

National Assembly for Wales
Environment and Sustainability Committee
EEFP 14
Inquiry into Energy Efficiency and Fuel Poverty
Response from: Wales Co-operative Centre



Environment and Sustainability Committee Inquiry into energy efficiency and fuel poverty in Wales

Wales Co-operative Centre response

June 2014

About the Wales Co-operative Centre

The Wales Co-operative Centre is the main provider of business support to social enterprises and co-operatives across Wales and the largest co-operative development body in the UK. We are the only organisation in Wales that has the expertise to provide advice on employee ownership. Our unique experience spans over thirty years.

We are the lead Welsh agency in the area of digital inclusion and digital skills. For a decade we have been delivering the principal Welsh Government interventions to support businesses and individuals benefit from digital technology.

Our programme of work to tackle poverty and to promote financial inclusion across Wales is broad. For instance we deliver the Welsh Government's financial inclusion champions project. We also lead a project to encourage people to use credit unions accounts as a way of preventing poverty and homelessness. The project is funded by the Oak Foundation, an organisation that operates internationally to address issues of global social and environmental concern.

Introduction

The Wales Co-operative Centre welcomes the opportunity to respond to the Committee's inquiry into energy efficiency and fuel poverty in Wales. Our response will outline the potential for community-led renewable energy projects to contribute to tackling fuel poverty while also contributing to the Welsh Government's statutory targets on environmental objectives including reducing greenhouse gas emissions in the domestic sector.

We will also consider the role of community co-operative energy buying in tackling fuel poverty and the role of digital and financial inclusion in tackling fuel poverty by equipping people with the skills to find the best deals for their circumstances.

Community-led renewable energy projects

The Wales Co-operative Centre believes that community-scale renewable energy schemes can work alongside projects to retrofit homes and make them more energy efficient. Such a joint approach will lead to a sustainable plan for tackling fuel poverty. Community renewable energy schemes give communities access to and an increased understanding of renewable energy sources. It also gives communities control over the income stream. Several community renewable energy schemes reinvest profits into improving energy efficiency in local homes and awareness raising schemes. For example, Awel Aman Tawe's work includes community wind farms but also energy efficiency schemes. This includes a team of energy efficiency advisors working in the Upper Amman and Upper Swansea Valleys. Green Valleys will also reinvest profits into a community fund, which will include other carbon reduction projects.

We welcome and support the Welsh Governments Ynni'r Fro project which offers social enterprises grant aid, loans and advice to develop community-scale renewable energy schemes across Wales. Nevertheless, we would like to draw the Committee's attention to the recent findings of the Welsh Co-operatives and Mutuals Commission. This found that co-operatives still faced barriers to entering the sector such as complex technical issues, difficulties securing investment finance and a complex planning framework. We echo the Commission's recommendation that there is scope to increase specialist support and provide early stage finance.

Community co-operative energy buying

Community co-operative energy buying can help to reduce bills, particularly for those off-grid in rural areas. By buying energy together, participants of previous collective switching schemes have saved between £60 and £250 per household per year. Thus,

this is an important tool for tackling fuel poverty. We welcome the Cyd Cymru collective energy buying scheme.

An example of this working in practice is the Ystradowen Community Centre's Fuel Club. Volunteer coordinators collect orders on a monthly basis. Placing a large bulk order allows them to negotiate the price, with the savings passed on to members of the Fuel Club.

Financial Inclusion/Digital Inclusion

We note and welcome the inclusion of financial inclusion in the previous fuel poverty strategy. Financial inclusion is key to both preventing poverty and enabling people to get out of poverty. Put simply, it means equipping people with the skills and knowledge to make income received go further. Financial Inclusion equips people with the skills and knowledge to make their money go further. It can help the most vulnerable households take advantage of social tariffs and helps others to consider switching energy suppliers to get the best deals on offer. We believe that this should be combined with digital inclusion support. It is not in doubt that financially excluded people can benefit from significant savings by having access to online tools. They can find deals, have more choice save money providing they also have access to appropriate financial products, for example a transactional bank account.

A good example of this is the Switch to Save project in RCT. Working with Communities 2.0, the project ran a series of 'DO IT Initiative' workshops, delivering free advice sessions in the community on how to find the best energy prices and how to switch suppliers easily.

Further information

For further information, please contact

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