



Wales' Warm Homes Programme – simultaneously tackling emissions and fuel poverty

Government: Wales, UK

Region: Europe

Sector: Energy efficiency

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Summary

Through the **Warm Homes Programme**, the Welsh Government aims to eradicate fuel poverty, mitigate climate change, provide job growth and engage with communities and schools in deprived areas to deliver wide community benefits.

The Warm Homes Programme, which includes **Arbed** and **Nest**, is the flagship fuel poverty reduction programme for privately owned and rented residential properties. Both schemes consider a whole house approach to home energy efficiency improvements. This helps to tackle harder to treat homes where the impact of fuel poverty tends to be most severe.

Arbed is an area-based scheme targeting whole areas, streets or estates where it can achieve maximum impact. In its first phase (2009-2012), the Welsh Government invested £36.6 million and worked with social housing providers and local authorities to retrofit homes in deprived communities, with measures including solid wall insulation, solar panels, heat pumps and boiler and heating system upgrades. The portfolio of 28 schemes leveraged an additional £32 million. The second phase, which started in May 2012 and was partly funded by the European Fund for Regional Development (ERDF), delivered energy efficiency improvements to 6,500 homes. In addition, during this second phase, the Welsh Government regularly provided grants for Local Authorities to deliver their own area-based schemes to maximize investments by energy companies, local authorities and housing associations. In May 2018, following a procurement exercise, one single Scheme Manager was appointed to deliver Arbed Phase 3 to 2021.

Nest is a demand led scheme, providing individual households with access to free energy advice and support to reduce their energy bills. Those meeting Nest's eligibility criteria can benefit from a package of free home energy efficiency improvements, including a new boiler, central heating system, insulation and renewable technologies such as air source heat pumps. A qualified Nest energy assessor recommends the most appropriate and cost-effective measures for each property.



23%

of all households in Wales are [living in fuel poverty](#) – which means they need to **spend 10% or more of their net income on energy** to maintain a healthy heating regime

(2016 data)



The Nest scheme, which operated from April 2011 until March 2018, was managed by British Gas, with the main sub-contractor Energy Saving Trust (EST) providing the front-end advice service. Small and medium local enterprises (SMEs) were sub-contracted by British Gas to install agreed energy efficiency measures. Following a procurement process in April 2018, British Gas and EST were successful in retaining the next phase of Nest until March 2023.

Results

- Since 2011, the Welsh Government has invested over [£240 million](#) in its Warm Homes Programme to improve the energy efficiency of over 45,000 homes of those on low incomes or living in the most deprived areas of Wales. Advice was also provided to over 105,000 households.
- The programme has a wide range of economic, environmental and social benefits: the Arbed 2 scheme alone has created around 500 jobs and exceeded its greenhouse gas emissions reduction target of 2,540 tons by the end of 2015.
- The government is continuing to invest in the [Fuel Poverty Data Linking Project](#), to evaluate the impacts of the Nest and Arbed schemes on health outcomes. The latest findings of the project indicate the Nest scheme is having a significant positive effect on respiratory health and a positive impact on emergency hospital admissions

Next steps

The Welsh Government is investing a further £104 million from 2017 to 2021 to improve the energy efficiency of up to 25,000 homes across Wales.

Welsh Ministers have already committed to the development of a new programme of action which will decarbonize homes in Wales by 80% by 2050. This programme is currently being developed using specifically commissioned independent research to provide a strong evidence base. An external Advisory Group made up of key stakeholders is also helping to develop, and later deliver, the programme.

Enabling conditions

The Warm Homes Programme aligns with the wellbeing goals and sustainable development principles associated with the [Well-being of Future Generations \(Wales\) Act 2015](#). The Act requires public bodies, including the Welsh Government, to consider the long term impact of their decisions, work better with communities and take a more joined-up approach – helping to create a more prosperous and sustainable Wales, now and in the future.

The Home Energy Efficiency Scheme Wales Regulations 2011 (amended in March 2018) governs the Nest fuel poverty scheme. To fund Nest, the Welsh Government has leveraged multiple funding streams, including EU funds, Energy Company Obligation (ECO) funding to main national energy suppliers meeting carbon reduction target obligations, and other funds from local authorities and social housing providers.

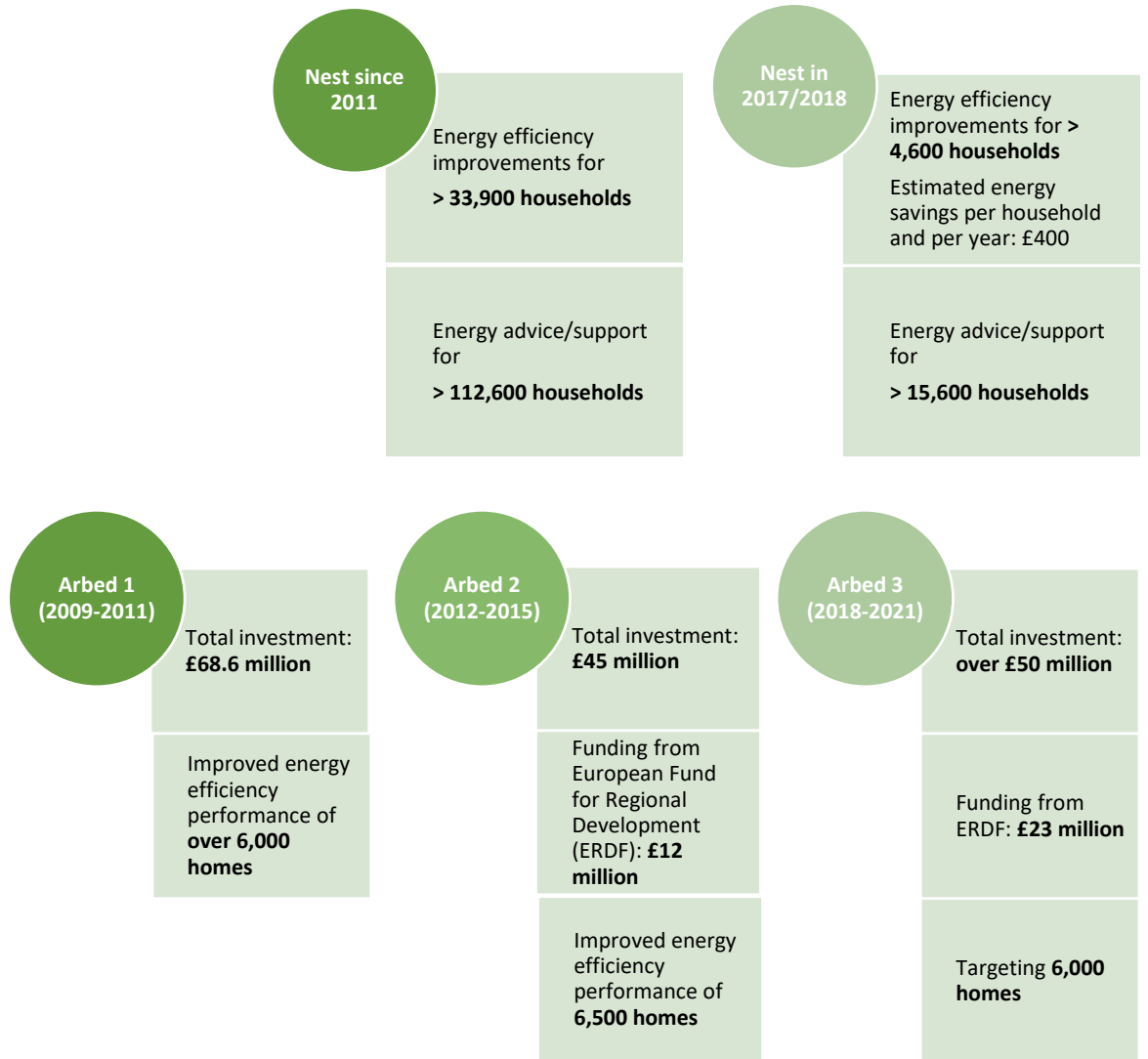
Key lessons learned

Post evaluation programme improvements included:

- Continuing independent Whole House Assessments (WHAs) to ensure strategic aims focus on social, environmental and economic aspects
- Using robust fuel poverty data alongside analytical tools to identify those in greatest need
- Stimulating the local economy through minimum sub-contract opportunities to SMEs
- Ensuring clear Welsh Government branding and communication channels with householders
- Providing guarantees, paid for by the Scheme Manager, for external wall insulation
- Quality and Audit provision of the Warm Homes schemes.



Detailed results of the Nest and Arbed schemes



More information

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