

WLGA CONSULTATION RESPONSE: 'Fuel poverty and the Warm Homes programme' 21st March 2022

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and three fire and rescue authorities are associate members.
2. The WLGA is a politically led cross-party organisation, with the leaders from all local authorities determining policy through the Executive Board and the wider WLGA Council. The WLGA also appoints senior members as Spokespersons and Deputy Spokespersons to provide a national lead on policy matters on behalf of local government.
3. The WLGA works closely with and is often advised by professional advisors and professional associations from local government, however, the WLGA is the representative body for local government and provides the collective, political voice of local government in Wales.

General Points and comments

4. WLGA welcomes the opportunity to contribute to the inquiry into fuel poverty and the Warm Homes programme by the Equality and Social Justice Committee.
5. The original invitation to comment referred explicitly to lessons learned from the Warm Homes programme and how these lessons could help shape the next iteration of the programme.
6. Under the WG Warm Homes programme, the Nest scheme has been managed on behalf of the Welsh Government by British Gas, with Energy Saving Trust acting as a subcontractor. Unlike the previous phases of Arbed (where LAs were more involved) Arbed 3 (now closed) was delivered through a single Scheme Manager (Arbed am Byth). They worked pan-Wales, albeit with some input from LAs to help develop local area-based schemes (the extent of involvement varying across LAs, with some having minimal involvement).

7. Given the arrangements set out in the previous paragraph there is limited recent knowledge of the programme in local authorities or in WLGA. That was why WLGA initially explained we were not in a position to report authoritatively on lessons learned. However, in light of follow-up correspondence and conversations, we understand that it would still be useful for the committee to have some more general comments about the issues being considered. These are provided below against each of the questions.

Brief comments on the questions

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

8. Audit Wales (AW) recently undertook a study of this (<https://www.wao.gov.uk/news/welsh-governments-warm-homes-programme-needs-be-greener-clearer-and-more-tightly-managed>), which the committee has no doubt already reviewed.
9. A key point made in that report is the need for future interventions to be developed with clear decarbonisation objectives, given the previous schemes' dependence on gas boilers. This is important in terms of 'future proofing'. Although the AW report says that this: "*... is more likely to mean more use of measures such as air source heat pumps...*" (page 14) these are not without their own challenges and they may not be suitable for all types of property. As well as their higher cost than gas boilers, there are space, planning, insulation and energy supply requirements that have to be met and there can be serious disruption to the internal fabric of buildings, with new pipework and radiators often necessary. The temperatures that can be achieved may not always be high enough, especially for some vulnerable households likely to be supported by the programme. They should not, therefore, be regarded as a panacea.
10. Energy efficiency work remains vitally important, and the new Energy Company Obligation (ECO) programme will need to be rolled out in complementary ways.

Do rural local authorities feel that Arbed was fit for purpose for them?

11. Arbed was a spatially targeted, area-based initiative. Welsh Index of Multiple Deprivation (WIMD) data were used to help determine areas to target. Given the dispersed population found in rural areas, the methodology is not suited to picking up cases of fuel poverty affecting isolated rural households.
12. A Welsh Government statistical article on the WIMD noted: "*any pockets of deprivation in rural areas tend to be on a considerably smaller scale than even the small-scale geography at which WIMD is produced, and so their contribution to averages in these*

*areas tends to be submerged by larger-scale, less-deprived populations”.*¹

13. In 2021 the WLGA Rural Forum (comprising the nine most rural LAs in Wales) produced a vision and manifesto for Rural Wales (<https://www.wlga.wales/wlga-rural-wales-manifesto>). The Manifesto called for improvements in rural infrastructure including grid capacity. The detailed evidence base produced to support the manifesto² pointed out that over 90,000 households in rural Wales rely on oil central heating, including some that are not connected to the mains gas or electricity grids (p.79). It identified the need “to develop zero carbon heating for off-grid properties, to invest in hydrogen fuelled pilot projects for both new build and retrofit rural homes”.
14. Clearly, major infrastructural improvements are sought by rural authorities alongside programmes such as Warm Homes.

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?

In particular:

- **what should the eligibility criteria for home energy efficiency measures be**
 - **should the area-based approach to tackling fuel poverty (Arbed) continue**
 - **what specific support should be made available to meet the challenges associated with rural fuel poverty?**
15. WLGA gave evidence to the former Climate Change, Environment and Rural Affairs Committee back in 2019/20. The point was made then that schemes aimed at tackling fuel poverty: “*need to be looked at holistically and aligned with those relating to energy efficiency, as well as more widely to public health and economic policy*”. Eligibility criteria should be designed accordingly. Delivery/procurement of installation services should seek to take a ‘social value’ approach, to maximise wider community and social benefits as well as environmental. The proposals in the Labour:Plaid Cymru Co-operation Agreement for *Unnos – Land and Housing Wales* may be relevant in this respect as retrofit work has been identified as being within their scope, alongside plans to develop the local supply chain.
 16. Eligibility criteria based solely on *individuals’* personal circumstances give no guarantee that the most energy inefficient *buildings* will be addressed first. Indeed, in this respect the AW report noted that although support for people living in social housing could have been provided under Warm Homes, neither Welsh Government nor the scheme manager expected social housing to be targeted. It was a requirement that necessary investment by social landlords (housing associations and LAs) should

¹ [Welsh Index of Multiple Deprivation 2014: A guide to analysing deprivation in rural areas \(gov.wales\)](https://gov.wales/welsh-index-of-multiple-deprivation-2014)

² <https://www.wlga.wales/SharedFiles/Download.aspx?pageid=62&mid=665&fileid=2980>

not be replaced by funding from the scheme.

17. Overall, local Councils are ideally placed to identify which of their communities would most benefit from area-based interventions and how such interventions would align with other activities, such as broader regeneration work going on, or planned, within communities.
18. Area-based approaches have distinct advantages as housing stock is often of a similar nature and vintage, with similar problems. Also, mobilisation of contractors is more efficient, with the ability to focus work and benefit from economies of scale. However, this should not be at the expense of being able to identify more isolated pockets of need where the cases can be just as acute, if not more so. The criteria should be sufficiently flexible to allow for this. Due to councils' extensive reach across a range of services (e.g. domiciliary care) they can be well-placed to help identify needy cases.
19. In relation to support to tackle rural poverty, the comments above in paras 13-14 apply.

What role can local authorities play in tackling fuel poverty?

20. As noted above, LAs have a wide range of service interfaces with their communities as well as having locally elected ward members who are aware of local issues and difficulties faced by residents. This places them in a strong position to help identify areas of need.
21. As half of LAs have retained their own housing stock, they can also play a direct role by ensuring that their housing has high standards of energy efficiency, and uses renewable energy generation where possible to help reduce ongoing costs (e.g. solar panel installations on south facing roofs).
22. LA regulation of private sector landlords is another potential route to offer advice on energy saving measures and to step in and enforce where conditions are unacceptable (e.g. repairs to heating equipment; repairs).
23. LAs also work closely with the voluntary sector in their areas and many of these organisations can work in partnership to help address fuel poverty (e.g. CABx advice services, Care and Repair).

How can private sector landlords be encouraged to tackle fuel poverty amongst tenants, and what role can local authorities play in working with private sector landlords going forward?

24. As well as the regulatory requirements set out by the Minimum Energy Efficiency Standards and the Fitness for human habitation provisions of the Renting Homes Act, due to be implemented later this year, private sector landlords need easy access to trustworthy and credible advice around the improvements that they can make to improve the energy efficiency of the homes that they provide, and to any financial and other support that may be available to achieving these improvements.

How can any successor scheme(s) better advance equality and social justice considerations?

25. Where support is provided to households most in need of assistance there is an inherent contribution to efforts at improving equality and social justice.
26. The Energy Saving Trust administers the Energy Industry Voluntary Redress Scheme (ERS). The scheme is funded by payments from energy companies who have been fined for breaching rules. The ERS aims to *'support energy consumers in vulnerable situations and deliver benefits to the types of consumers that were negatively impacted by the specific issues that triggered the redress payment'*. Applications to the scheme are open to third sector organisations only, although there are opportunities for local authorities to partner with organisations to deliver shared outcomes.
27. There have been a number of successful applications to the ERS made in Wales but there is need to raise awareness and achieve greater engagement with the scheme, with strong potential to link to the Warm Homes successor programme.

How should local authorities be involved in the next iteration of the Warm Homes Programme?

28. Early engagement with LAs to discuss proposals and consider ways they LAs can contribute will be important. Depending on how Welsh Government plans to take the new programme forward, that could be limited to helping to identify areas of need or it could involve a more 'hands-on' approach to delivery and oversight. Welsh Government officials leading on this work are attending a WLGA Environment Directors meeting in early April, which will provide a welcome opportunity to exchange views.
29. There are major labour market and skills issues affecting a wide range of council technical services at present. Additional resources and long-term funding

commitments (to allow dedicated posts) will be essential if they are expected to play a meaningful role, rather than simply, and unrealistically, being expected to contribute 'on top of the day job'.

How can the Welsh Government ensure that the next iteration of the Warm Homes Programme better aligns with its efforts to decarbonise Welsh housing?

30. Any further iteration should reflect the measures and metrics set out in the next version of Wales Housing Quality Standards for social housing, which are currently being developed. This will ensure a coherent and complementary approach to decarbonisation and tackling fuel poverty across housing tenures. The ongoing lessons being learned from the Welsh Government's Optimised Retrofit Programme also offer opportunities to ensure better alignment with decarbonisation activities.

FOR FURTHER INFORMATION PLEASE CONTACT

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