

Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: SF/CS/0454/15

Alun Ffred Jones AM
Chair
Environment and Sustainability Committee

18 March 2015

Dear Alun Ffred,

Further to the email from the Committee Clerk on 10 March, I am delighted to provide a response to the action points raised during my recent appearance before the Committee.

During the scrutiny session I agreed to provide further information on issues regarding the prices paid by Gypsies and Travellers for energy and water, a clarification of self-reporting methods in Nest and also the introduction of legislation to restrict the size of fishing boats in the 0-6 nautical mile area. The specific actions raised by the Committee, together with my responses, are available in Annex 1.

During the session, I also stated that I would update the committee with a timetable on Marine and Fisheries priorities and if available, an update on discussions about the increase in abstraction licences by NRW for water use and energy generation and a solution based on proportionate cost (scale vs. cost).

I will be submitting a written statement in the coming days which will set out my priorities on marine and fisheries matters and when they will be delivered, as well as updating the November 2013 Wales Marine and Fisheries Strategic Action Plan.

With regards to the abstraction licences, historically the cost of abstractions for hydro schemes has been subsidised by grant in aid. Moving to cost recovery is a more appropriate charging model for the longer term and NRW are shortly to submit their first charging scheme for my approval.

I am aware that significant work has been undertaken on streamlining NRW's abstraction application process and in particular they have been working with the hydropower sector to develop a tiered charging scheme for the charging period 16/17 which they consider would be a fair approach to setting application fees. They are now collecting this data to support the development of a tiered scheme over the next 6 months.

In the meantime I will be considering whether I am able to provide some additional funding so that NRW are able to reduce the impact of the abstraction charge in 2015/16 on applicants for smaller hydro schemes.

I trust that I have addressed the Committee's queries in full and I look forward to working closely with you in the future.

Yours sincerely

A handwritten signature in black ink, appearing to be 'C. Sargeant', written in a cursive style.

Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources

Actions points arising from the Environment and Sustainability Committee Scrutiny Session of 4 March 2015

- 1. Write to the Committee with regard to the prices paid by Gypsies and Travellers for energy and water, including how they could benefit from the Nest and Arbed programmes***

Energy Efficiency Schemes

Gypsies and Travellers are already able to access advice and support under our Energy Efficiency Programme, which includes the Nest and Arbed schemes and grant funding for local authority area-based schemes to leverage ECO funding into Wales.

A number of Gypsy and Traveller households have already benefited from advice and free home energy improvements under the Nest scheme. It is for local authorities to determine which properties in their area to include in proposals for Arbed or grant funding, and if they were to include Gypsy and Traveller properties, the scheme would be evaluated in exactly the same way as any other proposal.

While our energy efficiency programme is one option, local authorities can also bid for funding under the Sites Capital Grant. Responsibility for this funding does not sit within my Ministerial portfolio, it sits with the Minister for Communities and Tackling Poverty. My officials are working closely with colleagues leading on policy for Gypsy and Travellers.

In January, my officials arranged for an energy advisor from SSE to undertake an event in Pembrokeshire for residents from the local Gypsy and Traveller community to learn more about their energy use and how to reduce their energy bills. The event was held in the local school, but disappointingly, none of the Gypsy and Traveller residents attended the event. Representatives from the Unity Project, who are working with the residents, did attend and will hopefully pass on the knowledge they have gained to the residents.

My officials will continue to work with colleagues across Welsh Government to ensure that we do everything we reasonably can do to help Gypsy and Traveller communities to reduce their energy use and energy bills.

Water

The Task and Finish Group on water supply to Gypsy and Traveller site pitches was set up to look at the issues and try to reach an agreement regarding the development of future sites to ensure that the correct infrastructure to allow individual water supplies will be installed prior to their opening.

During the process, further work was identified for both the local authorities and the water companies, to help improve affordability for residents. This includes actions on better management of the sites by some local authorities and the development of education campaigns around water efficiency.

The Group has provided officials with comments on the draft Welsh Government guidance regarding Managing and Designing Gypsy and Traveller sites, to ensure sites are designed to allow residents to take control of their water usage more efficiently and effectively, ultimately, reduce water bills.

I have written direct to Julie Morgan AM with further details on the progress made by the Task and Finish group.

The Task and Finish Group will host a final session in April 2015 and I would be happy to write to the committee in due course outlining any further agreement or proposals reached.

2. Clarify the meaning of 'self-reporting' in relation to Arbed and Nest.

The Welsh Government uses self-reporting in the evaluations of the Nest and Arbed schemes to provide feedback from beneficiaries on their perception of whether the advice and / or home energy improvements they received under the schemes has had a positive difference.

Some of the questions we use for this form of self reporting include:

- whether the warmth of the beneficiary's home prior to receiving advice and / or improvements impacted on the way they used their home and their heating
- whether the advice / improvements received have affected their fuel bills and if they are able to estimate what they spend on fuel now compared to before the intervention
- whether they have experienced other benefits such as feeling happier or healthier in their home
- whether they experienced any problems and if their overall experience could be improved in any way

The other form of self-reporting used by Welsh Government is under the Nest scheme, where applicants are asked if they will provide information on their household income (by income band) and their fuel bills. Eligibility for free home energy improvements under Nest uses receipt of means tested benefits and an energy inefficient property, which is considered to be a good proxy for fuel poverty.

Collecting self-reported data on income and energy bills provides another indication of the likelihood of the applicant's household living in fuel poverty or severe fuel poverty, but is difficult to verify. In addition, information on income levels and energy bills is not a requirement for receiving support so not all applicants agree to provide this information.

I am happy to consider the benefits of increasing the use of self-reported data in our energy efficiency and fuel poverty schemes in future, but as the independent report on the Nest scheme has highlighted, self-reported data has its limitations. Participants may not give accurate responses and there may be bias in the answers they give, and these limitations will increase when looking at long term impacts.

3. Update the Committee on the introduction of legislation to restrict the size of fishing boats in the 0-6 nautical mile area.

On 11 February 2014, the then Minister for Natural Resources & Food announced his intention to proceed with the proposal to remove the Historic Access Rights for fishing boats in the 0-6 Nautical Mile area of Welsh Waters as soon as possible and that it would need to be notified to the European Commission in accordance with the Technical Standards Directive (Directive 98/34/EC) ("TSD") with a three month standstill period.

That period has now closed and no objections were raised. I intend to announce shortly how I intend to proceed on this matter.