

# Evidence for the Equality and Social Justice Committee's Fuel Poverty Inquiry

## Scale of the problem

Most if not all housing associations in Wales support tenants with debt and income maximisation. However with the removal of the Universal Credit uplift and a significant increase in energy costs, it is evident that many more tenants are falling into fuel poverty. Tenants are increasingly struggling with the cost of living and self disconnection is a growing problem.

## Your views on the benefits of area-based schemes such as Arbed

Any scheme that looks to promote energy efficiency is welcome. To make an impact on tackling fuel poverty in this climate however, a significant funding commitment will be needed to ensure that householders can truly be lifted out of fuel poverty.

The area-based element of Arbed is an effective way of improving whole estates and targeting the most deprived areas in urban areas. The scheme has not been effective in targeting rural, off-grid homes, where often more severe cases of fuel poverty are found.

Ability to support multiple tenure types removes the inequality in a mixed tenure area, but a blanket approach to works may not always be the most suitable to achieving decarbonisation as each home will need a tailored pathway to energy efficiency.

It is recognised that these schemes can attract investment into an area, creating local economic opportunities for local businesses and generating local employment and training opportunities. Trivallis, for example, has procured local companies who have created additional numbers of jobs and employed local people. Whilst working on an Arbed funded scheme in the Cynon Valley, one of their contractors employed a local labourer who was a member of the community and a Trivallis tenant.

Some housing associations however experienced difficulties with contractors and some installers were not local. Future programmes must look to build on the foundational economy in Wales.

**Our recommendation/insight:** policy should ensure a significant increase of funding to tackle fuel poverty if the problem is to be addressed fully, with a specific programme or focus on rural areas.

**What sort of interventions (from any support programme) you believe have helped bring householders out of fuel poverty – if any have**

Our members have listed a number of interventions which have supported tenants living in fuel poverty which will be outlined below, however it must be noted that these measures have allowed only short-term relief and have not permanently lifted people out of fuel poverty. Any scheme to help achieve this goal should focus on maximising ongoing income and on increasing energy efficiency. Increasing fuel costs will cause the incidence of fuel poverty to rise and the potential for lifting individuals out of fuel poverty will be reduced.

- Trivallis' Money Advice Team has supported tenants with energy related advice. In 2021, the team delivered over £1.8mn of financial outcomes to tenants and an element of this was directly related to the provision of energy advice and fuel poverty. Frontline staff are qualified energy advisors and so are able to give advice on switching tariffs, suppliers or payment methods, for example.
- In North Wales, Energy Wardens - a joint initiative funded by several RSLs have made a positive difference to those experiencing fuel poverty. As well as supporting with energy, the Wardens also support with tenancy issues.
- The HACT energy vouchers and the £200 grant from the Welsh Government have allowed some short term relief.
- The Severn Wye Energy Agency's energy voucher scheme during the Covid pandemic has been highlighted as a great resource to help people through changes in circumstances.
- CAB Ceredigion's fuel vouchers have been effective, and the team has also supported service users with energy efficiency when they are issuing the vouchers.
- The Discretionary Assistance Fund's winter fuel support has been a great help for people in difficult circumstances unable to pay for an order of oil.
- Melin Homes deliver a food and energy voucher scheme and provide funding to enable employment training with the end result of sustainable employment. They also provide driving lessons to enable people to have access to transport. They complete applications for welfare assistance, from start to tribunal. Tackling fuel poverty includes tackling poverty as a whole through a whole host of measures.
- Mental health services are in short supply, especially for young people. Melin provides access to private counseling / mediation sessions.
- It has been highlighted that cash assistance does not always support a householder and some accounts are overdrawn meaning this money will get swallowed up in overdrafts, especially unauthorised overdrafts. A voucher can sometimes offer better support.

- Clwyd Alyn have accessed the Warm Homes Fund for first time heating upgrades including Gas in fill which has provided a more efficient heating system
- Cynon Taff deliver financial inclusion, benefits campaigns, fuel cooperatives (e.g. West Wales heating oil initiative), furniture schemes (empty homes are cold homes) which help reduce the impact of fuel poverty
- Generic tenancy support services that are relationship & customer outcome centric in their approach help build resilience & indirectly (often directly) get people on a journey out of poverty as do skills & employment initiatives. IT literacy & access programmes enable people to shop around for better energy deals

**Our recommendation/insight:** policy should ensure that there is more support to roll-out schemes that deliver advice on energy use at a local level. Lessons should be taken from organisations working on the ground, such as housing associations, who work closely with fuel poor households.

### **Whether you believe there are gaps where certain types of homes are not being supported under current schemes (e.g. rural)**

Self-employed householders are not being supported under current schemes, householders that can sometimes be on the lowest incomes. This is especially relevant to farmers who often live in houses without central heating or efficient insulation. They subsequently may have poorer health which puts strain on the health service.

In-work poverty is also an increasing problem. Many are not receiving benefits and are therefore excluded from current schemes.

Homes in rural areas (off-gas) should be prioritised for support. Fuel poverty is more prevalent in rural areas such as Gwynedd and Ceredigion, therefore, programmes should include a focus on bridging this gap.

As well as looking at the types of homes that are to be supported, a fuel poverty programme will also be more effective were it to look at a whole house, fabric first approach. Some of our members have stated that the current funding can often look to lower cost measures in order to spread the funding as widely as possible. A more effective programme would look to retrofit homes with a deeper package of measures, offering insulation and renewable heating systems. Improving the energy efficiency to EPC A or B is much more likely to keep a home warmer and reduce heating bills. This can lift a householder out of fuel poverty rather than reduce the depth or extent of the poverty.

### **Your experience of working alongside local authorities, particularly the capacity of local authorities to deliver Arbed 2**

Clwyd Alyn have worked well with Flintshire Local Authority. This long standing relationship is growing and increasingly working on including combined procurement. Work with other local authorities has been minimal and more effort by both parties are needed.

Trivallis has partnered with the local authority to deliver Arbed funding in areas of low income and difficult to treat homes. Working in partnership has allowed Trivallis to achieve higher levels of outcomes than could be achieved working in isolation, by maximising investment locally.

It has been stated that local authorities can be mixed and varied in performance on any project and programme activity.

### **Your views on social housing tenants being included in a new iteration of the Warm Homes Programme**

We recognise that the programme should target the 'worst-first' and that the owner occupied and private rented sectors have higher proportions of inefficient properties and householders living in fuel poverty. However the latest estimates show that 9% of social housing tenants are living in fuel poverty, and with the recent energy crisis it is likely that this number will have increased. CHC would like to see the Welsh Government support housing associations to retrofit homes to high energy efficiency standards. All housing associations are ambitious to reach net-zero targets and this ambition must be met with the right investment in order to do so.

Retrofitting homes to EPC A standards which includes renewable heating technologies and sufficient insulation has the best chance of lifting a householder out of fuel poverty, as their energy bills can be greatly reduced.

High energy costs and low incomes are also a causal factor of fuel poverty, and although some housing associations provide income maximisation and energy advice to tenants, we believe social housing tenants should also be able to access advice offered under the Welsh Government's Warm Homes Programme, just as the Nest phone line is currently open to all, irrespective of tenure.

It will be vital that the Warm Homes Programme and social sector decarbonisation programmes align. Skills and supply chain challenges exist which will need to be addressed for both programmes to be successful.

**Our recommendation/insight:** Investment into the energy efficiency of social homes will go part of the way to tackling fuel poverty. Housing associations and their tenants would also welcome support that can maximise income.

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