

Public Policy Statement

Fuel poverty

November 2021

Summary

Fuel poverty estimates for Wales, based on 2018 data, report that 155,000 households in Wales were living in fuel poverty. This is equivalent to 12% of all households in Wales.¹ To tackle fuel poverty effectively, Welsh Government must provide updated estimates on fuel poverty and updated data on housing stock quality for Wales.

Older people are the group most likely to suffer from fuel poverty, where having to spend a disproportionate amount on fuel takes money away from other essentials. A contributing factor is that older people tend to live in older, energy inefficient properties.

Older people, defined as being aged 60 and over, are at greater risk of avoidable ill health and premature death from living in a cold home. Often living on fixed incomes, investing in homes to improve home energy efficiency runs the risk of undermining longer term financial resilience and ability to live independently for longer.²

There are three main factors which influence whether a household will be in fuel poverty: income, energy prices and the energy efficiency of their property. The first two factors are controlled by the UK Government, whilst the third is within the powers of the Welsh Government, however all three must be addressed in order to tackle fuel poverty effectively.

It is vitally important to ensure that our older population stays warm and well throughout the harsh winter months. Action is needed for the winter, especially in light of the Covid-19 pandemic, to ensure that people can keep warm and well, and it is important that Welsh Government publishes and implements its Cold weather resilience plan.

The level of the energy price cap increased on 1 October 2021. Higher energy costs are challenging for consumers, and the timing and size of this increase will be particularly difficult for many families still struggling with the impact of the Covid-19 pandemic.³

¹ Statistics Wales (2019) Fuel poverty estimates for Wales, 2018: revised. Statistical Bulletin. 13/12/2019. <https://gov.wales/sites/default/files/statistics-and-research/2019-12/fuel-poverty-estimates-wales-2018.pdf>

² Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

³ Ofgem Consumer Protection Report: Autumn 2021 https://www.ofgem.gov.uk/sites/default/files/2021-10/Ofgem%20Consumer%20Protection%20Report%20Autumn%202021_Final.pdf

We believe that Ofgem should actively monitor price differentials between tariffs and payment methods for energy to ensure they accurately reflect costs. Welsh Government must use its influence to ensure that the UK Government, energy regulator and energy companies consider and meet the needs of people living in Wales, as stated in its new Tackling Fuel Poverty Plan.

Welsh Government's Tackling Fuel Poverty Plan⁴ sets out four policy goals, namely: Identify, Prioritise and Protect, Decarbonise, and Influence, which involve proactively identifying people who are in, or at risk of being in, fuel poverty; a 'worst-first' approach to prioritise lower income households most in need of support; and a 'fabric first' approach to the installation of home energy efficiency measures.

Age Cymru welcomes Welsh Government's commitment in its new Plan to tackle fuel poverty in Wales, and it is important that interim targets are published in its Plan to benchmark and assess progress in tackling fuel poverty.

Welsh Government's continued commitment in investing in the Warm Homes Programme is extremely welcome. The Warm Homes Programme Nest Scheme will remain in operation until at least March 2023,⁵ and Welsh Government will be consulting on proposals for the next iteration of the Warm Homes Programme later in 2021, with the new Programme expected to come into effect from spring 2023.

In October 2021, Welsh Government published its Net Zero Wales plan.⁶ Housing is one of Wales' biggest emitters, accounting for 9% of all greenhouse gas emissions.⁷ Welsh Government recognises the schemes to improve home energy efficiency and reduce fuel poverty can make a contribution to housing decarbonisation in support of this statutory target.⁸ Decarbonisation measures for homes will include the phasing out of gas and oil fired boilers and retrofit measures to reduce heat loss from homes.

We believe that Welsh Government should undertake equality impact assessments to ensure that low income and vulnerable households are not disproportionately affected financially by the decarbonisation of the existing housing stock, to ensure a fair transition for older consumers as we move towards net zero.

Public policy proposals

- Welsh Government must provide updated estimates on fuel poverty and updated data on housing stock quality for Wales.

⁴ Welsh Government (2021) Tackling fuel poverty 2021 - 2035. <https://gov.wales/tackling-fuel-poverty-2021-2035-html>

⁵ Senedd Cymru (2021) The Record. Answer to a written question tabled on 18/10/2121, answered on 26/10/2021 [Written Question - WQ83611 - Welsh Parliament \(senedd.wales\)](https://www.senedd.wales/Written-Question-WQ83611-Welsh-Parliament-senedd.wales)

⁶ Welsh Government (2021) Net Zero Wales Carbon Budget 2 (2021-2025) [Net Zero Wales Carbon Budget 2 \(2021 to 2025\)](https://gov.wales/net-zero-wales-carbon-budget-2-2021-to-2025)

⁷ Welsh Government (2021) Statement by the Deputy Minister for Climate Change: £150m for insulation, clean energy and carbon reduction in social homes. [£150m for insulation, clean energy and carbon reduction in social homes \(gov.wales\)](https://gov.wales/150m-for-insulation-clean-energy-and-carbon-reduction-in-social-homes)

⁸ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

- Local authorities and other support services should use housing stock data to identify homes that could benefit from energy efficiency measures and signpost to fuel poverty schemes.
- Welsh Government must publish and implement its Cold weather resilience plan.
- Ofgem should actively monitor price differentials between tariffs and payment methods for energy to ensure they accurately reflect costs.
- Welsh Government must use its influence to ensure that the UK Government, Energy Regulator and energy companies consider and meet the needs of people living in Wales, as stated in its Tackling Fuel Poverty Plan.
- The UK Government must maintain its commitment to the Cold Weather Payment, the Warm Home Discount and Winter Fuel Payments until the energy efficiency of homes is radically improved.
- Public services should be proactive in informing older people when they become eligible for entitlements, and the communication of such information must be fully accessible, both online and offline.
- Welsh Government must publish interim targets in its Tackling Fuel Poverty Plan to benchmark and assess progress in tackling fuel poverty. These targets should be measurable and time-bound, and accompanied by a detailed delivery plan.
- Welsh Government must continue to closely monitor the take-up and impact of Nest.
- Welsh Government must publish an evaluation of the new Warm Homes pilot scheme operating in Ceredigion and Gwynedd with reference as to how advice and support services should be provided in the future.
- Welsh Government should undertake equality impact assessments to ensure that low income and vulnerable households are not disproportionately affected financially by the decarbonisation of the existing housing stock, to ensure a fair transition for older consumers as we move towards net zero.

Fuel poverty

This policy statement covers:

- The scale of fuel poverty in Wales
- Energy prices
- Welsh Government's Tackling Fuel Poverty Plan
- Welsh Government's Warm Homes Programme
- Decarbonisation of homes and net zero

Note: Broader financial issues are covered in Age Cymru's Income and Finances policy statement.

Public policy proposals

The scale of fuel poverty in Wales

In Wales, a household is defined as being in fuel poverty if they would have to spend more than 10% of their income on maintaining a satisfactory heating regime. Any household having to spend more than 20% is defined as being in severe fuel poverty.⁹

There are three main factors which influence whether a household will be in fuel poverty: income, energy prices and the energy efficiency of their property. The first two factors are controlled by the UK Government, whilst the third is within the powers of the Welsh Government, however all three must be addressed in order to tackle fuel poverty effectively. We believe more must be done by both the Welsh and UK Governments to take people out of fuel poverty and support those struggling to adequately heat their homes.

Despite the recent fall in levels of fuel poverty in Wales, it remains a significant problem. The most recent fuel poverty estimates for Wales by Welsh Government, report:¹⁰

- 155,000 households in Wales were living in fuel poverty. This is equivalent to 12% of all households in Wales
- Of these households, 32,000 were living in severe fuel poverty, equivalent to 2% of households
- Households in fuel poverty in 2018 were dominated by pensioner households and single person households. The single pensioner (without children) group was the most common household type among all fuel poor households (29%)
- Households in fuel poverty are generally older. Of all fuel poor households, 26% contained a Household Reference Person (HRP) aged over 75 and 43% contained an HRP aged 65 or over
- Households living in the private rented sector were more likely to be fuel poor with 20% of these households living in fuel poverty
- Households living in older properties are more likely to be fuel poor. 20% of households living in pre-1919 dwellings were fuel poor

⁹ Statistics Wales (2019) Fuel poverty estimates for Wales, 2018: revised. Statistical Bulletin. 13/12/2019. <https://gov.wales/sites/default/files/statistics-and-research/2019-12/fuel-poverty-estimates-wales-2018.pdf>

¹⁰ Ibid.

- 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.

Fuel poverty is also prevalent amongst older people who live in older, energy inefficient properties or rural areas away from the gas network. Domestic energy is more expensive for homes not supplied by the national gas grid. Homes in off gas grid areas rely primarily on electricity, heating oil or liquid petroleum gas (LPG).¹¹

To tackle fuel poverty effectively, Welsh Government must provide updated estimates on fuel poverty and updated data on housing stock quality for Wales. Local authorities and other support services would be able to use this information to identify which of their clients' homes could benefit from energy efficiency measures and use it to signpost to fuel poverty schemes.

Older people are the group most likely to suffer from fuel poverty, where having to spend a disproportionate amount on fuel takes money away from other essentials. A contributing factor is that older people tend to live in older, energy inefficient properties. Wales has the oldest and least thermally efficient housing stock in Europe and older people are more likely to experience poor health as a result of poor housing.¹²

Poor quality housing can create a risk to health and exacerbate long term health conditions and many older people struggle to afford to repair or improve homes they live in.¹³

Older people, defined as being aged 60 and over, are at greater risk of avoidable ill health and premature death from living in a cold home. Often living on fixed incomes, investing in homes to improve home energy efficiency runs the risk of undermining longer term financial resilience and ability to live independently for longer.¹⁴

The Office for National Statistics reported that there were an estimated 2,000 excess winter deaths during 2019/20 in Wales. The report, which excludes deaths related to Covid-19, states respiratory diseases continue to be the main cause of excess winter deaths.¹⁵

It is vitally important to ensure that our older population stays warm and well throughout the harsh winter months. Welsh Government's Tackling Fuel Poverty Plan requires Welsh Government to prepare, publish and keep under review a winter, or cold weather resilience

¹¹ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

¹² Age Cymru (2020) EnvisAGE Issue 14: A spotlight on the financial inclusion of older people. Article by Matthew Brindley, Care & Repair Cymru: Improving homes and changing lives for older people in Wales. [Age Cymru | EnvisAGE \(ageuk.org.uk\)](https://www.ageuk.org.uk/cymru/envisage/)

¹³ Welsh Government (2021) Age friendly wales: our strategy for an ageing society. <https://gov.wales/age-friendly-wales-our-strategy-ageing-society.html>

¹⁴ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

¹⁵ Office for National Statistics (2020) Excess winter mortality in England and Wales: 2019 to 2020 (provisional) and 2018 to 2019 (final). November 2020. [Excess winter mortality in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/health-and-life-expectancy/winter-mortality/excess-winter-mortality-in-england-and-wales)

plan to further support older people struggling to maintain a satisfactory heating regime at an affordable cost.^{16,17} Welsh Government aims to publish its Cold weather resilience plan on Fuel Poverty Awareness Day on 3 December 2021.¹⁸

Action is needed for the winter to ensure that people can keep warm and well, especially in light of the Covid-19 pandemic, and it is important that Welsh Government's Cold weather resilience plan is published and implemented.

Public policy proposals

- Welsh Government must provide updated estimates on fuel poverty and updated data on housing stock quality for Wales
- Local authorities and other support services should use housing stock data to identify homes that could benefit from energy efficiency measures and signpost to fuel poverty schemes
- Welsh Government must publish and implement its Cold weather resilience plan.

Energy prices

The affordability of energy remains an area requiring particular attention given the direct link that energy prices have to levels of fuel poverty. High prices for domestic energy have frequently made media headlines over recent years, leading to reforms by the UK Government and industry regulator Ofgem. The reforms have tried to make energy bills more affordable and to encourage people to switch suppliers.

Most of the increases over time in levels of supplier switching have been amongst people under the age of 65, and switching levels remain flat amongst people aged 65 and over.¹⁹ Estimated levels of fuel poverty are higher in rural areas, and there is some evidence to suggest older people are less likely to compare the energy market for a better energy deal, which itself is made more difficult as there are fewer suppliers of heating oil and liquid gas in Wales.²⁰ The increase in the price of wholesale gas has led to some energy suppliers to cease trading during 2021, which may affect the switching of energy suppliers by consumers looking for a cheaper tariff.²¹

Not all older people are online and may be digitally excluded from being able to compare the energy market online with a view to switching supplier. Furthermore, not all older people are able to pay their energy bills by direct debit. We believe that Ofgem should actively monitor

¹⁶ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

¹⁷ Welsh Government (2021) [Fuel Poverty Advisory Panel meeting: 17 June 2021 | GOV.WALES](#)

¹⁸ Welsh Government (2021) [Fuel Poverty Advisory Panel meeting: 14 September 2021 \[HTML\] | GOV.WALES](#)

¹⁹ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

²⁰ Ibid.

²¹ Age Cymru (2021) [Age Cymru | Changes to energy prices \(ageuk.org.uk\)](#)

price differentials between tariffs and payment methods for energy to ensure they accurately reflect costs.

Reforms also include the introduction of the energy price cap, which is backstop protection from the UK Government, calculated by Ofgem. The price cap limits the rates a supplier can charge for their default tariffs.²² The energy price cap is reviewed twice a year based on the latest estimated costs of supplying energy.

The level of the energy price cap increased on 1 October 2021 due to higher wholesale gas prices.²³ Higher energy costs are challenging for consumers, and the timing and size of this increase will be particularly difficult for many families still struggling with the impact of the Covid-19 pandemic.²⁴ The price cap is due to be updated next in April 2022.²⁵

It is of vital importance that Welsh Government, as stated in its Tackling Fuel Poverty Plan, uses its influence to ensure that the UK Government, Energy Regulator and energy companies consider and meet the needs of people living in Wales.²⁶

There is some support available to people to help meet their energy bills. Existing UK Government schemes which seek to help address fuel poverty include the Winter Fuel Payment, the Warm Home Discount scheme and the Cold Weather Payment.

The Winter Fuel Payment is an annual one-off payment of between £100 and £300 (2021), paid to all eligible pensioner households to help with the cost of fuel.²⁷ The Warm Home Discount scheme can provide help with energy costs via a one-off discount of £140 (2021) on an electricity bill, for people on a low income.²⁸ Cold Weather Payments, which are triggered by a seven day period of very low temperatures, are paid to older people in receipt of means-tested benefits.

We believe it is vital that the UK Government maintains its commitment to the Cold Weather Payment, the Warm Home Discount and Winter Fuel Payments until the energy efficiency of homes is radically improved.

We believe that more should be done to raise awareness about the take-up of entitlements such as Pension Credit. 80,000 households in Wales that are eligible for Pension Credit are not claiming it.²⁹ Public services should be proactive in informing older people when they become eligible for entitlements, and the communication of such information must be fully

²² Ofgem [Check if the energy price cap affects you | Ofgem](#)

²³ GOV.UK (2021) <https://www.gov.uk/government/news/your-top-5-questions-on-energy-prices-answered>

²⁴ Ofgem Consumer Protection Report: Autumn 2021 https://www.ofgem.gov.uk/sites/default/files/2021-10/Ofgem%20Consumer%20Protection%20Report%20Autumn%202021_Final.pdf

²⁵ GOV.UK (2021) <https://www.gov.uk/government/news/your-top-5-questions-on-energy-prices-answered>

²⁶ Welsh Government (2021) Tackling fuel poverty 2022 - 2035. A plan to support people struggling to meet the cost of their domestic energy needs. <https://gov.wales/tackling-fuel-poverty-2021-2035-html>

²⁷ Age Cymru (2021) Help with heating costs in Wales. Factsheet 1w. September 2021.

²⁸ [Microsoft Word - FS1w - September 2021 \(ageuk.org.uk\)](#)

²⁸ Ibid.

²⁹ Independent Age (2019) Credit where it's due: Ending the £3.5 billion Pension Credit scandal report: 26 June 2019.

accessible, both online and offline. 120,000 pensioners in Wales live in poverty.³⁰ A major issue is that millions of pounds of entitlements go unclaimed each year in Wales - money that could be used to lift older people out of poverty.

Public policy proposals

- Ofgem should actively monitor price differentials between tariffs and payment methods for energy to ensure they accurately reflect costs.
- Welsh Government must use its influence to ensure that the UK Government, Energy Regulator and energy companies consider and meet the needs of people living in Wales, as stated in its Tackling Fuel Poverty Plan
- The UK Government must maintain its commitment to the Cold Weather Payment, the Warm Home Discount and Winter Fuel Payments until the energy efficiency of homes is radically improved.
- Public services should be proactive in informing older people when they become eligible for entitlements, and the communication of such information must be fully accessible, both online and offline.

Welsh Government's Tackling Fuel Poverty Plan

In 2021 Welsh Government published its Tackling Fuel poverty Plan (2021-2035).³¹ The Plan sets out four policy goals, namely: Identify, Prioritise and Protect, Decarbonise, and Influence,³² which involve proactively identifying people who are in, or at risk of being in, fuel poverty; a 'worst-first' approach to prioritise lower income households most in need of support; and a 'fabric first' approach to the installation of home energy efficiency measures. Welsh Government states that it will use its influence to ensure that the UK Government, Energy Regulator and energy companies consider and meet the needs of people living in Wales.³³

Welsh Government has set the following three targets by 2035:³⁴

- No households are estimated to be living in severe or persistent fuel poverty as far as reasonably practicable;
- Not more than 5% of households are estimated to be living in fuel poverty at any one time as far as reasonably practicable;
- The number of all households 'at risk' of falling into fuel poverty will be more than halved based on the 2018 estimate [of fuel poverty].

Age Cymru welcomes Welsh Government's commitment in its new plan to tackle fuel poverty in Wales. Age Cymru is a member of the Fuel Poverty Coalition Cymru (FPCC), which raised the issue that Welsh Government's plan does not currently specify any interim objectives to

³⁰ JRF (2018) Poverty in Wales 2018 <https://www.jrf.org.uk/report/poverty-wales-2018>

³¹ Welsh Government (2021) Tackling fuel poverty 2021 - 2035. <https://gov.wales/tackling-fuel-poverty-2021-2035-html>

³² Ibid.

³³ Ibid.

³⁴ Ibid.

assess progress. Welsh Government has stated that further work has started to assess the level of fuel poverty in Wales in 2021, which will inform interim targets for fuel poverty to be added to the plan.³⁵

We believe it is essential that Welsh Government publishes interim targets in its Fuel Poverty Plan to benchmark and assess progress in tackling fuel poverty. These targets should be measurable and time-bound, and accompanied by a detailed delivery plan.

Public policy proposal

- Welsh Government must publish interim targets in its Tackling Fuel Poverty Plan to benchmark and assess progress in tackling fuel poverty. These targets should be measurable and time-bound, and accompanied by a detailed delivery plan.

Welsh Government's Warm Homes Programme

As at March 2020, investment of more than £366m delivered through the Warm Homes Programme (Nest and Arbed) has improved the energy efficiency of more than 61,400 homes in Wales.³⁶ The Nest scheme provides advice and free home energy efficiency improvements to eligible households across Wales, and the Arbed scheme provided free home energy efficiency improvements in areas most likely to be affected by fuel poverty.³⁷

The Nest Annual Report for 2019/20 shows more than 15,000 householders received energy advice and support, including referrals to third party services such as benefit entitlement checks to maximise their household income.³⁸

In 2019/20, prior to receiving home energy efficiency improvements, 36.3% of households contacting Nest were found to be living in fuel poverty. This included 9.6% of households living in severe fuel poverty. After the installation of home energy efficiency measures, the number of houses in fuel poverty dropped from 26.7% to 16.8%, with households in severe fuel poverty dropping from 9.6% to 5%.³⁹

The Welsh Government's continued commitment to funding the Warm Homes Programme has been extremely welcome.

Investment in the current Warm Homes Programme will continue until March 2023. The new pilot scheme within the programme, designed to explore how advice and support services can be provided in the future, is operating in Ceredigion and Gwynedd, two areas where estimated levels of fuel poverty are highest and the population is older. The Welsh Government is also extending the Health Conditions Nest Scheme Pilot to better support

³⁵ Welsh Government (2021) Age friendly wales: our strategy for an ageing society. <https://gov.wales/age-friendly-wales-our-strategy-ageing-society-html>

³⁶ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

people living on a lower income with a health condition living in a cold home, which increases their risk of avoidable ill health.⁴⁰

The Arbed am Byth scheme ended in November 2021,⁴¹ and Welsh Government will be consulting on proposals for the next iteration of the Warm Homes Programme later in 2021. In the meantime and subject to meeting the eligibility criteria, lower income households in need of home energy efficiency measures can apply to the Warm Homes Programme Nest Scheme, which will remain operation until at least March 2023.⁴² The new Warm Homes Programme is expected to come into effect from spring 2023.⁴³ It is important that the next iteration of the Warm Homes Programme, together with improved advice services and winter resilience planning, continue to improve support to older people.⁴⁴

It is important that Welsh Government publishes an evaluation of the Warm Homes pilot scheme operating in Ceredigion and Gwynedd with reference as to how advice and support services should be provided in the future.

In addition to home energy efficiency improvements delivered through the Warm Homes Programme, Welsh households have benefitted from UK Government investment through the Energy Company Obligation (ECO) Scheme.⁴⁵ Larger energy suppliers have to participate in ECO. Under the scheme, they are required by the UK Government to fund the delivery of heating and energy efficiency measures in people's homes in order to help them reduce their energy usage. They can choose the measures that are most cost effective to install and may fund all or only part of the cost.⁴⁶ The UK Government has committed to extending the ECO scheme until at least 2026. The eligibility rules may change from April 2022, however.⁴⁷

⁴⁰ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

⁴¹ Senedd Cymru (2021) The Record. Answer to a written question tabled on 18/10/2121, answered on 26/10/2021 [Written Question - WQ83611 - Welsh Parliament \(senedd.wales\)](https://www.senedd.wales/parliamentary-questions/2021-10-18/2021-10-26)

⁴² Ibid.

⁴³ Welsh Government (2021) Age friendly wales: our strategy for an ageing society. <https://gov.wales/age-friendly-wales-our-strategy-ageing-society.html>

⁴⁴ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

⁴⁵ Ibid.

⁴⁶ Age Cymru (2021) Help with heating costs in Wales. Factsheet 1w. September 2021. [Microsoft Word - FS1w - September 2021 \(ageuk.org.uk\)](https://www.ageuk.org.uk/ageuk-uk/2021/09/help-with-heating-costs-in-wales-factsheet-1w/)

⁴⁷ Ibid.

Public policy proposals

- Welsh Government must continue to closely monitor the take-up and impact of Nest.
- Welsh Government must publish an evaluation of the new Warm Homes pilot scheme operating in Ceredigion and Gwynedd with reference as to how advice and support services should be provided in the future.

Housing decarbonisation and net zero

Regulations made in the Senedd in February 2021 introduced a statutory target to achieve net zero⁴⁸ by 2050,⁴⁹ and in October 2021, Welsh Government published its Net Zero Wales plan.⁵⁰ Housing is one of Wales' biggest emitters, accounting for 9% of all greenhouse gas emissions.⁵¹ The Welsh Government recognises the schemes to improve home energy efficiency and reduce fuel poverty can make a contribution to housing decarbonisation in support of this statutory target.⁵²

In December 2020, the UK Climate Change Committee advised Welsh Government that people will need to choose to adopt low-carbon solutions, as high-carbon options are progressively phased out. By the early 2030s all boiler replacements in homes will be low-carbon – largely electric. It advised that residential natural gas boilers should be phased out by 2033 and by 2028 for oil fired boilers, in order for uptake of low-carbon heat to be sufficient to decarbonise buildings by 2050.⁵³

Welsh Government's Net Zero Wales⁵⁴ plan states that housing needs to set challenging build and retrofit standards. It includes an ambition statement for the building sector which states that 'By 2025 we expect around 148,000 houses across Wales receive retrofit measures to reduce heat loss' [...] and by 2025 all new affordable homes in Wales will be built to net zero carbon and our ambition is that our net zero standards are adopted by developers of all new homes regardless of tenure by this date'.⁵⁵

⁴⁸ [net zero - means the greenhouse gases taken from the atmosphere is in balance with the greenhouse gases emitted] - see <https://gov.wales/sites/default/files/publications/2021-10/net-zero-wales-summary-document.pdf>

⁴⁹ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

⁵⁰ Welsh Government (2021) Net Zero Wales Carbon Budget 2 (2021-2025) [Net Zero Wales Carbon Budget 2 \(2021 to 2025\)](#)

⁵¹ Welsh Government (2021). Statement by the Deputy Minister for Climate Change: £150m for insulation, clean energy and carbon reduction in social homes. [£150m for insulation, clean energy and carbon reduction in social homes \(gov.wales\)](#)

⁵² Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

⁵³ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

⁵⁴ Welsh Government (2021) Net Zero Wales Carbon Budget 2 (2021-2025) [Net Zero Wales Carbon Budget 2 \(2021 to 2025\)](#)

⁵⁵ Ibid.

Welsh Government financial support for housing retrofit has historically been targeted at those least well off in the hardest to heat homes (EPC D-G), and this prioritisation is expected to continue through the 2020s.⁵⁶ Welsh Government has announced an additional £150m to retrofit social homes with new technologies and insulation to help curb Wales' emissions. Welsh Government's Optimised Retrofit Programme (ORP) is a whole house approach to decarbonising existing homes. It is open to Registered Social Landlords and local authorities to install a variety of home decarbonisation measures in existing social housing stock.^{57,58}

The Welsh Government is mindful the benefits achievable through housing decarbonisation must not be at the expense of lower income households.⁵⁹ We believe it is important that Welsh Government's proposed actions to decarbonise homes must consider how fuel poor households can be supported to mitigate any risks that decarbonisation may present to low income and vulnerable households, for example, whether available grants will be sufficient to cover the costs associated with the proposed switch from gas boilers to low-carbon heat pumps for homeowners in Wales.⁶⁰

We believe that Welsh Government should undertake equality impact assessments to ensure that low income and vulnerable households are not disproportionately affected financially by the decarbonisation of the existing housing stock, to ensure a fair transition for older consumers as we move towards net zero.

It is essential that information and advice is provided around financial support that may be available for home decarbonisation schemes. Furthermore, given that minor improvements or adaptations to homes and heating systems can have significant impacts on the amount of heating lost from properties, it is also important that people have good quality information about the steps they themselves can take, and sources of support available.^{61,62}

Older people have voiced concerns about the potential disruption caused by retrofit programmes, and also concerns about potential fraud/scams by rogue traders under the guise of retrofit and other decarbonisation initiatives. It is important that older people are protected against potential fraud, and it has been suggested that a regularly refreshed public information service is needed, preferably over TV and radio.

⁵⁶ Welsh Government (2021) Net Zero Wales Carbon Budget 2 (2021-2025) [Net Zero Wales Carbon Budget 2 \(2021 to 2025\)](#)

⁵⁷ Welsh Government (2021) Statement by the Deputy Minister for Climate Change: £150m for insulation, clean energy and carbon reduction in social homes. [£150m for insulation, clean energy and carbon reduction in social homes \(gov.wales\)](#)

⁵⁸ Welsh Government (2021) Optimised RetroFit Programme. (9/11/2021) [Optimised RetroFit Programme | GOV.WALES](#)

⁵⁹ Welsh Government (2021) Plan to tackle fuel poverty. Consultation outcome and integrated impact assessment. <https://gov.wales/sites/default/files/consultations/2021-04/outcome-summary-tackling-fuel-poverty-2020-to-2035.pdf>

⁶⁰ BBC news (online) 19 October 2021. [Heat pump grants worth £5,000 to replace gas boilers not enough, say critics - BBC News](#)

⁶¹ Age Cymru (2020) EnvisAGE Issue 14: A spotlight on the financial inclusion of older people. Article by Matthew Brindley, Care & Repair Cymru: Improving homes and changing lives for older people in Wales. [Age Cymru | EnvisAGE \(ageuk.org.uk\)](#)

⁶² Age UK. Save energy, pay less [ig30.pdf \(ageuk.org.uk\)](#)

We believe that a preventative approach to fraud is essential to educate people about the types of fraud that target people. We believe that Welsh Government must ensure that equal weight is given to the prevention of abuse in Wales, and must support the development of innovative programmes of preventative work to ensure this happens. For further information see Age Cymru's public policy statement on Safeguarding older people.

Public policy proposal

- Welsh Government should undertake equality impact assessments to ensure that low income and vulnerable households are not disproportionately affected financially by the decarbonisation of the existing housing stock, to ensure a fair transition for older consumers as we move towards net zero.