



CCWater response to: Nest fuel poverty scheme

A Welsh Government Consultation

Consumer Council for Water Response

October 2016

Consultation on: Nest fuel poverty scheme

1 Introduction

- 1.1 The Consumer Council for Water (CCWater) is the statutory body representing the interests of water and sewerage consumers across Wales and England. CCWater has a committee in Wales and four regional committees in England.
- 1.2 We welcome the opportunity to comment on Nest’s fuel poverty scheme. Given our particular remit, we have focused on those questions and issues that directly relate to the customers of water and sewerage companies operating in Wales. The response builds on our earlier submissions to Welsh and UK governments’ on related consultations and the input we have provided to discussions at the Wales Water Forum.

Summary

- 1.3 CCWater welcomes a revamped Nest scheme that would aim to integrate advice and ways to be supported in relation to energy and water costs. Linking water poverty and wider cost of living issues, such as fuel poverty, is a key step in integrating wider affordability advice and tackling poverty initiatives in Wales (See response to question 1a).
- 1.4 We think, however, the scheme should be re-scoped to offer efficiency advice and support across the water and energy utility sectors. A reduction in water usage has been proven to have a direct impact on reducing energy bills. Nest could be the leading scheme to offer support on costs and efficiency for both sectors equally, making the most of the opportunity to access the homes and lives of people who could benefit from it (See response to question 1a).
- 1.5 We support the ‘in home’ and ‘whole house’ approaches to advice and support, which builds on our research findings that face-to-face interactions help engender trust, and are particularly effective in getting through to hard-to-reach and vulnerable groups (See responses to question 1b & 2).
- 1.6 Training Nest advisors on water efficiency offerings with support and contributions from the water industry in Wales would seem the sensible way forward in delivering whole house, in home advice. We have spoken to the water companies that serve Wales and they have confirmed their support for this approach. Our response refers to the RENEW project as an example of similar interactions on water and energy efficiency advice (See response to question 2).
- 1.7 The current Nest eligibility criteria should be reconsidered to see if it is possible to extend assistance (affordability and efficiency) and support on water to wider audiences. For example, extending assistance to households with children could help contribute to child poverty reduction objectives (See response to question 4).
- 1.8 When setting up eligibility criteria and triggers, the development of packages/tools/ advice that can be tailored to households would be beneficial. It is important not to limit water related advice to metered properties and the promotion of metering to households without a meter but to provide advice and support that would help raise awareness of the value of water, especially as only 39% of homes in Wales have water meters. (See response to question 4).

- 1.9 The [Making Every Contact Count \(MECC\)](#) agenda (an approach to influencing behavioural change) should be considered as it is of potential relevance to Nest in accessing groups with respiratory or circulatory conditions (question 8).

2. Response to specific questions

Question 1A. Do you agree with the proposed support to be offered by the new scheme?

2.1 The Consumer Council for Water (CCWater) welcomes the proposed support in the new scheme which will aim to integrate advice on ways to be supported in relation to energy and water costs. Establishing a link between water poverty and wider cost of living issues, such as fuel poverty, is a key step in progressing solutions to integrating wider affordability advice and tackling poverty initiatives in Wales, an objective stated in [Welsh Government's Water Strategy for Wales](#).

2.2 CCWater's recent affordability [research](#)¹ supports the proposed approach of integrating poverty advice across utilities. Some of its key relevant findings are:

- A greater level of cross-sector partnership working could bring many potential benefits in reaching out to customers, including access to better data and intelligence on customers; opportunities to communicate water affordability messages to a broader range of customers including the most vulnerable and hard to reach; and the generation of a greater number of referrals to water affordability schemes.
- When specifically examining Nest one of its successes was identified as the value of 'cascading' advice through the long list of partners that Nest Partnership Development Managers have engaged in the delivery of the scheme. This further illustrates the need to work with the broadest possible range of partners in order to reach more of those households that are most in need of support.
- It cautioned on the importance of good, two-way, cross-referral arrangements between the utility industry and Nest so that householders contacting either Nest or their utility providers have a better opportunity to find out about the wide range of assistance and efficiency offerings/advice available to them.

2.3 The scheme should be further strengthened to include advice on water efficiency as part of the second element of its objectives relating to the provision of free in-home energy efficiency measures and advice. Accessing households and the provision of in-home support is a great opportunity to provide tailored advice to eligible households and to promote overall resource efficiency, rather than just energy. This is important as CCWater's most recent [research](#)² on water efficiency shows more could be done to raise awareness of the ways to save water and that more people in Wales than in England are unaware of campaigns and initiatives on how to use water wisely (Wales - 45% v. England - 38%).

2.4 Nest advice on water efficiency could specifically extend to:

- Helping people to use (hot) water more efficiently with an explanation on potential benefits for household bills (i.e. both water and energy).
- Tailored water efficiency offerings and advice - something that would require

¹ Sheffield Hallam University, July 2016, 'Delivering Affordability Assistance to water customers: cross sector lessons.'
<http://www.ccwater.org.uk/wp-content/uploads/2016/07/Delivering-Affordability-Assistance-to-water-customers.pdf>

² CCWater (2016) Attitudes to Tap Water and Using Water Wisely Survey

<http://www.ccwater.org.uk/wp-content/uploads/2016/08/Consumer-Attitudes-to-Tap-Water-and-Using-Water-Wisely-August-2016.pdf>

collaboration with the water companies operating in Wales, which we are happy to facilitate.

- 2.5 Integrating water and energy efficiency advice within the scheme at a policy level would be another step towards practically attaining the full set of well-being goals set out in the [Well-being of Future Generations \(Wales\) Act 2015](#). This would support its aim to enhance the economic, social and environmental wellbeing of people and communities across Wales, achieving a better quality of life for present and future generations in ways which promote social justice and equality of opportunity, but also the enhancement of the natural and cultural environment and respect its limits.
- 2.6 There are other collaborative approaches outside Wales on the provision of water efficiency. An on-going project between Southern Water, Brighton, Hove City Council and CCWater aims to understand the relationship between providing tailored water efficiency advice and the effects this may have on the affordability of water bills. The aim is to provide eligible households with water efficiency audit and advice as well to assess the impact this can have on their water bills. In addition, eligible customers will also receive further advice to make sure they are on the most appropriate water tariff. For more information you can visit the project's website: <https://www.southernwater.co.uk/latest-news/ambitious-water-saving-project-underway>.

Question 1B. Do you agree that in-home advice should be offered to those meeting the eligibility criteria, where appropriate? What type of in-home advice would be most beneficial and who is best placed to provide such advice? Please provide evidence to support your answer.

- 2.7 CCWater agrees that in-home advice should be offered where appropriate. Our [research](#)³ notes that achieving face-to-face engagement with customers wherever possible is widely heralded as good practice across the water, energy and debt advice sectors, particularly in relation to the engagement of vulnerable and hard-to-reach groups.
- 2.8 Face-to-face interactions are considered particularly effective in engendering trust and allowing the advice provider to scope the full range of issues impacting on the individual's or household's circumstances. The adviser should be well informed and able to deliver the message in a manner which the householder will understand.

Question 2. Do you agree that the new scheme should continue with the whole house approach to energy efficiency measures? If not, what approach would you suggest? Please provide evidence to support your answer.

- 2.9 We agree that a whole house approach is best. It seems sensible that for energy this is carried out by a qualified energy assessor who recommends the most appropriate, household specific and cost effective energy efficiency measures to improve eligible properties.
- 2.10 In addition, this would be a great opportunity to train energy assessors on water efficiency as well, so that they maximise the benefit of the face-to face interaction with customers by providing tailored advice on water efficiency. Advice on water efficiency should not be limited to households with water meters, as saving hot water can contribute to energy efficiency, lower energy bills and would be in line with the Well Being for Future Generations goals of the government which includes the delivery

³ Sheffield Hallam University, July 2016, 'Delivering Affordability Assistance to water customers: cross sector lessons.' <http://www.cewater.org.uk/wp-content/uploads/2016/07/Delivering-Affordability-Assistance-to-water-customers.pdf>

of a resilient Wales.

- 2.11 Training on the water efficiency element should be provided with the involvement of the water companies operating in Wales. It is important that the water industry in Wales is involved in the development of criteria to identify the eligibility of households for water efficiency advice as well as the definition of water efficiency advice offerings. It is important to extend tailored advice beyond the existing online tips and product portal (catalogue) currently offered by companies in Wales.
- 2.12 In the past, there have been successful examples of how this interaction can take place. One example has been the RENEW project, carried out between Waterwise and the Energy Saving Trust and we think it should be considered in the redefinition of NEST, <http://www.waterwise.org.uk/pages/campaigns-life-renew-project-203.html>.

Question 4. Do you agree with the proposed eligibility criteria and the list of qualifying means tested benefits for the new scheme?

If not, which criteria would you propose? Please provide evidence to support your answer. Any alternative proposal will need to take into account the requirement to maintain an appropriately sized pool of eligible households.

- 2.13 The current eligibility criteria should be reconsidered to see if it is possible to extend Nest assistance (affordability and efficiency) and support on water to wider audiences. Currently these criteria would target a limited group and reflect objectives for energy rather than water. With a redefined focus and additional support from the government, the scheme could potentially extend to assist a wider age range of water customers in need of help. This may be more practicable for water advice as some of the offerings are likely to be less costly than those for energy.
- 2.14 Under the current Nest eligibility criteria significant help could still be delivered to households with older members who would benefit from the installation of a water meter. We think that for water this should be extended to other groups to explore water affordability options, for example targeting households which include young children is likely to deliver benefits in addressing child poverty - an issue we are aware is high on the Welsh Government's agenda.
- 2.15 CCWater believes that more analysis and discussion is needed regarding the eligibility criteria for this scheme. We think water companies and Nest should work together to identify the criteria for a water efficient home or to identify households that would benefit from assistance. Households without water meters should be included in the list of criteria that triggers water efficiency advice action with an aim to facilitate an understanding of the value of water.
- 2.16 Water efficiency advice should not be limited to metered properties or to metering those which do not have a water meter. Nest should focus on the importance of tailoring advice and work with the water companies operating in Wales on delivering their packaged advice and toolkits to be tailored to household needs. CCWater would support such a development and would be happy to contribute to further discussions.

Question 5. Do you agree that we should continue to provide support to the private rented sector for those whose properties are used to address homelessness, but that all other private landlords should be encouraged to improve the energy efficiency of their properties through the provision of repayable low-cost loans?

- 2.17 The approach seems reasonable in terms of energy but low cost saving solutions could still be deployed within the private rented sector and affordability advice offered to

residents living in such properties. The integration of water and energy efficiency advice within the scope of this project could help achieve this.

Question 8 - Do you have any suggestions for how we can best target those with respiratory or circulatory conditions?

- 2.18 Through our [research⁴](#) we have identified the [Making Every Contact Count \(MECC\)](#) agenda (an approach to influencing behavioural change) as one of potential relevance to Nest. Utility providers are not yet identified as MECC partners but have the potential to influence the wellbeing of their customers in variety of ways, including positively through the provision of affordability assistance and the promotion of financial inclusion.
- 2.19 More specifically, the premise of the MECC initiative is that the millions of routine engagements that organisations have with their client base on a daily basis provide a previously untapped opportunity to pass on (very brief) messages about healthier lifestyles and the importance of maintaining physical and mental wellbeing. The brevity of these exchanges is critical to the success of the initiative, as participation in MECC is not intended to place additional strain on busy professionals or to impinge on the primary purpose of the conversation ([Making Every Contact Count, Public Health England, 2016](#)).

Enquiries

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⁴ Sheffield Hallam University, July 2016, 'Delivering Affordability Assistance to water customers: cross sector lessons.'
<http://www.ccwater.org.uk/wp-content/uploads/2016/07/Delivering-Affordability-Assistance-to-water-customers.pdf>

