

Tackling fuel poverty 2020-2035

CIH Cymru consultation response

This is a response to the consultation by the Welsh Government focussing on tackling fuel poverty 2020-2035.

Introduction

Fuel poverty continues to be a substantial challenge in Wales having a wide Ranging impact on individuals and communities. Housing professionals and the Housing sector more broadly are in an influential position in addressing the impact and working to reduce and eradicate fuel poverty. Significant progress has been achieved through working toward the Welsh Housing Quality Standard in addressing the fuel efficiency of current homes and the Innovative Housing Programme as a means to test new ways to reduce the carbon footprint of delivering and maintaining newer forms of housing.

Data in on the issue of fuel poverty reflects that:

- 155,000 households were living in fuel poverty. This is equivalent to 12% of all households in Wales.
- Households living in the private rented sector were more likely to be fuel poor with 20% of these households living in fuel poverty.
- 50% of those living in fuel poverty were single person households without children.
- Households living in older properties are more likely to be fuel poor. 20% of households living in pre-1919 dwellings were fuel poor.
- 21% of households living in properties with uninsulated solid walls were fuel poor and 39% of people living in properties that do not have central heating were fuel poor.
- 43% of households living in properties with poorer energy efficiency (EPC Bands F and G) were fuel poor compared to 5% of households living in properties in bands B to C.

Whilst these figures are clearly significant and reflect the importance of Maintaining and accelerating momentum in this area, the percentage of people

living in severe fuel poverty has fallen to 2 per cent of all households, having been at around 5 per cent of all households in 2008.

Despite this, fuel poverty is one of the driving forces perpetuating the difficult decisions individuals and families in these circumstances have to make between heating, eating or paying rent.

We have provided responses to the questions that correspond with our own expertise and reflect the work of our members in Wales.

Question 1: The Welsh Government proposes to deliver 10 actions over the next two years as part of our efforts to tackle fuel poverty. Are you aware of additional actions the Welsh Government could take, which could contribute to our efforts to reduce fuel poverty in the next two years?

The 10 actions outlined represent a common-sense approach to making strides in both understanding and taking action on fuel poverty. It is welcome that the plan has heavily reflected on the reports of the Senedd's Climate Change, Environment and Rural Affairs committee in addition to the work of the Wales Audit Office.

As an organisation working with housing professionals across housing associations, local authorities and the private rented sector we understand the need to ensure that a whole-housing system approach is considered when addressing an issue of this kind. To that end, we welcome measures outlined in the plan that will support private landlords who in particular may struggle to invest sufficiently in their homes to reduce the impact of and help eradicate fuel poverty.

We are concerned however that the actions do not give clear consideration to social housing. Whilst the Welsh Housing Conditions Survey does clearly highlight the extent to which there is quality in the fuel efficiency of social housing (which the strategy recognises) there is a risk that the plan camouflages the true extent of the issue and longer-term challenge in the social/affordable housing sector.

The Better Homes Better World Better Wales report highlighted that energy consumption required a transformative change if we are to see the desired decarbonisation of our existing homes. Further to this the report highlights that

the cost of upgrading those homes in fuel poverty and social housing alone would be around £1bn per annum over the next decade.

This funding challenge is compounded by the need to accelerate the delivery of homes at the cutting edge of sustainability and efficiency, using limited grant funding. And without the infrastructure to deliver homes in this way with the economies of scale and effective competition in the market needed the ability to focus resource elsewhere is also impacted. Whilst this is a clear challenge for housing associations, the issue is magnified further for stock retaining local authorities who are likely to own older, less efficient homes that require greater investment and remodelling.

We would also encourage clearer links with the work of the Review of Affordable Housing Supply in Wales. The review has set the tone for the next evolution of providing affordable housing in Wales. We believe that any strategy linked to this area should show an awareness of and sensibly link to relevant aspects of the review's implementation. In the context of fuel poverty, we feel these areas should include:

- Housing standards and DQR being utilised across section 106 agreements for affordable housing
- Accelerating the use and impact of modern methods of construction to meet immediate housing demand with homes that are energy efficient and high quality
- Prioritising social homes and those in fuel poverty for investment in the immediate 10-year period in relation to retrofitting and improvement activity
- The future of the dowry and major repairs allowance for stock transfer housing associations and stock-retaining local authorities

Question 2: The Welsh Government is proposing to maintain the definition of fuel poverty established in the Warm Homes and Energy Conservation Act 2000 in relation to Wales. Do you think this is appropriate or are you aware of a more appropriate definition to be used in relation to Wales, and if so, why?

We support calls by a number of organisations working this area, including the Energy Saving Trust to re-consider the definition of fuel poverty in Wales, mirroring the approach now taken in Scotland. The current definition considers anyone who spends over ten per cent of their income on heating their home as 'fuel poor'. The Scottish model is more refined in its approach considering people to be in fuel poverty who are on both low incomes and spend a high proportion of their income on heating their home.

Question 3: The WAO suggested the Welsh Government should clearly set out whether, and if so how, it will support fuel poor households who are not eligible for Nest and do not live in an area covered by Arbed. We believe expanding our current programmes to deliver support people living on lower incomes, not necessarily on means tested benefits, is appropriate. Is the lower income definition proposed in this plan an appropriate level to target support, or should the threshold be set at a different level?

We welcome and support this expansion of the definition.

Question 4: The Welsh Government proposes to amend the definition of a home vulnerable to being "at risk" of living in fuel poverty to include homes with single occupants aged under 25 years of age. Do you agree young people living alone should be included in this definition, or should the definition in the 2010 Strategy be retained?

We are supportive of the inclusion of young single occupants under 25 years of age within the definition. We would encourage a clearer vision within the strategy regarding how data and analysis can be produced to better understand the drivers focussing the impact of fuel poverty on young people who fall within this

category. Further to this we would be keen to see greater consideration given to modelling that reflects how fuel poverty could change over both the short, medium and long-term lifespan of the strategy and the impact this could have on different groups in society, with a particular focus on people with protected characteristics.

Question 5: The Welsh Government proposes to maintain the current measures of fuel poverty used in relation to Wales, adding the measure of 8% to measure homes “at risk” of fuel poverty and a measure of persistent fuel poverty as being fuel poor for two out of the last three years. Do you consider these measures to be appropriate for measuring fuel poverty in Wales or should alternative measures be developed?

We echo our answer to question 2 where we have stated that we would support a different definition and therefore measure of fuel poverty. On the point of measuring homes most “at risk” of fuel poverty and those in persistent fuel poverty we support these additions in principle. We believe further clarity is needed to understand how people who frequently fall in and out of being at risk would be captured by the definition.

Question 6: Do you think the reduction in KWh is a more effective measure for improving home energy efficiency in homes experiencing fuel poverty, or should the current EPC modelled estimates be retained as a measure of success?

Research by the Welsh School of Architecture subsequently used to inform the independent review of decarbonising Welsh homes suggests that the approach needs to take a more granular approach. For example, whilst we have some understanding of the efficiency of homes through EPC ratings, the Welsh Housing Conditions Survey and the WSAs own research, this does not lead to a straight forward leap to an effective policy intervention. The energy consumption of homes, household behaviour all have a bearing and each of Wales’s 1.4million homes need to be considered individually. In Wales 80 per cent of all homes are owner-occupier or in the private rented sector and real work is needed to ensure

intervention are targeted effectively, and suitably attractive to ensure homeowners and landlords feel there is a clear case for taking action.

The research suggests a Log Book for homes could go some way toward gathering data on some of the detail above that could help inform a central database that builds a much more detailed picture of how interventions could be targeted at decarbonising homes in Wales.

Add to that we would support an approach that gives importance to both modelling, but also the gathering and consideration of qualitative evidence from households who under the strategy may be considered most at risk, to gain greater insights that could enhance our understanding of the data at hand.

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Contact: matthew.kennedy@cih.org (policy and public affairs manager)

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