

Fuel poverty in Wales

Ben Saltmarsh, Head of Wales, National Energy Action



Everyone should be able to afford to keep warm and safe at home

We work in partnership to:

**Advocate and
Influence**

**Convene, Train
and Build
Capacity**

**Support
Households**



Action for Warm Homes



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Action for Warm Homes

Energy crisis

Energy Price Guarantee:

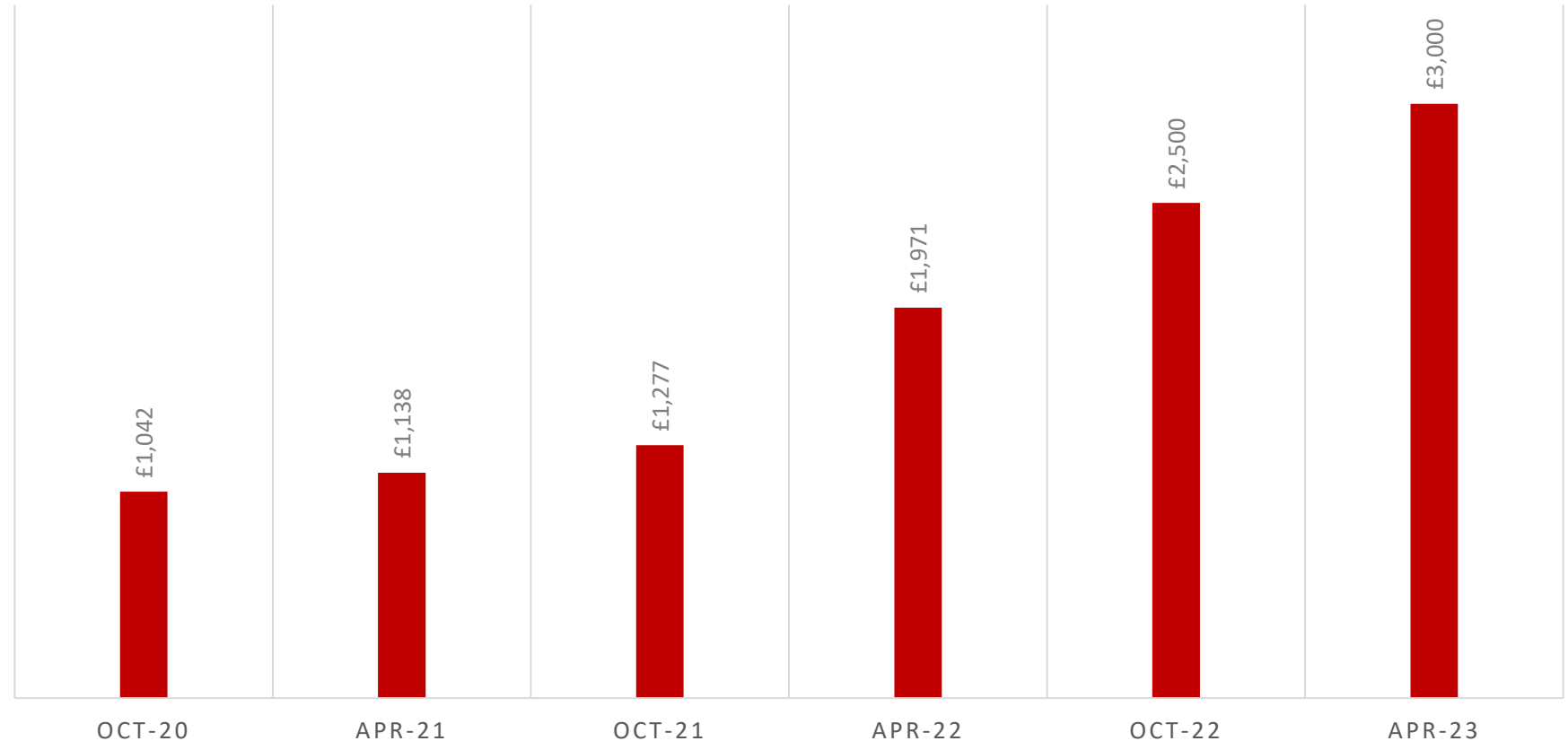
Average of £2,500/year for six months. £3,000/year from April 2023.

It:

- is **not** a cap on your overall bill
- limits the amount you can be charged per unit of gas or electricity
- is presented as a GB average, based on typical consumption
- varies by region and how you pay
- is almost **DOUBLE** what it was last winter (2.5x from April)

AVERAGE ENERGY PRICES

■ Direct Debit



“A warm home will be a pipedream”

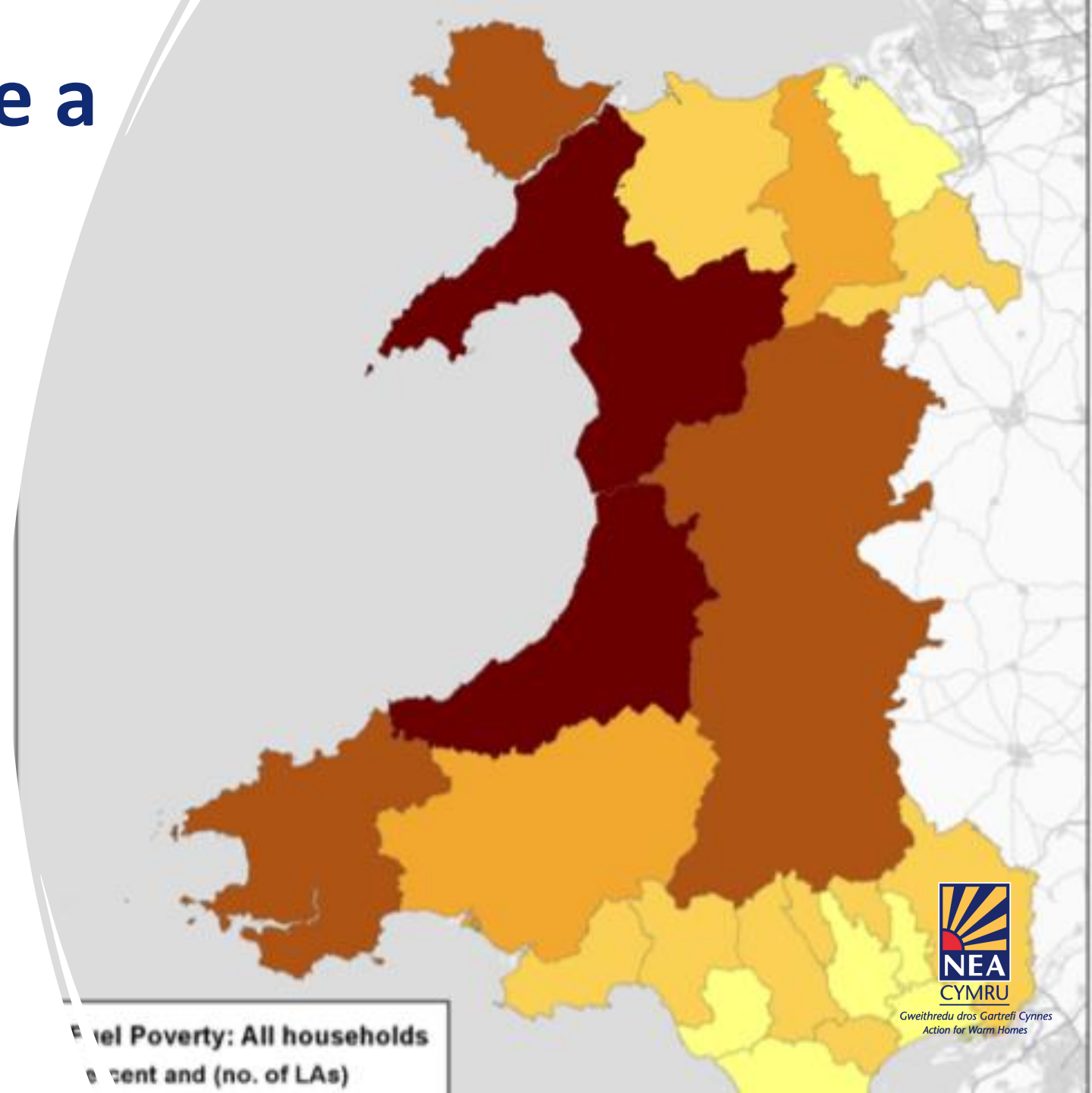
As of April 2022, Welsh Government estimate:

45%

of all households (614,000) in fuel poverty
with **up to 8% (115,000)** in severe fuel poverty

98%

of lower income households (217,700) in fuel poverty
with **up to 41% (91,700)** in severe fuel poverty



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Support

UK Government response includes:



- **universal £400 payment via Energy Bills Support Scheme**
- **£650 payment for those on means-tested benefits** (£900 in 2023)
- **£300 pensioner payment** to all pensioners receiving Winter Fuel Payment (£300 in 2023)
- **£150 disability payment** to those on non-means-tested disability benefits (£150 in 2023)
- **£200 Alternative Fuel Payment** for households who do ***not*** heat home using gas or electricity

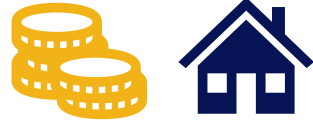
Welsh Government response includes:



- **£200 Welsh Fuel Support Scheme** payment, expanded to include more households in need
- **emergency assistance payments via Discretionary Assistance Fund** (e.g. to help top-up prepayment meters, oil or LPG)
- **national £4m Fuel Voucher Scheme with Fuel Bank Foundation** (prepay and off-gas fuels)
- **support for ‘Warm Hubs’**

Priorities

UK Govt:



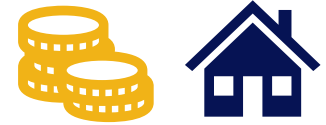
- Provide deep, targeted support (beyond households in receipt of means-tested benefits)
- Remove additional costs prepay and standard credit customers face
- Introduce mandated social tariff
- Help clear energy debts
- Progress fair and affordable transition

Ofgem:



- Protect customers from aggressive debt recovery by enforcing licence conditions
- Moratorium on switching to prepay this winter (+ ensure vulnerable households moved off prepay)
- Ensure all prepay users receive smart meters as a priority

Welsh Govt:



- Keep crisis support under review – more likely needed
- Ensure help for those off-gas enables them to obtain minimum 500l
- Urgently accelerate improvement of energy efficiency in fuel poor homes

Warm Homes Programme

Urge Welsh Government to introduce an ambitious new Warm Homes Programme. Vital the next iteration:

focuses on lifting households out of fuel poverty, supporting the 'worst first' (i.e. those on the lowest incomes, living in the least efficient homes)

takes an appropriate, whole home, multiple-measure, 'fabric first' approach

with sufficient long-term funding and legislation to meet need and targets set in Welsh Government's *Tackling Fuel Poverty Plan*

UK Fuel Poverty Monitor 2021-22



**The hardest hit:
Impact of the
energy crisis**

UK FUEL POVERTY MONITOR 2021-2022



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Conclusions around six themes:

- those on **lowest incomes** in least efficient homes being hardest hit
- those with **multiple, compounding vulnerabilities** disproportionately affected
- those using **prepayment meters** faced biggest challenges accessing support and are at acute risk of self-disconnection
- organisations facing unprecedented **capacity challenges** – volume and complexity of cases
- hardest hit **require deeper, targeted support**
- recognition grown that we must accelerate fair and **affordable transition to net zero** to abate this emergency and avoid future crises



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