



*Ymgyrchu Dros Gartrefi Clyd
Campaigning for Warm Homes*

Working with Off-Gas Rural Fuel Poor Households

Findings of the Rural Welsh Energy Advisorship Programme



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National Energy Action Cymru is the national charity campaigning for warm homes and to put an end to fuel poverty in Wales.

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Executive Summary

This report examines the Future of Rural Energy in Europe (FREE), a three year programme (2010-2013) designed to help fuel poor households in rural, off gas communities in England, Scotland and Wales, to reduce their energy consumption through a community led approach. This report focuses on the three year programme which operated in Wales.

The report aims to capture the wealth of recommendations and knowledge that have arisen from the implementation of the FREE programme and which will assist policy makers with the development and delivery of off-grid programmes aimed at tackling fuel poverty.

The report details the range of activities which have taken place throughout the three year programme including roundtable discussions with key stakeholders, an advice pack for fuel poor off gas grid households, training and mentoring for community advisors to deliver community events, and events to showcase and raise awareness of the project and the issues facing rural fuel poor households.

Fuel poverty is a problem that affects all parts of Wales, but one of the factors that distinguish fuel poverty from other types of poverty in Wales is its concentration in rural areas. Forty two per cent of rural households are in fuel poverty compared to 22 per cent of urban households. The reasons are complex and varied but are likely to be primarily a result of mains gas not being available in many rural areas, leaving households reliant on more expensive sources of fuel to heat their homes and the poorer average energy efficiency of rural homes.

A key success of the project has been the ability of advisors taking part in the project to refer clients to fuel poverty programmes (HEES/Nest), and raise awareness of fuel poverty and the assistance available.

Clearly there is an enthusiasm at an individual level amongst rural off-grid householders to reduce their energy bills and keep their homes warmer, but advice and support is needed to help them take all the actions possible and to benefit from available help, such as grant schemes. There is a keen interest in renewable technologies and bulk buying schemes but the high upfront costs and a lack of awareness and knowledge about renewable technologies and how to set up buying schemes limit the potential for fuel poor households to engage with these technologies.

The Housing Association Energy Champions aspect of the project in year two used a community engagement approach as its basis by training Tai Eryri tenants and staff and then identifying volunteers from those who were trained to act as 'Heat Heroes', with a role to advise and support other tenants in relation to fuel usage and energy efficiency.

A key issue identified during the project was the lack of available data and information to help target schemes and projects. Calor's work to map areas without access to the mains gas network with high levels of fuel poverty enabled the project to focus on the most relevant communities.

The FREE Project in Wales

The Future of Rural Energy in Europe (FREE) project was designed to help fuel poor households in rural, off-gas areas, to reduce their energy consumption through a community led approach. In 2010, Calor approached NEA Cymru to design a three year programme to run in Wales. Over the three years, a range of

activities have taken place, which have all helped inform the policy recommendations made in this report.

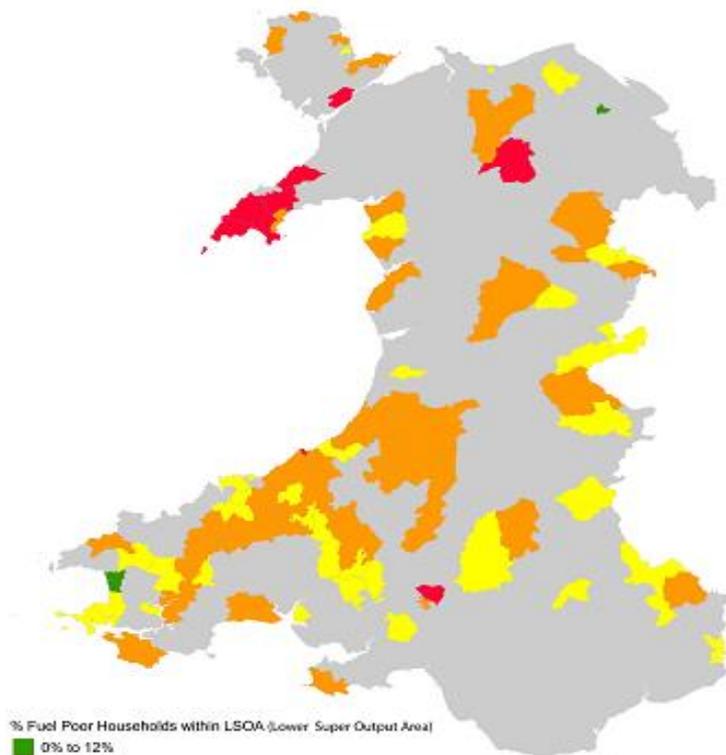
- ◆ In 2010 and 2011, two roundtable discussions were held with a range of stakeholders with relevant backgrounds that would make their input invaluable in designing the Wales project and informing its development. These roundtable discussions were chaired by the Sustainable Development Commissioner on behalf of NEA Cymru and Calor.
- ◆ A list of the attendees who took part in the roundtable discussion is attached in the Appendices.
- ◆ NEA Cymru adapted and translated an advice pack, which had been developed for use in England to give information to fuel poor off gas grid households about reducing their energy bills. This was put on the NEA website as a bilingual electronic resource for members of the public. This is available at: <http://www.nea.org.uk/see-us-in-action/calor-free-programme>
- ◆ Calor developed a map showing which lower super output areas of Wales were completely off the mains gas grid and had the highest levels of fuel poverty. By using this map, NEA Cymru was then able to target Ceredigion and the Llŷn Peninsula to take forward the project on a community level across the three years, with Anglesey added in the second year.
- ◆ NEA Cymru identified rural advisors already working in the areas who were then trained and mentored to develop community engagement plans so that people living in fuel poverty in rural areas, who would be traditionally considered hard to reach, could access information to help them out of fuel poverty.
- ◆ The training was delivered on a formal basis via a one day session provided by the Calor funding, and a three day City and Guilds 6281-01 course which advisors attended via their organisational funding. Informal training sessions were provided to the four advisors which included information on renewable technologies, and the Welsh Government's Nest and Arbed schemes. In addition on-going mentoring support was offered to the advisors by NEA Cymru's Training and Development Officer either by telephone or e-mail.
- ◆ A range of community events were held across the three years as well as door-to-door advice given to householders in Ceredigion in the third year. Feedback from the community advisors and members of the public benefiting from advice helped shape this report. A list of events is contained in the Appendices.
- ◆ In the second year, NEA Cymru worked with Cymdeithas Tai Eryri to identify Energy Champions from 50 tenants and five housing association staff, who attended a workshop to learn more about fuel poverty which they implemented in their communities.
- ◆ In 2011 and 2012 two receptions were held in Cardiff Bay to raise awareness among Assembly Members of the project and the issues facing rural fuel poor households. This report will be launched at an event in the Senedd in 2013.
- ◆ In winter 2012/13, community advisors were asked to circulate questionnaires among members of the public who attended the community event in Gwynedd or were approached by council staff in their home in Ceredigion. All lived off the mains gas network. Forty-eight questionnaires were returned and this information was analysed to find the key areas of concern. A copy of the questionnaire is contained in the Appendices.

Fuel Poverty in Rural Wales

The Living in Wales Survey 2008 showed that fuel poverty is twice as prevalent in rural areas as urban areas with 42 per cent of rural households in fuel poverty compared to 22 per cent of urban households. The reasons are varied and complex but are likely to be primarily a result of mains gas not being available in

many rural areas, leaving households reliant on more expensive sources of fuel to heat their homes. Another key factor is the poorer average energy efficiency of rural homes. Properties in rural areas have an average SAP rating of 38 (EPC band F) compared with a much higher average SAP rating of 54 (EPC band E) in urban areas. In addition, while properties with access to mains gas have an average SAP rating of 54 (E rating), properties using other fuels as their main heating source tend to have much lower average SAP scores; 39 for heating oil, 34 for electricity and 22 for solid fuel. While microgeneration may offer an alternative option for fuelling homes off the mains gas network, less than 1 per cent of all households in Wales were making use of some form of renewable energy in 2008.

In order to map the extent and distribution of rural fuel poverty in Wales, Calor analysed their data on lower super output areas of Wales with absolutely no connection to the mains gas network against information from the 2004 Living in Wales survey and 2001 census to develop the map below, which shows the levels of fuel poverty in off gas areas of Wales.



% Fuel Poor Households within LSOA (Lower Super Output Area)

- 0% to 12%
- 12% to 18%
- 18% to 24%
- 24%+

LSOA's partially or completely on mains gas

Source:
 Calor Non Mains Gas Database (2009)
 Living in Wales Survey (2004)
 Census (2001)
 © Calor Gas Ltd 2010



Cost of Fuel and Energy Efficiency

Paying for Energy off the Mains Gas Grid

Households in rural off-gas areas are often affected by the dual issues of energy inefficient homes, which are hard to insulate cost-effectively, and a reliance on heating systems which are expensive to run. The two issues often overlap but not in all cases. Of the three rural off-gas areas visited in Ceredigion by FREE advisors, one had mostly fairly new properties which had loft and cavity wall insulation, whereas the other two areas were dominated by older properties which were not suitable for these low-cost insulation measures. However, even in 'hard to treat' properties some simple low cost measures may be possible. In Ceredigion, householders taking part in the FREE initiative found that installing thermal curtains reduced their heat loss through single glazed windows to the same extent as could be achieved by installing double glazing. Simple draught proofing measures were also found to increase the warmth of a property at minimum cost.

Despite a series of price increases over the last ten years, mains gas remains the cheapest mainstream method of heating a property, with electricity, LPG, solid fuel and heating oil all consistently proving more expensive methods of heating.

Comparative Heating Costs - South West England & Wales July 2012 (Sutherland Tables)		
Fuel		Average cost of space & water heating for an average sized 3 bedroom dwelling
Natural gas	Gas fired boiler & DHW Cylinder (non-condensing)	£1,015
Electricity	Storage Heaters including immersion water heating	£1,131
LPG	LPG fired boiler & DHW Cylinder	£2,268
Solid Fuel	Wood pellet boiler Radiators & DHW cylinder	£1,295
Oil	Oil fired boiler & DHW Cylinder	£1,413

Semi-detached 3 bedroom house, 12100 kWh space heating & 2500 kWh DHW heating

In addition to being unable to access the cheapest form of heating, households which are off the mains gas network face additional challenges in paying for their fuel. In particular, users of solid fuel and heating oil generally pay for their heating supplies when they are delivered and are often unable to spread the costs evenly throughout the year as mains gas and electricity users can. Heating oil is generally delivered in minimum quantities of 500 litres, requiring large upfront payments. FREE advisors in Ceredigion found this was a particular issue for some of the householders they spoke to who had empty tanks in December but were unable to afford a delivery. By offering a range of payment methods, including monthly instalments, suppliers of heating oil and solid fuel could help their customers to budget across the year to avoid high payments in the winter. LPG supplier Calor for example offers a budgeted payment plan to customers to spread their anticipated annual bill throughout the year. Although some larger LPG suppliers offer this kind of direct debit facility, it is not the norm for heating oil suppliers. In some areas of the UK, credit unions have looked to help fill this gap, by encouraging heating oil users to open budgeting or savings accounts to

help with the costs of their fuel. One example of this is Credcer Credit Union's fuel budget account or fuel savings account with syndicate links in Ceredigion. However, where householders use a loan mechanism to pay for fuel, rather than savings, interest rates push the cost of fuel even higher. Despite this, the lower interest rates offered by a credit union are likely to be a better choice than those offered by doorstep lenders or loan sharks where householders have no option than to borrow to pay for their fuel.

Following a private members' bill, recently debate has taken place in the UK parliament about whether eligible older people off the mains gas network should receive their Winter Fuel Allowance earlier than those with access to mains gas to allow them to purchase heating oil, LPG or solid fuel supplies when costs are generally lower, rather than during the winter peak and to ensure fuel can be delivered before winter weather conditions may cause difficulties. This could also help with budgeting.

In response to a survey circulated to members of the public by NEA as part of the FREE project, when asked to name the one issue which caused the biggest problems in keeping warm or paying energy bills, householders living in off gas areas overwhelmingly stated the cost of fuel, with 76% selecting this answer. Other answers got only a maximum 7% of votes, with 'knowing how to use thermostats and timers', 'use and handling of the fuel', 'poor insulation and draughts', and 'lack of awareness of grants and help available' the next most selected options despite only being chosen by a very small number of respondents.

Bulk Buying, Collective Switching and Competition

Increasingly, rural communities have been exploring bulk buying heating oil as a way of reducing the unit cost and increasing flexibility in the amount each household needs to order. Additional benefits include increased community cohesion and reduced numbers of tankers on the road. Schemes can vary in size from a handful of neighbours to entire counties. In Ceredigion, the Llanddewi Brefi syndicate has saved local people more than £25,000 in two and a half years. On one order, the syndicate managed to save 11 pence per litre, equating to a £4,500 saving for the village. The average household saving per year is approximately £150. This scheme is now extending across the county. Although there is no single co-ordination of heating oil clubs across Wales, the website oil-club.co.uk lists around 55 different clubs based in Wales using their services, likely to be a small fraction of the number actually operating. Bulk buy deliveries for LPG and solid fuels are far less common as fewer households use these as heating sources making it harder to achieve the economies of scale, but could also offer the potential for ease of delivery and reduced costs.

In terms of mains gas and electricity, over the past year collective switching has gained a higher profile, partly due to the well publicised national Which? Big Switch campaign. Denbighshire council are currently developing proposals for a fuel brokerage mechanism whereby suppliers could offer discounted energy if enough people sign up to their service. Initially, the council is considering the potential to roll out the service across social housing in four local authorities and five registered social landlords in North Wales, with the possibility of later extending the scheme to privately owned and rented properties. Interest has also been expressed by Carmarthenshire council, giving the opportunities for the initiative to be scaled further and Newport council are also investigating a case for fuel brokerage. While collective switching of mains gas is not necessarily helpful for homes in off-gas grid areas, the potential to bring down electricity costs,

whether used for heating or solely for other purposes, could contribute towards helping make household bills more affordable for fuel poor rural households.

A study by the Office of Fair Trading (OFT), published in October 2011, found that 97 per cent of off grid households lived in an area served by at least four heating oil suppliers, meaning that competition constrained prices and kept profit margins from excess. However, the OFT identified other concerns, including suppliers charging a different price on delivery from that quoted when the order was taken; people being locked into expensive LPG contracts following an initial low introductory rate (although Calor for example allows customers to end their contract should the price increase by more than 3.5p); the mis-selling of solar panels; and considerable barriers to switching between different fuel types, with the main barrier being the capital expenditure required to fuel switch. The Consumer Focus report 'Off-grid fuels', published in February 2012, noted a need for improved transparency of price information, independent of any single company, and available to all consumers via phone or internet, to enable off-grid customers to easily determine the cheapest supplier in the same way that gas and electricity customers can.

Feedback from advisors within the FREE initiative showed there was a high level of interest in bulk buy schemes among people living in off-gas areas to help reduce costs. This was backed up in questionnaire responses from members of the public, where 11% of respondents wanted to be given more opportunities to bulk buy their fuel with neighbours to benefit from reduced rates. The second FREE roundtable suggested that members of rural communities could link with local farmers to connect with their existing bulk buy schemes. Stakeholders also discussed schemes that have run in other parts of the UK where credit unions have led on fuel buying co-operatives, helping households to budget and save at the same time while improving their financial education.

Microgeneration

As previously illustrated, many heating fuel options for off gas households are more expensive than mains gas. However, for some householders off the mains gas network, small scale low carbon technologies can help reduce fuel bills, where properly installed and operated. Householders in Ceredigion and Gwynedd participating in FREE showed a clear interest in renewable technologies but did not know where to go for further advice. Community advisors echoed that this was an area they received a range of questions about and where people wanted further information. In Gwynedd, renewable measures were seen as suitable only for 'rich people' and it was felt that low income working householders who owned their own homes were unable to benefit. In general, the FREE initiative found that high upfront costs and a lack of knowledge about renewable technologies limit the potential for fuel poor households to engage with these technologies. Where lack of awareness is the main issue it has been found that placing renewable technologies on community buildings can help demonstrate the benefits and make the technologies more familiar to encourage householders to take up similar measures for their own homes. Communication is very important to ensure that where unfamiliar technologies are installed in a home, particularly that of a vulnerable householder, that they understand what has been installed and how to use the system correctly. For example, to get the maximum benefit from solar PV panels, householders should run electric appliances in the daytime, which may involve a change in lifestyle for those who are used to electricity being cheaper at night on economy 7 tariffs. There may also be confusion around the difference between solar PV and solar thermal panels. A lack of funding for renewable technologies remains a big barrier. Measures such as air source heat pumps have been available through Welsh government fuel poverty schemes for

some years and the feed in tariff, explained below, has enabled many social housing providers to install solar PV panels onto their housing stock. However, in order to work effectively renewable heating sources should only be installed into properties that are well insulated. Solid wall insulation can be too expensive for some hard to treat properties and can restrict the installation of renewable heating systems through government schemes which require a certain level of cost-effectiveness, resulting in renewable technologies remaining a feasible option for only a minority.

Any growth in the installation of renewable technologies would need to sit alongside work to address the impact on the local electricity distribution network and would require the involvement of Distribution Network Operators (DNOs) and manufacturers to ensure the network has sufficient capacity. At the same time, it must be borne in mind that the resources needed by DNOs will incur a cost, which may ultimately end up on the domestic customer's bill, worsening fuel poverty, particularly for those reliant on electricity for their heating.

At a community level, the Welsh Government has supported the Energy Savings Trust to run the Ynni'r Fro programme, which offers grant aid, loans, advice and information to organisations such as social enterprises to help them develop community scale renewable energy schemes. Although the scheme is not aimed specifically at fuel poor communities, it is focused in rural areas. The project has found that development trusts and social enterprises have been well placed to encourage local engagement and lead on local action.

The Feed in Tariff, which makes a payment to householders meeting certain criteria who generate their own electricity through renewable energy sources, has helped to boost this market. However, cuts in the rate of the Feed In Tariff has stalled this progress, taking renewable electricity back out of the reach of many householders and social housing providers. The Renewable Heat Incentive is expected to have a similar impact on renewable sources of heat when it is introduced. It is currently anticipated for domestic properties in summer 2013. In the meantime, the Renewable Heat Premium Payment Scheme is helping to make certain sources of renewable heat more affordable to install by offering vouchers worth 10 per cent of the upfront installation cost (between £300 to install solar hot water and £1,250 to install ground or water source heat pumps). Under the scheme, a 'communities element' is focussed on supporting organisations such as development trusts, charities, community interest companies and community co-operatives to set up clusters of renewable domestic heating systems, predominantly in off gas areas which rank highly in the Index of Multiple Deprivation.

Programmes and Strategy

Welsh Government Programmes

The aim of the FREE programme was to complement existing Welsh Government programmes which were already working in rural areas by identifying eligible households and referring them to Welsh Government schemes such as HEES and Nest.

In the first year of the Calor FREE project, the Home Energy Efficiency Scheme was the main government programme tackling fuel poverty. Although the scheme only offered standard insulation measures (cavity wall and loft), it did give some provision for harder to treat and off-gas properties such as those using heating oil and a limited number of renewable technologies. All advisors taking part in the FREE project stated that they had been able to refer clients to HEES as

well as other fuel poverty programmes, despite its lack of particular focus on rural off-grid households.

The Welsh Government's fuel poverty scheme, Nest, set up in April 2011, has identified rural households as a particular target group and includes measures which are suitable for rural households, such as solid wall insulation and micro-renewable technologies. Nest has used mapping tools and worked with Wales & West Utilities to identify properties to target, including consideration of which communities are off the mains gas network.

The Nest annual report (April 2011-March 2012) shows the breakdown by urban and rural classification of customers receiving a home energy improvement package. The majority of customers (79%) receiving installations were in urban areas compared to those living in rural areas (21%).

The Ofgem roundtable on fuel poor off grid customers in October 2012 identified a need for funding schemes to be better aligned to meet overall objectives. The Welsh Government has committed to adapting its funding programmes to dovetail with UK wide programmes such as ECO and Green Deal. There may be opportunities here for the needs of rural fuel poor households to be fully considered and better met through the schemes addressing each other's short-fallings in terms of rural households.

Arbed has targeted rural areas of Wales. In phase 1, 6,700 measures were installed in over 6,000 homes, including 2,896 internal or external wall insulation measures for walls which were unsuitable for cavity wall insulation, 1,066 solar thermal systems, 121 heat pumps (mostly air source), 765 fuel switches to mains gas and 1,797 solar PV arrays. Phase 2 will target 5,000 properties and will base the selection of scheme areas on a variety of criteria, including levels of deprivation and welfare benefit take up; number of off gas properties and solid wall properties; whether the area is a strategic regeneration area, renewal area or Communities First area; and the number of private rental properties. There is a clear drive to include rural areas which do not have access to the mains gas network and the majority of measures installed would be appropriate for rural households, although this is not the sole focus of the programme. Whilst it should be noted that not all off gas properties are necessarily rural, the area based nature of the programme favours areas with higher densities of properties, which may disadvantage rural off gas properties where population concentration tends to be sparser. In addition, fuel switching to mains gas would not be appropriate in areas with no access to the mains gas network, unless accompanied by a gas mains extension project.

The Wales Low/Zero Carbon Hub brings together key members of the building industry, housing and voluntary sectors in Wales to provide leadership to cut carbon emissions from all buildings, including domestic properties. The Hub is currently focused on existing building stock and intends to provide guidance for home owners and social landlords to improve energy efficiency. The Hub will be releasing a guide in early 2013, looking at the risks and benefits of various energy efficiency measures, based on the fuel type, construction type and location. Although not specifically a guide for off-gas households, this kind of resource could help rural fuel poor households find the most appropriate measures for their situation.

UK wide programmes

Since 2008, the UK Government has placed the Carbon Emission Reduction Target (CERT) obligation on suppliers to subsidise energy efficiency measures for

households. As the obligation has been framed in terms of carbon reduction rather than expenditure, measures which provide the highest levels of carbon saving for the lowest price have been prioritised, primarily energy efficient light bulb distribution (until January 2010), cavity wall and loft insulation. This has left many rural homes unable to benefit as they are more likely to have solid walls and hard to treat roofs which cannot be insulated within the cost criteria. Further issues such as the difficulty for suppliers of engaging with rural communities, the increased cost of delivering schemes in rural areas and the sparse density of properties have all further contributed to rural areas missing out on CERT funding. The Community Energy Saving Programme (CESP), introduced in 2009, placed a further obligation on suppliers to target areas which scored highly on the Welsh Index of Multiple Deprivation, or equivalents in other parts of Great Britain. This scheme also bypassed many rural areas as they did not have the density of population and poverty to rank on the Index, despite having pockets of households with high levels of poverty.

From January 2013, CERT and CESP have been replaced by the Energy Company Obligation (ECO). This offers increased opportunities for rural fuel poor households, with 75% of the ECO to be focussed on solid wall and non standard cavity wall insulation plus accompanying measures. 20% of this target – the Community Saving Carbon Obligation - is to be delivered to households in areas which are in the top 15% of the Welsh Index of Multiple Deprivation, or GB equivalents, with a rural safeguard ensuring that rural properties also benefit. Fifteen per cent of the Community Saving Carbon Obligation, equivalent to £28.5m, must go to households in settlements of fewer than 10,000 inhabitants, either where the individual household is in receipt of named benefits or the settlement is within or adjoins an area which qualifies for the wider Community Saving Carbon Obligation. The rural safeguard will include the delivery of cavity wall and loft insulation, which are expected to be the most delivered measures under this safeguard, despite being inappropriate for many rural properties. The remaining 25% of ECO will be dedicated to low income private sector households in receipt of named benefits and tax credits. While this may include rural households, the focus on central heating, cavity wall insulation and loft insulation may exclude harder to treat properties commonly found in rural areas. Air source and ground source heat pumps have not been given any uplift to incentivise their installation under ECO, restricting the opportunities for households off the mains gas network to upgrade their existing heating systems.

The Green Deal finance mechanism will enable households to install measures at no upfront cost, to be paid for through energy bills over a number of years. The savings on energy bills achieved through installation of these measures should be less than the cost of the repayments; the Golden Rule. However, the renewable heat incentive and feed in tariff, which make payments to households generating renewable energy, will not be included in Green Deal finance calculations, making it unlikely that renewable technologies will meet the Golden Rule. It seems that primarily conventional measures such as loft and cavity wall insulation will qualify; once again disadvantaging rural households whose properties may not be suitable.

While suppliers of fuels such as heating oil, LPG and solid fuel are not obliged to take part in these programmes, some are willing to work with rural communities as part of demonstrating corporate social responsibility. Stakeholders, advisors and members of the public commented on Calor's support of the FREE programme with NEA and recognised the importance of working with private companies to address fuel poverty in Wales.

One intervention recommended in the first year of FREE was that all suppliers of heating fuels should offer a social tariff, similar to that available through mains gas suppliers. The situation has now changed and the Warm Homes Discount is available through electricity suppliers only, meaning that rural households are unlikely to miss out, assuming that they receive information about the scheme to register their eligibility. When NEA Cymru asked rural off-grid householders what they thought organisations like the government, energy suppliers and others could do to help people without mains gas to heat their homes affordably, over 20% of respondents thought that special low tariffs for people with reduced incomes would be helpful while 18% believed that free insulation should be available and a further 10% felt reduced price insulation would be sufficient.

Availability of Data and Information

The FREE initiative discovered that those who are looking to tackle fuel poverty in Wales in general, not just in rural areas, share a frustration at the limited amount of data available to help target schemes and projects. This problem can be even worse in rural areas where there tends to be a lower density of population and fewer properties are owned by social landlords who might hold data on their stock. A lack of adequate housing data jeopardises funding opportunities for energy efficiency improvements and hinders monitoring of progress to ensure policy interventions are fully evidence based. The Fuel Poverty Charter Coalition for Wales, led by NEA Cymru and Consumer Focus Wales, has called for an audit of existing data sources to identify gaps in knowledge and put in place mechanisms to address these gaps, alongside a reinstatement of the Welsh House Condition Survey. This recommendation was supported by stakeholders at the second FREE roundtable discussion in June 2011, who also identified an opportunity to revisit these kinds of surveys through the Rural Observatory.

Calor's work to map areas without access to the mains gas network with high levels of fuel poverty enabled the Welsh FREE project to focus on the most relevant communities. Increased levels of data, such as being able to overlay this information with data on specific vulnerable groups, such as young people or disabled people for example, would allow an even more focussed approach. Tools which could support this mapping include GIS and EST's Home Analytics Tool, which can provide data to target the right measures to the most appropriate properties and predict returns. As with many aspects of fuel poverty, greater data sharing between agencies could allow a more targeted approach to reach rural households off the mains gas network who might otherwise miss out on general promotion of available energy efficiency schemes and improvements. This finding was supported by Ofgem's forum on off-gas fuel poor customers in October 2012 which recommended the creation of linkages between stakeholders to enhance data sharing and identified the current lack of data sharing and difficulties in understanding and identifying appropriate customers to help as significant barriers to tackling off-gas fuel poverty.

One of the key lessons of the FREE project relates to the benefits that can be gained by working through advisors with local knowledge, particularly in a rural setting. Local knowledge was essential in the design and delivery of projects and the advisors acted as excellent sources of knowledge for NEA in relation to the rural communities' needs. This local knowledge allowed flexibility in approach to suit the targeted community, thereby increasing widespread community support and engagement, ultimately resulting in increased take up of measures. It was also noted in the first FREE roundtable discussion in July 2010 that mapping of services, such as credit unions, citizens advice bureaux, energy advice services and bulk buying schemes, would help with targeting support.

Linking with Other Programmes

In addition to taking advantage of schemes like Nest and ECO, strategic planning to tackle rural fuel poverty should tie in with a plethora of alternate programmes. Stakeholders identified the Rural Development Plan for Wales as particularly important, including the Wales Rural Network which aims to promote co-operation and share good practice amongst rural organisations in Wales. An advisory group is currently discussing development of a Rural Development Plan for Wales for 2014-20, giving an ideal opportunity to ensure rural fuel poverty is incorporated in the future Plan. Community Energy Wales is a new membership organisation in development which aims to bring together communities actively involved in sustainable energy saving and renewable energy generation and to help grow the number of communities engaging with these kinds of activity. These kinds of linkages are vital for long term sustainability.

High Profile Support

To ensure that rural off-grid fuel poverty remains high on the national agenda, and is not sidelined with preference given to easier and lower cost successes in urban properties with mains gas, support is needed from high level stakeholders. Contributors to the FREE roundtables helped shape the direction of the project to make it more effective and helped raise the profile of the project, most notably among politicians, which helped with recruitment and building local enthusiasm for delivery. In addition, supportive politicians helped facilitate access to the Minister for Environment and Sustainable Development and raise awareness of the issues and help available among constituency members.

Local, Community and Individual Action

Local Opportunities

Local knowledge was vital to ensuring the tailored success of the FREE project in different areas with different demographics, needs, issues and existing services. Even within one county, big differences were found between different communities. For example, Llangefni is a town in a rural area with some of its buildings and homes connected to the gas mains whilst the surrounding villages are very rural with no access to mains gas. Advisors particularly noted the value of local revenue funding that allowed targeting and localised advice to take place, as this kind of funding is unusual, with funding programmes usually instead prioritising general measures and home improvements. A robust referral structure that communities and professionals could refer into would particularly help with developing local partnerships and capitalising on existing opportunities. Stakeholders and advisors also suggested that increased links should be facilitated locally, such as with local community and town councils and local strategic plans. Development of a work plan for local authorities and elected members to act as project champions could result in better connections with local strategic plans. There should also be support for partnerships with other local organisations with relevant specialist expertises and to engage with local networks such as Cytûn, the Women's Institute, Merched y Wawr and Young Farmers' Clubs.

An additional benefit of promoting a local, community led approach, is that it increases trust. Advisors commented that it was easier for them to engage with rural communities, than it would be for someone coming from outside the area, as they already had trust and understood local issues and as such were able to adapt the programme for each community. By supporting local advisors to

design their own programmes, the local community have had ownership of project outcomes and increased engagement.

Community Activity

By engaging whole communities, successes can be built on for greater and wider effect. Word of mouth is a valuable way of building trust but it takes time and trusted engagement to develop. The project found that some community members had not realised they were in fuel poverty because they were comparing themselves to neighbours in similar circumstances. The Housing Association Energy Champions aspect of the FREE project in year two used this community engagement approach as its basis by training Tai Eryri tenants and staff and then identifying volunteers from those who were trained to act as 'Heat Heroes', with a role to advise and support other tenants in relation to fuel usage and energy efficiency.

Advisors took action such as piggy backing onto established local events to maximise attendance and to ensure good support for initiatives. Stakeholders at the second FREE roundtable also recommended that links should be made with local businesses such as gas engineers, plumbers and electricians so that they were aware of help available for their customers when called into people's homes. This again would capitalise on the trust that many customers have for local tradesmen they may have known for some years.

Stakeholder partners noted the importance of community support for projects to be taken forward. One example was shared of a community in North Wales who were interested in taking part in a scheme to extend the gas mains to their village but wanted to know more before making a decision. However, the Network Operator wanted to know how many properties would take part before sharing information. Without further information the residents were unwilling to commit therefore the project failed at an early stage. If a knowledgeable trusted body had been involved as an intermediary, they could have facilitated the support required in order to get the project off the ground.

Individual Initiative

In a survey of off gas rural households as part of the FREE project conducted during the community events, NEA Cymru asked what action, if any, respondents had already taken to manage their energy bills or keep their homes warmer. Of those who responded to this question, only one person had taken no action. On average, most people had taken 4 actions, with loft insulation the most taken action (19%), followed by replacement windows (14%), draught proofing (13%) and cavity wall insulation (10%). Worryingly, just fewer than 10% had felt the need to cut back in other spending, such as food, holidays and socialising, to afford their fuel bills and two respondents had worked extra hours, with others pointing out that they were unable to do so due to retirement. Despite 11% expressing an interest in bulk purchase schemes for fuel, only three respondents were currently taking advantage of this kind of scheme, all of whom recommended that more should be done to help householders set these schemes up. Clearly there is an enthusiasm at an individual level amongst rural off-grid householders to reduce their energy bills and keep their homes warmer, but advice and support is needed to help them take all the actions possible and to benefit from available help, such as grant schemes.

Support for Community Advisors

Evaluation carried out over the first two years of the project helped identify the areas of support and advice that were most valued by community advisors.

In both the first and second years, advisors highlighted that their knowledge of fuel poverty and energy efficiency in off grid areas had been greatly improved following training, particularly their knowledge of available measures. The programme inspired one advisor to 'put a scheme/case together for the authority to consider a large scale investment programme into renewable technology across the county'. Another had developed an energy efficiency questionnaire to facilitate them in offering advice on improving insulation, draught proofing and income maximisation. Advisors found statistics on fuel poverty, a list of contacts and specialist advice on tariffs most useful in supporting their work.

In the second year, the advice pack produced as part of the project was found most useful by advisors in relation to informing them about the types of measures and interventions available to improve the energy efficiency of off-grid properties and the eligibility criteria for accessing grants. A specifically tailored two day training course was also undertaken for selected advisors. The training included mapping existing support available for fuel poor households, as well as examples of community engagement and ideas on how to reach hard to reach groups. In terms of the training session they attended, advisors benefited most from information on reading energy meters, assistance available to help fuel poor households and specific measures to assist off-grid households. The most common action that community advisors either had done or planned to do following support sessions was to develop links with their local authority and other local agencies and to meet key fuel poverty contacts in their local area via their NEA mentor. While advisors agreed that the support and mentoring from NEA had enabled them to carry out or improve on a wide range of activities, the support that was found most useful focussed on understanding what fuel poverty is, raising awareness of fuel poverty and energy efficiency amongst colleagues, providing general energy efficiency advice and identifying the causes and symptoms of fuel poverty. Following the training, an advisor said she had been inspired to develop a fuel poverty workshop to tie in with her financial capability work and another had developed an energy efficiency training session for community members.

Based on evaluation of advisors' experiences, it is clear that community workers are most in need of the following, to enable them to take forward work to tackle fuel poverty in rural areas:

- ◆ statistical information to prove a case to senior partners and other stakeholders
- ◆ support to make contact with relevant stakeholders who community advisors may not previously have worked with and to raise awareness of energy efficiency and fuel poverty with colleagues
- ◆ specialist advice on tariffs, energy efficiency measures and eligibility criteria for grant programmes
- ◆ training on reading energy meters, assistance available for fuel poor households, giving energy efficiency advice, specific energy efficiency measures for off-grid households and identifying the causes and symptoms of fuel poverty.

Advisors identified that a range of low cost measures can be carried out to improve the energy efficiency even of hard to treat homes, such as using thicker curtains, draught proofing and installing secondary glazing. Mainstream advice is focussed on measures which may achieve higher savings, such as solid wall

insulation, but may be out of reach for some fuel poor households who do not qualify for full grant support.

Summary of Recommendations and Findings

- ◆ Off gas households would benefit from a range of payment options, including monthly direct debits, to spread the costs of fuel throughout the year
- ◆ Credit unions have a role to play in helping rural households budget for fuel costs, take part in bulk buy schemes and improve their financial literacy. However, where this involves borrowing money, households must be aware of additional costs.
- ◆ The Winter Fuel Allowance should be paid to off-gas households earlier in the year to allow them to purchase fuel when costs are lower and to minimise winter weather disruption to deliveries.
- ◆ Rural households are keen to participate in bulk buy and collective switching schemes, which could help reduce costs, but need engaged support to help them set these schemes up. Involving local farmers could help get bulk buy schemes off the ground and take advantage of economies of scale.
- ◆ We support Consumer Focus' recommendation for price information for off-grid fuels to be more transparent and available to all consumers to allow easier price comparison between suppliers.
- ◆ Green Deal, ECO, Nest, Arbed and other fuel poverty and energy efficiency schemes should be aligned to address the gaps in provision for rural off-grid households and maximise resources. These kinds of schemes also need to integrate with rural programmes that do not necessarily have a fuel poverty focus such as the Rural Development Plan and community microgeneration projects.
- ◆ Rural households should be targeted with an awareness campaign on the Warm Homes Discount to ensure they can benefit where eligible.
- ◆ Enthusiasm among rural off-grid householders to reduce their energy bills and keep their homes warmer should be supported through advice, support and awareness raising for the range of measures that can be undertaken, from no cost to high cost measures. There is a particular demand for more householder information on renewable technologies.
- ◆ Extension of the mains gas network in rural areas would have a high impact on rural fuel poverty. Where this is not appropriate, grant schemes should provide for other fuel sources, including micro-renewables, coupled with the insulation necessary for them to be effective.
- ◆ We support Consumer Focus Wales' recent recommendations on supporting park home owners and would add that it is important their needs are considered when implementing the Green Deal, particularly in relation to payback periods and assessments.
- ◆ There is a need for improved data gathering with regards to fuel poor households off the mains gas network, overlaid with additional information, such as vulnerable groups, benefits uptake and suitability for various measures. Improved data would both help with identifying and helping fuel poor households and with attracting funding to run schemes in rural areas. In

addition, stakeholders should be supported to share data to identify those who could benefit from available help, in a manner that protects confidentiality as appropriate.

- ◆ Local revenue funding is needed to support localised advice provision and support and to help advisors to develop referral networks and closer links across organisations, including local businesses. The project showed the high value in supporting these kinds of activities but there is currently limited support for them to take place.
- ◆ Local engagement is vital in rural communities to allow ownership of schemes, to encourage participation and to ensure that schemes meet the individual needs of that community.
- ◆ Advisors working in local communities benefit from training in reading energy meters, assistance available for fuel poor households, giving energy efficiency advice, specific energy efficiency measures for off-grid households and identifying the causes and symptoms of fuel poverty and need to be able to give specialist advice on tariffs, energy efficiency measures and eligibility criteria for grant programmes.
- ◆ Support from high profile stakeholders is important to raise the profile of rural off-grid fuel poverty at a senior level to ensure strategic action.

Conclusion

NEA Cymru has been delighted to work with Calor during the past three years to assist fuel poor communities in Wales. The findings and recommendations of the report will be disseminated widely to stakeholders at a launch event in the National Assembly for Wales in March 2013.

A copy will also be issued to Peter Davies, Chair of the Rural Development Plan Advisory Group, a group established in June 2012, to advise the Welsh Government on its Rural Development Plan for 2014-20. NEA would be keen to ensure that the lessons are applied in how the Welsh Government spend the next 2014-2020 Rural Development Programme to support rural communities in fuel poverty. A copy will also be circulated to the Wales Fuel Poverty Coalition and NEA Cymru's fuel poverty e-network.

NEA Cymru would like to discuss the findings and recommendations of the report with the Minister and/or officials on further implementation and support for fuel poor households in off grid areas.

Acknowledgements

Age Cymru

Ageing Well, Anglesey

BRE Wales

Centre for Regeneration Excellence Wales

Ceredigion county council

Children in Wales

Citizens Advice Cymru

Communities First Aberystwyth

Communities First Pwllheli

Consumer Focus Wales

Cymdeithas Tai Eryri

Cynnal Cymru

Energy Saving Trust Wales

Llangefni Citizens Advice Bureau

Money Advice Service

Ofgem

Sustainable Futures Commissioner

Wales Rural Observatory

Welsh Government

Welsh Local Government Association

Community Events

Year 1

- ◆ 28th October 2010 - Information Day at Ysgol Glan y Môr, Pwllheli
- ◆ 13th November 2010 - Energy Fair at Ysgol Botwnnog
- ◆ 29th October 2010 - Age Concern Ceredigion Volunteers Information and Awareness Day, Aberaeron
- ◆ 21st October 2010 - Age Concern Ceredigion "Health Wealth And Wellbeing Drop In", Penparcau, near Aberystwyth

Year 2

- ◆ 20th December 2011 - Information Day with Ageing Well team, Community Hall, Llangefni
- ◆ 22nd November 2011 - 20 CAB Anglesey volunteers, Information and Awareness Day, Holyhead
- ◆ 5 half day workshops with Tai Eryri Housing Association for staff and tenants on 11th October 2011 – Pwllheli and Botwnnog, 22nd November 2011 - Penygroes am and pm, 14th February 2012 - Talysarn

Year 3

- ◆ 30th June 2012 - All day Community Event, Energy advice and information, Dyffryn Ardudwy, Gwynedd
- ◆ 19th November 2012 - Ceredigion outreach work

Roundtable Discussions – List of Stakeholders

Year 1

- ◆ Roy Roberts, Fuel Poverty Advisory Group
- ◆ Ceri Williams, Consumer Focus Wales, Director
- ◆ Tim Peppin, WLGA
- ◆ Claire Bennett, Welsh Assembly Government
- ◆ Victoria Winckler, Bevan Foundation
- ◆ Professor Richard Essex, Centre for Regeneration Excellence Wales
- ◆ Dr Andrew Bold, Welsh Assembly Government
- ◆ Rob Taylor, Age Cymru
- ◆ Lee Phillips, Consumer Financial Education Body
- ◆ Nick Speed, Ofgem
- ◆ Sean O’Neill, Children in Wales
- ◆ Fran Targett, Citizens Advice Cymru
- ◆ Nerys Owen, Cardiff University
- ◆ Arthur Scott, NEA UK
- ◆ Holly Sims, Calor
- ◆ Nuria Zolle, Helen Roach, Jane Edgington, NEA Cymru

Year 2

The following stakeholders took part in discussions in June 2011:

- ◆ Peter Davies, Sustainable Futures Commissioner
- ◆ Kath Evans, Welsh Government
- ◆ Craig Mitchell, WLGA
- ◆ Jane Edgington, Helen Roach, Nuria Zolle, NEA Cymru
- ◆ Terri Williams, Welsh Government
- ◆ Lindsey Kearton, Consumer Focus Wales
- ◆ Holly Sims, Calor
- ◆ Nick Speed, Ofgem
- ◆ Rhian Pearce, Age Cymru
- ◆ Nuria Zolle, Helen Roach, NEA Cymru



*Ymgyrchu Dros Gartrefi Clyd
Campaigning for Warm Homes*

Evaluation Form

This form is anonymous and confidential. By looking at all the information we receive, we plan to advise the government on how they can do more to help people living in off gas areas to afford to heat their homes. NEA Cymru is a registered charity with registration number 290511. We campaign for warm homes and to put an end to fuel poverty in Wales.

What were you **hoping to** find out about or receive help with when you decided to attend the event today?

What **have you** found out today or what help have you received that will help you keep warmer or reduce your energy bills?

Which is the biggest issue for you in terms of keeping warm or paying your energy bills? Please tick one only.

- Cost of fuel
 - Using the fuel (eg. handling coal, checking when oil tank is running low etc.)
 - Deliveries of fuel
 - Poor insulation/draughts in home
 - Poor energy efficiency of heating system
 - Low income
 - Energy usage (knowing how to use thermostats/timers)
 - Awareness of grant schemes and other help
 - Power cuts/running out of fuel at a time when it's needed
 - Other (please state)
-

What do you think the government, energy suppliers or other organisations could do to help people in off gas areas to heat their homes affordably? Please tick all that apply

- Free insulation
 - Reduced price insulation
 - Special low tariffs for people with reduced incomes
 - Advice on how to use less energy
 - Loans to pay for energy efficiency improvements
 - Advice on benefits
 - Loft clearance service (to allow loft insulation)
 - Monthly payments for oil rather than paying per tank
 - Advice on how to read your energy meter
 - Advice workers knocking on every door in a street to give advice and refer for grants
 - Opportunities to bulk buy your oil/coal/wood with neighbours to get discounts
 - Other (please state)
-

What have you done to make your energy bills more affordable or keep your house warmer? Please tick all that apply

- I haven't done anything yet
 - Installed cavity wall insulation
 - Installed external or internal wall insulation (for solid walls)
 - Installed loft insulation
 - Had a benefits check
 - Replaced your windows
 - Cut back in other spending (eg. food, holidays, socialising)
 - Worked extra hours
 - Draught-proofed your home
 - Arranged bulk buy fuel deliveries with neighbours
 - Changed energy provider
 - Switched payment method (eg. from prepayment meter to direct debit)
 - Replaced your boiler or heating system
 - Used less energy
 - Other (please state)
-

OPTIONAL: As a thank you for your time, please enter your name and phone number below if you would like to be entered into a prize draw for a £20 shopping voucher. Your details will only be used for informing you if you have won.

NAME: _____

TEL: _____