



Ein cyf/Our ref MA/LG0864/21

Mike Hedges MS  
Chair  
Committee for Climate Change, Environment and Rural Affairs

2 March 2021

Dear Mike

Today, I have made a statement in the Senedd regarding the new plan to tackle fuel poverty. I wish to put on record my sincere thanks to you and the Climate Change, Environment and Rural Affairs Committee for the excellent work undertaken during the inquiry on fuel poverty in Wales. The recommendations published in April have provided the backbone of the new plan I am about to publish.

One of the recommendations made by the committee was the Welsh Government should adopt a more appropriate definition of fuel poverty: one that more accurately reflects the lived experience of fuel poor households in Wales. As its starting point, the Committee suggested the Welsh Government should consider the 'residual income' approach, learning lessons from England and Scotland. The recommendation said this work should be undertaken in conjunction with relevant stakeholders and be completed within 12 months of the publication of the report.

In my response, I agreed the definition and measures used to assess fuel poverty should be appropriate for the people of Wales. Any measure needs to take into account the transient nature of fuel poverty. I agreed to give the matter further consideration, subject to the outcome of the public consultation on the new plan to tackle fuel poverty. In the consultation, stakeholders were asked whether the current definition of fuel poverty should continue to be used, or whether an alternative definition should be adopted.

The Warm Homes and Energy Conservation Act 2000 defines a person is to be regarded as living "in fuel poverty" if a member of a household is living on a lower income in a home which cannot be kept warm at reasonable cost. This definition continues to apply to England and Wales but not Scotland.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

By contrast, Section 2 of the Fuel Poverty (Targets, Definition and Strategy)(Scotland) Act 2019, now defines a household in Scotland as being in fuel poverty if after having paid its housing costs, it would need more than 10% of its remaining net income to pay for its reasonable fuel needs, and having paid for its reasonable fuel needs, its childcare costs and its housing costs, this then leaves the household unable to maintain an acceptable standard of living. This method is known as the residual income method.

A majority of respondents in our consultation agreed the current definition of fuel poverty in the 2000 Act should be retained in Wales, whilst 16% of respondents suggested an alternative, such as the Scottish definition should be adopted. Supporters suggested it remains relevant and is more easily communicated and understood. There was, however, a note of caution. ***“The definition must ensure that it is not based on actual energy payments due to the fuel poor households that may be under heating their home and are therefore stopping themselves from paying more than 10% (even though in reality they should be spending more to be able meet their heating requirements)”***. This risk of under-heating, self-disconnection and self-rationing was a persistent theme throughout the consultation exercise.

I have considered the recommendation made by the committee and the representations submitted by respondents to the public consultation. I accept there are advantages and disadvantages whichever measure is adopted. On balance and in consideration of all the representations made to me on this point, I have concluded the current definition of fuel poverty used in relation to Wales, should be retained.

Regards,

A handwritten signature in grey ink that reads "Lesley Griffiths". The signature is written in a cursive, flowing style.

**Lesley Griffiths AS/MS**

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig  
Minister for Environment, Energy and Rural Affairs