



Fuel poverty in Wales

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Campaigning for Warm Homes



NEA – National Energy Action Charity

- Campaigning for Warm Homes for 27 years and recognised as the leading fuel poverty charity across the UK
- Aims to eradicate fuel poverty
- Activities include campaigning, research and practical initiatives which demonstrate how to tackle fuel poverty





NEA Cymru

- **Team of three:** Director and two development officers (covering policy and training)
- **Core work plan in Wales is WAG funded** and agreed by Minister with responsibility for fuel poverty
- Our **work plan is strategic** and our main aims are achieved **through partnership working**





What is fuel poverty?

“ the financial position when a household needs to spend more than 10% on fuel in order to achieve an adequate standard of warmth”

UK Fuel Poverty Strategy 2001

3 key things impact on someone ability to keep warm:

- Income
- Energy Efficiency of their home
- Energy prices



Campaigning for Warm Homes



A growing problem set to get worse

- Good progress had been made – between 1997 and 2003 figures fell from **330,000** to **134,000 households**
- BUT – between 2003 and 2006 figures have nearly doubled in Wales - **240,000- 250,000 households**
- Since January 2008- the average annual **dual fuel bill in Great Britain is now £1,300**
- **340,000 households** will be experiencing fuel poverty this winter in Wales.





Key issues for Wales

- 1 in 5 households off the mains gas in Wales-
- Households who use oil pay on average £1500- £1700 more to heat their homes.
- We pay ten percent more for our electricity in Wales- 40% households who rely on electricity to heat their homes are fuel poor in Wales





Combating fuel poverty

- Fuel Poverty Commitment for Wales to eradicate fuel poverty in Wales by 2018 to:
 - Tackle fuel poverty amongst vulnerable groups by 2010
 - Tackle fuel poverty amongst all social sector housing 2012
- AWAP- Affordable Warmth Action Plans
- HEES- Home Energy Efficiency Scheme
- CERT- Carbon Reduction Target/ Social Programmes





£20 million a year- HEES

- HEES (£2000) aimed at families with children under 16
- HEES Plus (£3,600 to £5,000) aimed at lone parent families with children under 16, people who are 60 or over and those who are disabled or chronically sick.
- Householders who are over 80 automatically qualify for HEES Plus.
- Partial grants (£500) over 60s that do not qualify for HEES or HEES Plus





£180 million CERT (over 3 years)

Carbon Emissions Reduction Target- obligation to spend £3 billion of energy companies profits in energy efficiency measures

- Costing £38 a year on every householder bill
- Only 40% of the savings from CERT will be made available to low income households- households over the age of 70 or on state benefits.
- The Prime Minister's new package of measures- £910 million commitment from energy companies including for the first time electricity generating companies
 - £560 million for CERT
 - £350 million Community Energy Saving Programme





£225 million over three years (UK) on Social Programmes

- Other rebates or tariff discounts (including social tariffs)
- Trust fund contributions
- Funding for partnerships with intermediaries and for benefit entitlement checks
- Energy efficiency initiatives that are additional to existing statutory obligations
- Costs of aligning prepayment meter tariffs with lower tariffs where this is effectively targeted at fuel poor and vulnerable households





Local Government

- Home Energy Conservation Act
- Welsh Housing Quality Standard
- Climate change and energy conservation strategies
- Sustainable Development
- Older people strategies, HSCWB, CYPP
- Social exclusion/ anti poverty
- AWAP- Affordable warmth action plans
- Role of scrutiny- Heat is on
- LSB's- Climate Change





Review of the Fuel Poverty Commitment for Wales

- Only half removed from fuel poverty after the intervention of HEES.
- Only 54 per cent of fuel poor households are eligible for HEES
- Even if every vulnerable household were provided with everything that HEES currently offers, plus additional energy efficiency measures (double glazing and solid wall insulation) there would still be between 12,000 and 135,000 vulnerable households in fuel poverty by 2010 (2006 statistics!)





Review of the Fuel Poverty Commitment for Wales

- Oversubscribed and long waiting list for HEES
- Lack of joining up at a strategic and service level – Child poverty/ communities first/ financial inclusion
- Fuel poverty links with climate change
- No statutory duty for local government
- Areas of non legislative power- pricing (eg pre payment meters), incomes- (Winter Fuel Payment, Cold Weather payment)
- Links between HEES and CERT
- Role of area based approaches
- The role of microgeneration- Low Carbon Buildings Programme
- OFGEM's market probe





Advice and Information

- 1st October Consumer Focus Wales- Consumer Direct
- Energy Savings Trust- advice on energy efficiency
- Energy Advice Centres
- Trial on providing advice on best tariffs as part of HEES
- Pension Bill- data sharing between DWP and energy companies
- National roll-out of Ofgem's pilot project with Citizens Advice to raise awareness of social assistance
- Benefits entitlements checks offered by a number of organisations including suppliers and HEES
- Monergy- Offers banking service as part of the Credit Union and energy efficiency advice





Our call for action

- New and refined targets for eradicating fuel poverty among vulnerable groups
- New cross-departmental Ministerial Fuel Poverty Task Force
- An enhanced role for local authorities to help combat fuel poverty
- Improved access to micro-generation and other renewable technology
- Joining up income maximisation schemes with advice on energy efficiency





Our call for action

- Action to ensure Wales gets its fair share of energy suppliers' funding
- More support for community-based approaches in Wales
- Extension of the Winter Fuel Payment
- Mandatory social tariffs
- The surcharge on prepayment meter users should be reduced

