

Annex 1

Respondent Details	
Company/Organisation:	National Energy Action Northern Ireland (NEA NI)
Designation of organisation: E.g. public sector, not-for-profit, energy supplier, private company	Not-for-profit
Respondent Name:	Lucy Cochrane
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Qu No.	Question	Consent to publish your response (Y/N)
Qu. 1	<p>Are you aware of any energy efficiency schemes that operate in Northern Ireland? If yes, please tell us the schemes you are aware of.</p>	Yes
<p>The following grants can be awarded for energy efficiency measures including insulation and heating upgrades:</p> <ul style="list-style-type: none"> • Affordable Warmth Scheme; • Northern Ireland Sustainable Energy Programme (NISEP); and • Boiler Replacement Allowance. <p>There are a number of advice and information initiatives such as:</p> <ul style="list-style-type: none"> • HeatSmart; • Local initiatives e.g. local council and PHA keep warm packs; and • Some Northern Ireland Housing Executive (NIHE) home improvement grants encompass energy efficiency. <p>NEA NI promotes and targets the most appropriate grants to low income and fuel poor homes and the vulnerable.</p> <p>We work through a range of intermediaries to do this, including the voluntary and community sectors, the statutory and private sectors.</p>		
Qu. 2	<p>Are you familiar specifically with the Northern Ireland Sustainable Energy Programme (NISEP)? If so, tell us did you:</p> <ol style="list-style-type: none"> a) design/bid for funding for a scheme b) provide advice to someone applying for energy efficiency work to their property c) carry out work as a contractor/installer for a NISEP scheme d) receive energy efficiency measures to your property? e) other <p>If you did not participate in/avail of NISEP, was there a particular barrier to stop you?</p>	Yes
<p>NEA NI is very familiar with the NISEP, and back in 2002 we successfully worked with the Northern Ireland Assembly to establish the principle to ring-fence 80% of the Levy to households in fuel poverty. This socially progressive model has been the envy of others throughout the United Kingdom, and as such, NEA NI wishes to maintain and sustain the principle in any emerging energy efficiency scheme for Northern</p>		

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	<p>Ireland.</p> <p>While we receive no funding from the NISEP, NEA NI works with other key partners to target the NISEP (formerly the Levy) funding to low income households and have done so since its inception in 1997.</p> <p>We have promoted the scheme throughout the country and with support from the Public Health Agency (PHA), we have designed a programme specifically for fuel poor homes which has utilised the NISEP and the government statutory schemes, such as the Warm Homes Scheme and the now Affordable Warmth Scheme. This programme, namely Northern Exposure, has also enabled us to work directly with the health sector and community sector to raise awareness of fuel poverty and identify appropriate pathways to target households for energy efficiency interventions, where these households would be unable to afford the upfront capital cost. The NISEP has been a vital part of fuel poverty mitigations and an end to this programme without a suitable alternative will cause severe and undue hardship to the poorest homes in Northern Ireland.</p> <p>Northern Exposure also provides a handholding service to assist these households in need. It also enables us to see and understand, the key issues impacting these households. This rich evidence has helped us identify problems and provide some solutions to scheme delivery which can place us in an excellent position to make recommendations for any changes and improvements.</p> <p>Our Energy Justice Campaign (EJC) was established back in 2014 to protect the NISEP, until such time as Northern Ireland had developed a similar energy efficiency scheme which could target homes in fuel poverty. Our position today remains that the NISEP should be retained until a suitable alternative is developed.</p>	
Qu. 3	<p>Have you either directly participated in/availed of any of the other schemes, or provided advice to anyone participating/availing? If yes, tell us which scheme.</p> <p>If you did not, tell us why, and if there were any particular barriers to stop you?</p>	Yes
	<p>As outlined above, NEA NI is a keen advocate of the NISEP. We adhere to the NICE NG6 guidance ‘Excess winter deaths and morbidity and the health risks associated with cold homes’ which outlines guidance for health professionals and voluntary sector practitioners who deal with vulnerable people with health conditions likely to be exacerbated by living in a cold home. We purposefully target those most prone to cold</p>	

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	<p>related illnesses; our project specifically works directly with health professionals on a formal partnership referral basis in order to reach those most vulnerable to cold homes to benefit from the NISEP; this includes people with chronic health problems (particularly cardio and respiratory related), young families and older people. Our project refers hundreds of households to the NISEP each year.</p>	
Qu. 4	<p>Are you familiar with how the NISEP is delivered? If so, what is your opinion of the delivery? Do you think this could be improved? If so, how?</p>	Yes
	<p>As stated above, NEA NI works directly with households and intermediaries to find and fix households in fuel poverty. We work within the existing gross income parameters to do so. These income parameters are £23,000-£28,000 (Single person) and £30,000-£40,000 (Single parent family/Couples/Over 75) – these are slightly more generous than the £20,000 limit for the Department for Communities, Affordable Warmth Scheme. The rationale for the sculpting of these income parameters is a sound principle, however, the operational outworking's of the Affordable Warmth Scheme, such as high demand and limited resource, has meant that households who should be tackled under the Affordable Warmth Scheme would need to wait over a year to be dealt with, if even at all. In these situations, we will place the householder under the NISEP. While this could be seen as a flaw in the scheme, it can equally be viewed as a strength and enables a certain level of flexibility in a sometimes-complex landscape.</p> <p>The level of funding is fixed each year and due to the heating needs and extent of the current housing stock, there is annually unmet need from the popularity of the programme. Announcement of the NISEP schemes are April/May and the funding in some areas has been exhausted by October, indicating the importance of the funding.</p> <p>Our experience of the NISEP is that it is efficient and transparent but there are elements that could be improved upon. With the new GDPR now in place, it is paramount for customer data to be thoroughly protected and processed accordingly, though this has led to some stumbling blocks – therefore a streamlined guide for all managers would be helpful.</p> <p>Given the scale of the numbers being processed, it would also be useful if an efficient update on measures completed for households could be put in place to help us track progress of the programme outputs and outcomes. It would also be helpful to track this alongside the statutory Affordable Warmth Scheme, which targets councils. This could help us pinpoint any geographical disparities, ensuring there are no 'deserts' where vulnerable households are not accessing fuel poverty schemes.</p>	

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Qu. 5	What is your view of how NISEP is funded? (see information within this document)	Yes
<p>The funding arrangement is currently through a Public Service Obligation (PSO), which collects a charge based on kilowatt hour of electricity used by all domestic and non-domestic customers.</p> <p>Raising money via bills is contentious, however, NEA NI managed to ensure that 80% of this fund was targeted at fuel poverty. The lowest income household gets first – enshrining principles of social justice. We disagree with the breaking of the ‘polluter pays’ principle, which would mean the non-domestic sector could be dropped from paying the levy; this sets a dangerous precedent for energy policy. We believe that with a properly designed scheme with targets, that we could have an informed debate on what the potential of the NISEP could unlock for fuel poor homes in Northern Ireland. In the absence of that plan, we recommend that the programme is retained ‘What we have, we hold’.</p>		
Qu. 6	What are the benefits of NISEP? Do you have any case studies you could provide outlining the benefits?	Yes
<p>As the document states, this is ‘the only Northern Ireland policy measure contributing energy savings toward the UK target under the Energy Efficiency Directive’. Energy efficiency is the most sustainable way to tackle fuel poverty and in the current economic climate, energy efficiency is one of the most sustainable ways to tackle fuel poverty. Household income and energy prices are less within the reach of social policy.</p> <p>Please see case studies in final section.</p>		
Qu. 7	What are your thoughts on the eligibility criteria for NISEP funding? Do you think this requires any change? If so, how?	Yes
<ul style="list-style-type: none"> • Continue to target the fuel poor; • Continues to complement the existing schemes; and • Based on the evidence that the existing NISEP is at full capacity within each year, there is a need to consider raising more funding. 		

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Qu. 8	What is your view of the 80% ring-fence for vulnerable customers?	Yes
<ul style="list-style-type: none"> • 100% should be ring-fenced for vulnerable customers; • Low income households pay proportionately more of their income into levy-based schemes, therefore they should be targeted first; and • Other questions the upcoming consultation needs to address is more transparency on other levies such as: <ul style="list-style-type: none"> ○ What levies do we pay? ○ How much of our bill goes on ROC's? ○ How much do we pay from our bill on other policies? ○ Who is exempt from levies? 		
Qu. 9	Should a need be established to continue NISEP (or develop a replacement), do you think there are changes that could be made? If so, please provide detail.	Yes
<p>Yes – the design is required to be needs based. The programme should be run over a longer period, potentially co-terminus with the current price reviews.</p>		
Qu. 10	Do you believe householders/businesses would carry out the energy efficiency work without NISEP? (Please specify if you are talking about domestic or business properties)	Yes
<p>We know that the householders we work with are unable to afford the upfront capital costs of installing energy efficiency measures, nor are they likely to be in the position to obtain loans, which would be less effective and potentially regressive.</p>		

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Qu. 11	<p>What is your view of the importance of NISEP? Is there a need for NISEP, (or a replacement scheme) paid for by customers, to continue to support energy efficiency work in Northern Ireland?</p> <p>If yes, please specify what changes should be made in order to ensure that it is additional to other support programmes, such as Affordable Warmth and/or Boiler Replacement or support available to businesses?</p>	Yes
<p>Yes, there is a need for the NISEP; most current schemes are already depleted within this financial year and there is unmet need indicating that there are still high levels of fuel poverty in Northern Ireland. The latest House Condition Survey reported that fuel poverty is affecting 22% of households in Northern Ireland. This figure is much higher today due to the significant increase in energy prices since 2016, when the House Condition Survey was taken. The NISEP also brings about other key benefits such as reducing carbon emissions, creating jobs and economic growth, reducing pressure on the health service and improving energy security.</p> <p>Private Rented Tenants</p> <p>We would like to emphasise the importance of the NISEP for private rented tenants; this tenure has the highest prevalence of fuel poverty (26%: 2016). The Statutory Affordable Warmth Scheme requires a 50% financial contribution from landlords and statistics show this as a major disincentive. There is currently no legislative requirement for landlords to install a full central heating system and the current legislation falls under the Housing Fitness Standard, which was last updated within the Housing Order (Northern Ireland) 1992. We are unable to mandate landlords to supply full central heating systems without updated legislation. In England the Housing Health and Safety Rating System (HHSRS) provides more robust mechanisms for tenants to negotiate remedial action under excess cold category 1 hazards. In the absence of this legislative requirement, the NISEP should fund essential measures for the eligible private tenants.</p> <p>Health Benefits</p> <p>The recent report published in October 2018 by BRE and NIHE 'The Cost of poor housing in Northern Ireland 2016' on foot of the House Condition Survey showed the savings to the NHS per annum if the hazard of excess cold was mitigated at £14,934,757 and societal savings of £265,943,105. The cold kills and the World Health Organisation (WHO) estimates that 30% of excess winter deaths are attributable to living in a cold home. Most recent figures are 640 in 2015-16.</p>		

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Qu. 12	If you think NISEP should continue, up to what level should electricity customers continue to pay?	Yes
<p>There is a need for a suitable plan which should include a comprehensive analysis on what the energy efficiency needs of the fuel poor are and what the consumer can bear this need.</p> <p>In the absence of such planning we recommend the following:</p> <ul style="list-style-type: none"> ✚ For the retention of the NISEP beyond March 2020; ✚ That it is reviewed and re-sculpted with consideration for the contribution to be scaled up and lifted from other fuels, supported by an action plan with targets to dovetail and complement with other fuel poverty schemes; ✚ That the NISEP remains with the Utility Regulator in order to maintain its separation from other Government programmes, thus protecting it from the rules of 'additionality' otherwise there is a risk that the fund will eventually move and disappear; ✚ That in the medium to long term, the NISEP is run on a 3–5 year cycle coterminous with NIE Network Price Controls, providing transparency and certainty for all involved in the delivery of the Programme. <p>In the longer term, this will provide the opportunity for an ongoing dedicated amount of money to be available in Northern Ireland, which could be targeted at energy efficiency improvements for fuel poor programmes, with the added benefit of reducing carbon emissions and improving sustainability.</p>		
Qu. 13	Are you aware of any research/reports or other information that could help inform UR's equality screening in relation to NISEP? This will include any information of the impact that NISEP has on a range of groups listed in Section 75 of the NI Act. If so, please provide details.	Yes
<p>Considerations for low income poverty as an example the 2016-17. Households below average income supporting data tables provide a full breakdown of indicators associated with various backgrounds pertinent to the range of groups listed in Section 75 of the NI Act. https://www.communities-ni.gov.uk/publications/households-below-average-income-northern-ireland-201617</p>		

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Qu. 14	<p>Are you aware of any research/reports or other information that could inform UR's consideration of the impact NISEP has on the following groups:</p> <ol style="list-style-type: none"> 1) those of different ages (including households with children or with members who are of pensionable age); 2) those with a disability or chronic illness and those without; 3) those who live in rural areas; 4) those on low income? <p>If yes please provide details.</p>	Yes
See above.		
Qu. 15	<p>Are you aware of any research reports or other information that could inform UR's consideration of the impact NISEP has had on business customers? If so, please provide details</p>	Yes
<p>We feel that it should be highlighted that those working for the business sector are also Northern Ireland householders and they too will be able to avail of the NISEP. The NISEP has a multitude of benefits for both domestic and non-domestic sectors.</p>		
	Any additional comments	Yes
<p>The NISEP has contributed a raft of benefits in thermal comfort and carbon savings to households across Northern Ireland in an equitable method.</p> <p>It promotes competition, targets low income and vulnerable households and promotes energy efficiency in a sustainable and environmental manner as laid out in the Energy Order 2003.</p> <p>NEA NI's Northern Exposure project has been making referrals to the NISEP for over a decade. Each year we evaluate the intervention with a number of clients who have been referred to the scheme and report feedback. Below, we have outlined a flavour of our work and impacts that the NISEP funding has delivered to those most in need.</p>		

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<p>Case Studies to NEA Northern Ireland</p> <p>Case Study 1 A client who was living in private rented accommodation for several months throughout the very cold winter of 2017-18 with no heating. Her landlord failed to repair the broken oil boiler and the house was excessively cold. The client was on a very low income of £4,000 per annum and had a number of health problems, including respiratory related. As she was in such exceptional circumstances, a fast track claim for the NISEP was made to replace her boiler. Her home was transformed in the space of a week.</p> <p>Case Study 2 A client with excessive black mould on her walls was referred to NEA NI via Environmental Health, who stated that they had not seen a case like this before. She was a private tenant and was repeatedly informed the mould was due to her behaviour. The client was referred to the NISEP for insulation; after a borescope it was apparent that rubble and damp fibre previously installed were likely responsible for the cause of the damp and mould. The client had a CIGA certificate for cavity wall insulation 15 years prior. A significantly long negotiation with CIGA resulted in an extraction and subsequent new cavity wall insulation.</p> <p>Case Study 3 A client with two sons, aged 14 and 11 years, both of whom have Autism and one also has asthma were identified. The boys needed a lot of heat and the householder said her heating was on <i>“for half the day, from when they get home from school”</i>. The householder had recently changed from oil to gas heating. Through the NISEP, the loft was insulated. She stated that this had made an instant difference to the warmth of her home. The living room was always a very cold room, but post-insulation, Ms M said <i>“it’s not cold now. The boys would be in there, and they love the heat”</i>.</p> <p>She was sure that the previous mould had stopped since the loft was insulated, and there has been no recent mould developing, which she felt was as an additional benefit of having the work done. She could not have afforded to insulate the loft without the assistance of the scheme. Besides the increased comfort, the client was very pleased to note that <i>“my youngest hasn’t had to use his inhaler for the first time. Usually every winter, when the season changes, he needs it and this time he hasn’t”</i>. She said, <i>“his health is definitely better since the insulation”</i>.</p>		

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	<p>Case Study 4</p> <p>A couple, both in their mid-70s, found their home very cold and draughty and made contact with NEA NI's Project Coordinator. Through the scheme, they had both cavity wall and loft insulation installed. There was some preparation to be done before installation, but they considered it <i>"a good opportunity to clear out the loft!"</i>. The insulation has made a noticeable difference to the warmth of their home. The householder added, <i>"Even more than the warmth, it's the feeling of great comfort. The house used to be so cold and draughty and now that's all gone. It has eliminated all the draughts"</i>.</p> <p>The couple were very pleased with their warm and comfortable home and are now considering changing from oil to gas heating. Their boiler is almost 15 years old and in good condition, but they are weighing up the options and speaking to their neighbours who use gas. They have been so pleased with the scheme that they would be happy to recommend it and have become even more energy efficient.</p> <p>Case Study 5</p> <p>A couple who lived in a privately rented property with gas heating contacted NEA NI. Both worked full time, and the householder suffered from asthma. Through the scheme, cavity wall insulation was installed in their home, and she said, <i>"it has made all the difference"</i>. Before having the insulation installed, it was difficult to heat the home and at times they would have had to go without heat because they could not afford to top up the prepayment meter. Post-installation, she says they are <i>"saving about £100 a year"</i> on heating bills, and only sometimes in winter have to be careful with the amount of heat they use. They can now manage to heat their home to a comfortable level without worrying.</p> <p>In addition, the house has dried out since the walls were insulated, and there is no longer a problem with damp and mould – something which can only be beneficial for an asthma sufferer.</p> <p>When asked whether the work would have been done without the assistance of the scheme, the client responded: <i>"I wouldn't have known about it, and I wouldn't have known it would make such a difference!"</i></p> <p>Case Study 6</p> <p>Homeowner mum lives with her three children, two of whom are under 16 years. She works part-time, and all three children are in full-time education.</p>	

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	<p>The oil heating system, which was older than 15 years, had broken down beyond repair and was replaced by gas central heating, resulting in the home feeling much warmer.</p> <p>The change from oil to gas has proved beneficial to the family in several ways:</p> <ul style="list-style-type: none"> • Mum is able to pay monthly for the gas rather than trying to find all the money up front for an oil fill when required; • Monthly payments make paying for fuel more easily affordable; • The more efficient heating system means that much less is now spent on fuel – £10-£15 per week for gas (£520-£780 a year) instead of up to £2,000 a year on oil; • Spending less on fuel means no longer having to have less heating than was comfortable; • Spending less on fuel means not having to do without other things in order to have enough heating; • The damp and mould which was in the home has dried out since installing the new heating system; and • Instant hot water – most noticeable when using the shower. <p>The householder was very pleased with how the work was arranged and completed, and she said the contractors were polite, tidy and good timekeepers. She would not have been able to afford to have the gas heating installed without the scheme, and would recommend the scheme to anyone.</p> <p>Without the assistance of the scheme, she said she “<i>couldn’t have afforded to get the work done</i>” and she is “<i>really pleased with everything</i>”.</p>	