



**Response by the Northern Ireland Fuel Poverty
Coalition to the Department for Communities
'Changes to the Affordable Warmth Scheme'
Consultation**

January 2018



About the Northern Ireland Fuel Poverty Coalition

The Northern Ireland Fuel Poverty Coalition (FPC) was launched on the 1st November 2010 in response to the increasing serious levels of fuel poverty in Northern Ireland. The Coalition's aim is to drive forward the fuel poverty agenda in Northern Ireland in terms of both policy and practical initiatives.

Currently, the Coalition has a membership base of over 100 organisations from across Northern Ireland; representing businesses, environmental groups, trade unions, the health sector, local councils, consumer groups, housing associations, rural support networks, the voluntary sector, student unions, young persons groups, older persons groups and faith groups.

The Fuel Poverty Coalition believes no-one should have to live in a cold home.

The Cold Hard Facts

- Over 300,000 (42%) households in Northern Ireland live in fuel poverty, the highest proportion of fuel poor households in the UK¹.
- 33,000 households are in extreme fuel poverty, needing to spend more than 25% of their income on all household fuel use².
- 640 deaths in 2015-16 across Northern Ireland were directly attributable to vulnerable people living in cold homes³.
- Around 68% of households in Northern Ireland are reliant on Home Heating Oil to heat their homes; an unregulated fuel in terms of price and vulnerable consumer protection.
- Based on a conservative estimate, Northern Ireland domestic energy consumers have contributed well over £150m to the Treasury over the past 5 years⁴.

The Consequences of NOT Addressing Fuel Poverty are Significant:

¹Over 300,000 (42%) households in Northern Ireland live in fuel poverty, the highest proportion of fuel poor households in the UK. op. cit. 2. http://www.nihe.gov.uk/northern_ireland_house_condition_survey_main_report_2011.pdf

²33,000 households are in extreme fuel poverty, needing to spend more than 25% of their income on all household fuel use. University of Ulster, 'Tackling Fuel Poverty in Northern Ireland' June 2013. Pg. 5. http://uir.ulster.ac.uk/27679/1/AWP1_REPORT_FINAL_TYPESET_COPY.pdf

³640 deaths in 2015-2016 across Northern Ireland were directly attributable to vulnerable people living in cold homes. Data taken directly from Northern Ireland Statistics and Research Agency: <http://www.nisra.gov.uk/demography/default.asp32.htm> 30% of total figure directly attributable deaths from cold homes as specified by World Health Organisation research

http://www.euro.who.int/_data/assets/pdf_file/0003/142077/e95004.pdf

⁴Based on a conservative estimate, Northern Ireland domestic energy consumers have contributed well over £150m to the Treasury over the past 5 years. "This calculation is based on estimating the VAT derived from domestic electricity and gas sales in NI. This analysis is based on conservative estimates of household energy consumption, does not include VAT derived from the use of supplementary or secondary heating or any contribution from VAT on non regulated fuels such as domestic heating oil which is clearly the predominant fuel for domestic heating in NI".



- More pressure on health and social care services;
- Shocking numbers of cold-related deaths every winter;
- Stress and mental illness through struggling with fuel debt;
- Social exclusion and isolation arise from living in a cold, damp house; and
- Setbacks to children's education when they cannot study properly in their own home.

The recognised benefits of acting to end fuel poverty are:

1. Reduction in bills and energy arrears can increase spending within poorer communities and local economies;
2. Better living conditions and significant positive impacts on health;
3. Increased internal temperatures will lead to fewer premature winter deaths; and
4. Reduction in bills can lead to less stress and better mental health for occupants.

The Northern Ireland Fuel Poverty Coalition's FIVE KEY PRIORITIES for Action

- **Ensure that current and future schemes are effectively targeted at those who need the most support to reduce their heating costs, and any emerging scheme must ensure that the energy justice principles of the Northern Ireland Sustainable Energy Programme (NISEP) are embedded as a key principle.**
- Make energy efficiency an infrastructure priority to resource a well targeted energy efficiency programme, based on a Whole House Solution, to firstly significantly reduce and then eliminate fuel poverty in Northern Ireland.
- Establish a new fuel poverty strategy. Ensuring that all key departments, organisations and individuals are fully engaged in tackling fuel poverty.
- Save lives by implementing the NICE NG6 guidelines on tackling excess winter deaths.
- Regulate the oil industry both in price and protection of vulnerable consumers, ensuring that they have the same safeguards that natural gas and electricity consumers currently have.

Introduction



In 2014, the Department for Social Development, launched the consultation *From Fuel Poverty to Achieving Affordable Warmth* an area based targeted scheme utilising pioneering technology to identify fuel poor homes. The scheme was launched at a time of prolonged high fuel prices along with the effects of global recession and austerity cuts which undoubtedly increased the number of households in fuel poverty. The Affordable Warmth Scheme remains to be the key tool in alleviating fuel poverty and the value of the scheme is circa £20M per annum which reflects the fact that fuel poverty not only makes people ill and can ultimately kill; the impact has other long term damaging effects on public services and indeed the wider economy.

The Fuel Poverty Coalition (FPC) values the achievements driven by the Department for Communities (DfC) and we particularly value this target centred approach. That said we would like to see many more homes receiving interventions and we call for additional funding to upscale the targets. Additionally, we reiterate our concerns from the 2014 consultation response, that there is the risk of vulnerable families left outside the targeted areas and while the self-referral mechanism is still in place, there is no indication of efforts to capture the outliers. How do individuals and communities know that there is a self-referral option? How are Councils and the Northern Ireland Housing Executive (NIHE) managing or prioritising these self-referrals when they come through the scheme? Much of this detail is missing when we try to scrutinise the operational outworking of the scheme.

Fuel Poverty Coalition Stakeholder Event

Due to the size and scope of the Fuel Poverty Coalition (FPC) we convened a stakeholder event in January to consider the consultation proposals and the broader Affordable Warmth Scheme. The Event was attended by various FPC members including interest groups, industry and the public sector.

This response is based on the feedback from the event and the comments provided are a summary from cross sectoral representatives.



Proposal One: The Department proposes that one installer managing the installation of all measures to the household becomes the preferred delivery method.

There was considerable dialogue around the delivery of the scheme and a number of areas were highlighted which stakeholders felt that could be delivered more efficiently as outlined below.

It was highlighted by a number of participants that the consultation lacked detail around the administration of the current scheme. Areas such as timescales between customer contact, council survey and installation of measures were not available. Also it was disappointing that the review of the scheme carried out after the first year was not made available and we therefore call on the Department for Communities to make this report public as soon as possible.

The scheme is targeted at those most in need and hence it is likely that there is a high number of vulnerable householders who are likely to need support throughout the customer journey. Specific commendation was given to the work carried out by the Councils to assist householders and it was noted that many of the Councils Affordable Warmth Teams were coping with less staff than when the scheme commenced which was having a negative impact on the scheme. This has resulted in significant delays in some Council areas with the result that some households are turning to the NISEP funded grants rather than wait.

There was also concern from industry and others that priority one measures around thermal efficiency was not being adhered to which can be evidenced by the most recent statistics showing the percentage of insulation installations carried out. We call for the Department to reiterate commitment to Priority One.

A number of stakeholders felt that the process was long, confusing and complicated for householders. The onus on the householder of having to appoint a range of installers is very likely to prohibit or curtail householders from progressing through the scheme. It was almost unanimously felt that there should be more handholding for householders and this should potentially sit with an independent managing agent or Hub. This would also mean that there



would be some assurance for the householder throughout the process and indeed after the process if the householder should require follow up work or redress of any type.

The document proposes a single installer to take control however it was felt that this may not necessarily resolve all of the current issues. It was agreed that if an organisation was appointed as a ~~facilitator~~ that this may help with better governance and accountability which should be required to ensure value for money. However it was suggested that the facilitator should not be an installer as they have a vested interest in the works undertaken, rather it should be an independent organisation working in the customers' interest. It was also suggested that should the facilitator be an installer then they are likely to only work with their preferred partners.

A broader point was made that the DfC/NIHE should ensure that any facilitator involved in overseeing or delivering in the process should also be competent in all key areas and this should be underpinned by the necessary industry accreditation and best practice and include:

- Accreditation of installers;
- Advice to householders;
- Technical survey;
- Completion of works;
- Technical inspection;
- Quality control; and
- Householder aftercare.

A significant number of stakeholders felt that the consultation lacked sufficient detail to make a meaningful response. While some data was available on the number of homes and measures provided, there was no evidence of why windows and boilers make up the largest proportion of installations. There was also concern over the low level of measures carried out under *Priority One: Insulation, ventilation and draught-proofing*. Indeed some mentioned the fact that they were told that Priority One was not being carried out under the scheme. **Can the DfC give us assurances the four priorities as per the scheme design are still intact?**



Other concerns were raised on the technical survey and lack of transparency in this area. Some attendees called for more information on what type of testing and analysis carried out within each house is carried out? Are borescopes carried out with every cavity wall home?

It was stated that installers were not approved by the NIHE, and whilst the grant is not paid until the completed work is deemed satisfactory, it was felt that this was not a robust system. Some felt that any installer looking to partake in this scheme should be obliged to have appropriate training and accreditation. There is no evidence that installers require this accreditation (such as Gas Safe/OFTEC) and associated accreditation for insulation and ventilation. It was stated that this aspect needed immediate attention. The need for checking adequate ventilation was stressed as vital following any energy efficiency measures installed. The issues at Grenfell regarding materials used were also stressed at another meeting.

Stakeholders also raised the issue of pricing per measure; is this consistent across Northern Ireland? And does it encompass building control fees?

Vulnerable householders

Feedback on vulnerable householders included the need for additional support at the earliest stage possible. Factors were raised such as the need to be kept informed of any upheaval including moving out while work is being undertaken. The timeline for the process can be 12 weeks or more and the responsibility of the householder to deal directly with contractor is not always easy and who does the householder go to for help?

Client protection is crucial as those most vulnerable are wary when trying to pick the right contractors. There have also been tendencies for householders to struggle to get contractors for smaller jobs or only take on certain parts of the work, because they know a contractor will cover one particular measure. Not all installers make an application for building control, so householders have to organise their own building control approval. A house may require multiple installers and not all contractors can deliver this.

Some installers are not willing to undertake the measures due to long delays in receiving payment; this is resulting in only the larger firms undertaking the work.



Some stakeholders felt that the Whole House approach needs to be delivered in a holistic way while others felt that there is not sufficient finance in the budget to complete whole house approach. There was a request for further evidence on administration costs compared with previous schemes and more transparency around timelines.

Finally there was a recommendation of managing the scheme with two agents (similar to the Warm Homes Scheme). There was a view that the purpose of the scheme is not to offer jobs to local installers, but to improve energy efficiency within each household.

Proposal Two: The Department proposes to raise the income threshold to £23,000 for households with more than one adult and reducing it to £18,000 for all single person households.

Some stakeholders felt there was a need for further data on the suggested income thresholds. There were views that the lower income threshold could negatively affect many older people and this lower threshold could cause further disadvantage. However, many welcomed the higher threshold for two or more residents as this would enable more couples to access the scheme that were previously not eligible.

Many felt that it would be more equitable, especially regarding the working fuel poor to be assessed on net income and not gross. It was also important for lone parent families to be assessed under the higher threshold. For those that were previously over the income threshold, there was a recommendation that these households will need to be contacted again by the Councils.

It was highlighted that the algorithm should be rerun to ensure that those households in previous targeted areas passed over due to original eligibility criteria should be revisited if this proposal goes ahead.



Proposal Three: The Department proposes that Disability Living Allowance, Attendance Allowance, Personal Independence Payment and Carers Allowance are not included in the calculator of income for the Affordable Warmth Scheme.

There was a mix of opinions on this issue with many stakeholders in favour of this proposal due to the standard social policy of disregarding most disability benefits. Although some attendees, with frontline experience felt that this policy was unfair. They reiterated the need for all net income to be calculated. As outlined above there was also a recommendation that the Department and/or Councils should go back to those previously targeted that may now be eligible if this proposal is enforced.

Some stakeholders conversely believed that all disposable income should be assessed regardless of the income source. There was evidence of users being confused by the very definition of income with some feeling benefits were not income, but others felt that by the very nature of the targeting aspect, that disability and carers benefits should be disregarded.

Proposal Four: The Department proposes the removal of the additional boiler replacement criteria of a member of the household being over 65 or having a child under 16 years of age being in receipt of Disability Living Allowance.

There was a strong feeling that due to research evidence that cold homes have a greater impact on these particular groups and that this proposal could have unintended consequences for others. Some felt the removal of the criteria may potentially be open to abuse and the demand could drain resources.

Others felt that the proposal was positive but there should still be a priority system in place for these groups and in addition, a priority for the condition of the dwelling. The proposal could make delivery more efficient and cut administrative resources in checking eligibility.



Additional points

- The boilers need maintained; will the Department provide the maintenance upkeep?
- There needs to be more energy advice provided to householders; customers make contact if they think their boiler is broken down and there is no heat coming from the radiators, but the problem is that they just need bled. Who can provide this advice and indeed service?
- Tenants of private rented accommodation need more education on energy efficiency.
- It would be useful to obtain data on the main reasons for not proceeding with the scheme for those who were identified as eligible.

Conclusion

All representatives highlighted the need to get the customer journey right. In the main it was felt that this was lacking in the current delivery but also the lack of clear and transparent information on scheme budgets targets and outcomes was impeding a meaningful commentary in many aspects of the scheme. The scheme was not subject to a public tender so how do we know if this is the most cost efficient delivery model?

It was also agreed that despite the issues highlighted above; the scheme was well intentioned and needs additional resources to tackle the high incidence of fuel poverty in Northern Ireland. The Fuel Poverty Coalition call on Government to make energy efficiency an infrastructure priority and to resource a much wider, targeted energy efficiency programme based on a whole house solution to firstly significantly reduce and then eliminate fuel poverty in Northern Ireland. The Fuel Poverty Coalition looks forward to assisting Government to develop the new Fuel Poverty Strategy which was embedded in the Programme for Government.

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