The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

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Research Briefing

Fuel poverty and energy efficiency schemes - a Guide for Constituents

This constituency factsheet provides information on sources of funding and advice for constituents struggling with fuel poverty, fuel debt or wishing to make energy efficiency improvements to their homes.
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01. Introduction

This guide outlines and signposts sources of funding and advice available to constituents who are in fuel poverty or wish to improve the energy efficiency of their homes.

Houses which are energy inefficient often have higher fuel costs because they are harder to heat. This increases the likelihood of the householder being in fuel poverty. A household is in fuel poverty if more than 10% of total income is spent on energy costs.

02. Fuel Poverty Financial Support

The UK Government provides financial support for households which are in receipt of certain benefits to help towards energy costs.

**Winter Fuel Payment**

This is an automatic annual payment of £100–£300 towards winter energy bills for people of pension age. The payment is made directly to the householder. More information is available from www.gov.uk/winter-fuel-payment or by calling 0845 915 1515.

**Warm Home Discount**

This is a one-off annual fuel discount of £140 on a fuel bill paid directly to the energy supplier.

If energy is paid for through a pre-paid or pay-as-you-go electricity meter households can arrange an alternative method of payment with their energy supplier, such as a voucher.

Households are eligible for the scheme if they fulfil all the following criteria:

- Their energy company is part of the scheme (a list of the energy companies signed up to the Warm Home Discount is available on the UK Government website);
- The householder’s (or householder’s partner’s) name is on the bill;
- The householder is in receipt of the Guaranteed Credit element of the Pension Credit.

Households which do not meet the criteria may be part of a ‘Broader Group’ offered assistance by their energy supplier. The eligibility criteria for broader group applications depend on the energy supplier but in most cases will include:

- Householder’s on a low income; and
- Householders in receipt of certain mean-tested benefits.

If a householder switches their energy supplier they may have to reapply for the broader group discount with the new supplier. Customers may wish to check that they qualify with the eligibility criteria of a new supplier before switching.

More information is available from www.gov.uk/the-warm-home-discount-scheme or by calling 0345 603 9439.

**Cold Weather Payment**

This is a payment of £25, paid automatically to eligible households for every 7 days of very cold weather (an average of zero degrees Celsius or less) in their area over the winter period (1 November to 31 March).
Households may be eligible if they are in receipt of one of the following:

- Pension Credit
- Income Support
- Income-based Jobseeker’s Allowance
- Income-related Employment and Support Allowance
- Universal Credit

More information is available from www.gov.uk/cold-weather-payment.

The Winter Fuel Payment, the Warm Home Discount and the Cold Weather Payment can be claimed alongside each other.

03. Fuel debt support

If householders cannot make payments and fall into debt their energy supplier an energy company should give them an opportunity pay the debt through a payment plan before disconnection.

In some cases energy suppliers may offer to install a prepayment meter instead. There are a number of different schemes and sources of information available for householders who are in debt with their energy suppliers.

**Fuel Direct**

If a householder is struggling to agree or maintain an affordable payment scheme with their energy supplier they can apply for Fuel Direct assistance. To be eligible for Fuel Direct the householder must be receiving one of the following benefits:

- Income-based Jobseekers Allowance
- Employment and Support Allowance
- Income Support
- Pensions Credit

A weekly payment, currently set at £3.70, is paid directly to the energy supplier from the householder’s received benefits. This goes towards paying off the debt. An additional sum, which has been agreed between the householder and the energy supplier, goes towards ongoing energy costs.

Fuel Direct can be arranged by a local Jobcentre or pensions centre (if a householders is on pensions credit). If the debt is greater than £71 the energy supplier can apply for Fuel Direct on an eligible householder’s behalf.

Further information is available from www.gov.uk/bills-benefits.

**Energy Supplier Trust Funds**

Some energy suppliers have Trust Funds that can offer grants to householders experiencing financial hardship to help pay off debts.

The British Gas Energy Trust, EDF Energy Trust and the Eon Energy Fund are open to any householders. You don’t have to be a customer to apply to these funds.
The npower Energy Fund, Scottish Power Hardship Fund and the SSE (Southern Electric) Priority Assistance Fund which includes Swalec are open to their own customers only. The SSE Priority Assistance Fund is currently subject to review.

Information and application forms are available on the individual supplier’s Trust Fund websites:

- www.britishgasenergytrust.org.uk
- www.edfenergytrust.org.uk
- www.eonenergyfund.com
- www.npowerenergyfund.com
- www.sedhardship.fund (Scottish Power).

For further details on eligibility criteria for the SSE scheme call 0800 072 8616.

Charis Grants and the Citizens Advice Bureau can provide assistance in completing application forms for these grants.

The Citizens Advice Bureau Cymru

The Citizens Advice Bureau provide information on what householders should do if they are in debt with their energy supplier. This is summarised in the Advice Guide on Gas and Electricity Arrears (PDF 48KB).

Further information is available from the Citizens Advice Bureau website www.citizensadvice.org.uk/wales or for advice through the phone on 0344 477 2020.

The National Debt line can also provide advice on managing fuel debt with other personal debts and with energy suppliers. More information is available through the website: www.nationaldebtline.org or 0808 808 4000.

Home Heat Helpline

The Home Heat Helpline can provide information to those who are worried about paying their energy bills, as well as advice to low-income households who are in urgent need of heating help and advice. The helpline can provide information about the grants, benefits and payment schemes available, along with some steps that can be taken to increase energy efficiency. Further information can be accessed by phoning the Home Heat Helpline on 0800 33 66 99.

StepChange Debt Charity

The StepChange Debt Charity can provide free debt advice, along with assisting in creating a sustainable budget and giving advice on the best debt solution in the particular circumstances. Further information can be found on their website www.stepchange.org or by phoning 0800 138 1111.

04. Welsh Government energy efficiency scheme

Houses which are not properly insulated or have inefficient boilers often have higher fuel costs. Energy efficiency measures can help reduce energy bills and reduce the emissions created from energy generation.
Nest

British Gas is working with the Welsh Government and the Energy Saving Trust to target fuel poor households in Wales.

Nest offers a range of advice to anyone in Wales on:

- How to save money on energy bills and make homes more efficient;
- Choosing the most appropriate energy tariff; and
- Benefit entitlements.

In addition the most energy inefficient homes can apply for a full home assessment, known as the whole house assessment, and free home improvements. These improvements can include:

- Loft or cavity wall insulation;
- Solid wall insulation;
- A new boiler;
- Central heating; and
- Renewable technology.

In order to be eligible for these improvements a number of requirements must be met:

- The house must be privately owned or rented;
- The house must have an Energy Performance Certificate (EPC) rating of F or G; and
- At least one person living in the house must be receiving a means tested benefit.

More advice on this scheme can be obtained by visiting www.nestwales.org.uk, or calling the Nest Freephone number: 0808 808 2244, which is run by the Energy Savings Trust.

05. UK Government energy efficiency schemes

In addition to the Nest scheme people living in Wales can also apply to UK-wide schemes aimed at improving energy efficiency.

Energy Company Obligation (ECO)

This is a government scheme to help improve the energy efficiency of domestic premises in Britain. ECO support does not go directly to a household in the form of a payment. It is funded via obligated energy suppliers who liaise with occupiers and landlords in order to identify and implement suitable energy efficiency measures. Part of the Energy Company Obligation is the Affordable Warmth Obligation. This can help to fund boiler repairs or replacements, and insulation measures in order to improve energy efficiency and reduce fuel bills. It is available to householders living in privately owned or rented properties who receive certain means tested benefits.

More information is available on the website: www.gov.uk/energy-company-obligation, or by calling the Government Energy Saving Advice Service: 0300 123 1234.

The UK Government household energy website includes an energy grants calculator tool to help householders’ search for schemes to help with energy bills and energy efficiency improvements www.gov.uk/energy-grants-calculator.
Energy Saving Trust

The Energy Saving Trust is an independent organisation helping people to save energy and reduce emissions. The Trust is funded by the UK Government, devolved governments and the private sector. The Trust supports its objectives to save energy and reduce carbon emissions by:

- Providing expert knowledge on energy saving;
- Supporting people to take action;
- Helping local authorities and communities to save energy; and
- By providing quality assurance for goods, services and installers.

More information is available from www.energysavingtrust.org.uk.

06. Help from landlords

All prospective tenants should be provided with an Energy Performance Certificate (EPC) of the dwelling they are interested in renting by the landlord or agent. The EPC will detail the energy performance of the property and what steps can be taken to improve it. This will let a prospective tenant know how expensive it will be to heat their new home. An EPC will contain:

- Information about a property’s energy use and typical energy costs; and
- Recommendations about how to reduce energy use and save money.

An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years.

Tenants who rent their home from a local council or housing association will benefit from energy efficiency improvements carried out to meet the Welsh Housing Quality Standard. These standards include, ensuring that houses are:

- In a good state of repair;
- Safe and secure;
- Adequately heated, fuel efficient and well-insulated; and
- As far as possible suit the specific requirements of the household (e.g. specific disabilities).

New homes built by these landlords already have high levels of energy efficiency.

Under Regulation 8 of the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, from 1 April 2016, a tenant in the private rented sector will be able to ask for their landlord’s consent to make reasonable energy efficiency improvements. Such a request may not unreasonably be refused by the landlord. However, there are some specific circumstances in which a request for consent to relevant energy efficiency improvements may not be made. Further information is available in a leaflet published by the Department for Energy and Climate Change.

Under Regulation 23, landlords will be prevented from letting sub-standard property unless an exemption applies. A property is sub-standard if the EPC score is below the minimum level of energy efficiency. This minimum efficiency standard has been set at an ‘E’ EPC rating. From 1 April 2018, the regulations will apply when a new tenancy is granted and from 1 April 2020, the regulations will apply to all privately rented property.