

[Received via email]

Dear Equality & Social Justice Committee,

As you will know, the Senedd will debate the Welsh Government's final budget for 2025/26 on Tuesday 6 March. The Warm Homes Programme budget is increasing by only £2.5m to £37.5m for the upcoming year due to underspend from 2024/25. Please find some key points below Members may wish to consider ahead of the debate.

If you have any questions, please do not hesitate to contact us.

Best wishes,

Maisie

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- Fuel poverty continues to be a deep and wide issue in Wales, with the Welsh Government estimating that virtually all (up to 98%) of our lower income households could be living in fuel poverty in 2022. During this time, energy prices were around £2,000 per year.
  - On Tuesday 25 February, Ofgem announced a third consecutive rise in energy prices to £1,849 for the average GB consumer from 1 April 2025. As ever, Wales continues to face higher rates. On average, those in north Wales will pay £1,947 and £1,873 in south, making north Wales THE most expensive region across GB and south Wales the third. We are now very close to the prices that were used to calculate the Welsh Government's fuel poverty estimates in 2022 (especially when you also factor in [Ofgem's change](#) in the way it since calculates the price cap).
  - A [nationally representative survey](#) by National Energy Action Cymru and YouGov carried out in January 2025 and published this week found that only **38% of adults in Wales say they have been able to comfortably afford their heating bill in the last three months without needing to ration usage or make cuts elsewhere** while

**over half (56%) say they expect to ration their usage in the coming three months.**

- There **remains an urgent need to significantly boost investment in the Warm Homes Programme**, the Welsh Government’s flagship programme to tackle fuel poverty, to improve the energy efficiency of our homes. The cheapest energy is the energy we do not use. Reducing needless energy waste will help to reduce energy bills and provide people with warm, healthy homes, year after year.
- Despite the ongoing urgent need, funding for the Warm Home Programme remains largely stagnant, with a budget of £37.5m for 2025-26, including £2.5m slippage carried over from the previous year.
- Investment in the Programme has remained largely unchanged over the last few years, particularly when considering inflation (e.g., £27m in 2021 is thought to be equivalent to around £32m today):

<b>Budget year</b>	<b>Investment into Warm Homes Programme</b>
2021-2022	£27m
2022-2023	£30m
2023-2024	£35m
2024-2025	£35m
2025-2026	£37.5m (incl. £2.5m slippage)

- The Programme’s current rate of delivery is just over 1,600 homes per year, meaning – as NEA and the Bevan Foundation highlighted in a joint briefing back in December 2023 - it will take well over a century to improve the energy efficiency of the homes of all our lower-income households currently estimated to be in fuel poverty. The current investment in the scheme is evidently not sufficient to meet need or targets.
- To meet its targets outlined in the *Tackling Fuel Poverty 2021 – 2035* plan to dramatically reduce fuel poverty and eradicate severe fuel poverty as far as it reasonably practicable, as well as reduce carbon emissions and ensure a fair and affordable transition to net zero, it is vital that the Welsh Government significantly increases funding for the Programme.

- National Energy Action has been urging the Welsh government to significantly increase the funding of the Programme, including by utilising funds from the UK Government's Warm Homes Plan, which is set to invest £3.4 billion over three years and will potentially yield around £170m in consequential for Wales.

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**National Energy Action (NEA) [nea.org.uk](http://nea.org.uk)**



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