

Warm Homes for Wales

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With a number of the big energy suppliers announcing rises in the cost of electricity and gas in recent weeks, fuel poverty is back in the headlines. While the Welsh Government cannot influence the cost of energy or make people switch suppliers, it can, and does, deliver programmes that seek to improve energy efficiency, reduce fuel poverty and tackle climate change.

What is fuel poverty?

A person is living in fuel poverty if, to heat their home to a satisfactory standard, they need to spend more than 10% of their household income on energy costs, and in severe fuel poverty if they have to spend 20%



or more. The UK Government has adopted a different [definition of fuel poverty](#) based on the Low Income High Costs (LIHC) indicator, but this is only used in England.

In 2016, it was [estimated](#) by the Welsh Government that around 23% of households in Wales were living in fuel poverty, equating to around 291,000 households.

The Warm Homes Programme

In January the Welsh Government [announced investment](#) of an extra £40 million over the next four years to 'improve the energy efficiency of up to 25,000 homes across Wales and support other green growth initiatives.

The Welsh Government's [Warm Homes Programme](#), which includes the Nest and Arbed schemes, provides funding for energy efficiency improvements to low income households and those living in deprived communities across Wales.

[Nest](#) is a demand led scheme that provides both advice and funding to help improve energy efficiency and reduce fuel poverty. It started in 2011 and replaced the Home Energy Efficiency Scheme (HEES). The Nest scheme is managed by British Gas and



some services are delivered by the Energy Saving Trust. Free energy efficiency improvements are focused on the most energy inefficient homes occupied by people in receipt of means tested benefits. The contract for the Nest scheme ends on 31 August 2017 and there has been a [public consultation](#) on proposals for its replacement.

[Arbed](#) is an area based scheme delivering energy efficiency measures through local projects in deprived communities. Some of the projects under the scheme are delivered by procured scheme managers, others are delivered through local authorities. The types of improvements that can be delivered under Arbed include solid wall insulation and boiler and heating system upgrades. Arbed has utilised significant EU funding.

Welsh Government strategy

The Welsh Government has a statutory obligation to eradicate fuel poverty, as far as is reasonably practicable, in all households in Wales by 2018. This target is set out in the 2003 Welsh Government publication, [A Fuel Poverty Commitment for Wales](#). It was a requirement of the Warm Homes and Energy Conservation Act 2000 that the Welsh Government set a target.

The Welsh Government published its [Fuel Poverty Strategy](#) in July 2010. That strategy sets out the actions the Welsh Government is taking to address fuel poverty.

The Welsh Government's energy efficiency strategy for the period 2016–2026, [Energy Efficiency in Wales](#), addresses affordability, security of energy supply and the need for decarbonisation, as well as focusing on economic growth associated with 'green' jobs and skills. The strategy emphasises that improving energy efficiency is a key part of achieving the well-being goals set out in the [Well-being of Future Generations Act](#). Under the Act, the Welsh Government has published a suite of [national indicators](#) which are designed to measure progress towards achievement of the seven well-being goals. One of the indicators relates to energy efficiency, and measures the percentage of dwellings with adequate energy performance.

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