

Statement: Draft Plan to Tackle Fuel Poverty in Wales – Tuesday 20 October

- The Welsh Government should ring fence grant funding to tackle fuel poverty in the private rented sector (PRS), which is at the heart of the problem due to the age of the stock.
- Grant funding needs to tackle the least energy efficient properties regardless of the tenant's circumstances. By making the tenant's health and financial situation an eligibility criterion for grant funding, the least fuel-efficient buildings may drag future tenants into fuel poverty.
- Grant funding opportunities need to be better promoted and have wider eligibility criteria, and local authorities need to work more effectively with landlords.
- The Welsh Government should support the monitoring and administration of ECO funding to end the postcode lottery where some local authorities do not have the resources.

Fuel poverty in the Welsh PRS

Tenants and homeowners are said to be in fuel poverty if they spend 10% or more of their income on fuel. The latest Welsh Housing Conditions Survey illustrates fuel poverty has significantly reduced, with 12% of Welsh households estimated to be in fuel poverty. However, the Welsh Government's target was to eradicate fuel poverty by 2018. The PRS is prone to having the worst efficiency standards among tenures due to the significant proportion of pre-1919 housing stock in the PRS (43%) compared to 5% in the social sector. The PRS also has a higher proportion of off-grid and single cavity walled properties. One way to alleviate fuel poverty would be to ensure tenants and homeowners are installed to gas which is a cheap form of energy. However, gas also produced high levels of carbon emissions. However, decarbonisation and fuel poverty ambitions can be met through better funding for landlords to make their properties more energy efficient. [NRLA Wales addressed](#) the Committee inquiry into fuel poverty.

Fuel Poverty Strategy 2020-2035

The Welsh Government have new targets for its 2020-2035 strategy including no one being in extreme fuel poverty (spending 20% of their income on fuel); no more than 5% of the population and anyone time being in fuel poverty; and the number of households "at risk" of falling into fuel poverty will be more than halved. The Welsh Government are currently consulting on their new Fuel Poverty Strategy 2020-2035, which includes:

- Maintaining the definition and measures; adjusting the definition of "at risk of fuel poverty"; and creating an additional measure for "persistent fuel poverty"
- Expanding scheme eligibility to include those on lower incomes, not just through means tested benefits
- Measuring the effectiveness of energy efficiency schemes by their achieved energy reduction, rather than their impact on EPCs.

Energy efficiency grants

- The UK Government announced a £2bn **Green Homes Grant** to upgrade homes including the PRS in England only. Applicants can apply for a £5,000 voucher towards the cost of installing energy efficient and low-carbon heating improvements to their homes. The UK Energy Minister said as of 14 October, the Green Homes Grant voucher scheme had already received 17,218 grant applications.
- Schemes in Wales include **Arbed**, which is only open to properties with an EPC between E to G in small areas made up of LSOAs (Lower Layer Super Output Areas). Therefore, large parts of Wales are ineligible.
- Although the **NEST** scheme is open to the least fuel-efficient PRS properties, tenants must be on a means tested benefit or low income and be vulnerable to the cold (e.g. have a respiratory disease) to be eligible.
- Take up from the UK Government's Flexible Eligibility scheme as part of **ECO 3** has been poor as local authorities claim they do not have the resources to administer grants. The Welsh Government should administer the scheme on a pan-Wales basis to ensure this money is utilised.

Minimum Energy Efficiency Standards

- To be legally marketed for rent, a PRS property must have an EPC of at least an E rating. There is an exemption if the cost to get up to an E grade is greater than £3,500. The UK Government is consulting on increasing the minimum EPC rating to C in 2025 and to increase the minimum cost before exemption to £10,000.
- For many landlords, the cost of getting up to standard will not be worth the investment due to low property values. The Welsh Government needs to consider how to support these landlords.

What the NRLA are calling for?

- Replication of the UK Government's Green Homes Grant.
- Ringfence grant funding opportunities for the PRS. Alternatively, to target the most fuel inefficient properties with EPCs D-G regardless of the tenant's circumstances.
- Adopt the CCERA Committee recommendations to work with others to develop financial support mechanism to enable private landlords to improve the energy efficiency of their properties, as a matter of priority and undertake work to identify and address barriers to enforcement of MEES.
- Support landlords with low-value properties where financial incentives might not be as attractive.
- Widen the promotion of grant funding schemes more effectively and for the Welsh Government to support local authorities with the administration and monitoring of a pan-Wales Flexible Eligibility scheme.