

## **Equality and Social Justice Committee's Consultation: Fuel poverty and the Warm Homes Programme. A response by Localgiving**

### **Background**

1. Localgiving is a non-profit membership organisation for charities and community groups across the UK. We provide online fundraising services for charitable organisations and grant making services on behalf of large charities, foundations and government. In addition to these core services, we provide training, advice and advocacy for the local voluntary sector. Over the last six years, we have been running a dedicated project across Wales to provide online fundraising and crowdfunding training and mentoring for small charitable organisations.

2. Localgiving is responding to this inquiry as it holds a contract with Western Power Distribution to deliver the Community Matters Fund across parts of the UK, including 16 of the counties of Wales. The fund aimed to support grassroots organisations or local authorities who were working with vulnerable people affected by fuel poverty to deliver new projects across the Winter. The fund distributed £500,000 in just over one month and provided Localgiving with a unique insight into the work being done to combat fuel poverty, along with highlighting innovative approaches to support beneficiaries.

3. There was a big response to the call for applications to the fund. In total, full applications were received from 44 existing members of Localgiving and 19 new organisations from Wales, in addition to a further 14 expressions of interest from ineligible organisations. The six counties in the North of Wales were ineligible to apply as they were not in the Western Power Distribution catchment area.

4. Of the 63 full applications received, the highest number of applications came from the counties of Neath Port Talbot (9), Rhondda Cynon Taf (8), Cardiff (7), Powys (7) and Swansea (7). Enquiries for the fund came from 14 of the 16 eligible counties in Wales

### **Response to specific questions raised in the inquiry**

#### **What are the main lessons learned from the Welsh Government's current Warm Homes Programme?**

5. This question was not specifically covered in the application forms but one of the general themes from our discussions was the restrictions with the eligibility criteria for the NEST and Arbed schemes. An example being that some properties due to their age or composition (i.e. some older houses with stone floors and without cavity walls) were not eligible for improvements. Conversely, many new homes are not

classed as 'very energy inefficient' and therefore would not benefit from the scheme in any case.

6. Neither scheme seemed to address people who are in immediate need, for example, those that are in spiralling debt as a result of fuel bills. Most of the applications we received highlighted this immediate need and within their proposed budgets, requested to purchase top up energy cards, fuel vouchers, distribute small grants to alleviate winter debt or provide items to reduce energy costs, such as draft excluders or thick curtains. Organisations highlighted that the most effective projects were those that combined immediate interventions, thus creating interest and getting buy-in from beneficiaries, with ongoing behaviour change activities, which provided long-term sustainable solutions for the people impacted by fuel poverty. One organisation which is witnessing this first-hand through home visits wrote:

*"People are desperate for fuel; either because benefits have not yet been received or they are experiencing a short term economic problem due to unemployment, a low paid job or illness"* (Helping Caring Team (HCT, Caerphilly).

**How can these lessons help shape the next iteration of the Warm Homes Programme to ensure that it better supports those living in, or at risk of, fuel poverty?**

7. There seems to be a need for measures that address immediate, medium- term and long-term needs. A good example of a measure that reduces immediate need is the distribution of 'warm packs' or equipment to help to insulate houses and reduce energy consumption. Some examples of cost effective measures that have been suggested by organisations are:

- Draft excluders
- Energy efficient light bulbs
- Heavy curtains
- Slow cookers
- Radiator foil
- Radiator bleeders
- Energy Monitors
- Thermal imaging cameras; to illustrate where the heat is lost in households
- Low cost, high heat radiators and electric oil filled radiators
- Debt advice and advocacy.

8. Some examples of intermediate effective measures that organisations asked Localgiving to fund were:

- Training sessions for staff and volunteers to recognise signs of fuel poverty
- Qualifications for staff to advise on energy efficiency such as the City and Guilds Energy Awareness award
- Household assessments and recommendations
- Advice around tariff swapping (although it is becoming increasingly difficult as energy bills are rising by all suppliers). A comment made on an application stated:

*“The number of people accessing our services with fuel poverty issues has increased dramatically over the last months. The recent sharp rises in energy costs, coupled with other increasing household costs have put huge pressure on already squeezed household budgets. This can be seen by the rapid rise in referrals for our fuel voucher scheme, which provides emergency top ups (which doubled from 40 to 80 per month this October), and expect numbers to increase further in the colder weather”* (ACE – Action in Caerau &Ely, Cardiff).

9. Long term measures such as referrals to NEST and Arbed and the installation of low carbon heating systems in the home were not discussed in the application with the exception of one group that wanted to look at heat pumps as the organisations were trying to help as many people as possible with a low budget and these options, although very effective in the long term, are expensive to install.

10. As many of the organisations outlined in their application, they are not advising clients on fuel poverty in isolation, they are addressing wider poverty issues one of which is fuel. The majority of the organisations that applied to the fund were also running parallel schemes to address poverty issues such as food banks or pantries. In addition to this, fuel poverty extending to transportation is something that has been raised by organisations outside of this discussion i.e. the inability to afford to run a car which is necessary in rural areas which are poorly serviced by local transport.

11. Several organisations were offering food parcels, budgeting, cooking and fuel efficiency sessions to their clients. More often than not it is the means to heat food that is preventing people from eating warm and nutritious meals. There is also an issue surrounding pride and relativity that has been highlighted and people not recognising or highlighting their own poverty because they consider themselves not to be as disadvantaged as others, seemingly unaware of what the poverty threshold is:

*“We have learnt that people are more likely to engage in projects to help them when they feel it has a benefit to others e.g. those on the brink of food poverty joining a surplus food club to reduce food being wasted, but would rather miss meals than*

*attend a food bank "because others need it more"* (F.A.N Community Alliance, Neath Port Talbot).

12. The social justice considerations when designing future schemes clearly need to look at all poverty indicators, in particular in relation to the Arbed scheme which favoured a focus on Strategic Regeneration Areas.

13. The applications did not focus on private sector landlords but Localgiving was informed that energy prices are higher when people have to use prepayment metres as opposed to being able to split their fuel costs over the year taking into account the winter months. As previously outlined, many of the original applications were asking for prepaid top up cards or fuel vouchers which would not address the issue in the longer term. We did receive applications in Wales for innovative schemes from local authorities, such as Milton Keynes Council, who received funding to create a library of home insulation surveys on the twenty most typical houses in recent estates to overcome the barriers that are created by the cost of a survey for residents when purchasing a home. This was part of a wider Interreg Project.

14. One organisation in Wales gave an example of a client using an electric kettle to heat water to keep clean as they did not have access to gas and they were in a damp and cold home. The person was supported in accessing free insulation under the Warm Homes Scheme which helped insulate his house somewhat but did not resolve the issue of a lack of hot water to the property. Another organisation told Localgiving that a person they work with who has had his electricity cut off, has been running an extension cable out of his window to the next door flat to be able to use their appliances and 'borrowing electricity' off a neighbour which is extremely dangerous.

15. The change in legislation to prevent landlords from renting out properties with an energy efficiency rating below 'E' appears to be welcomed but some properties are exempt and heating bills are still high in an 'E' rated home. Examples of appliances that are being distributed to try and aid this, by organisations Localgiving works with are listed in paragraph 7.

16. Localgiving cannot comment on rural fuel poverty or decarbonising Welsh houses as this was not mentioned in the applications that were received or in discussions with groups.

### **Further information provided by ACE (Action in Caerau and Ely)**

17. A phone interview was carried out with ACE to further explore some points they had identified in their application. The following comments were made which highlights their experience of fuel poverty in the Cardiff area:

-The financial hardship people are experiencing is not restricted to fuel poverty. People are having to make the tough decision as to whether or not they heat their home or feed themselves. ACE has seen a huge increase in emergency food with people moving from the pantry to the foodbank as they cannot afford the £5. People are choosing convenience food that does not require much electricity to cook and is not always nutritious such as pot noodles.

-The fuel bank has also experienced a dramatic increase in the number of requests. Prepayment metres are increasing debt as it is not the cheapest tariff and energy companies do not record the number of people who are 'self-disconnecting'.

-Some people are choosing to opt for the 'Fuel Direct' service with some positive outcomes but having to ask for it to be applied can be a barrier for those who cannot afford the call and it can take up to six weeks to set up therefore is no good to those in immediate need. Also as £3.70 per week is deducted for debts, this can be a lot for some families to budget on top of bills.

-The Discretionary Assistance Fund has been helpful to people experiencing financial hardship, in particular with purchasing white goods. There is still a tendency to dry clothes on radiators during the winter which increases the damp in a property, reduces the heat emitted into the home and uses a lot of gas.

- People are not just "fuel poor", financial hardship is experienced in many ways and so in order to address fuel poverty, it is necessary to look at the bigger picture. An example of this is the changes to the benefit system that push people further into debt. In addition to this, during the pandemic, energy companies have become less accessible, often using the crisis as a way to be less responsive to people in need.

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