, as indicated below.



## What people told us

Respondents were allowed to answer in an open format and then for the purpose of analysis were grouped into categories. For any statistics reported here, a single respondent may be counted for more than one category so percentages may not add up to 100%.

While the level and content of these responses is informative and helpful, other factors will be taken into account when developing the Welsh Government's policy position.

### **Question 1 – We asked do you agree the Welsh Government should balance the need to alleviate fuel poverty and create a socially just nation with the need to tackle the climate emergency, or should one of these objectives take precedence in the new Warm Homes Programme?**

There were 57 responses, of which 68% (39) agreed that a balance would be best. 32% (18) thought one of the objectives should take precedence, of these 83% (15) stated that fuel poverty should be the primary concern of the Warm Homes Programme.

The comments from those that agree a balance is best include sentiments about fuel poverty and the climate emergency being intrinsically linked, and that climate change will have a greater impact on those who are disadvantaged or in poverty. There was also sentiment that any balance should not put people into fuel poverty, that the transition to net zero must be just.

The comments from those that did not agree in a balance include the main sentiment that climate change goals are longer term, but fuel poverty is an immediate problem that is getting worse, and that the priority should be helping those in need now.

### **Government response**

Our commitment to achieving a net zero Wales by 2050 requires the future Warm Homes Programme to make a greater contribution to the decarbonisation of housing in Wales. Also, Net Zero Wales Carbon Budget 2, commits us to a sustainable approach with a fair and just transition to a low carbon society. <https://gov.wales/net-zero-wales-carbon-budget-2-2021-2025>. This is supported by the decarbonisation of electricity generation and supply through the national grid but must include domestic heat decarbonisation and the improved energy efficiency of our homes.

The new programme will need to recognise delivering the Welsh Government's net zero and fuel poverty ambitions are compatible objectives. Improving the energy efficiency of our homes, ensuring we use only the energy we need to create safe and affordable homes is our long-term ambition.

## **Question 2 – We asked what is the gap in provision which you believe the next Warm Homes Programme should fill to achieve a greater benefit for Wales?**

Of 53 responses, the most mentioned gap in provision to fill in the next Warm Homes Programme was wider eligibility, with 34% (18) of responses. 25% (13) mentioned fabric first, or insulation, or improving windows or doors. Another strong response was to undertake all measures required to bring each property up to standard, with 19% (10) of responses. 17% (9) mentioned education to recipient households on the costs and benefits of measures. Other responses included targeting off-gas properties, greening the existing stock, monitoring and reviewing progress, ensuring high quality installations and using local installers and supply chains.

### **Government response**

All households in Wales, not just those at risk of fuel poverty, can benefit from advice and support on how best to improve the energy efficiency of their homes, and how the installation of these measures can be funded. The current advisory service which provides this support is available to all households, irrespective of tenure and income.

There is an inherent challenge in establishing a set of eligibility criteria which can identify those most at need through an appropriate, simple, and transparent process. The current scheme primarily uses means tested benefits and Energy Performance Rating of E or worse as a proxy for eligibility because of its simplicity for applicants and Welsh Government to administer. Alternative options to consider could include a lower income and savings threshold but these would increase the requirements on householders at the application stage.

Further analysis of potential eligibility criteria, the measures available and the priority and sequencing of interventions are considered in later questions.

## **Question 3 – We asked in ‘Homes fit for the future, the retrofit challenge’, the Future Generations Commissioner for Wales estimated investment of £14.75bn over the next decade to both eradicate fuel poverty and meet our net zero ambitions. What suggestions do you have on where the funding for this level of investment should come from?**

There were 39 responses to this question. The highest proportion, 33% (13), thought Welsh Government should fund this. 28% (11) thought funding should come from the UK government. Tax changes were popular, with 15% (6) choosing this in some form, followed by ECO (13%), and local councils (11%). 8% chose green tariffs, while other answers included development bank/green loans, the health budget, and landlord penalties, which each had 5% of responses.

Of those who chose tax changes, options given were: green tariffs, landlord penalties, windfall tax on energy companies, VAT reduction on components to decarbonise housing stock, stamp duty changes, and a levy on expendable income.

## **Government response**

The Future Generations Commissioner for Wales's report identified the need for government investment of £5.3bn over 10 years, of which £3.6bn should come from UK and £1.7bn from Welsh Government (£732m to address fuel poverty and a new £1bn social housing decarbonisation grant).

This level of funding is beyond the scale and timeframe of the current budget round and will require a collaborative approach, which was recognised by those who responded to this question. It is important the current Welsh Government budget is allocated to achieve a lasting improvement in the lives of those most in need and that we work to provide effective and efficient mechanisms to align both private and public investment. Future budget settlements will provide an opportunity to seek additional funding.

The Welsh Government has called on the UK Government to introduce a social tariff, to increase the Warm Homes allowance, and to remove the environmental and social policy element from bills, to meet the costs of the transformation of the energy system through general taxation. At the same time, we are working with the UK Government to maximise the opportunity for funding activity in Wales, for example through the Energy Company Obligation Scheme (ECO). Given the £4 billion budget for ECO4, over four years, there is a significant opportunity for households in Wales to benefit. Up to 50% of this budget is available to be used under the ECO Flex element of the scheme and so officials have been engaging with representatives from local authorities across Wales to develop the optimal mechanism and process for ensuring maximum engagement with ECO.

## **Question 4 – We asked who do you think should be the primary focus of the next Warm Homes Programme?**

There were 51 responses to this question. 45% (23) thought that those in fuel poverty should be the primary focus of the next Warm Homes Programme, and 29% (15) thought the primary focus should be those on benefits or with a low income.

The next highest proportion of responses was for the primary focus to be homes with poor EPC ratings, with 22% (11) of respondents mentioning this. 12% (6) thought everybody should be the primary focus, and 12% (6) thought the focus should be those with a long-term condition.

Other suggestions for the primary focus with more than one response included those living in off-grid rural areas (6%), the elderly (6%), means tested beneficiaries (4%), single occupant households (4%), and development companies (4%).

## **Government response**

Welsh Government agrees with the clear view of respondents that the Warm Homes Programme should focus its investment on households least able to pay, in the least energy efficient houses, in the owner occupier, private rented and housing co-operative sectors.

**Question 5 – We asked at what level should the household income and savings threshold(s) be set, above which households would be excluded from home energy efficiency measures supplied at no cost to the householder?**

There were 38 responses, of which 4 didn't answer the question.

Of those that didn't answer the question, the reasons given included not knowing the amount of money available, and suggesting an affordability calculation based on income and savings rather than a threshold.

8% (3) said that there should be no threshold. 8% (3) had the sentiment that savings limits should not be included for the elderly or those on benefits. 5% (2) had the sentiment that the income threshold should be based on fuel bill affordability.

Only 24% (9) gave an income threshold and 13% (5) gave a savings threshold.

8% (3) chose £30,000 as an income threshold, and 5% (2) chose £40,000. The other values given for an income threshold were £20,000, £32,000, £50,000, and £100,000 – each chosen by one respondent.

The general sentiments of those who gave an income threshold were to be consistent in the Welsh Government's figure of £20,000 and that any householder contributions should be based on overall cost of retrofit and age of the property. The five savings thresholds given were £5,000, £15,000, £16,000, £20,000, and £200,000.

The general sentiments of those who gave a savings threshold were that the savings limit should be higher for retired people as that is money they need to live on and that savings should not be allowed to dip below £8,000 (enough for a funeral or to cushion from lack of income).

Most respondents did not give a threshold, but voiced a variety of views including:

- To withhold support if there is more than one spare room.
- Exclude the very wealthy only, to cover as many householders as possible.
- That there should be tapered relief based on disposable income, potentially aligned with Health Eligibility Income
- Those on benefits or who are at / below living wage should get the full costs covered.
- Those who get a means-tested benefit, disability benefit or who are over 75 should be excluded from a savings limit
- Local authorities should set income thresholds (e.g. annual household earnings less than 60% of the median household income for that local authority)

- The eligibility calculation should include the average household bills x 10, to catch those at risk of fuel poverty.
- Any savings cap should track inflation.

### **Government Response**

Whilst suggestions for household income and savings threshold(s) have been provided the proposed levels are varied. The responses reflect the view that the current system is simple but rigid and not representative of the myriad of variables which exist. The consensus from those who responded is that any thresholds should be based on household affordability, overall cost of retrofit and therefore variable to the individual circumstances.

The new programme will need to consider the ability of its schemes to focus on and reach those most at need and to be able to prioritise intervention to support them. This prioritisation will also need to apply to the overall programme budget as increased eligibility and thresholds increase the financial demand on a limited budget.

### **Question 6 – We asked do you think the Welsh Government should extend the Warm Homes Programme to include other households in the owner occupier and private rented sector?**

Of 53 responses, 85% (45) answered yes, 11% (6) answered no, and 4% (2) gave no definitive answer.

The sentiments from those that said yes were that owner occupiers can be asset rich but cash poor (and are often older people), while private rental tenants can have high bills and poor insulation. Conflicting views were expressed about opening up the scheme to EPC D rated properties but ensuring the scheme remains affordable. The possibility of seeking contributions from some households was mentioned.

The sentiment from those that said no was that a specific tax would be needed to focus on these other households. Other responses indicated the need to consider how the Warm Homes Programme will complement other grant schemes and prevent overlap.

### **Government Response**

Whilst respondents generally want to provide an opportunity to extend support to include other households from the owner occupier and private rented sector, this was based on the expectation it would tackle the issues of fuel poverty and affordability. If extended, Welsh Government is minded to agree with respondents, who generally felt that those able to pay should provide a contribution to the costs.

We will consider a lower income threshold for the new programme rather than means tested benefits for properties of EPC band E and below. Individuals with a recognised health condition (such as a chronic respiratory, circulatory or mental

health condition) living in a household with an EPC of D will also be eligible. We will also consider how an area-based approach and the ability to pay homeowners might be incorporated into broader government support mechanisms, both now but also in the longer term.

**Question 7 – We asked if the Warm Homes Programme is extended to include other households, do you have a view on how this might be funded?**

There were 44 responses of 'yes' to Question 6, of these, 52% (23) responded to this question.

Of the 23 that responded to this question, 30% (7) thought the UK Government should fund an extension to the Warm Homes Programme. An equal proportion of 13% (3) thought that either loans /grants tied to the property, local councils, or the Welsh government should fund an extension to include other households. 9% (2) thought that either the property owner/landlord or ECO should provide funding.

Other suggestions included funding from: a pay as you save scheme, energy companies, the Levelling Up fund, the Shared Prosperity fund, Housing Association funds, penalties for breaking regulation, income tax on high earners, home fuel bills, stamp duty changes, energy saving/climate budgets, and local charities.

**Government Response**

Like many respondents, Welsh Government recognises the value of extending the support provided by the programme. We agree the total cost of action to tackle fuel poverty and decarbonisation cannot be met solely by Welsh Government and financial responsibility and contributions will be required from others. Some of the actions being taken to enable this have been set out in the response to Question 3.

**Question 8 – We asked if other households are included in the eligibility for support through the Warm Homes Programme, should support be prioritised, for example limited to homes with a lower EPC rating such as EPC rating of D or worse?**

There were 45 responses, of which 87% (39) agreed that support should be prioritised. 9% (4) didn't agree, and 4% (2) possibly agreed.

Of the 39 that agreed that support should be prioritised, 90% (35) suggested that prioritisation should be EPC based. Respondents also suggested priority for those in fuel poverty (13%), the vulnerable (13%), those on low income (8%), properties that don't have an EPC rating (8%), and those that need the most improvement (8%).

**Government Response**

Respondents recognised the need for prioritisation, and EPC rating was seen by most as an appropriate mechanism for doing so, whilst recognising that other factors may need to be accounted for.

We will take this into account when considering access to future support and prioritisation to ensure those most at need are reached, aligned to the level of funding available.

**Question 9 – We asked what are the ways in which low-income households can be helped to offset the cost of higher energy bills in the short term if low carbon heating measures, when installed, increase bills?**

There were 49 responses to this question. Insulating as a first action was the most popular response, with 33% (16) of responses. 22% (11) suggested: including no measures that would increase cost in the Warm Homes Programme; and giving advice to households on how to manage their household energy in the most efficient way. Solar panels were suggested by 10% (5), while 6% (3) suggested each of: heat pumps; battery storage; and grants. Other suggestions with more than one response included: reducing demand; water efficiency measures; tax credits; short term help with bills; and government incentives.

**Government Response**

The responses were clear it is better to do something than nothing, for example by having multiple visits to a property to introduce measures incrementally, while a small number have suggested fiscal policies to support those incurring an increased cost.

The current scheme is restricted to one application per household. We will reconsider this as part of the new approach such that the introduction of measures can be linked to a whole house assessment and potential pathway which can take place over time. In cases where transition to a lower carbon heating source is not viable, alternative measures might be considered. Advice to householders will feature in the new programme to help increase energy efficiency and to support the roll out of newer technologies.



**Question 10 – We asked about energy efficiency measures that should be included or excluded in the next iteration of the Warm Homes Programme, taking into account carbon savings, fuel poverty, local air quality issues and market readiness?**

Table 1 Home energy efficiency measures – fuels and measures

<b>Fabric First</b>	<b>Yes/No</b>	<b>Please detail any specific circumstances?</b>	<b>Evidence to support your position</b>
Cavity Wall Insulation			
Loft Insulation			
Insulation top up			
External Wall Insulation			
Replacement windows			
Replacement doors			
Secondary Glazing and draught proofing			

<b>Heating systems - Fuels</b>	<b>Yes/No</b>	<b>Please detail any specific circumstances?</b>	<b>Evidence to support your position</b>
Natural Gas			
Liquid Gas			
Bio Gas			
Biomass			
Heating Oil			

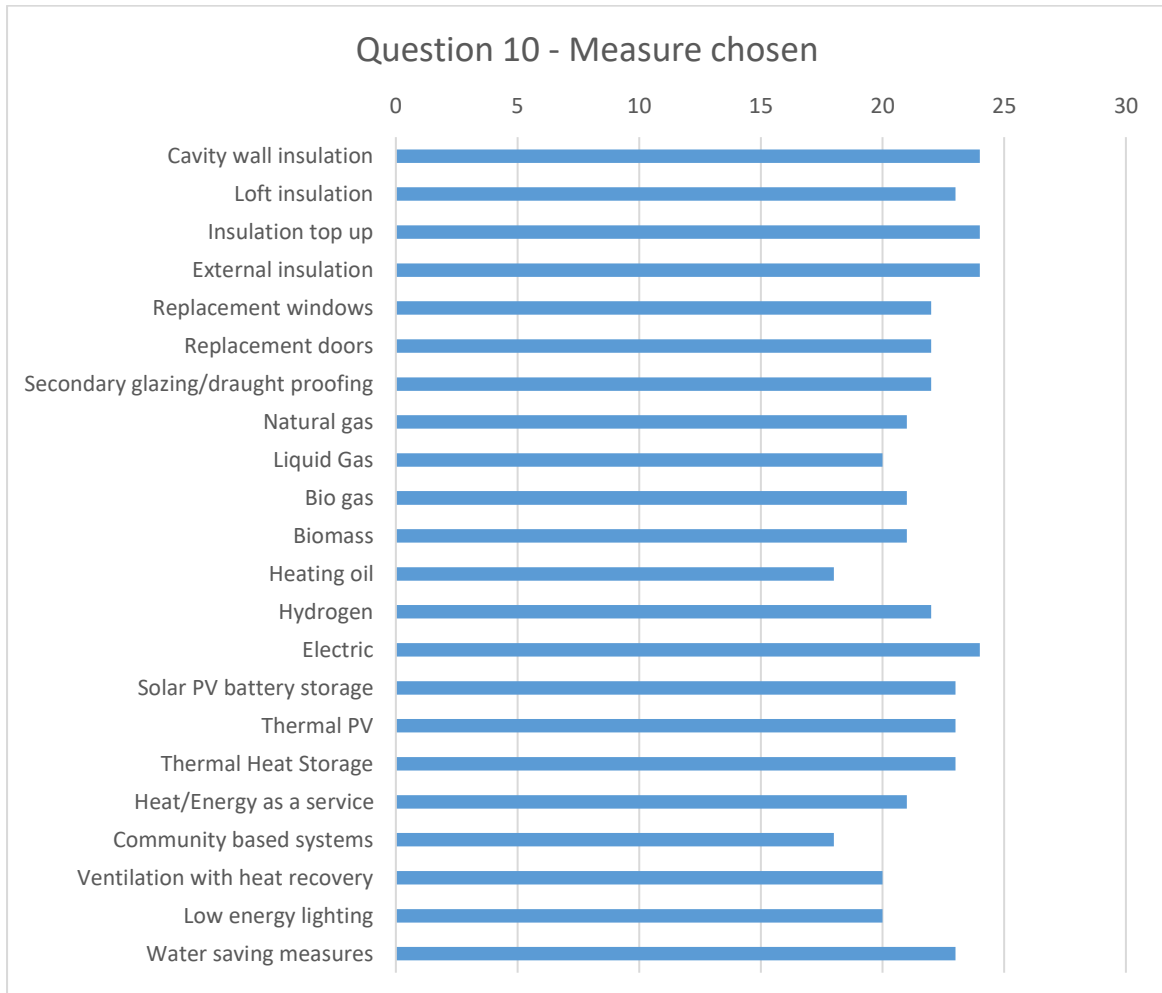
Hydrogen			
Electric			
Other			

Other Measures	Yes/No	Please detail any specific circumstances?	Evidence to support your position
Solar PV Battery storage			
Thermal PV			
Thermal / Heat Storage			
Heat / Energy as a service			
Community based systems – Heat networks			
Ventilation with Heat Recovery			
Low Energy Lighting			
Water Saving Measures			
Other			

There was a total of 32 responses. Some respondents did not answer the question correctly, with answers aligned with carbon savings, fuel poverty, local air quality measures and market readiness – rather than the measures in the accompanying table. Where it could be detected, these responses were not included.

12 respondents chose all 22 measures, three chose one measure, and three chose no measures at all.

The number of respondents that chose each measure are shown in the chart below, in the order that the measures were presented to respondents. Heating oil and community-based systems were the least popular measures.



### **Government Response**

These responses suggest there is no single solution or ‘one-size fits all’ answer, and that the current range of measures felt appropriate. Whilst there may be an opportunity to align measures to certain housing types in the new programme for ease and simplicity, we need to continue to recognise the differences in age, build quality and current condition of the properties. The availability and prioritisation of their installation should be reflective of the whole house assessment, carbon passport and their suitability to the property. Whilst not recognised in the responses, continued innovation in the efficiency and availability of measures means we must be flexible but consistent, to ensure fairness and clarity for homeowners. We will consider the addition of replacement windows and doors in the new programme, albeit likely on an exceptional basis.

Welsh Government recognises the concerns of workshop delegates who questioned gas boiler installation when we are struggling with carbon reductions from housing to meet the climate change challenge. We also recognise written submissions which set out the need to reduce the heat demand of a property to a certain level before a heat pump, or low carbon heating technologies become a viable solution. The suitability and transition approach for measures will be considered in the new programme.

**Question 11 – We asked what is your view on continuing with a financial cap per household, noting that a lower cap will allow more households to gain support but of a lower value?**

Of 40 responses, 58% (23) agreed that a cap was necessary, 43% (17) did not agree to a financial cap, and 3% (1) stated that costs for those in social housing and on benefits should be fully covered. 30% (12) suggested the cap should increase, while 23% (9) suggested a lower cap or retaining a low cap.

Comments from those that agreed that a cap was necessary included using a mixture of funding, loans, grants and savings to fund improvements, to find ways to incentivise the better off to do their own improvements and to increase the cap to £25,000 for rural properties with EPC of F/G. Some felt the cap should be revised based on the types of measures offered and the EPC rating of the home.

Comments from those that did not agree to a financial cap included the need to avoid unintended consequences of more deprivation in rural areas where works can be more expensive and to avoid the cap acting as a barrier (if the household cannot top-up) or as an excuse not to act. Respondents expressed their views that support should be sufficient to raise households out of fuel poverty and a detailed cost benefit analysis of bringing each property up to a target EPC should be completed to provide justification to override the cap if needed. Finally, comments were submitted that said a single deep retrofit minimises disruption and costs associated with multiple contacts.

**Government Response**

As with the current Warm Homes Programme, the new programme will need to consider which energy efficiency measures are recommended following completion of a Whole House Assessment, based on the principles of worst, fabric and low carbon first.

This approach, advocated in the response to the consultation, could address the unintended consequences arising from spending limits being set too low to deliver sustained outcome. In the interests of fairness, this will need to be balanced with a suitable level of control to ensure there is even-handed prioritisation and distribution of support, set against the budget available.

## **Question 12 – We asked do you have a view on allowing multiple applications per household over the lifetime of the programme?**

There were 47 responses to this question, of which 74% (35) agreed with allowing multiple applications per household, and 19% (9) thought that each household should only be allowed one application. 6% (3) answered 'no' – there is no way of knowing if they mean they have no view, or that they don't agree with allowing multiple applications.

Some respondents gave a view on how often multiple applications should be allowed, with 9% (4) saying once every ten years, and 6% (3) saying once every 5 years.

Comments from those who agree with allowing multiple applications per household included that circumstances change, and that there can be significant disruption and inconvenience to have all the measures done at once. Others commented multiple applications should only be allowed for the lowest income households, or for those in most need. Several respondents expressed the sentiment of needing a longer-term roadmap for retrofit, and that multiple applications which aligned with the roadmap should be allowed up until the target EPC is reached.

Comments from those who only agreed to allowing one application per household included the sentiment that the programme should seek to do it right and do it once to drive cost effectiveness (multiple applications increases costs for assessment and management, and decreases what can be spent on measures).

### **Government Response**

The majority of those responding to this question recognised and agreed with the need for multiple applications per household. This was qualified with reference to it being available where the household circumstances have changed, where measures might not have previously been available or appropriate for them and the risk of the measures placing the household in potential debt.

As with the current Warm Homes Programme, the new programme will need to consider if energy efficiency measures are recommended following completion of a Whole House Assessment, based on the principles of worst, fabric and low carbon first. This approach, advocated in the response to the consultation, would address the unintended consequences arising from only one grant application per household being permitted, and the setting of spending limits being set too low to deliver a sustained outcome. Multiple applications will be considered as part of our policy development process.

## **Question 13 – We asked what are your views on the methodology and targets for the next iteration of the Warm Homes Programme?**

40 responses were received and the answers to this question were too varied to give meaningful statistics.

## **Government Response**

Whilst the consultation answers were varied, there was consensus from the workshops that the Welsh Government needs to have an outcome focused view of what success looks like, such as the impact on householders and whether they have been lifted out of fuel poverty.

The new programme will consider inclusion of annual carbon reduction targets and reporting, both in respect of the individual households benefitting from the support and on a cumulative programme basis. The programme targets will also need to demonstrate the impact the home energy efficiency measures have had on individual households in relation to bill savings and the positive impact on fuel poverty.

### **Question 14 – We asked should the next iteration of advice services focus only on domestic energy efficiency?**

Of 45 total responses, 56% (25) answered no, 40% (18) answered yes, and 2% (1) were unsure.

The sentiments of those that answered yes included: that all sectors would benefit from improved advice; other agencies in Wales should be able to refer households to the energy advice service; this should be expanded to make sure households use new equipment effectively; and that there should be independent advice services working in partnership with design and installation services.

The sentiments of those that answered no included: this is an opportunity to work with partners; the need to focus on the use of all utilities; that commercial properties should be included; and whether the advice services could also cover health and wellbeing and/or linked to other advice services.

## **Government Response**

Those who responded to this question recognised the need and benefits of an effective service for homeowners in Wales provide advice to improve their home energy efficiency and to signpost to other relevant schemes.

We recognise from these comments the need for a collaborative and efficient mechanisms of support across Welsh Government, UK Government and other partners. This collaborative and efficient support will need to cover advice afforded to householders and the installation of energy efficiency measures and will ideally link into, or be part of, a broader 'one stop shop' of linked and integrated advice services.

### **Question 15 – We asked how might domestic energy efficiency advice services in Wales be integrated with other advice services designed to maximise income and tackle poverty?**

There were 27 responses, of which 19% (5) answered that they were not sure or did not know. Only 7% (2) answered that advice services should not be integrated, mentioning that it will slow things down. Some terms were mentioned by more than one respondent – 11% (3) mentioned: Local Authority, a one stop shop, holistic, and the independent sector (e.g., Citizen's advice). 7% (2) mentioned Single Advice Fund (SAF).

### **Government Response**

As set out in the response to Question 14, there is a need for a collaborative and efficient mechanisms of support across Welsh Government, UK Government and other partners. This collaborative and efficient support should cover advice afforded to householders and the installation of energy efficiency measures.

### **Question 16 – We asked for views on the delivery of energy efficiency advice services and whether these should be independent of organisations appointed to deliver home energy efficiency improvements for householders?**

There were 42 responses to this question. 67% (28) agreed that advice should be given by someone who is independent of organisations appointed to deliver improvements. 19% (8) said that advice must be trusted, 12% (5) said the advice should come from not for profit or third-sector organisations, and 7% (3) thought advisors should be trained in pre-1919 buildings. On the other hand, 10% (4) didn't mind if advice was independent or not.

Sentiments on how advice should be delivered included that the advice services should be run or endorsed by Welsh Government to give people peace of mind and be publicly funded to ensure independence or that an organisation like Care & Repair would be well-placed to deliver this for over 70s.

### **Government Response**

Respondents recognised the need for quality, trusted advice and installations. A possible mechanism to achieve and maintain this quality is by separation of duties between agents providing advice to householders and installing the measures.

Domestic energy efficiency advice and installation quality assurance arrangements could in principle be contracted independent of the delivery agent. This independence between the energy advice, including the Whole House Assessment and creation of the home energy efficiency passport, and the organisation installing the measures could extend to the randomised checking and quality assurance of the installing agents.

Welsh Government will consider the suggestion from the workshops of using not for profit or third-sector organisations, recognising certain sectors of the public may respond differently and will have different needs, for example older people.

## **Question 17 – We asked what standards should be used for the installation of energy efficiency measures?**

Note: there was confusion on this question as to what meant by standards - quality mark of work/installation or energy efficiency standard to be met.

There were 48 responses to this question. 38% (18) thought that PAS should be the minimum standard. 10% (5) thought MCS should be the minimum standard, and 10% (5) thought it should be the 'highest standards'. Building regs was mentioned by 6% (3), and 6% (3) thought it should be the highest possible between EPC and EIR. 4% (2) said each of the following: EPC, EPC C minimum, and sector to advise. 4% (2) said they didn't know.

### **Government Response**

It is important the standard for installation protects the consumer, for example from measures that are wholly unsuited or delivered to a low standard, and affords a guarantee or effective recourse to consumers. The current Warm Homes Programme works to the standards in PAS 2030 (2017) and adopted some of the principled approaches in PAS 2035. Respondents to this question recognised the current Welsh Government approach and expect it to be continued in the new programme.

Appropriate standards are important to provide protection to the consumer from poor measures and industry backed guarantees protect Welsh Government from funding remedial work on poorly installed homes. Welsh Government expect both to feature in the new programme.

## **Question 18 – We asked how can the Warm Homes Programme better support the development of skills and jobs in the low carbon and housing retrofit sectors?**

There were 43 responses to this question. 7% (4) suggested that nothing needs to be done, as capacity is already there or that it should be led by business.

Training was a big theme in the responses – 30% (13) suggested technical training delivered by college courses, and 28% (12) suggested apprenticeship-based training. 5% (2) suggested each of the following: that the Warm Homes Programme can stimulate the market to invest in training, there is opportunity for unemployed people to retrain for green energy, and funding could be provided to support training requirements. 2% (1) suggested each of the following: a green skills boot camp, provide training on giving advice, provide training on working well with elderly people or children, and to set minimum qualifications for installers.

Keeping work local, or within Wales was another theme in the responses – 26% (11) suggested using local tradespeople to carry out the installations, and 19% suggested that the Warm Homes Programme should use a Welsh supply chain.



One other theme was to instil confidence so that the sector can invest in training and development by ensuring continuity of funding for the Warm Homes Programme – 9% (4) suggested this.

Other comments included: to use Welsh sheep wool insulation, to create local opportunities in deindustrialised communities, that courses should include advice on setting up own businesses, to follow the approach taken in the consultation document, that Local Authorities can build training in if they manage the Warm Homes Programme in house, and that an economic benefits plan should sit alongside the programme.

## **Government Response**

Creating decent homes contributes to improved health and well-being outcomes, whilst investment in housing retrofit can also support wider benefits such as the expansion of the supply chain and creation of a skilled workforce.

Learning from the introduction of the last programme and current constraints in the supply chain and skills market suggests the need to ensure the supply chain is engaged at the earliest opportunity and that appropriate time is provided for the controlled mobilisation of schemes.

The Net Zero Skills Action Plan sets out 36 actions across 7 key areas to ensure we have the skills to deliver on our vision for a fairer, stronger, greener Wales. [Net zero skills action plan](#). The new programme will seek to maximise the opportunities to support the development of skills and jobs in the low carbon and housing retrofit sectors in Wales.

## **Question 19 – We asked do you think the Warm Homes Programme needs to be set out in detailed Regulations, or can it be simply supported by scheme guidance published by the Welsh Government?**

There were 42 responses to this question. 55% (23) thought guidance would be sufficient, while 48% (20) thought regulations were needed. 17% (7) thought that a mixture of both, with some parts regulated, would be best. 7% (3) thought that neither guidance or regulation were needed, and 7% (3) were unsure.

Those that chose guidance indicated that guidance allows greater flexibility than regulations and generally incurs less bureaucracy so would be quicker to implement. It could set out which elements were optional and mandatory, and would follow the approach taken by Warm Homes Scotland.

Those who chose regulations indicated that regulations are transparent and can't be manipulated, so help ensure work is up to standard and enables recourse if things go wrong. Other comments suggested specific guidance would be needed for listed and traditionally constructed buildings, and that regulations give confidence and help reduce chance of boom and bust in supply chain. Those that chose both picked up on the points already captured above.

## **Government Response**

Whilst there was a split in the responses, the message seems to be consistent; any regulations must ensure clarity of purpose and authority to act, providing flexibility to implement changes to the scheme quickly and efficiently without having to change the regulations. This flexibility in approach should be underpinned with scheme and other guidance notes which contain the detailed requirements to ensure the right outcomes are achieved through a quality service.

The decision, and if appropriate content, of the legislative framework for the future programme will be considered in parallel with the policy development to enable and inform an efficient and effective service. There is a need for effective guidance irrespective of the legislative foundation.

## **Next steps**

These evolving views are based on reviews of the current programme, internal and external workshops, the development of evidence and documentation by Building Research Establishment (BRE) and Audit Wales and Senedd Committee recommendations. The positions outlined in this document will be supplemented by further evidence and presented in a policy statement which will provide more details of the replacement scheme.