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Warm Homes Nest scheme: annual report 2023 to 2024

How the Warm Homes Nest scheme has made households in Wales warmer and more energy efficient between 2023 and 2024.

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version.

Ministerial Foreword

This report period remained challenging with energy costs remaining significantly higher than pre-crisis levels with the war in Ukraine continuing to provide uncertainty over fuel supplies. This has resulted in a continuing energy and cost-of-living crisis impacting the most vulnerable in our society. Our Nest scheme has never been more important in improving the energy efficiency of our homes.

The Welsh Government committed to this initiative with an investment of £39.3 million in 2023-24. This brings our total funding for the Scheme to over £251 million since its inception in 2011. The Welsh Government is dedicated to supporting vulnerable households across Wales. These investments have not only supported energy efficiency improvements in owner-occupied and privately rented homes but have also provided essential relief to those most in need. By focusing on low-income households and deprived areas, Nest has helped over 66,000 families reduce their energy bills, while also improving their health and wellbeing.

We know that greener and warmer homes can lead to more money in people's pockets. I am pleased to see over the past year, Nest provided energy-saving advice to up to 13,000 households and delivered comprehensive home energy improvements to over 4,800 homes. These measures saved households on average £595 per year on energy bills and contributed to a reduction in carbon emissions. Benefit entitlement checks also identified on average £4,200 potential gain per household, highlighting the wider impact of Nest.

In the financial year 2023-2024, Nest also enhanced its outreach efforts. It adopted data insights to refine communications and engage with vulnerable households through direct mail, digital advertising, and partnerships with health boards, charities, and community organisations. By customising support to individual needs, Nest ensured assistance reached those most in need.

Nest's commitment to enhancing the quality of life for residents across Wales has also led to tailored advice on water efficiency, financial management, and access to other support services, including Care & Repair agencies, Warm Home Discounts, and Fire and Rescue. Reflecting on the past year's successes, it is clear Nest has delivered essential financial benefits while fostering a sense of community and support.

On 1 April 2024 we launched the next iteration of the Warm Homes Programme and ensured there was no gap in provision between the previous and the new Programme. Nest will continue to be Welsh Government's primary mechanism for tackling fuel poverty. The new scheme places a stronger emphasis on low-carbon technologies which align with the Welsh Government's ambitions for a net-zero future. Nest continues to be a cornerstone in the fight against fuel poverty in Wales, providing essential support to the most vulnerable and laying the foundation for a more sustainable and equitable future.

About Nest

Welsh Government Warm Homes Nest scheme provided energy efficiency improvements to low-income households and those living in areas of deprivation across Wales.

From 2011-2024, Welsh Government invested in excess of £251 million in the scheme, with £39.3 million spent in 2023-24. This investment supported the energy efficiency of owner occupied and privately rented housing stock across Wales, and helped to reduce fuel bills and improve the health and wellbeing of households most in need.

Our priorities were to:

Provide households with free, impartial advice and signpost to a range of

support services;

- Support eligible households with a package of free home energy measures;
- Work with a range of partner organisations and ensure the scheme reached the most vulnerable households in Wales; and
- Support Welsh Government's Fuel Poverty Strategy to help people struggling to meet the cost of their domestic energy needs.

Our successes:

In 2023-24, the scheme provided:

- Free and impartial energy saving advice to 12,809 households;
- A home energy improvement package, such as a central heating system, a boiler, insulation, solar panel PV or an air source heat pump, to 4,816 households;
- A modelled average energy bill saving of £595 per year;
- Benefit entitlement checks resulting in a £4,233 average potential benefit take-up per household; and
- 100% of installations completed by Wales-based installers.

The 2023-24 Nest scheme was managed by British Gas, working with Energy Saving Trust, on behalf of the Welsh Government.

Reaching vulnerable households

Customer analysis and data insights, developed since Nest began in 2011, were used to inform marketing, to ensure appropriate communication reached the customers most in need.

This included:

promotion of the Nest website with 152,865 users during 2023-24;

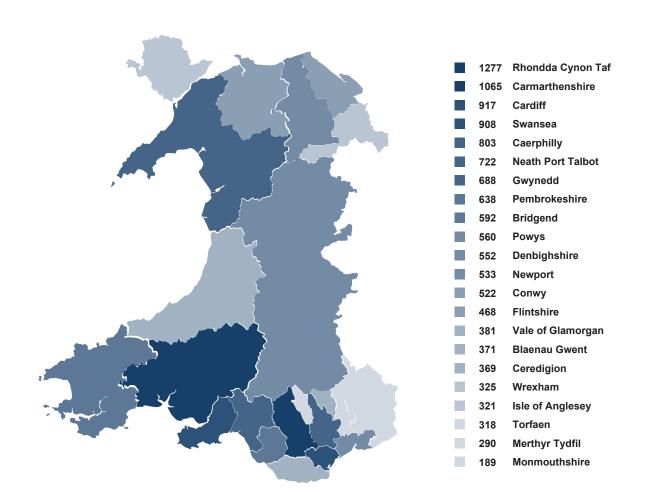
- a direct mail campaign which reached 50,662 vulnerable households in Wales;
- paid Facebook and Google adverts targeted at eligible customers throughout Wales; and
- supporting health boards, charities, and community organisations across
 Wales to reach households which may benefit from our advice and support.

Advice and support

In 2023-24, Nest provided 12,809 households with tailored advice and support.

Every customer who called the Nest helpline received tailored advice and support from our advice team to ensure they received the most appropriate help to match their specific needs. This included energy saving and water efficiency advice, a package of free home energy efficiency improvements, and signposting and referrals to a range of support services.

Number of households supported within each local authority 2023-24



Map 1. Number of households supported within each local authority 2023-24

Third party support

Nest referred households to other organisations to provide further support where

appropriate.

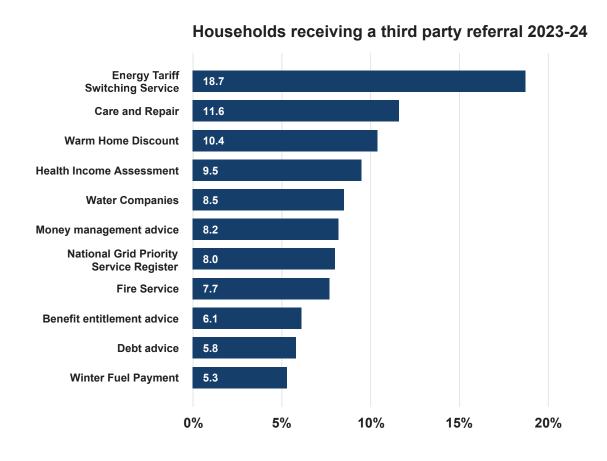


Chart 1. Households receiving a third party referral 2023-24

Benefit Entitlement Checks

During the year, 155 households were found to be eligible for new or additional benefits averaging £4,233 per household. This equates to £656,115 in benefit take-up during 2023-24.

Care & Repair Services

Care & Repair agencies provided a range of services to help older people live in homes which are safe, secure, and appropriate to their needs. Nest signposted and referred 414 households to Care & Repair in 2023-24, with 192 of householders using the caseworker service.

Warm Home Discount

In total, 2,041 customers were referred to their energy supplier for the Warm Home Discount in 2023-24.

Fire and Rescue Services

Nest referred 1,518 customers to Fire and Rescue Services across Wales of which 205 received a free home fire safety check.

Water Companies

Nest referred customers to affordability schemes from Dŵr Cymru Welsh Water which included HelpU, Water Direct, Customer Assistance Fund and Water Sure. During 2023-24, 1,675 customers were referred, with:

- 44 customers benefiting from HelpU;
- 22 customers benefiting from Water Direct;
- 76 customers benefiting from Customer Assistance Fund; and
- 23 customers benefiting from Water Sure.

Money management advice

1,612 customers received money management advice in 2023-24 and an additional 1,138 customers received debt management advice.

Home energy improvement packages

Welsh Government's Warm Homes Nest scheme helped households in fuel poverty by reducing energy bills through free energy efficiency improvements in the home.

Customers who contacted Nest for advice and support were assessed for their eligibility to receive a package of free home energy efficiency improvements.

The criteria for home improvements were:

- A household member was in receipt of a means-tested benefit and the property was privately owned or rented with an indicative energy rating of E, F or G: or
- A household member was living with a health condition (in a D, E, F, G rated privately owned or rented property) and was in receipt of an income below defined thresholds.

Health criteria data

A total of 31,078 households were assessed through the health criteria between July 2019 and the end of March 2024 having failed to meet the scheme's means tested benefit criteria. Of these, 14,571 (46.9%) met the health condition and

property criteria and were referred for an income assessment with 8,107 (26.1%) passing the income assessment and therefore meeting all health criteria – 6,564 of these households had measures installed.

Many health criteria referrals were vulnerable households:

- 72.9% aged 60 years old or more;
- 70.0% in single income households aged 60 years old or more;
- 19.9% in two adult households aged 60 years old or more;
- 70.0% of households were living in a property with an energy efficiency rating of E, F or G;
- 30.0% of households were living in a property with an energy efficiency rating of D;
- 71.1% of households had an income below 80% of the income thresholds;
 and
- 23.2% less than 50% of the income threshold.

Home energy improvement package installation process

Nest worked in partnership with Rent Smart Wales to ensure all private landlords were officially registered before being allowed access to support from the scheme for their rented properties.

A fully qualified assessor:

- visited the customer's home to complete a whole house assessment;
- identified the most appropriate and cost-effective measures for the property;
 and
- confirmed the eligibility of the customer.

The Nest team ensured all required permissions and consents (landlords, planning etc.) and third-party requirements (gas connections, asbestos removal etc.) were completed prior to agreeing the installation dates with the customer.

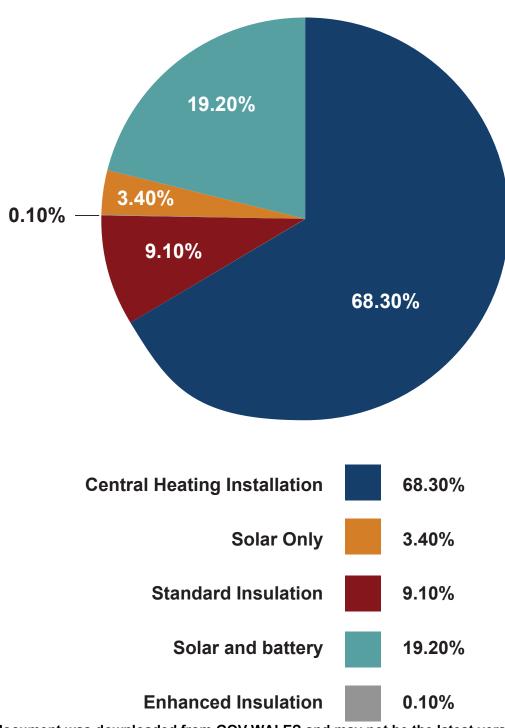
A network of Wales-based installers provided the installation services under the management of the Nest team. An inspection was undertaken of the completed installation package and remedial work of any identified defects was completed quickly and effectively.

Nest home energy efficiency improvement packages were designed for individual properties, so there was no standard package of measures, but it could have included a new boiler, central heating system, or loft insulation and some may have included newer technologies like solar panel PVs, air source heat pumps and external wall insulation.

Home energy improvement measures installed by Nest as percentages

Туре	Percentage
Central Heating	68.3%
Solar + Battery	19.2%
Standard Insulation	9.1%
Solar Only	3.4%
Enhanced Insulation	0.1%

Types of measures installed 2023-24



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Type of off-gas measures installed 2023-24

The majority of home energy improvements were for natural gas fuel (78.88%). The installation rate of other fuel types are shown in the chart below:

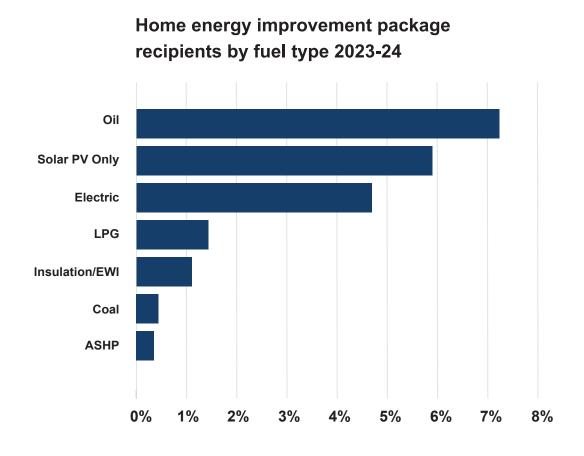


Chart 3. Home energy improvement package recipients by fuel type 2023-24

Household and property characteristics

Nest aimed wherever possible to bring people out of fuel poverty.

During the initial application process, householders were asked to confirm their income. This information was assessed against modelled running costs for their household. This allowed the Nest Advice Team to assess whether the customer was living in fuel poverty.

Households who were spending over 10% of their income on energy bills were regarded as living in fuel poverty, with households spending over 20% classed as living in severe fuel poverty.

Fuel poverty profile

Prior to receiving home energy efficiency improvements, 64.6% of households contacting Nest were estimated to have been living in fuel poverty. This included 30.6% of households who were living in severe fuel poverty.

Tenure of home energy efficiency improvement package recipients

78.6% of households who received a home energy efficiency improvement package were owner-occupied, with 21.4% of households being privately rented.

Age profile of home energy efficiency improvement package recipients

Just over half of households that received a home energy efficiency

improvement package had an age profile of 60 or over:

- 1.1% were under 24 years old;
- 46.6% were between 24 and 59 years old;
- 17.8% were between 60 and 69 years old; and
- 34.5% were aged 70 or older.

Home energy efficiency improvement package recipients by urban and rural classification

The breakdown by urban and rural classification of customers receiving a home energy efficiency improvement package shows 65.1% of households were living in urban areas and 34.9% were living in rural areas.

Home energy efficiency improvement package recipients by gas connection

The proportion of customers who were not connected to the mains gas grid prior to receiving measures under the scheme was 17.5%.

Home energy efficiency improvement package recipients by property type

The proportion of home energy efficiency improvement package recipients based on property type is as follows:

- 30.4% were mid-terrace;
- 30.3% were semi-detached;
- 13.3% were bungalows;

- 10.2% were detached;
- 9.9% were end-terrace;
- 5.4% were flats; and
- 0.4% were park homes.

Improving energy efficiency

Nest home energy efficiency improvements has delivered estimated energy bill savings averaging £595 per household per year, making a real difference to fuel-poor households.

SAP ratings: an explanation

The Nest scheme calculated the effects of energy efficiency improvements on the homes using a Reduced Data Standard Assessment Procedure (SAP) rating*. The software measures the SAP rating before and after suitable measures are installed. The aim is to install a package of measures to increase the energy rating of a property towards a SAP rating of C where possible and when it is cost-efficient to do so. The actual measures installed were remodelled to account for any amendments to the original package due to technical issues or customers changing their mind.

The Nest assessor established the current SAP rating of the property and the potential SAP rating if a home energy efficiency improvement package was installed. Band A properties are very energy efficient and will have the lowest running costs whereas band G properties have poor energy efficiency ratings and consequently will have higher running costs to maintain the same standards of heating and lighting.

Benefits are based on modelled outcomes and the actual reductions and

savings will depend on the individual customer's behaviours. It is often the case households in fuel poverty do not heat their homes effectively and therefore, in some cases the benefit to the customer will be increased comfort and wellbeing through the ability to heat the home more effectively rather than a reduction in fuel bills.

*RdSAP and SAP – The Standard Assessment Procedure is the UK Government's methodology for assessing and comparing the energy and environmental performance of dwellings. The reduced data SAP (RdSAP) was introduced later as a more cost-effective tool to assess existing dwellings.

Changes in SAP rating before and after installation of home energy efficiency improvement packages

SAP rating before installation

The SAP ratings of households before the installation of home energy efficiency improvement packages were as follows:

- 5.6% of households had a SAP rating of E;
- 29.8% of households were rated F; and,
- 64.6% of households were rated G.

SAP rating after installation

The SAP ratings of households after the installation of home energy efficiency improvement packages were as follows:

- 20.2% of households had a SAP rating of C;
- 61.2% of households were rated D:

- 14.9% of households were rated E; and
- 3.6% of households were rated F.

Household savings: cost, energy and carbon dioxide emissions

The table shows the breakdown of modelled energy savings per household receiving measures by local authority, with an estimated average saving of £595 per year or 22,193 megajoules (units of energy) per annum.

It also shows the breakdown by lifetime carbon emission reductions for households receiving a home energy efficiency improvement package. Total lifetime emissions are modelled to reduce CO2 by over 107,525 tonnes.

Breakdown of modelled energy savings per household receiving measures by local authority

Local authority	Sum of CO2 Lifetime Saving (https://www.gov.walesnull) (tCO)	Average of Energy Use Saving (https://www.gov.walesnull)(megajoules)	Average of Fuel Cost Annual Saving
Blaenau Gwent	3,050	25,109	£461
Bridgend	4,659	20,299	£519
Caerphilly	7,903	23,369	£628
Cardiff	8,196	18,460	£798

Carmarthenshire	8,589	24,647	£661
Ceredigion	5,048	24,558	£753
Conwy	2,910	22,942	£503
Denbighshire	2,956	21,687	£400
Flintshire	2,508	20,674	£403
Gwynedd	5,364	24,612	£699
Isle of Anglesey	2,940	21,803	£649
Merthyr Tydfil	2,392	23,353	£541
Monmouthshire	2,068	22,560	£591
Neath Port Talbot	5,183	21,046	£544
Pembrokeshire	5,741	22,844	£716
Powys	4,972	24,341	£579
Rhondda Cynon Taf	14,711	22,458	£893
Swansea	5,936	20,372	£475

Torfaen	2,052	22,407	£480
Wrexham	2,855	20,835	£469
Newport City Council	3,269	19,607	£442
The Vale of Glamorgan	4,227	20,274	£878

Welsh Government investment

During 2023-24, Welsh Government invested £39.3 million through Nest measures.

Installations of home energy efficiency improvement packages by local authority area against the distribution of fuel poor households by local authority area.

The chart below illustrates the percentage of installations completed by local authority area in 2023-24.

Percentage of installations within each local authority 2023-24

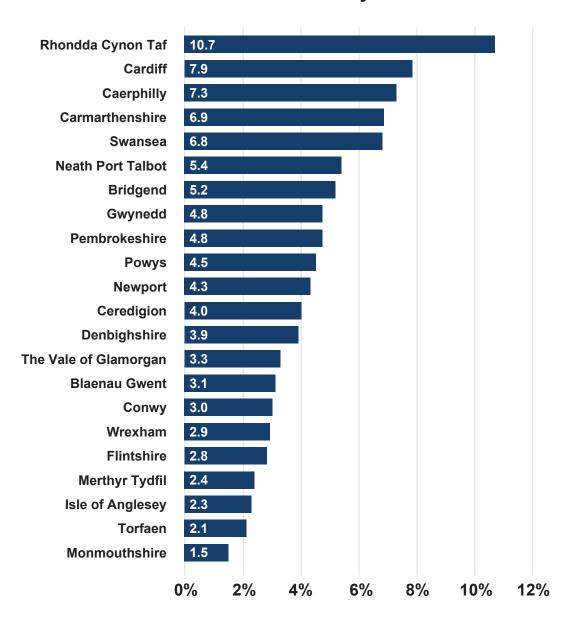


Chart 4. Percentage of installations within each local authority 2023-24

Average spend per household on home energy efficiency improvements by local authority

This chart shows the average spend on home energy efficiency improvements by local authority. The spend is higher in some local authorities due to the number of properties not on mains gas.

Spend by local authority area 2023-24

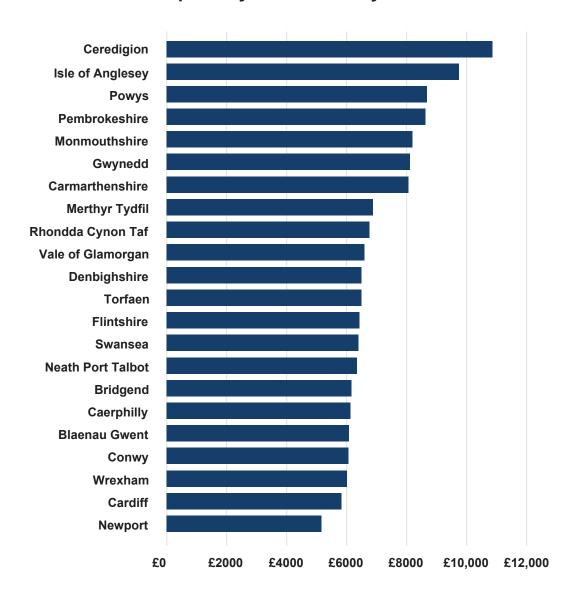


Chart 5. Spend by local authority area 2023-24

Householder satisfaction

Customer satisfaction with Nest has been consistently high over the life of the scheme: 97.8% of customers reported satisfaction with the advice services and installations provided by Nest in 2023-24.

All householders advised by the scheme were issued with a postal survey and asked to rate the service according to their satisfaction. Householder satisfaction was recorded and managed (including any complaints) relating to each stage of the customer journey.

The complaint volume in 2023-24 represented just 1.57% of all customers who received a home energy efficiency improvement package. The vast majority of customers were satisfied with the installation service provided.

Building partnerships across Wales

The Partnership Development Managers (PDMs) worked with a wide range of organisations to help reach vulnerable households with Nest support during 2023-2024. These included:

- all 22 local authorities in Wales;
- Health Boards: Aneurin Bevan Health Board, Betsi Cadwaladr University Health Board, Cardiff and Vale Health Board, Hywel Dda University Health Board and Powys Teaching Health Board;
- Energy and Water companies: Dŵr Cymru, Hafren Dyfrdwy, National Grid, SP Energy Networks and Wales and West Utilities;
- advice agencies: Citizens Advice, Groundwork, Severn Wye Energy Agency and Warm Wales;
- organisations that support older people: Age Cymru, Age Connects and

Care & Repair;

- regional voluntary councils: Ceredigion Association of Voluntary
 Organisations (CAVO), Denbighshire Voluntary Services Council (DVSC),
 Flintshire Local Voluntary Council (FLVC), Gwent Association of Voluntary
 Organisations (GAVO), Pembrokeshire Association of Voluntary Services
 (PAVS), Powys Association of Voluntary Organisations (PAVO), and
 Association of Voluntary Organisations in Wrexham (AVOW);
- services that support customers with health conditions: Hospice of the Valleys, Macmillan, Velindre Hospital Cancer Support team, and Versus Arthritis;
- organisations that support diverse minority ethnic communities in Wales: Newport City Council; and
- food banks across Wales including the Ask Centre and Dewi Sant.

Outreach activity

The PDMs attended several outreach sessions and network meetings across Wales during 2023-2024. Their activity included:

- attending health and wellbeing events with Citizens Advice, DWP, Dŵr Carmarthenshire, Ceredigion and Newport councils;
- visiting Ceredigion, Flintshire, Powys and Wrexham County Borough Council's Warm Hubs throughout winter and providing marketing for service users;
- attending a Senedd Members exhibition event visited by 15 Senedd representatives from across the regions of Wales;
- attending MP and MS events in Powys, Wrexham and Ynys Môn;
- attending International Older Person's Day event with Ceredigion Council and attending winter immunisation clinic events with Hywel Dda Health Board;
- presenting to advisers and staff at local Care & Repair branches, Dŵr
 Cymru, Hafren Dyfrdwy, Warm Wales, Local Citizens Advice and Macmillan;

and

 attending Networking meetings held by Aneurin Bevan Health Board, Cardiff Council, Ceredigion Association of Voluntary Organisations (CAVO), Denbighshire Voluntary Services Council (DVSC), North-East Wales Wellbeing Network, Powys Association of Voluntary Organisations (PAVO), Pembrokeshire Association of Voluntary Services (PAVS), and Betsi Cadwaladr University Health Board.

Attending events

The PDMs attended 272 events and meetings in 2023-2024. This included attending Community Energy Wales Annual Conference, National Energy Action Cymru's Fuel Poverty Conference, and Care and Repair Cymru Annual Conferences. There were a range of health and wellbeing focused events in partnership with local authorities, charities, and support organisations, including the Department for Work and Pensions (DWP), Dŵr Cymru, and Newport City Council.

Delivering training

The PDMs delivered a total of 25 training sessions to organisations which included Adferiad Recovery, Cardiff and Vale Occupational Health staff, Denbighshire Tacking Poverty Group, Dŵr Cymru Customer Vulnerability Team, Gwent Association of Voluntary Organisations, Macmillan, Rhondda Cynon Taf Council, Severn Wye Energy Agency, NHS Velindre Hospital Cancer Support Team, Versus Arthritis and Ynni Llŷn.

Direct mail with local authorities

The PDMs worked with 10 local authorities to deliver direct mailing campaigns to

promote Nest, which reached a total of 50,662 households. These were Caerphilly, Cardiff, Carmarthenshire, Denbighshire, Flintshire, Gwynedd, Neath Port Talbot, Newport, Rhondda Cynon Taf and Torfaen. This was an effective way of reaching vulnerable households at risk of fuel poverty.

Importance of partnership work for Nest

The PDMs continued to work alongside primary partners such as Care & Repair Cymru, Citizens Advice Cymru, Dŵr Cymru, SP Energy, Warm Wales and others to ensure residents in Wales were made aware of how to access available support.

Delivering additional benefits

Our community benefits strategy incorporated and delivered outcomes to:

- generate employment and training opportunities for priority groups;
- · deliver and support educational and equality and diversity initiatives;
- help build capacity in community organisations; and
- support our supply chain development.

Our focus area for 2023-24 was to 'help build capacity in community organisations' and our activities included:

Alzheimer's Society

Nest's Community Engagement Manager is an Alzheimer's Society Ambassador. The Nest team was invited to facilitate 6 Dementia Friends awareness sessions for approximately 120 Health and Social Care Level 2 and 3 students, all of whom also received an awareness of Nest. In addition, we went to 5 Memory Cafes, which were attended by over 75 people.

Caerleon Kindness

The Nest team supported a local group based in Caerleon, Newport. Demographically, this area is not classed as deprived, therefore it did not meet the criteria for a foodbank. However, there was a growing need for families to access food provisions and Caerleon Kindness is trying to bridge that gap.

Nest funded a shipping container for the Caerleon Kindness to operate from; previously the organisation operated outdoors in some extreme weather conditions. Over eight months, the number of families Caerleon Kindness has supported has increased from 140 to over 180 families each week. As their volunteer numbers continue to grow, they can increase their food pantry to two or three times a week.

Abercynon Memorial Pool

A Memorial Pool in Abercynon dating back to 1952 fell into disrepair and had been unused by the community. A group of volunteers came together with the intention of bringing the pool back into use. A decline in volunteer numbers meant the pool was at risk of not opening, therefore, the Nest team and our local contractors agreed to support.

Seven volunteers helped to undertake gardening and general maintenance tasks. The Nest team donated plants, bark, compost, big planters, provided a new microwave and repaired the flooring in the two changing huts.

During the summer of 2023, over 1,800 people were estimated to have visited the pool. Nest has committed to support the group each year, so it remains open

and valuable to the community.

Christmas Appeal

During the winter of 2023, the Nest team supported charities and local groups which included:

Blaenau Gwent Christmas Gift Appeal

This was Nest's fourth year supporting the Family Information Service, and collected 200 new toys and games for children looked after and families known to social services.

Abacare Home Alone at Christmas Appeal

Nest supported 136 service users identified as not having family members and the support of loved ones. They each received a present from Nest from their 'Santa List'. In addition, 4 vulnerable families received tickets to the Celtic Manor's Afternoon Tea with Santa.

Safer Wales

The Nest team donated toiletries, gift sets and self-care items to local Women's Refuges in the Cwm Taf and Cardiff area.

Looking ahead

The Nest scheme has now changed. From 1 April 2024, the new Nest scheme

has a greater focus on low carbon technologies for the home, to support Welsh Government's ambition to make Wales net zero by 2050.

The Scheme will offer all households in Wales free, impartial advice on saving energy and water, income maximisation, lowering your carbon footprint and installing low carbon technology. If eligible, Nest also provides a tailored package of free home energy efficiency improvements such as insulation, a heat pump, or solar panels.

Contact

Visit **gov.wales/nest** (https://www.gov.wales/nest-warm-homes-programme) for more information about the Nest scheme, including how to contact the team.

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For more information refer to our accessibility statement (https://www.gov.wales/accessibility-statement-govwales).