

National Assembly for Wales
Environment and Sustainability Committee
EEFP 09
Inquiry into Energy Efficiency and Fuel Poverty
Response from: WLGA

WLGA Response to the Inquiry into Energy Efficiency and Fuel Poverty in Wales

June 2014



WLGA • CLILC

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three national park authorities and the three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh local government and the communities they serve.
3. The WLGA supports the Welsh Government's drive towards improving energy efficiency of properties and eradicating all fuel poverty in Wales by 2018.

To examine progress towards meeting the Welsh Government's statutory targets for eradicating fuel poverty in Wales by 2018

4. Eradicating fuel poverty is proving to be extremely difficult, there are many variables to consider within a constantly evolving situation: people's lifestyle; health, employment; debt; energy prices etc.
5. Efforts have been made to change people's behaviour in the use of energy and to insulate properties to make them more energy efficient; however we are currently falling behind achieving the targets.
6. It is acknowledged that increases in the price of energy have had an impact and there are more people in fuel poverty than in 1998. In spite of reductions in wholesale prices these have not yet been translated into price reductions to the customers.
7. Over the years various initiatives have been welcomed, Home Energy Efficiency Scheme (HEES), NEST and Arbed, but have had a limited impact on reducing fuel poverty.
8. It should be noted that utilising the Wales Index of Multiple Deprivation (WIMD) to determine communities to target may result in a number of families not in fuel poverty having energy efficiency measures carried out if they fall within an area with a high WIMD score.
9. In other areas with a lower WIMD (deemed as less deprived) there are residents in fuel poverty or even extreme fuel poverty who do not qualify for such schemes
10. The rural areas of Wales have continued to be difficult to deliver successful schemes. Many rural properties are in the hard to treat categories, which results in the contractor costs being higher than in more urban areas.

To consider the impact of the Welsh Government's existing energy efficiency programmes (Nest and Arbed) and the UK Government initiatives such as Green Deal

11. Nest like its predecessor HEES has a limited but positive impact on energy efficiency of homes. It is aimed at targeting people who are on a means tested benefit so should also have an impact on reducing fuel poverty.
12. The impact of Nest is limited by the types of property it applies to. The properties must be F or G rated within SAP categories with the aim of improving them to a C. However there are many properties that are in the D and E rating which have residents in fuel poverty or even extreme fuel poverty who do not qualify.
13. By extending the criteria to include all properties below a C rating, Nest could have a bigger impact by bringing all property up to C as a minimum
14. The Arbed project's aim to improve the energy rating of a property to a minimum SAP C category is welcomed as a realistic way of ensuring a property is adequately heated to combat fuel poverty.
15. Arbed has a positive impact on not only improving people's lives of all tenures but lifts the spirit of a community at the same time. The idea of a whole house approach is welcomed and whereas some more affluent residents benefit by the nature of the scoring matrix, within the Arbed application it will be targeting residents who live in energy in-efficient homes and are quite likely to be in fuel poverty
16. Arbed targets could benefit from considering easing some of the criteria in the bidding process for funding within rural areas.
17. The Green Deal appears to have a minimal impact on existing energy efficiency programmes. The system appears to be extremely bureaucratic and potentially very confusing.
18. The principle of the 'Golden Rule' which states that the amount you pay will not exceed the amount you save is difficult to maintain with increasing energy prices.
19. Several Local Authorities in Wales undertook research into the roles associated with Green Deal and into the level of interest within their communities, at a national level there was an uninspiring uptake.
20. Although the recent changes made to Green Deal offering greater amounts of cash back is welcome , this will be for a limited period and when considered in the context of the changes

within ECO overall there is still a low take up of the Green Deal. It would appear that Green Deal, to date, has perhaps failed in its ambitions and a thorough examination into its failure and the lessons to be learnt is necessary.

To review the implementation to date by the major energy suppliers of the Energy Company Obligation (ECO) and other measures to alleviate fuel poverty in Wales

21. ECO targets are concerned with saving carbon, but cannot be directly equated to fuel poverty. There are residents in fuel poverty living in property which does not attract sufficient carbon saving to warrant ECO funding.
22. The Energy Companies are focussed on offsetting/saving carbon rather than eradicating fuel poverty. This focus favours larger urban based projects rather than a number of smaller rural or community based projects aggregated to deliver the carbon savings.
23. There is evidence emerging of cavity wall insulation failing within certain geographical locations and construction types where damp related problems are occurring. The cavity wall insulation has to be removed thus putting residents back into fuel poverty.
24. There can be differences within Local Authorities but an identified obstacle is the procurement process which can be quite lengthy together with getting the sign off of legal agreements.
25. There perhaps needs to be more focus on the affordable warmth element of ECO. Issues which have hindered the take up are:
 - i. Lack of communication to the real vulnerable households, sometimes vulnerable residents may not engage with contractors
 - ii. Contractors 'cherry-picking' jobs based upon most carbon savings, therefore avoiding the genuinely vulnerable households
 - iii. Contractor only looking for what they can offer (e.g. heating installer may not be interested in, or offer, insulation)
 - iv. Lack of communication between health, hospital discharge and helping the most vulnerable clients
26. The WLGA welcomes the £70million which has been set aside by Welsh Government to assist in the uptake of ECO funding and await clarification of the application process and is keen to assist and facilitate in its use.

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