

**EXPLANATORY MEMORANDUM TO THE HOME ENERGY EFFICIENCY SCHEMES
(WALES) (AMENDMENT) REGULATIONS 2013**

This Explanatory Memorandum has been prepared by the People and Environment Division and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Home Energy Efficiency Schemes (Wales) (Amendment) Regulations 2013.

Alun Davies AM
Minister for Natural Resources and Food
31 October 2013

1. Description

This Statutory Instrument makes provision for householders who are eligible for a package of home energy improvements under the existing eligibility criteria for the Nest Scheme to continue to be eligible for support when they are transferred to Universal Credit. The Statutory Instrument also makes provision for the change from Council Tax Benefit to Council Tax Reduction schemes and for shared-equity properties to be treated as privately owned properties and therefore included in the eligibility criteria for a Nest home energy improvement package.

2. Matters of special interest to the Constitutional and Legislative Affairs Committee

None.

3. Legislative background

Section 15 (1) of the 1990 Social Security Act (as amended by section 142 of the Housing Grants, Construction and Regeneration Act 1996) provides that the Secretary of State may make, or arrange for the making of, grants towards the cost of work or advice to improve thermal insulation or otherwise to reduce or prevent energy wastage in dwellings. The Secretary of State's functions under this provision were made exercisable, in relation to Wales, by the Assembly concurrently with the Secretary of State by article 2 of, and Schedule 1 to, the National Assembly for Wales (Transfer of Functions) Order 1999. They are now exercisable in relation to Wales by the Welsh Ministers concurrently with the Secretary of State, by virtue of section 162 of, and Schedule 11 paragraph 30 to, the Government of Wales Act 2006.

The instrument is subject to the negative resolution procedure.

4. Purpose & intended effect of the legislation

The purpose of the amended Regulations is to ensure that individuals who are currently eligible to apply for a Nest energy improvement package are not excluded from applying for support as a result of Welfare Reform and changes to Council Tax Benefit. The only exception is recipients of the Second Adult Rebate (SAR). SAR has been removed in Wales and individuals who previously received SAR will not be eligible for a Nest energy improvement package unless they are in receipt of another qualifying benefit. The changes to the classification of shared-equity properties as privately owned homes ensures that householders who are responsible for maintaining their property, and do not benefit from funding available to improve social housing through the Welsh Housing Quality Standards (WHQS), can be considered for a home energy improvement package under Nest, if they meet the full eligibility criteria.

The amendment Regulations:

- enable an individual who is transferred from an existing eligible benefit to Universal Credit, and who also lives in a privately owned or privately rented property that has an Energy Performance Certificate (EPC) rating of F or G, to be eligible to apply for a package of home energy improvements;

- enable an individual who is eligible for a Council Tax Reduction scheme and who also lives in a privately owned or privately rented property that has an Energy Performance Certificate (EPC) rating of F or G, to be eligible to apply for a package of home energy improvements;
- enable an individual who lives in a shared equity property that has an Energy Performance Certificate (EPC) rating of F or G, and who is also in receipt of a qualifying benefit, to be eligible to apply for a package of home energy improvements;
- make transitional arrangements to ensure that applicants who would be eligible for the energy improvement package, but applied to the scheme prior to the Regulations coming into force, can still be considered for an energy improvement package if works have yet to be determined.

Nest is the Welsh Government's demand-led fuel poverty scheme. Householders who are struggling to pay their energy bills can contact the scheme to access a range of advice and support. Advice is available all householders and a referral for a package of free home energy improvements is available to householders who are in receipt of a qualifying means-tested benefit and who live in a privately owned or privately rented home that is very energy inefficient (EPC rating of F or G). Energy improvements can include a new boiler, central heating, insulation or renewable technology. Qualifying benefits are set out in *The Home Energy Efficiency Schemes (Wales) Regulations 2011*.

Householders who are in receipt of a means-tested benefit are more likely to be on a low income and at risk of fuel poverty. It is therefore important that low income householders who are awarded Universal Credit or Council Tax Reduction are able to apply to Nest for energy improvements that can help them reduce their fuel bills (if they meet the full qualifying criteria).

5. Consultation

The amendments are technical changes only so no consultation has been undertaken.

6. Regulatory Impact Assessment (RIA)

There has been no regulatory impact assessment undertaken as the amendments to the regulations are technical changes only.